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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 10**

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**GENERAL FORM FOR REGISTRATION OF SECURITIES**  
Pursuant to Section 12(b) or (g) of  
the Securities Exchange Act of 1934

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**GE Healthcare Holding LLC\***  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**88-2515116**  
(I.R.S. Employer  
Identification No.)

**500 W. Monroe Street**  
**Chicago, IL**  
(Address of principal executive offices)

**60661**  
(Zip Code)

**617-443-3400**  
(Registrant's telephone number)

**Securities to be registered pursuant to Section 12(b) of the Act:**

Title of each class  
to be so registered

Name of each exchange  
on which each class is to be registered

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**Common stock, par value \$0.01 per share**

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**The Nasdaq Stock Market LLC**

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Securities to be registered pursuant to Section 12(g) of the Act: **None.**

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

\* GE Healthcare Holding LLC will convert into a corporation and will be renamed GE HealthCare Technologies Inc. prior to the completion of the Spin-Off (as defined in Exhibit 99.1).

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**GE HEALTHCARE HOLDING LLC**  
**INFORMATION REQUIRED IN REGISTRATION STATEMENT**  
**CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT**  
**AND ITEMS OF FORM 10**

This Registration Statement on Form 10 incorporates by reference information contained in the information statement filed herewith as Exhibit 99.1 (the “Information Statement”).

**Item 1. Business.**

The information required by this item is contained under the sections of the Information Statement entitled “Information Statement Summary,” “The Spin-Off,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Our Business,” “Certain Relationships and Related Person Transactions,” and “Where You Can Find More Information.” Those sections are incorporated herein by reference.

**Item 1A. Risk Factors.**

The information required by this item is contained under the sections of the Information Statement entitled “Risk Factors” and “Cautionary Statement Concerning Forward-Looking Statements.” Those sections are incorporated herein by reference.

**Item 2. Financial Information.**

The information required by this item is contained under the sections of the Information Statement entitled “Capitalization,” “Unaudited Pro Forma Condensed Combined Financial Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Index to the Financial Statements,” and the financial statements referenced therein. Those sections are incorporated herein by reference.

**Item 3. Properties.**

The information required by this item is contained under the section of the Information Statement entitled “Our Business—Properties.” That section is incorporated herein by reference.

**Item 4. Security Ownership of Certain Beneficial Owners and Management.**

The information required by this item is contained under the section of the Information Statement entitled “Security Ownership of Certain Beneficial Owners and Management.” That section is incorporated herein by reference.

**Item 5. Directors and Executive Officers.**

The information required by this item is contained under the section of the Information Statement entitled “Management.” That section is incorporated herein by reference.

**Item 6. Executive Compensation.**

The information required by this item is contained under the sections of the Information Statement entitled “Director Compensation” and “Executive Compensation.” Those sections are incorporated herein by reference.

**Item 7. Certain Relationships and Related Transactions, and Director Independence.**

The information required by this item is contained under the sections of the Information Statement entitled “Management” and “Certain Relationships and Related Person Transactions.” Those sections are incorporated herein by reference.

**Item 8. Legal Proceedings.**

The information required by this item is contained under the sections of the Information Statement entitled “Our Business—Legal Proceedings” and Note 14, “Commitments, Guarantees, Product Warranties, and Other Loss Contingencies—Legal Matters” to the audited combined financial statements. Those sections are incorporated herein by reference.

**Item 9. Market Price of, and Dividends on, the Registrant’s Common Equity and Related Stockholder Matters.**

The information required by this item is contained under the sections of the Information Statement entitled “The Spin-Off,” “Dividend Policy,” “Capitalization,” and “Description of Our Capital Stock.” Those sections are incorporated herein by reference.

**Item 10. Recent Sales of Unregistered Securities.**

The information required by this item is contained under the section of the Information Statement entitled “Description of Our Capital Stock.” That section is incorporated herein by reference.

**Item 11. Description of Registrant’s Securities to Be Registered.**

The information required by this item is contained under the sections of the Information Statement entitled “The Spin-Off,” “Dividend Policy,” and “Description of Our Capital Stock.” Those sections are incorporated herein by reference.

**Item 12. Indemnification of Directors and Officers.**

The information required by this item is contained under the section of the Information Statement entitled “Description of Our Capital Stock—Limitation on Liability of Directors and Indemnification of Directors and Officers.” That section is incorporated herein by reference.

**Item 13. Financial Statements and Supplementary Data.**

The information required by this item is contained under the sections of the Information Statement entitled “Unaudited Pro Forma Condensed Combined Financial Statements,” “Index to the Financial Statements,” and the financial statements referenced therein. Those sections are incorporated herein by reference.

**Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

The information required by this item is contained under the section of the Information Statement entitled “Change in GE’s Certifying Accountant.” That section is incorporated herein by reference.

**Item 15. Financial Statements and Exhibits.**

**(a) Financial Statements**

The information required by this item is contained under the sections of the Information Statement entitled “Unaudited Pro Forma Condensed Combined Financial Statements,” “Index to the Financial Statements,” and the financial statements referenced therein. Those sections are incorporated herein by reference.

**(b) Exhibits**

The following documents are filed as exhibits hereto:

<b>Exhibit Numbers</b>	<b>Exhibit Description</b>
2.1	Form of Separation and Distribution Agreement, by and between General Electric Company and the registrant. †
3.1	Form of Amended and Restated Certificate of Incorporation of the registrant.
3.2	Form of Amended and Restated Bylaws of the registrant.
10.1	Form of Transition Services Agreement, by and between General Electric Company and the registrant.
10.2	Form of Tax Matters Agreement, by and between General Electric Company and the registrant.
10.3	Form of Employee Matters Agreement, by and between General Electric Company and the registrant.*
10.4	Form of Trademark License Agreement, by and between General Electric Company and a subsidiary of the registrant. †
10.5	Form of Real Estate Matters Agreement, by and between General Electric Company and the registrant.
10.6	Form of Stockholder and Registration Rights Agreement, by and between General Electric Company and the registrant. †
10.7	Form of Indemnification Agreement.
10.8	Form of Long-Term Incentive Plan.*
10.9	Offer Letter with Peter J. Arduini.*
16.1	Letter of KPMG, dated February 12, 2021.*
21.1	Subsidiaries of the registrant.
99.1	Preliminary Information Statement.
99.2	Form of Notice of Internet Availability of Information Statement Materials.*

\* To be filed by amendment

† Certain portions of this exhibit have been redacted pursuant to Item 601(b)(2)(ii) and Item 601(b)(10)(iv) of Regulation S-K, as applicable. The Company agrees to furnish supplementally an unredacted copy of the exhibit to the Securities and Exchange Commission upon its request.

**SIGNATURES**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

GE HEALTHCARE HOLDING LLC

By: /s/ Robert M. Giglietti

Name: Robert M. Giglietti

Title: President & Treasurer

Date: October 11, 2022

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SEPARATION AND DISTRIBUTION AGREEMENT

by and between

GENERAL ELECTRIC COMPANY

and

GE HEALTHCARE HOLDING LLC

Dated as of [\_\_\_\_], 2022

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CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS SEPARATION AND DISTRIBUTION AGREEMENT HAS BEEN OMITTED BY MEANS OF REDACTING A PORTION OF THE TEXT AND REPLACING IT WITH [\*\*\*], PURSUANT TO REGULATION S-K ITEM 601(B) OF THE SECURITIES ACT OF 1933, AS AMENDED. CERTAIN CONFIDENTIAL INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS: (i) NOT MATERIAL AND (ii) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

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SEPARATION AND DISTRIBUTION AGREEMENT, dated as of [\_\_\_\_], 2022, by and between General Electric Company, a New York corporation (“Parent”), and GE Healthcare Holding LLC, a Delaware limited liability company, to be converted to a corporation and renamed GE HealthCare Technologies Inc. prior to the Distribution Date (“SpinCo”). Capitalized terms used and not otherwise defined herein shall have the respective meanings assigned to them in Article I.

## RECITALS

WHEREAS, the board of directors of Parent has determined that it is in the best interests of Parent and its stockholders to create a new publicly traded company that will operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the board of directors of Parent has determined that it is appropriate and desirable to effect the Separation Transactions;

WHEREAS, (i) Parent (A) has effected or will effect certain restructuring transactions for purposes of aggregating the SpinCo Business in the Parent Group (the “Restructuring”) prior to the Distribution and in connection therewith (B) will contribute, convey, sell or otherwise transfer (or cause its Subsidiaries to contribute, convey, sell or otherwise transfer) the SpinCo Assets to SpinCo and the other members of the SpinCo Group in exchange for (1) the assumption by one or more members of the SpinCo Group of the SpinCo Liabilities, (2) the actual or deemed issuance by SpinCo to Parent of SpinCo Common Stock and the issuance by SpinCo to Parent of the SpinCo Debt Securities, and (3) the SpinCo Debt Proceeds Distribution (clause (B), collectively, the “Contribution”) and (ii) Parent will make the Distribution;

WHEREAS, following the Distribution, Parent may retain up to 19.9% of the outstanding SpinCo Common Stock (the “Retained Stock”) and intends to effect one or more (i) exchanges of the Retained Stock for Parent debt held by Parent creditors, (ii) distributions of the Retained Stock to holders of Parent Common Stock as dividends or in exchange for outstanding shares of Parent Common Stock (a “Subsequent Disposition”) or (iii) dispositions of such Retained Stock (clauses (i), (ii) and (iii), collectively, a “Remaining Disposition”);

WHEREAS, concurrently with or following the Distribution, Parent may effect one or more exchanges of the SpinCo Debt Securities for Parent debt held by Parent creditors (each, a “Debt-for-Debt Exchange”);

WHEREAS, SpinCo has been incorporated solely for these purposes and has not engaged in activities except in preparation for the Spin-Off;

WHEREAS, Parent and SpinCo have prepared, and SpinCo has filed with the Commission, the Form 10, which includes the Information Statement and sets forth certain disclosures concerning SpinCo and the Distribution;

WHEREAS, Parent and SpinCo intend that the Spin-Off qualify for its Intended Tax Treatment;

WHEREAS, Parent has announced its intention to effect, following the Distribution, separation transactions involving certain other businesses of the Parent Group (collectively, a “Subsequent Separation Transaction”), which is currently contemplated to be effected as a spin-off of the Renewable Energy, Power and Digital businesses of Parent into a newly formed public company; and

WHEREAS, it is appropriate and desirable to set forth the principal transactions required to effect the Spin-Off, certain other agreements that will govern certain matters relating to the Spin-Off and the relationship of Parent, SpinCo and their respective Subsidiaries following the Distribution, and certain matters relating to the allocation of rights and obligations under this Agreement and the Ancillary Agreements in connection with a Subsequent Separation Transaction.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

## ARTICLE I

### DEFINITIONS

Section 1.01 Definitions. For the purposes of this Agreement, the following terms shall have the following meanings:

“Action” means any claim, complaint, petition, hearing, charge, demand, action, suit, countersuit, arbitration, inquiry, audit, assessment, proceeding or investigation by or before any Governmental Authority, including any Government Investigation.

“Adversarial Action” means (i) an Action by one or more members of the Parent Group, on the one hand, against one or more members of the SpinCo Group, on the other hand, or (ii) an Action by one or more members of the SpinCo Group, on the one hand, against one or more members of the Parent Group, on the other hand.

“Affiliate” of any Person means a Person that controls, is controlled by or is under common control with such Person. As used herein, “control” of any entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity, whether through ownership of voting securities or other interests, by Contract or otherwise; provided, however, that, from and after the Distribution Date, (i) SpinCo and the other members of the SpinCo Group shall not be considered Affiliates of Parent or any of the other members of the Parent Group and (ii) Parent and the other members of the Parent Group shall not be considered Affiliates of SpinCo or any of the other members of the SpinCo Group.

“Agent” means the distribution agent appointed by Parent to distribute to the Record Holders, pursuant to the Distribution, the shares of SpinCo Common Stock held by Parent.

“Agreement” means this Separation and Distribution Agreement, including the Schedules hereto.

“Ancillary Agreements” means the Master Ancillary Agreements and any other instruments, assignments, documents and agreements executed or to be executed between one or more members of the Parent Group, on the one hand, and one or more members of the SpinCo Group, on the other hand, in each case in connection with the Restructuring and the implementation of the transactions contemplated by this Agreement (including any Real Estate Separation Document, any Local Transfer Agreement and any other agreement or instrument executed by one or more members of the Parent Group and one or more members of the SpinCo Group for the purpose of transferring or conveying Assets or Liabilities in order to effect the transactions contemplated hereby, but excluding any agreement entered into between one or more members of the Parent Group, on the one hand, and one or more members of the SpinCo Group, on the other, governing commercial relationships between the two Groups following the Distribution, including those listed on Schedule 1.01(a)).

“Arbitral Tribunal” has the meaning set forth in Section 11.03(a).

“Assets” means all assets, Contracts, properties and rights of every kind and nature (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), whether real, personal or mixed, tangible or intangible, or accrued or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

“Available Insurance Policies” means the insurance policies listed on Schedule 1.01(b) under the caption “Parent Available Insurance Policies.”

“Cash Management Arrangements” means all cash management arrangements pursuant to which Parent or any of its Subsidiaries automatically or manually sweep cash from, or automatically or manually transfer cash to, accounts of SpinCo or any member of the SpinCo Group.

“Commission” means the U.S. Securities and Exchange Commission.

“Consents” means any consents, waivers, authorizations, ratifications, permissions, exemptions or approvals from or to any Person.

“Contract” means any oral or written contract, agreement or other legally binding instrument, including any note, bond, mortgage, deed, indenture, commitment, lease, sublease, license, sublicense or joint venture agreement.

“Contribution” has the meaning set forth in the Recitals hereof.

“Credit Support Instruments” has the meaning set forth in Section 3.01(a).

“Customary Offering Actions” means all actions by SpinCo that are requested by Parent to assist with respect to the consummation of the Distribution, a Remaining Disposition or Debt-for-Debt Exchange, as applicable, and any transactions in connection therewith, including:

(i) participating in meetings, presentations and due diligence sessions, (ii) assisting with the preparation of materials for presentations, memoranda and similar documents required in connection with any such transactions, (iii) providing any financial information and other information about SpinCo and its Subsidiaries reasonably requested by Parent and (iv) authorizing and directing SpinCo’s auditors to provide customary cooperation, including comfort letters and authorization letters, in connection with any such transactions.

“D&O Policies” has the meaning set forth in Section 8.06.

“Debt-for-Debt Exchange” has the meaning set forth in the Recitals hereof.

“Decision on Interim Relief” has the meaning set forth in Section 11.03(e).

“Delayed Asset” has the meaning set forth in Section 2.01(d).

“Delayed Liability” has the meaning set forth in Section 2.01(e).

“Disbursement” has the meaning set forth in Section 2.03(d)(iii).

“Dispute” has the meaning set forth in Section 11.02.

“Dispute Notice” has the meaning set forth in Section 11.02.

“Distribution” means the distribution by Parent to the Record Holders, on a pro rata basis, of at least 80.1% of the outstanding shares of SpinCo Common Stock held by Parent.

“Distribution Date” means the date, determined by Parent in accordance with Section 5.03, on which the Distribution occurs.

“EHS Law” means any Law or Governmental Approvals relating to (i) pollution, or protection of the environment, natural resources or human health and safety, (ii) the transportation, treatment, storage or Release of, or exposure to Hazardous Materials or (iii) the registration, manufacturing, sale, labeling, distribution, recycling or take back of Hazardous Materials or products containing any such materials.

“EHS Liabilities” means all Liabilities relating to, arising out of or resulting from any applicable EHS Law or Governmental Approvals required or issued thereunder, including any Liabilities (including Remedial Actions, Third-Party Claims and contractual obligations) relating to, arising out of or resulting from any (i) compliance, or any actual or alleged non-compliance, with any EHS Law, (ii) any actual or alleged presence or Release of, or exposure to, Hazardous Materials in the environment, (iii) any actual or alleged personal injuries, property or natural resource damages, financial assurance obligations, or contractual obligations relating to any of the foregoing clauses (i) and (ii); and (iv) any Remedial Action or similar activities related to any of the foregoing clauses (i), (ii) and (iii).

“EHS Liabilities Discovered Post Distribution” means any EHS Liability subject to indemnification pursuant to Section 6.02 or Section 6.03 of this Agreement that is not a Known Environmental Liability.

“EMA” means the Employee Matters Agreement to be entered into by and between Parent and SpinCo prior to the Distribution Date in connection with the Separation Transactions.

“Emergency Arbitrator” has the meaning set forth in Section 11.03(e).

“Exchange” means the NASDAQ.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, together with the rules and regulations promulgated thereunder.

“Final Determination” has the meaning set forth in the TMA.

“First Post-Distribution Report” has the meaning set forth in Section 11.13.

“Form 10” means the registration statement on Form 10 filed by SpinCo with the Commission to effect the registration of SpinCo Common Stock pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time.

“Former Business” means any corporation, partnership, entity, product line, division, business unit or business, including any business within the meaning of Rule 11-01(d) of Regulation S-X (in each case, including any assets and liabilities comprising the same) that has been sold, conveyed, assigned, transferred or otherwise disposed of or divested (in whole or in part) to a Person other than Parent or its Subsidiaries or the operations, activities or production of which has been discontinued, abandoned, completed or otherwise terminated (in whole or in part), in each case, prior to the Distribution Date.

“Former SpinCo Business” means the operations set forth on Schedule 1.01(c) and any Former Business that at the time of sale, conveyance, assignment, transfer, or other disposition or divestiture (in whole or in part) or discontinuation, abandonment, completion or termination (in whole or in part) of the operations, activities or production thereof, was primarily managed by or primarily associated with the SpinCo Business or any portion thereof as then conducted.

“Government Investigation” means any inquiry, investigation, probe, audit or inspection conducted by a Governmental Authority.

“Governmental Approvals” means any notices, reports or other filings given to or made with, or any Consents, registrations or permits obtained from, any Governmental Authority.

“Governmental Authority” means any federal, state, local, foreign, international or multinational government, political subdivision, governmental, quasi-governmental authority of any nature (including any department, commission, board, bureau, agency, court or tribunal) or other body exercising legislative, judicial, regulatory, administrative or taxing authority, arbitral body or official of any of the foregoing.

“GRC TSA” means the Global Research Center Transition Services and Delayed Transfer Agreement to be entered into by and between Parent and SpinCo prior to the Distribution Date in connection with the Separation Transactions.

“Group” means either the Parent Group or the SpinCo Group, or both, as the context requires.

“Hazardous Materials” means (i) any natural or artificial substance (whether solid, liquid, gas or other form of matter, whether alone or in combination) that could cause harm to human health or the environment and (ii) any other chemical, material, substance or waste that could result in Liability under, or that is prohibited, limited or regulated by or pursuant to, any EHS Law.

“Indemnifying Party” has the meaning set forth in Section 6.04(a).

“Indemnitee” has the meaning set forth in Section 6.04(a).

“Indemnity Payment” has the meaning set forth in Section 6.04(a).

“Information” means information, whether or not patentable, copyrightable or protectable as a trade secret, in written, oral, electronic or other tangible or intangible forms, stored in any medium now known or yet to be created, including studies, reports, records, books, Contracts, instruments, surveys, analyses, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing or business plans, customer names or information, communications (including emails, text messages, IMs, and chats, including those by or to attorneys (whether or not subject to the attorney-client privilege)), memos and other materials (including those prepared by attorneys or under their direction (whether or not constituting attorney work product)) and other technical, financial, employee or business information or data, documents, correspondence, materials and files, in each case excluding any Intellectual Property rights therein.

“Information Statement” means the Information Statement sent by or on behalf of Parent to the holders of Parent Common Stock in connection with the Distribution, as such Information Statement may be amended from time to time.

“Insurance Proceeds” means those monies:

- (a) received by an insured (or its successor-in-interest) from an insurance carrier;
- (b) paid by an insurance carrier on behalf of the insured (or its successor-in-interest); or
- (c) received (including by way of set-off) from any third party in the nature of insurance in respect of any Liability;

in any such case net of (i) any applicable premium adjustments (including reserves and retrospectively rated premium adjustments), (ii) any costs or expenses incurred in the collection thereof, (iii) any reimbursement obligations under “fronted” or similar insurance policies and (iv) any Taxes resulting from the receipt thereof.

“Intellectual Property” has the meaning set forth in the IPAA.

“Intended Tax Treatment” has the meaning set forth in the TMA.



“Intercompany Accounts” has the meaning set forth in Section 2.03(a).

“Intercompany Agreements” has the meaning set forth in Section 2.03(a).

“Intercompany Deeds” means the deeds (or similar instruments) conveying a fee simple interest (or local equivalent) in real property, together with any applicable transfer Tax forms and other documents required under applicable Law, (i) delivered by a member of the Parent Group, as grantor, to a member of the SpinCo Group, as grantee, or (ii) delivered by a member of the SpinCo Group, as grantor, to a member of the Parent Group, as grantee, in each case of clauses (i) and (ii), in connection with the Separation Transactions or set forth on Schedule 1.01(d) under the caption “Intercompany Deeds.”

“Intercompany Leases” means the real property leases by and between (i) a member of the Parent Group, as lessor, and a member of the SpinCo Group, as lessee, or (ii) a member of the SpinCo Group, as lessor, and a member of the Parent Group, as lessee, in each case of clauses (i) and (ii), entered into in accordance with the Separation Transactions or set forth on Schedule 1.01(d) under the caption “Intercompany Leases.”

“Intercompany Subleases” means the real property subleases by and between (i) a member of the Parent Group, as sublessor, and a member of the SpinCo Group, as sublessee, and (ii) a member of the SpinCo Group, as sublessor, and a member of the Parent Group, as sublessee (if any), in each case of clauses (i) and (ii), entered into in accordance with the Separation Transactions or set forth on Schedule 1.01(d) under the caption “Intercompany Subleases.”

“Interim Relief” has the meaning set forth in Section 11.03(e).

“Internal Investigation” means any inquiry, investigation, probe, audit or inspection conducted by a member of the Parent Group or the SpinCo Group.

“IPAA” means the Intellectual Property Assignment Agreement, to be entered into by and between Parent and a member of the SpinCo Group prior to the Distribution Date in connection with the Separation Transactions.

“IPCLAs” means the Intellectual Property Cross License Agreements, each to be entered into by and between Parent and members of the SpinCo Group prior to the Distribution Date in connection with the Separation Transactions.

“JAMS” means JAMS, formerly known as Judicial Arbitration and Mediation Services, Inc., and its successors.

“Joint Actions” has the meaning set forth in Section 6.11(c).

“Known Counsel” has the meaning set forth in Section 7.10.

“Known Environmental Liabilities” means the Liabilities listed or described on Schedule 1.01(g) and Schedule 1.01(k), in each case, under the caption “Known Environmental Liabilities.”

“Law” means any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, Governmental Approval, concession, grant, franchise, license, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect.

“Lease Assignments” means the assignments of real property leases and subleases by and between (i) a member of the Parent Group, as assignor, and a member of the SpinCo Group, as assignee, or (ii) a member of the SpinCo Group, as assignor, and a member of the Parent Group, as assignee, in each case of clauses (i) and (ii) as set forth on Schedule 1.01(d) under the caption “Lease Assignments.”

“Liabilities” means any and all claims, debts, demands, causes of action, suits, damages, fines, penalties, obligations, prohibitions, accruals, accounts payable, bonds, indemnities and similar obligations, agreements, promises, guarantees, make-whole agreements and similar obligations, and other liabilities, obligations or requirements of any kind or nature, including all contractual obligations, whether absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any Law, Action, threatened or contemplated Action or any award of any arbitrator or mediator, and those arising under any Contract, including those arising under this Agreement or any Ancillary Agreement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person. For the avoidance of doubt, Liabilities shall include reasonable attorneys’ fees and expenses, the costs and expenses of all assessments, judgments, settlements, compromises and resolutions, and any and all other costs and expenses whatsoever reasonably incurred in connection with anything contemplated by the immediately preceding sentence (including reasonable costs and expenses incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions).

“Local Transfer Agreement” means any agreement entered into for the purpose of effecting the Separation Transactions in accordance with the Laws of an applicable jurisdiction, including those set forth on Schedule 1.01(e), other than any Master Ancillary Agreement.

“Managing Party” has the meaning set forth in Section 6.11(d).

“Master Ancillary Agreements” means the TMA, the EMA, the IPCLAs, the IPAA, the TMLA, the REMA, the RRA, the TSA and the GRC TSA.

“Mixed Action” means any Action in respect of which an Indemnifying Party may be obligated to provide indemnification pursuant to this Agreement that involves both Parent Assets or Parent Liabilities, on the one hand, and SpinCo Assets or SpinCo Liabilities, on the other hand.

“Negotiation Period” has the meaning set forth in Section 11.02.

“Non-Managing Party” has the meaning set forth in Section 6.11(d).

“Parent” has the meaning set forth in the Preamble hereof.

“Parent Account” means any bank, brokerage or similar account owned by Parent or any other member of the Parent Group.

“Parent Assets” means (a) all Assets of the Parent Group or the SpinCo Group as of immediately prior to the Distribution other than the SpinCo Assets, (b) the Parent Retained Assets, (c) all interests in the capital stock of, or other equity interests in, the members of the Parent Group (other than Parent), (d) all rights related to the Parent Portion of any Shared Contract and (e) all Parent IP Assets.

“Parent Business” means the businesses and operations as conducted immediately prior to the Distribution or as formerly conducted by Parent and its Subsidiaries other than the SpinCo Business, including any Former Business other than any Former SpinCo Business.

“Parent Common Stock” means the common stock, \$0.06 par value per share, of Parent.

“Parent Credit Support Instruments” has the meaning set forth in Section 3.01(a).

“Parent Directed Actions” has the meaning set forth in Section 6.11(b)(i).

“Parent Disclosure Sections” means all information contained in or incorporated by reference into the Form 10 or Information Statement, or used in documents for an offering of securities in connection with the Spin-Off or for an offering of securities as contemplated by this Agreement, including an offering of SpinCo Debt Securities, other SpinCo debt securities, a Subsequent Disposition, a Remaining Disposition or a Debt-for-Debt Exchange, to the extent relating to (a) the Parent Group, (b) the Parent Liabilities, (c) the Parent Assets or (d) the substantive disclosure set forth in such documents relating to Parent’s board of directors’ consideration of the Spin-Off, including the section of the Form 10 entitled “Reasons for the Spin-Off.”

“Parent EHS Liabilities” means any EHS Liability, whether occurring or arising prior to, on or after the Distribution Date, to the extent (a) relating to, arising out of or resulting from (i) any compliance or non-compliance with any EHS Law in connection with the operation of the Parent Business or any Parent Asset, (ii) any Release of any Hazardous Material at, on, under, from or to any real property constituting a Parent Asset, (iii) any Release, transportation, storage, disposal, treatment or recycling (or arrangement for such activities) of any Hazardous Material in connection with the operation of the Parent Business or (iv) any exposure to Hazardous Materials (including those contained in any products currently or formerly manufactured, sold, distributed or marketed) in connection with clauses (i) through (iii) or otherwise in connection with the operation of the Parent Business or any Parent Asset, (b) otherwise relating to, arising out of or resulting from the Parent Business or any Parent Asset or (c) otherwise listed or described on Schedule 1.01(g) under the caption “EHS Liabilities.” Notwithstanding the foregoing, Parent EHS Liabilities shall not include any SpinCo EHS Liabilities; provided, however, that any EHS Liability to the extent relating to, arising out of or resulting from any Real Property owned or leased by Parent Group that is not a SpinCo Real Property (and that is not a SpinCo Liability referenced on Schedule 1.01(k)) shall be a Parent EHS Liability and shall not be treated as a SpinCo EHS Liability.

“Parent Group” means, Parent and each Subsidiary of Parent that is or was a Subsidiary of Parent at the time in respect of which the relevant determination is being made, but excluding any member of the SpinCo Group.

“Parent Indemnitees” has the meaning set forth in Section 6.02.

“Parent IP Assets” has the meaning set forth in the IPAA.

“Parent Liabilities” means, without duplication, the following Liabilities:

(a) all Liabilities of the Parent Group or the SpinCo Group to the extent relating to, arising out of or resulting from:

(i) the operation or conduct of the Parent Business as conducted at any time prior to the Distribution (including any such Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person’s authority), which act or failure to act relates to the Parent Business);

(ii) the operation or conduct of the Parent Business or any other business conducted by Parent or any other member of the Parent Group at any time after the Distribution (including any such Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person’s authority));  
or

(iii) the Parent Assets;

(b) all Liabilities of the Parent Group, and all Liabilities of the SpinCo Group as of immediately prior to the Distribution, in each case for accounts payable (other than intercompany accounts payable between members of the Parent Group or any other Affiliate of Parent, including any member of the SpinCo Group, which are addressed in Section 2.03) to the extent relating to, arising out of or resulting from the Parent Business, and in each case other than any item otherwise covered by clause (c) of the definition of “SpinCo Liabilities”;

(c) all Parent Retained Liabilities;

(d) all Parent EHS Liabilities;

(e) any obligations to the extent relating to, arising out of or resulting from the Parent Portion of any Shared Contract; and

(f) all Liabilities to the extent relating to, arising out of or resulting from any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to the Parent Disclosure Sections.

Notwithstanding the foregoing, the Parent Liabilities shall not include any SpinCo Liabilities.

“Parent Policy Pre-Separation Insurance Matters” means any (a) circumstance known by the SpinCo Group or the Parent Group or claim made against the SpinCo Group or the Parent Group and, in either case, reported to the applicable insurer(s) prior to the Distribution Date in respect of an act, omission or Liability occurring prior to the Distribution Date that results in a Liability under a “claims-made-based” or an “occurrence-reported-based” insurance policy of the Parent Group in effect prior to the Distribution Date or any extended reporting period thereof, (b) Action (whether made prior to, on or following the Distribution Date) in respect of any incident occurring prior to the Distribution Date under the Available Insurance Policies in effect prior to the Distribution Date or (c) if and solely to the extent Parent so elects by written notice to SpinCo, claims made against the SpinCo Group after the Distribution Date in respect of an act, omission or Liability occurring prior to the Distribution Date that results in a Liability under the “claims-made-based” insurance policies of the Parent Group so elected by Parent, other than Available Insurance Policies.

“Parent Portion” has the meaning set forth in Section 2.04(a).

“Parent Retained Assets” means the Assets to be retained by the Parent Group as set forth on Schedule 1.01(f).

“Parent Retained Liabilities” means the Liabilities to be retained by the Parent Group as set forth on Schedule 1.01(g).

“Party” means either party hereto, and “Parties” means both parties hereto.

“Person” means an individual, a general or limited partnership, a corporation, an association, a trust, a joint venture, an unincorporated organization, a limited liability company, any other entity or any Governmental Authority.

“Real Estate Separation Documents” means the Intercompany Deeds, the Intercompany Leases, the Intercompany Subleases and the Lease Assignments.

“Real Property” means real property and real property interests, and any fixtures or appurtenances associated therewith.

“Receipt” has the meaning set forth in Section 2.03(d)(iii).

“Receiving Party” has the meaning set forth in Section 2.01(f)(i).

“Record Date” means the close of business on the date determined by the Parent board of directors as the record date for determining the shares of Parent Common Stock in respect of which shares of SpinCo Common Stock will be distributed pursuant to the Distribution.

“Record Holders” has the meaning set forth in Section 5.01(b).

“Release” means any actual or threatened release, spill, emission, discharge, flow, leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration into or through the indoor or outdoor environment.

“REMA” means the Real Estate Matters Agreement to be entered into by and between Parent and SpinCo prior to the Distribution Date in connection with the Separation Transactions .

“Remaining Disposition” has the meaning set forth in the Recitals hereof.

“Remedial Action” means those corrective actions, removal, remediation or cleanup activities, investigation, monitoring or sampling measures, including institutional controls and environmental covenants, and operations, maintenance and monitoring actions, in each case, undertaken to investigate, inspect, monitor, remove, remedy, abate, contain, control, treat or ameliorate the presence of Hazardous Materials in the environment.

“Representation Letters” has the meaning set forth in the TMA.

“Representative” has the meaning set forth in Section 7.09(a).

“Responsible Party” has the meaning set forth in Section 2.03(d)(iii).

“Restructuring” has the meaning set forth in the Recitals hereof.

“Retained Parent Business” has the meaning set forth in Section 2.07.

“Retained Parent Group” has the meaning set forth in Section 2.07.

“Retained Stock” has the meaning set forth in the Recitals hereof.

“RRA” means the Stockholder and Registration Rights Agreement to be entered into by and between Parent and SpinCo prior to the Distribution Date in connection with the Separation Transactions .

“Rules” has the meaning set forth in Section 11.03.

“Security Interest” means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer or other encumbrance of any nature whatsoever.

“Separation Transactions” means the Restructuring, the Contribution, the Distribution and the other transactions contemplated by this Agreement.

“Shared Contract” means any Contract of any member of either Group with a third party that relates in any material respect to both the SpinCo Business and the Parent Business, in each case that is set forth on Schedule 1.01(h).

“SpinCo” has the meaning set forth in the Preamble hereof.

“SpinCo Account” means any bank, brokerage or similar account owned by SpinCo or any other member of the SpinCo Group.

“SpinCo Assets” means, without duplication, the following Assets of the Parent Group or the SpinCo Group:

- (a) all Assets that are provided by this Agreement or any Ancillary Agreement as Assets to be assigned to or retained by, or allocated to, any member of the SpinCo Group;
- (b) all interests in the capital stock of, or other equity interests in, the members of the SpinCo Group (other than SpinCo) and all other equity, partnership, membership, joint venture and similar interests held by any member of the SpinCo Group or set forth on Schedule 1.01(i) under the captions “SpinCo Joint Venture Interests and Other Equity Interests,” or “Subsidiaries,” as applicable;
- (c) all SpinCo Contracts;
- (d) all rights related to the SpinCo Portion of any Shared Contract;
- (e) all SpinCo Real Property;
- (f) all SpinCo IP Assets;
- (g) all inventory and accounts receivable (other than intercompany accounts receivable between members of the Parent Group or any other Affiliate of Parent, including any member of the SpinCo Group, which are addressed in Section 2.03) that relate exclusively to the SpinCo Business;
- (h) all Assets of Parent and its Subsidiaries that relate exclusively to the SpinCo Business, other than Real Property, Intellectual Property, intangible rights in Technology, Contracts, inventory and accounts receivable, joint venture interests or other equity interests (each of which is addressed above);
- (i) all Assets of any member of the SpinCo Group formed in connection with the transactions contemplated by this Agreement and the Ancillary Agreements;
- (j) all Assets listed or described on Schedule 1.01(j); and
- (k) all claims or rights against any Person, all Actions, judgments or similar rights, all rights under express or implied warranties, all rights of recovery and all rights of set-off of any kind and demands of any nature, in each case whether accrued or contingent, whether in tort, contract or otherwise and whether arising by way of counterclaim or otherwise, in each case exclusively arising from the ownership of any SpinCo Asset.

Notwithstanding the foregoing, the SpinCo Assets shall not include: (i) any Parent Assets or (ii) any Intellectual Property or intangible rights in Technology other than SpinCo IP Assets.

“SpinCo Available Insurance Policies” means the insurance policies listed on Schedule 1.01(b) under the caption “SpinCo Insurance Policies.”

“SpinCo Business” means the Healthcare businesses and operations of Parent and its Subsidiaries, as such businesses and operations were conducted as of immediately prior to the Distribution or as formerly conducted by Parent and its Subsidiaries, including as described in the Information Statement, together with any Former SpinCo Businesses.

“SpinCo Common Stock” means the common stock, \$0.01 par value per share, of SpinCo.

“SpinCo Contracts” means the following Contracts to which Parent or any of its Subsidiaries is a party or by which Parent or any of its Subsidiaries or any of their respective Assets is bound, whether or not in writing, in each case, immediately prior to the Distribution, except for any such Contract or part thereof that is expressly contemplated to be assigned to or retained by, or allocated to, any member of the Parent Group pursuant to any provision of this Agreement or any other Ancillary Agreement:

(a) any Contract that relates exclusively to the SpinCo Business, other than any joint venture agreement, Shared Contract or other Contract that constitutes a Parent Retained Asset;

(b) the SpinCo Joint Venture Agreements;

(c) any Contract listed or described on Schedule 1.01(j) under the caption “Contracts”; and

(d) any Contract or part thereof that is otherwise contemplated pursuant to this Agreement or any of the other Ancillary Agreements to be assigned to or retained by, or allocated to, any member of the SpinCo Group.

“SpinCo Credit Support Instruments” has the meaning set forth in Section 3.02(a).

“SpinCo Debt Proceeds Distribution” means the distribution by SpinCo to Parent of all or a portion of the net proceeds from SpinCo’s issuance of debt securities or incurrence of term loans.

“SpinCo Debt Securities” means the debt securities issued by SpinCo to Parent as identified on Schedule 1.01(l).

“SpinCo Directed Actions” has the meaning set forth in Section 6.11(a)(i).

“SpinCo EHS Liabilities” means any EHS Liability, whether occurring or arising prior to, on or after the Distribution Date, to the extent (a) relating to, arising out of or resulting from (i) any compliance or non-compliance with any EHS Law in connection with the operation of the SpinCo Business or any SpinCo Assets, (ii) any Release of any Hazardous Material at, on, under, from or to any SpinCo Real Properties, (iii) any Release, transportation, storage, disposal, treatment or recycling (or arrangement for such activities) of any Hazardous Material in connection with the operation of the SpinCo Business or (iv) any exposure to Hazardous Materials (including those contained in any products currently or formerly manufactured, sold, distributed or marketed) in connection with clauses (i) through (iii) or otherwise in connection with the operation of the SpinCo Business or any SpinCo Asset, (b) otherwise relating to, arising out of or resulting from the SpinCo Business or any SpinCo Asset or (c) otherwise listed or described on Schedule 1.01(k) under the caption “EHS Liabilities.” Notwithstanding the foregoing, any EHS Liability to the extent relating to, arising out of or resulting from any SpinCo Real Property (and that is not a Parent Retained Liability referenced on Schedule 1.01(g)) shall be a SpinCo EHS Liability and shall not be treated as a Parent EHS Liability.



“SpinCo Group” means, (a) SpinCo and each Subsidiary of SpinCo that is or was a Subsidiary of SpinCo at the time in respect of which the relevant determination is being made and (b) each entity set forth on Schedule 1.01(i) under the caption “Subsidiaries,” each of which is contemplated to become a Subsidiary in connection with the Restructuring, in each case of this clause (b), until such time thereafter as it ceases to be a Subsidiary of SpinCo.

“SpinCo Indemnitees” has the meaning set forth in Section 6.03.

“SpinCo IP Assets” has the meaning set forth in the IPAA.

“SpinCo Joint Venture Agreements” means those Contracts governing the rights and obligations associated with the ownership of the SpinCo Joint Venture Interests.

“SpinCo Joint Venture Interests” means the joint venture interests and equity interests identified as SpinCo Joint Venture Interests and Other Equity Interests on Schedule 1.01(i).

“SpinCo Liabilities” means, without duplication, the following Liabilities:

(a) all Liabilities that are provided by this Agreement or any Ancillary Agreement as Liabilities to be assumed or retained by, or allocated to, any member of the SpinCo Group;

(b) all Liabilities to the extent relating to, arising out of or resulting from:

(i) the operation or conduct of the SpinCo Business as conducted at any time prior to the Distribution (including any such Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person’s authority), which act or failure to act relates to the SpinCo Business);

(ii) the operation or conduct of the SpinCo Business or any other business conducted by SpinCo or any other member of the SpinCo Group at any time after the Distribution (including any such Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person’s authority)); or

(iii) the SpinCo Assets;

(c) all Liabilities of the Parent Group and all Liabilities of the SpinCo Group, in each case for accounts payable (other than intercompany accounts payable between members of the Parent Group or any other Affiliate of Parent, including any member of the SpinCo Group, which are addressed in Section 2.03) to the extent relating to, arising out of or resulting from the SpinCo Business;

(d) all SpinCo EHS Liabilities;

(e) any obligations to the extent arising from the SpinCo Portion of any Shared Contract;

(f) all Liabilities of any member of the SpinCo Group that is formed in connection with the transactions contemplated by this Agreement and the Ancillary Agreements;

(g) all Liabilities listed or described on Schedule 1.01(k); and

(h) all Liabilities to the extent relating to, arising out of or resulting from any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in or incorporated by reference into the Form 10 or the Information Statement and any other documents filed with the Commission or used in documents for an offering of securities in connection with the Spin-Off or an offering of securities as otherwise contemplated by this Agreement, including an offering of SpinCo Debt Securities, other SpinCo debt securities, a Subsequent Disposition, a Remaining Disposition or a Debt-for-Debt Exchange, other than with respect to the Parent Disclosure Sections.

Notwithstanding the foregoing, the SpinCo Liabilities shall not include any Parent Retained Liabilities.

“SpinCo Policy Pre-Separation Insurance Matters” means any (a) circumstance known by the SpinCo Group or the Parent Group or claim made against the SpinCo Group or the Parent Group and reported to the applicable insurer(s) prior to the Distribution Date in respect of an act, omission or Liability occurring prior to the Distribution Date that results in a Liability under a “claims-made-based” or an “occurrence-reported-based” insurance policy of the SpinCo Group in effect prior to the Distribution Date or any extended reporting period thereof or (b) Action (whether made prior to, on or following the Distribution Date) in respect of facts, circumstances, events or matters occurring prior to the Distribution Date under the SpinCo Available Insurance Policies in effect prior to the Distribution Date.

“SpinCo Portion” has the meaning set forth in Section 2.04(a).

“SpinCo Real Property” means the Real Property identified on Schedule 1.01(m).

“Spin-Off” means the Contribution and the Distribution, taken together.

“Subsequent Ancillary Agreements” has the meaning set forth in Section 2.07.

“Subsequent Disposition” has the meaning set forth in the Recitals hereof.

“Subsequent Separation Agreement” has the meaning set forth in Section 2.07.

“Subsequent Separation Business” has the meaning set forth in Section 2.07.

“Subsequent Separation Transaction” has the meaning set forth in the Recitals hereof.

“Subsidiary” of any Person means any corporation or other organization, whether incorporated or unincorporated, of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization, is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries.

“Tax” or “Taxes” has the meaning set forth in the TMA.

“Tax Return” has the meaning set forth in the TMA.

“Technology” has the meaning set forth in the IPAA.

“Third-Party Claim” means any written assertion or other commencement by a Person (including any Governmental Authority) who is not a member of the Parent Group or the SpinCo Group of any claim, demand, inquiry or investigation, or the commencement by any such Person of any Action, against any member of the Parent Group or the SpinCo Group.

“Third-Party Proceeds” has the meaning set forth in Section 6.04(a).

“TMA” means the Tax Matters Agreement to be entered into by and between Parent and SpinCo prior to the Distribution Date in connection with the Separation Transactions .

“TMLA” means the Trademark License Agreement to be entered into by and between Parent and a member of the SpinCo Group prior to the Distribution Date in connection with the Separation Transactions.

“Transfer Limitation” has the meaning set forth in Section 2.01(d).

“Transferred Group” has the meaning set forth in Section 2.07.

“Transferring Party” has the meaning set forth in Section 2.01(f).

“TSA” means the Transition Services Agreement to be entered into by and between Parent and SpinCo prior to the Distribution Date in connection with the Separation Transactions.

## ARTICLE II

### THE SEPARATION

#### Section 2.01 Transfer of Assets and Assumption of Liabilities.

(a) Prior to the Distribution, the Parties shall, and shall cause their respective Group members to, execute such instruments of assignment, transfer or conveyance and take such other corporate actions as are necessary to:

(i) transfer and convey to one or more members of the SpinCo Group all of the right, title and interest of the Parent Group in, to and under all SpinCo Assets not already owned by the SpinCo Group;

(ii) transfer and convey to one or more members of the Parent Group all of the right, title and interest of the SpinCo Group in, to and under all Parent Assets not already owned by the Parent Group;

(iii) cause one or more members of the SpinCo Group to assume all of the SpinCo Liabilities to the extent such Liabilities would otherwise remain Liabilities of any member of the Parent Group; and

(iv) cause one or more members of the Parent Group to assume all of the Parent Liabilities to the extent such Liabilities would otherwise remain Liabilities of any member of the SpinCo Group.

Notwithstanding anything to the contrary herein, neither Party shall be required to transfer any Information, except as required by Article VII or by any Ancillary Agreement, or any insurance policies (which are the subject of Article VIII).

(b) In the event that it is discovered after the Distribution that there was an omission of (i) the transfer or conveyance by SpinCo (or a member of the SpinCo Group) to, or the acceptance or assumption by, Parent (or a member of the Parent Group) of any Parent Asset or Parent Liability, as the case may be, or (ii) the transfer or conveyance by Parent (or a member of the Parent Group) to, or the acceptance or assumption by, SpinCo (or a member of the SpinCo Group) of any SpinCo Asset or SpinCo Liability, as the case may be, the Parties shall use reasonable best efforts to promptly effect such transfer, conveyance, acceptance or assumption of such Asset or Liability, as the case may be, for no consideration and subject to Section 2.05. Any transfer, conveyance, acceptance or assumption made pursuant to this Section 2.01(b) shall be treated by the Parties for all purposes as if it had occurred immediately prior to the Distribution, except as otherwise required by applicable Law or a Final Determination.

(c) In the event that it is discovered after the Distribution that there was a transfer or conveyance (i) by SpinCo (or a member of the SpinCo Group) to, or the acceptance or assumption by, Parent (or a member of the Parent Group) of any SpinCo Asset or SpinCo Liability, as the case may be, or (ii) by Parent (or a member of the Parent Group) to, or the acceptance or assumption by, SpinCo (or a member of the SpinCo Group) of any Parent Asset or Parent Liability, as the case may be, the Parties shall use reasonable best efforts to promptly transfer or convey such Asset or Liability back to the transferring or conveying Party or to rescind any acceptance or assumption of such Asset or Liability, as the case may be, for no additional consideration and subject to Section 2.05. Any transfer or conveyance made or acceptance or assumption rescinded pursuant to this Section 2.01(c) shall be treated by the Parties for all purposes as if such Asset or Liability had never been originally transferred, conveyed, accepted or assumed, as the case may be, except as otherwise required by applicable Law or a Final Determination.

(d) To the extent that (in each case except with respect to Shared Contracts, which are governed solely by Section 2.04, or the fee interests (or local equivalent), leasehold interests, subleasehold interests or other real property interests under the Real Estate Separation Documents, which are governed by the REMA): (w) a Consent has not been obtained on or prior to the Distribution without which the sale, assignment, conveyance, transfer or delivery of an Asset as contemplated hereunder would be null and void or otherwise constitute a breach or other contravention (or for which the failure to obtain such consent in connection with a sale, assignment, conveyance, transfer or delivery of an Asset as contemplated hereunder would result in the loss of any claim, right or benefit arising out of or resulting from such Asset); (x) the sale, assignment, conveyance, transfer or delivery of an Asset as contemplated hereunder would be a violation of applicable Law; (y) an operational prerequisite to the receipt by the SpinCo Group or Parent Group of an Asset as contemplated hereunder has not been satisfied prior to the Distribution; or (z) an Asset cannot otherwise be sold, assigned, conveyed, transferred or delivered as contemplated hereby prior to the Distribution (each, a “Delayed Asset” subject to a “Transfer Limitation”), the Parties agree, on behalf of themselves and the members of their respective Groups, that:

(i) this Agreement shall not constitute an assignment, an attempted assignment or an agreement to sell, convey, assign, transfer or deliver such Delayed Asset at or prior to the Distribution;

(ii) each member of the Parent Group and member of the SpinCo Group shall use reasonable best efforts to satisfy the applicable Transfer Limitation to permit the sale, assignment, conveyance, transfer or delivery of such Delayed Asset as contemplated hereby;

(iii) the Parent Group member or SpinCo Group member, as applicable, holding a Delayed Asset shall hold (and retain legal title to or, in the case of a Delayed Asset that is a Contract, continue to be party to) such Delayed Asset on behalf, or for the account, of the Party (or the member of such Party’s Group) entitled to receive such Delayed Asset hereunder and such Party shall have the economic benefits (including fees, proceeds and any claims and rights) associated with such Delayed Asset; and

(iv) except as expressly provided in this Section 2.01(d), each Delayed Asset shall be treated as a SpinCo Asset or a Parent Asset, as applicable, for all purposes of this Agreement, including for purposes of the definitions of SpinCo Liabilities or Parent Liabilities, as applicable.

(e) To the extent that (i) a Consent has not been obtained on or prior to the Distribution without which the assumption of a Liability contemplated hereunder would constitute a violation of Law or would render such assumption null and void or otherwise constitute a breach or other contravention, or (ii) such Liability relates to a Delayed Asset (each, in the case of clause (i) or (ii), a “Delayed Liability” subject to a Transfer Limitation), the Parties agree, on behalf of themselves and the members of their respective Groups, that:

(i) this Agreement shall not constitute an assumption or an agreement to assume such Delayed Liability at or prior to the Distribution;

(ii) each Parent Group member and SpinCo Group member shall use reasonable best efforts to satisfy the applicable Transfer Limitation to permit the assumption of such Delayed Liability as contemplated hereby;

(iii) the Party (or member of such Party’s Group) that is required to assume such Delayed Liability hereunder shall bear the economic burdens (including the obligation to perform and pay taxes on income) of such Delayed Liability and shall indemnify and hold harmless the other Party (and members of its Group) from and against any and all Liabilities to the extent relating to, arising out of or resulting from such Delayed Liability; and

(iv) except as expressly provided in this Section 2.01(e), each Delayed Liability shall be treated as a SpinCo Liability or a Parent Liability, as applicable, for all purposes of this Agreement.

(f) In furtherance of the foregoing, each Party (or the member of such Party’s Group) which holds or is subject to a Delayed Asset or Delayed Liability (in each case, the “Transferring Party”) agrees following the Distribution (for so long as the applicable Asset or Liability remains a Delayed Asset or a Delayed Liability):

(i) to hold such Delayed Asset for the use and benefit of the Party (or member of such Party’s Group) otherwise entitled to receive such Delayed Asset (at the expense of such other Party or the applicable member of such other Party’s Group) or retain such Delayed Liability for the account of the Party (or the member of such Party’s Group) required to assume such Delayed Liability (at the expense of such Party) (the Party, or the member of such Party’s Group, entitled to receive such Asset or required to assume such Delayed Liability, the “Receiving Party”), and take such other actions (including enforcing rights in respect of such Delayed Asset against any third party (including any Governmental Authority) as requested by, and for the benefit and at the expense of, the Receiving Party) as may be reasonably requested by the Receiving Party, in order to place the Receiving Party, insofar as reasonably possible, in the same position as would have existed had such Delayed Asset or Delayed Liability been transferred, conveyed, accepted or assumed (as applicable) as and when contemplated by this Agreement, including in respect of possession, use, risk of loss, potential for gain and control over such Delayed Asset or Delayed Liability, as the case may be;

(ii) not to take any action with respect to the Delayed Assets or Delayed Liabilities, other than at the written direction or with the written consent of the Receiving Party or any of its Representatives acting on the Receiving Party's behalf, including disposing of any or all of the Delayed Assets, exercising rights (including voting rights) with respect to the Delayed Assets or defending against claims in respect of or settling Delayed Liabilities, in each case, against which action or operation the Receiving Party shall fully indemnify and hold harmless the Transferring Party; provided, however, that the Receiving Party's consent to any such action shall be deemed given if a request for consent is made in writing to the Receiving Party and no objection to such action in writing is received by the Transferring Party within fifteen (15) days after the request;

(iii) to use its reasonable best efforts to provide the Receiving Party with such information and assistance as the Receiving Party may reasonably request in order to exercise its rights or perform its obligations with respect to the Delayed Assets and Delayed Liabilities; and

(iv) not to renew or extend the term of, increase any of its obligations under or transfer to a third Person (other than as contemplated hereby or in any Ancillary Agreement) or otherwise amend, modify or waive any rights under, any Contract constituting a Delayed Asset or any Liabilities hereunder which constitute Delayed Liabilities, other than at the written direction or with the prior written consent of the Receiving Party.

(g) To the extent monies are received or paid by the Transferring Party with respect to any of the Delayed Assets or Delayed Liabilities, the Transferring Party shall (i) receive or pay such monies for the sole benefit of the Receiving Party, (ii) transmit to the Receiving Party all such monies received by it as promptly as practicable following receipt thereof and (iii) be compensated by the Receiving Party for all such monies paid by it, in each case of (i) and (ii), net of the Transferring Party's expenses incurred in connection with the foregoing; provided, that Parent may elect to have the obligations under this Section 2.01(g) satisfied through aggregated settlement or set-off payments between Parent and SpinCo or the members of their respective Groups.

(h) Notwithstanding anything herein to the contrary, the Parties agree with respect to a Delayed Asset that, unless otherwise agreed to by the Transferring Party and the Receiving Party, upon written notice by the Receiving Party to the Transferring Party that any applicable Transfer Limitations have been satisfied, such Delayed Asset shall automatically be deemed sold, assigned, conveyed, transferred and delivered by the Transferring Party to the Receiving Party without further consideration as of the Distribution Date or such earlier date on which the benefits of such Delayed Asset were intended to be transferred. If an automatic sale, assignment, conveyance, transfer or delivery may not be effected under applicable Law, each of the Transferring Party and Receiving Party shall immediately take all such actions as are required to effect such assignment, conveyance, transfer or delivery of such Delayed Asset to the Receiving Party.

(i) Notwithstanding anything herein to the contrary, the Parties agree with respect to a Delayed Liability that, unless otherwise agreed to by the Transferring Party and the Receiving Party, upon written notice by the Receiving Party to the Transferring Party that the applicable Transfer Limitations have been satisfied, such Delayed Liability shall automatically be deemed assumed by the Receiving Party as of the Distribution Date or such earlier date on which the burdens of such Delayed Liability were intended to be assumed by the Receiving Party, and the Receiving Party shall automatically assume, undertake and agree to pay, satisfy, perform and discharge such Delayed Liability without further consideration. If the automatic assumption of the Delayed Liability upon satisfaction of the applicable Transfer Limitations may not be effected under applicable Law, each of the Transferring Party and Receiving Party shall immediately take all such actions as are required to effect such assumption of such Delayed Liability by the Receiving Party.

(j) Notwithstanding anything herein to the contrary, neither Party nor their respective Groups shall be required to contribute capital, pay or grant any consideration or concession in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to cause any Transfer Limitation to be satisfied (other than reasonable out-of-pocket expenses, attorneys' fees and expenses and recording or similar fees of a third-party counterparty that are incurred in connection with satisfying the applicable Transfer Limitation, in each case, if requested by such counterparty); provided, that each Party shall be responsible for its own reasonable out-of-pocket expenses and attorneys' fees and expenses and the Receiving Party entitled to such Asset or required to assume such Liability, as applicable, shall be responsible for recording or similar fees.

(k) Any transfer, conveyance, acceptance or assumption made pursuant to Section 2.01(h) or Section 2.01(i) shall be treated by the Parties for all purposes of this Agreement as if it had occurred as of the Distribution or such earlier effective date as provided in an applicable Local Transfer Agreement, except as otherwise required by applicable Law.

(l) Without limiting any other provision hereof, each of Parent and SpinCo will take, and will cause each member of its Group to take, such actions as are reasonably necessary to consummate the Restructuring (whether prior to, at or after the Distribution, as applicable). The Parties agree that the manner in which the Restructuring has been implemented is solely at the discretion of Parent.



(m) In the event that Parent determines to seek a novation or assignment and release with respect to any SpinCo Liability, SpinCo shall cooperate with, and shall cause the members of the SpinCo Group to cooperate with, Parent and the members of the Parent Group (including, where necessary, entering into appropriate instruments of assumption subject to Section 2.05 and, where necessary, SpinCo providing parent guarantees in support of the obligations of other members of the SpinCo Group) to cause such novation or assignment and release to be obtained, on terms reasonably acceptable to SpinCo, and to have Parent and the members of the Parent Group released from all liability to third parties and, in the event SpinCo determines to seek a novation or assignment and release with respect to any Parent Liability, Parent shall cooperate with, and shall cause the members of the Parent Group to cooperate with, SpinCo and the members of the SpinCo Group (including, where necessary, entering into appropriate instruments of assumption and, where necessary, Parent providing parent guarantees in support of the obligations of other members of the Parent Group) to cause such novation or assignment and release to be obtained, on terms reasonably acceptable to Parent, and to have SpinCo and the members of the SpinCo Group released from all liability to third parties; provided, that neither Party nor any member of its Group shall be required to contribute capital, pay or grant any consideration or concession in any form (including providing any letter of credit, guaranty or other financial accommodation, except as provided in this Section 2.01(m)) to any Person in order to cause such novation or assignment and release to be obtained (other than reasonable out-of-pocket expenses, attorneys' fees and expenses and recording or similar fees of a third-party counterparty that are incurred in connection with the applicable novation or assignment and release, in each case, if requested by such counterparty); provided, that each Party shall be responsible for its own reasonable out-of-pocket expenses and attorneys' fees and expenses and the member of the Party's Group entitled to such Asset or intended to assume such Liability shall be responsible for recording or similar fees.

(n) The Parties shall take the actions set forth on Schedule 2.01(n).

Section 2.02 Certain Matters Governed Exclusively by Ancillary Agreements. Each of Parent and SpinCo agrees on behalf of itself and the members of its Group that, except as explicitly provided in this Agreement or any Ancillary Agreement (including clause (a) of the definition of SpinCo Assets and clause (a) of the definition of SpinCo Liabilities), (a) the TMA shall exclusively govern all matters relating to Taxes between such parties (except to the extent that tax matters relating to employees and employee benefits-related matters are addressed in the EMA), (b) the EMA shall exclusively govern the allocation of employees and of Assets and Liabilities related to employee and employee compensation and benefits-related matters, including the outstanding awards (equity- and cash-based) under existing equity plans with respect to employees and former employees of members of both the Parent Group and the SpinCo Group (except to the extent that employee compensation and benefits-related reimbursements are addressed in the TSA), (c) the IPAA and any Intellectual Property assignment agreements entered into pursuant thereto shall exclusively govern the recordation of the transfers of any registrations or applications of Parent IP Assets and SpinCo IP Assets that is allocated hereunder, as applicable, (d) the IPCLAs and any other Ancillary Agreements containing provisions addressing the use or licensing of Intellectual Property or Technology shall exclusively govern the use and licensing of certain Intellectual Property or Technology identified therein between members of the Parent Group and members of the SpinCo Group, (e) the TMLA shall exclusively govern all matters relating to the use and licensing of certain trademarks identified therein between members of the Parent Group and the SpinCo Group, (f) the TSA shall exclusively govern all matters relating to the provision of certain services identified therein to be provided by each Party to the other on a transitional basis following the Distribution and (g) the REMA shall exclusively govern all matters relating to the Real Estate Separation Documents, including the allocation and transfer of interests in real property. Except as set forth in the immediately preceding sentence in respect of matters governed exclusively by the Ancillary Agreements, in the event and to the extent that there shall be a conflict between the provisions of this Agreement and the provisions of any Ancillary Agreement, the provisions of this Agreement shall control (unless this Agreement or the Ancillary Agreement explicitly provides otherwise in respect of such conflict).

Section 2.03 Termination of Agreements.

(a) Except as set forth in Section 2.03(b) or Section 2.03(c), in furtherance of the releases and other provisions of Section 6.01, effective as of the Distribution, the Parties agree that any and all Contracts, arrangements, commitments and understandings, oral or written, between a member of the Parent Group, on the one hand, and a member of the SpinCo Group, on the other hand, that is in existence as of the Distribution Date ("Intercompany Agreements"), including all intercompany accounts payable or accounts receivable in effect or accrued thereunder as of the Distribution Date ("Intercompany Accounts"), shall be deemed terminated; provided, however, that if more than one member of any Party's Group is party to an Intercompany Agreement, such Intercompany Agreement shall continue in full force and effect as between the members of such Group and shall be terminated only as between such Group members that are party thereto, on the one hand, and the members of the other Party's Group that are party thereto, on the other hand. No such terminated Intercompany Agreement or Intercompany Account (including any provision thereof that purports to survive termination) shall be of any further force or effect after the Distribution Date. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing. The Parties, on behalf of the members of their respective Groups, hereby waive any advance notice provision or other termination requirements or conditions with respect to any Intercompany Agreement.

(b) The provisions of Section 2.03(a) and Section 2.03(c) shall not apply to any of the following Intercompany Agreements or Intercompany Accounts (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other Intercompany Agreement or Intercompany Account contemplated by this Agreement or any Ancillary Agreement to be entered into by either Party or any other member of its Group, including any Real Estate Separation Document and any Local Transfer Agreement, or created by any Ancillary Agreement); (ii) any Intercompany Agreements to which any third party is a party, including any Shared Contracts; (iii) any other Intercompany Agreements or Intercompany Accounts created by any Ancillary Agreement or that this Agreement, any Ancillary Agreement or such Intercompany Agreement expressly contemplates will survive the Distribution Date; (iv) any Intercompany Agreement entered into in connection with the transactions contemplated hereby for the purpose of surviving the Distribution and governing commercial matters between Parent Group and the SpinCo Group following the Distribution; and (v) those Intercompany Agreements and Intercompany Accounts set forth on Schedule 2.03(b).

(c) In connection with the termination of Intercompany Accounts described in Section 2.03(a), each of Parent and SpinCo shall cause each Intercompany Account between a member of the SpinCo Group, on the one hand, and a member of the Parent Group, on the other hand, outstanding as of the close of business on the business day immediately prior to the date of the Distribution to be settled in the manner provided on Schedule 2.03(c).

(d)

(i) Parent and SpinCo agree to take, or cause the respective members of their respective Groups to take, prior to the Distribution (or as promptly as reasonably practicable thereafter), all actions necessary to amend all contracts or agreements governing (x) the Parent Accounts so that such Parent Accounts, if linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to, hereinafter "linked") to any SpinCo Account, are de-linked from such SpinCo Accounts and (y) the SpinCo Accounts so that such SpinCo Accounts, if linked to any Parent Account, are de-linked from such Parent Accounts.

(ii) With respect to any outstanding checks issued by, or payments made by, Parent, SpinCo or any of their respective Subsidiaries prior to the Distribution, such outstanding checks shall be honored from and after the Distribution by the Person or Group owning the account on which the check is drawn, without limiting the ultimate allocation of Liability for such amounts under this Agreement or any Ancillary Agreement.

(iii) Except to the extent prohibited by applicable Law or a Final Determination and except as set forth in Section 2.01, the Parties contemplate that, from time to time after the date hereof, a member of the Parent Group or of the SpinCo Group, as applicable, as a convenience to a member of the SpinCo Group or of the Parent Group, as applicable (the “Responsible Party”), may make certain payments that are properly the responsibility of the Responsible Party (whether pursuant to this Agreement or otherwise) (any such payment made, a “Disbursement”). Similarly, from time to time after the date hereof, a member of the Parent Group or the SpinCo Group, as applicable, may receive from third parties certain payments to which a member of the SpinCo Group or of the Parent Group, as applicable, is entitled (any such payment received, a “Receipt”).

(e) Each of Parent and SpinCo shall, and shall cause each of its Subsidiaries to, take all necessary actions to remove each of SpinCo and SpinCo’s Subsidiaries from all Cash Management Arrangements to which it is a party, in each case prior to the close of business on the business day immediately prior to the Distribution Date.

(f) The Parties shall take the actions set forth on Schedule 2.03(f).

#### Section 2.04 Shared Contracts.

(a) Except as set forth on Schedule 2.04, the Parties shall, and shall cause the members of their respective Groups to, use their respective reasonable best efforts to work together in an effort to divide, partially assign, modify or replicate (in whole or in part) the respective rights and obligations under and in respect of any Shared Contract, such that (i) a member of the SpinCo Group is the beneficiary of the rights and is responsible for the obligations related to that portion of such Shared Contract relating to the SpinCo Business (the “SpinCo Portion”), which rights shall be a SpinCo Asset and which obligations shall be a SpinCo Liability, and (ii) a member of the Parent Group is the beneficiary of the rights and is responsible for the obligations related to such Shared Contract not relating to the SpinCo Business (the “Parent Portion”), which rights shall be a Parent Asset and which obligations shall be a Parent Liability. Nothing in this Agreement shall require the division, partial assignment, modification or replication of a Shared Contract unless and until any necessary Consents are obtained or made, as applicable. If the Parties, or their respective Group members, as applicable, are not able to enter into an arrangement to formally divide, partially assign, modify or replicate such Shared Contract prior to the Distribution as contemplated by the immediately preceding sentence, and subject to the other provisions of this Section 2.04, then the Parties shall, and shall cause their respective Group members to, cooperate in any reasonable and permissible arrangement as determined by Parent to provide that, following the Distribution, a member of the SpinCo Group shall receive the interest in the benefits and obligations of the SpinCo Portion under such Shared Contract and a member of the Parent Group shall receive the interest in the benefits and obligations of the Parent Portion under such Shared Contract, it being understood that no Party shall have Liability to the other Party for the failure of any third party to perform its obligations under any such Shared Contract.

(b) Nothing in this Section 2.04 shall require either Party or any member of its Group to contribute capital, pay or grant any consideration or concession in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person (other than reasonable out-of-pocket expenses, attorneys' fees and expenses and recording or similar fees of a third-party counterparty to a Shared Contract that are incurred in connection with the applicable division, partial assignment, modification or replication of such Shared Contract, in each case, if requested by such counterparty); provided, that each Party shall be responsible for its own reasonable out-of-pocket expenses and attorneys' fees and expenses and the member of the Party's Group entitled to such Asset or intended to assume such Liability shall be responsible for recording or similar fees. For the avoidance of doubt, reasonable out-of-pocket expenses and recording or similar fees shall not include any purchase price, license fee, or other payment or compensation for the procurement of any asset secured to replace an Asset in the course of a Party's obligation under Section 2.04(a).

Section 2.05 Disclaimer of Representations and Warranties. Each of Parent (on behalf of itself and each other member of the Parent Group) and SpinCo (on behalf of itself and each other member of the SpinCo Group) understands and agrees that, except as expressly set forth in this Agreement, any Ancillary Agreement or the Representation Letters, no party to this Agreement, any Ancillary Agreement or any other agreement or document contemplated by this Agreement or any Ancillary Agreement is representing or warranting in any way as to any Assets or Liabilities transferred or assumed as contemplated hereby or thereby, as to the sufficiency of the Assets or Liabilities transferred, conveyed, accepted or assumed hereby or thereby for the conduct and operations of the SpinCo Business or the Parent Business, as applicable, as to any notices, Governmental Approvals or other Consents required in connection therewith or in connection with any past transfers of the Assets or assumptions of the Liabilities, as to the value or freedom from any Security Interests of, or any other matter concerning, any Assets or Liabilities of such party, or as to the absence of any defenses or rights of set-off or freedom from counterclaim with respect to any claim or other Asset, including any accounts receivable, of any such party, or as to the legal sufficiency of any assignment, document or instrument delivered hereunder to convey title to any Asset or thing of value upon the execution, delivery and filing hereof or thereof, and each of Parent (on behalf of itself and each other member of the Parent Group) and SpinCo (on behalf of itself and each other member of the SpinCo Group) has relied only on the representations and warranties expressly contained in Section 11.01(c), in any Ancillary Agreement or the Representation Letters. Except as may expressly be set forth herein or in any Ancillary Agreement, any such Assets are being transferred on an "as is," "where is," "with all faults" basis and the respective transferees shall bear the economic and legal risks that (a) any conveyance shall prove to be insufficient to vest in the transferee good and marketable title, free and clear of any Security Interest and (b) any necessary notices, Governmental Approvals or other Consents are not delivered or obtained, as applicable, or that any requirements of Laws or judgments are not complied with. To the extent any Local Transfer Agreement or any instrument, assignment, document or agreement described in Section 2.01 includes representations, warranties, covenants, indemnities or other provisions inconsistent with the purpose of this Section 2.05, each of SpinCo, on behalf of itself and the SpinCo Group, and Parent, on behalf of itself and the Parent Group, hereby waives and agrees not to enforce such provisions.

Section 2.06 Waiver of Bulk-Sale and Bulk-Transfer Laws. SpinCo hereby waives compliance by each and every member of the Parent Group with the requirements and provisions of any “bulk-sale” or “bulk-transfer” Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the SpinCo Assets to any member of the SpinCo Group. Parent hereby waives compliance by each and every member of the SpinCo Group with the requirements and provisions of any “bulk-sale” or “bulk-transfer” Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Parent Assets to any member of the Parent Group.

Section 2.07 Subsequent Separation Transaction. The Parties acknowledge that, in connection with any Subsequent Separation Transaction, Parent may enter into one or more separation agreements or other agreements (each, a “Subsequent Separation Agreement”), together with applicable transfer documents and other ancillary agreements (“Subsequent Ancillary Agreements”), providing for, among other matters (i) the allocation of Assets and Liabilities between Parent and the Subsidiaries to be retained by Parent in connection with such Subsequent Separation Transaction (the “Retained Parent Group”), on the one hand, and the transferee(s) in such Subsequent Separation Transaction and the Subsidiaries to be held by such transferee(s) in connection with such Subsequent Separation Transaction (the “Transferred Group”), on the other hand, in connection with the business to be transferred (the “Subsequent Separation Business” and the portion of the Parent Business excluding the Subsequent Separation Business, the “Retained Parent Business”) and (ii) the allocation of rights, interests and obligations in respect of sharing of information, indemnification, management of Actions or Internal Investigations, and other matters of the types addressed in this Agreement. In connection with any such Subsequent Separation Agreement and Subsequent Ancillary Agreements, Parent and the other members of the Parent Group shall be entitled to allocate and assign to the members of the applicable Transferred Group the rights, interests and obligations of Parent and the other members of the Parent Group hereunder and under any Ancillary Agreement relating to or otherwise allocated to the applicable Subsequent Separation Business. Upon any such assignment of (i) any such obligations to the applicable member of the Transferred Group, Parent and the other members of the Parent Group shall be fully released from all obligations hereunder or under the applicable Ancillary Agreement in respect of such obligations and thereafter SpinCo and the SpinCo Group shall look only to the applicable Transferred Group member for satisfaction of such obligations or (ii) any such rights or interests to the applicable member of the Transferred Group, the applicable Transferred Group members shall be entitled to exercise such rights and enjoy the benefits of such interests to the fullest extent as if an initial party to this Agreement or the applicable Ancillary Agreement, to the extent of the rights and interests so assigned. The intention of this Section 2.07 is to permit Parent to make a determination to replicate, to the greatest extent feasible, the effect of one or more agreements in which the rights, interests and obligations in respect of the applicable Retained Parent Business were allocated to the Retained Parent Group, the rights, interests and obligations in respect of the applicable Subsequent Separation Business were allocated to the applicable Transferred Group and the rights, interests and obligations in respect of the SpinCo Business were allocated to the SpinCo Group, with each group having direct rights and claims against each other group with respect to the applicable rights, interests and obligations. Following the assignments and assumptions contemplated in this Section 2.07, (i) Parent shall provide written notice to SpinCo thereof (and, for the avoidance of doubt, no further action shall be required to be taken by Parent, SpinCo or any member of their respective Groups, for such assignments and assumptions to become effective) and (ii) the terms herein or in any Ancillary Agreement contemplating matters between the Parent Group and the SpinCo Group (including the definitions of Adversarial Action, Government Investigation, Internal Investigation and Mixed Action, as examples) shall be interpreted consistently with the assignments and assumptions so made.

## ARTICLE III

### CREDIT SUPPORT

#### Section 3.01 Replacement of Parent Credit Support.

(a) SpinCo shall use reasonable best efforts to arrange, at its sole cost and expense and effective as soon as reasonably practicable after the date hereof and in any event within one hundred and twenty (120) days after the Distribution Date, the termination or replacement of all guarantees, bank provided guarantees, covenants, indemnities, surety bonds, letters of credit or similar assurances of credit support (“Credit Support Instruments”) provided by, through or on behalf of any member of the Parent Group for the benefit of any member of the SpinCo Group or providing credit support for a SpinCo Contract (“Parent Credit Support Instruments”), with alternate arrangements that do not require any Credit Support Instruments or other credit support from any member of the Parent Group. SpinCo shall use reasonable best efforts to obtain from the beneficiaries of such Credit Support Instruments full written releases providing that such member of the Parent Group, as well as all related members of the Parent Group liable, directly or indirectly, for obligations to a counterparty in connection with such Credit Support Instruments, will have no liability with respect to such Parent Credit Support Instruments. Such alternative arrangements and releases shall, in each case, be in form and substance reasonably satisfactory to Parent. Notwithstanding the foregoing, if any Parent Credit Support Instrument has not been terminated or replaced, or for which release from such Parent Credit Support Instrument pursuant to this Section 3.01(a) has not been obtained within one hundred and twenty (120) days after the Distribution Date, SpinCo shall continue to use reasonable best efforts to arrange, at its sole cost and expense and effective as soon as practicable thereafter, the termination, replacement or assumption (with full release) of such Parent Credit Support Instruments.

(b) In furtherance of Section 3.01(a), to the extent required to obtain the termination or replacement of a removal or release from a Parent Credit Support Instrument, SpinCo or an appropriate member of the SpinCo Group shall execute an agreement substantially in the form of such existing Parent Credit Support Instrument or such other form as is agreed to by the relevant parties to such agreement, except to the extent that such existing Parent Credit Support Instrument contains representations, covenants or other terms or provisions (i) with which SpinCo or the appropriate member of the SpinCo Group would be reasonably unable to comply or (ii) which would be reasonably expected to be breached by SpinCo or the appropriate member of the SpinCo Group.

(c) For any Parent Credit Support Instrument that has not been terminated or replaced, or for which releases from such Parent Credit Support Instrument pursuant to Sections 3.01(a) and 3.01(b) have not been obtained, (i) without limiting SpinCo's obligations under Article VI, SpinCo shall, from and after the Distribution, (x) pay directly to the guarantor, obligor or surety issuing such Parent Credit Support Instrument any and all losses incurred in connection with such Parent Credit Support Instrument promptly following receipt by a member of the Parent Group of a written demand in respect of such Parent Credit Support Instrument, (y) where a member of the Parent Group is required to pay such losses directly to the counterparty, advance such loss amounts to Parent (or, at Parent's election, another member of the Parent Group) prior to such member of the Parent Group's requirement to pay and (z) indemnify, defend and hold harmless each member of the Parent Group against, and reimburse such member of the Parent Group for, all Liabilities, fees, costs and any other amounts paid by such member of the Parent Group in connection with such Parent Credit Support Instrument, including any premiums due under such Parent Credit Support Instrument and any amounts such member of the Parent Group is obligated to pay the guarantor, obligor, surety issuing such Parent Credit Support Instrument whether or not such Parent Credit Support Instrument is drawn upon or required to be performed, (ii) with respect to any such Parent Credit Support Instrument that is in the form of a letter of credit, surety bond or bank guarantee, SpinCo shall provide the applicable member(s) of the Parent Group with letters of credit or guarantees, in each case issued by a bank reasonably acceptable to Parent, against losses arising from such Parent Credit Support Instrument or, if Parent agrees in writing, cash collateralize the full amount of such Parent Credit Support Instrument with respect to which such release has not been obtained and (iii) except as set forth on Schedule 3.01(d), with respect to such Parent Credit Support Instrument, each of Parent and SpinCo, on behalf of themselves and the members of each of their respective Groups, agrees, except as otherwise expressly required by the terms of a Contract with a third party in effect as of the Distribution, not to renew or extend the term of (or, in the case of instruments subject to automatic renewal, fail to take such actions as are authorized under such instrument to prevent such automatic renewal), increase any of its obligations under or directly or indirectly transfer (in whole or in part) to a third Person, any loan, guarantee, lease, sublease, license, Contract or other obligation for which the other Party or any member of the other Party's Group is or may be liable under such Parent Credit Support Instrument unless all obligations of the other Party and the other members of the other Party's Group with respect thereto are thereupon terminated with a full release by documentation reasonably satisfactory in form and substance to the other Party.

(d) Notwithstanding anything to the contrary in this Section 3.01, the Parent Credit Support Instruments listed on Schedule 3.01(d) shall be addressed in the manner provided on such Schedule 3.01(d).

#### Section 3.02 Replacement of SpinCo Credit Support.

(a) Parent shall use reasonable best efforts to arrange, at its sole cost and expense and effective as soon as reasonably practicable after the date hereof and in any event within one hundred and twenty (120) days after the Distribution Date, the termination or replacement of all Credit Support Instruments provided by, through or on behalf of any member of the SpinCo Group for the benefit of any member of the Parent Group or providing credit support for a Contract of Parent or its Subsidiary other than a SpinCo Contract ("SpinCo Credit Support Instruments"), with alternate arrangements that do not require any Credit Support Instruments or other credit support from any member of the SpinCo Group. Parent shall use reasonable best efforts to obtain from the beneficiaries of such Credit Support Instruments full written releases providing that such member of the SpinCo Group, as well as all related members of the SpinCo Group liable, directly or indirectly, for obligations to a counterparty in connection with such Credit Support Instruments will have no liability with respect to such SpinCo Credit Support Instruments. Such alternative arrangements and releases shall, in each case, be in form and substance reasonably satisfactory to SpinCo. Notwithstanding the foregoing, if any SpinCo Credit Support Instrument has not been terminated or replaced, or for which release from such SpinCo Credit Support Instrument pursuant to this Sections 3.02(a) has not been obtained within one hundred and twenty (120) days after the Distribution Date, Parent shall continue to use reasonable best efforts to arrange, at its sole cost and expense and effective as soon as practicable thereafter, the termination, replacement or assumption (with full release) of such SpinCo Credit Support Instruments.

(b) In furtherance of Section 3.02(a), to the extent required to obtain the termination or replacement of a removal or release from a SpinCo Credit Support Instrument, Parent or an appropriate member of the Parent Group shall execute an agreement substantially in the form of such existing SpinCo Credit Support Instrument or such other form as is agreed to by the relevant parties to such agreement, except to the extent that such existing SpinCo Credit Support Instrument contains representations, covenants or other terms or provisions (i) with which Parent or the appropriate member of the Parent Group would be reasonably unable to comply or (ii) which would be reasonably expected to be breached by Parent or the appropriate member of the Parent Group.

(c) For any SpinCo Credit Support Instrument that has not been terminated or replaced, or for which releases from such SpinCo Credit Support Instrument pursuant to Sections 3.02(a) and 3.02(b) have not been obtained, (i) without limiting Parent's obligations under Article VI, Parent shall, from and after the Distribution, (x) pay directly to the guarantor, obligor or surety issuing such SpinCo Credit Support Instrument any and all losses incurred in connection with such SpinCo Credit Support Instrument promptly following receipt by a member of the SpinCo Group of a written demand in respect of such SpinCo Credit Support Instrument, (y) where a member of the SpinCo Group is required to pay such losses directly to the counterparty, advance such loss amounts to SpinCo (or, at SpinCo's election, another member of the SpinCo Group) prior to such member of the SpinCo Group's requirement to pay and (z) indemnify, defend and hold harmless each member of the SpinCo Group against, and reimburse such member of the SpinCo Group for, all Liabilities, fees, costs and any other amounts paid by such member of the SpinCo Group in connection with such SpinCo Credit Support Instrument, including any premiums due under such SpinCo Credit Support Instrument and any amounts such member of the SpinCo Group is obligated to pay the guarantor, obligor, surety issuing such SpinCo Credit Support Instrument whether or not such SpinCo Credit Support Instrument is drawn upon or required to be performed, (ii) with respect to any such SpinCo Credit Support Instrument that is in the form of a letter of credit, surety bond or bank guarantee, Parent shall provide the applicable member(s) of the SpinCo Group with letters of credit or guarantees, in each case issued by a bank reasonably acceptable to SpinCo, against losses arising from such SpinCo Credit Support Instrument or, if SpinCo agrees in writing, cash collateralize the full amount of such SpinCo Credit Support Instrument with respect to which such release has not been obtained and (iii) except as set forth on Schedule 3.02(d), with respect to such SpinCo Credit Support Instrument, each of Parent and SpinCo, on behalf of themselves and the members of each of their respective Groups, agrees, except as otherwise expressly required by the terms of a Contract with a third party in effect as of the Distribution, not to renew or extend the term of (or, in the case of instruments subject to automatic renewal, fail to take such actions as are authorized under such instrument to prevent such automatic renewal), increase any of its obligations under or directly or indirectly transfer (in whole or in part) to a third Person, any loan, guarantee, lease, sublease, license, Contract or other obligation for which the other Party or any member of the other Party's Group is or may be liable under such SpinCo Credit Support Instrument unless all obligations of the other Party and the other members of the other Party's Group with respect thereto are thereupon terminated with a full release by documentation reasonably satisfactory in form and substance to the other Party.



(d) Notwithstanding anything to the contrary in this Section 3.02, the SpinCo Credit Support Instruments listed on Schedule 3.02(d) shall be addressed in the manner provided on such Schedule 3.02(d).

#### ARTICLE IV

##### ACTIONS PENDING THE DISTRIBUTION

###### Section 4.01 Actions Prior to the Distribution.

(a) Subject to the conditions specified in Section 4.02 and subject to Section 5.03, Parent and SpinCo shall use reasonable best efforts to consummate the Distribution. Such efforts shall include taking the actions specified in this Section 4.01.

(b) Prior to the Distribution, Parent shall mail the Notice of Internet Availability of the Information Statement or the Information Statement to the Record Holders.

(c) SpinCo shall prepare, file with the Commission and use its reasonable best efforts to cause to become effective any registration statements or amendments thereto required to effect the establishment of, or amendments to, any employee benefit and other plans necessary or appropriate in connection with the transactions contemplated by this Agreement or any of the Ancillary Agreements.

(d) Parent and SpinCo shall take all such action as may be necessary or appropriate under the securities or blue sky laws of the states or other political subdivisions of the United States or of other foreign jurisdictions in connection with the Distribution.

(e) SpinCo shall prepare and file, and shall use reasonable best efforts to have approved prior to the Distribution, an application for the listing of the SpinCo Common Stock to be distributed in the Distribution on the Exchange, subject to official notice of distribution.

(f) Prior to the Distribution, Parent, in its capacity as sole stockholder of SpinCo, shall have duly elected to the SpinCo board of directors the individuals listed as members of the SpinCo board of directors in the Information Statement, and such individuals shall be the members of the SpinCo board of directors effective as of immediately after the Distribution; provided, however, that to the extent required by any Law or requirement of the Exchange or any other national securities exchange, as applicable, one independent director shall be appointed by the existing board of directors of SpinCo prior to the date on which “when-issued” trading of the SpinCo Common Stock begins on the Exchange and begin his or her term prior to the Distribution and shall serve on SpinCo’s Audit Committee, Compensation Committee and Nominating and Governance Committee.

(g) Prior to the Distribution, Parent shall deliver or cause to be delivered to SpinCo resignations, effective as of immediately after the Distribution, of each individual who will be an employee of any member of the Parent Group after the Distribution and who is an officer or director of any member of the SpinCo Group immediately prior to the Distribution (or shall otherwise cause such individuals to be removed as officers or directors, as applicable, of such SpinCo Group members), other than any individual expressly contemplated by the Information Statement to remain a director of SpinCo following the Distribution.

(h) Immediately prior to the Distribution, the Amended and Restated Certificate of Incorporation and the Amended and Restated By-laws of SpinCo, each in substantially the form filed as an exhibit to the Form 10, shall be in effect.

(i) Parent and SpinCo shall, subject to Section 5.03, take all reasonable steps necessary and appropriate to cause the conditions set forth in Section 4.02 to be satisfied and to effect the Distribution on the Distribution Date.

(j) Prior to the Distribution, if requested by Parent, SpinCo shall consummate the issuance of the SpinCo Debt Securities.

Section 4.02 Conditions Precedent to Consummation of the Distribution. Subject to Section 5.03, as soon as practicable after the date of this Agreement, the Parties shall use reasonable best efforts to satisfy the following conditions prior to the consummation of the Distribution. The obligations of the Parties to consummate the Distribution shall be conditioned on the satisfaction, or waiver by Parent, of the following conditions:

(a) The board of directors of Parent shall have ratified, authorized and approved the Contribution and Distribution and not withdrawn such authorization and approval, and shall have declared the dividend of SpinCo Common Stock to Parent stockholders.

(b) Each Master Ancillary Agreement shall have been executed by each party to such agreement.

(c) The SpinCo Common Stock shall have been accepted for listing on the Exchange or another national securities exchange approved by Parent, subject to official notice of issuance.

(d) The Commission shall have declared effective the Form 10, no stop order suspending the effectiveness of the Form 10 shall be in effect and no proceedings for that purpose shall be pending before or threatened by the Commission.

(e) Parent shall have received the written opinions of each of Paul, Weiss, Rifkind, Wharton & Garrison LLP and Ernst & Young LLP, each of which shall remain in full force and effect, that, subject to the accuracy of and compliance with the relevant Representation Letters, the Distribution will qualify for its Intended Tax Treatment.

(f) The Separation Transactions shall have been completed to the satisfaction of Parent (other than those steps that are expressly contemplated to occur at or after the Distribution).

(g) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other applicable legal restraint or prohibition preventing the consummation of the Distribution shall be in effect, and no other event outside the control of Parent shall have occurred, or failed to occur, that prevents the consummation of the Distribution.

(h) No other events or developments shall have occurred prior to the Distribution that, in the judgment of the board of directors of Parent, in its sole and absolute discretion, makes it inadvisable to effect the Distribution or any other Separation Transaction.

(i) The actions set forth in Sections 4.01(b), (f), (g) and (h) shall have been completed.

The foregoing conditions are for the sole benefit of Parent and shall not give rise to or create any duty on the part of Parent or the Parent board of directors to waive, or not waive, such conditions or in any way limit the right of Parent to terminate this Agreement as set forth in Article X or alter the consequences of any such termination from those specified in such Article. Any determination made by the Parent board of directors prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 4.02 shall be conclusive.

## ARTICLE V

### THE DISTRIBUTION, SUBSEQUENT DISPOSITION AND REMAINING DISPOSITION

#### Section 5.01 The Distribution, Subsequent Disposition, Remaining Disposition and Debt-for-Debt Exchange.

(a) SpinCo shall cooperate with Parent to accomplish the Distribution, Subsequent Disposition, Remaining Disposition or Debt-for-Debt Exchange, as applicable, and shall, at the direction of Parent, use its reasonable best efforts to promptly take any and all actions reasonably necessary, customary or advisable to effect the Distribution, Subsequent Disposition, Remaining Disposition or Debt-for-Debt Exchange, as applicable, including any Customary Offering Actions. Parent shall select any investment bank or manager in connection with the Distribution, Subsequent Disposition, Remaining Disposition or Debt-for-Debt Exchange, as applicable, as well as any financial printer, solicitation, exchange or distribution agent and financial, legal, accounting, tax and other advisors for Parent in connection with the Distribution, Subsequent Disposition, Remaining Disposition or Debt-for-Debt Exchange. Parent or SpinCo, as the case may be, will provide, or cause the applicable member of its Group to provide, to the Agent all share certificates and any information required in order to complete the Distribution, Subsequent Disposition, Remaining Disposition or Debt-for-Debt Exchange, as applicable (provided that any information required to be provided under this Section 5.01(a) shall be subject to Section 7.09).

(b) Subject to the terms and conditions set forth in this Agreement, (i) after completion of the Separation Transactions (other than those steps that are expressly contemplated to occur at or after the Distribution) and on or prior to the Distribution Date, for the benefit of and distribution to the holders of Parent Common Stock as of the Record Date (“Record Holders”), Parent will deliver to the Agent at least 80.1% of the issued and outstanding shares of SpinCo Common Stock held by Parent and book-entry authorizations for such shares and (ii) on the Distribution Date, Parent shall instruct the Agent to distribute, by means of a pro rata dividend based on the aggregate number of shares of Parent Common Stock held by each applicable Record Holder, to each Record Holder (or such Record Holder’s bank or brokerage firm on such Record Holder’s behalf) electronically, by direct registration in book-entry form, the number of shares of SpinCo Common Stock to which such Record Holder is entitled based on a distribution ratio determined by Parent in its sole discretion. The Distribution shall be effective at 5:00 p.m. New York City time on the Distribution Date. Parent shall, on or as soon as practicable after the Distribution Date, instruct the Agent to mail to each Record Holder (or otherwise transmit in accordance with the Agent’s regular practices) an account statement indicating the number of shares of SpinCo Common Stock that have been registered in book-entry form in the name of such Record Holder.

Section 5.02 Fractional Shares. Record Holders holding a number of shares of Parent Common Stock on the Record Date that would entitle such holders to receive less than one whole share of SpinCo Common Stock in the Distribution will receive cash in lieu of such fractional share. Fractional shares of SpinCo Common Stock will not be distributed in the Distribution nor credited to book-entry accounts. Parent shall cause the Agent to, as soon as practicable after the date on which “when-issued” trading of the SpinCo Common Stock begins on the Exchange, (a) determine the number of whole shares and fractional shares of SpinCo Common Stock allocable to each Record Holder and (b) aggregate all fractional shares into whole shares and sell the whole shares obtained thereby in open market transactions at then prevailing trading prices on behalf of holders who would otherwise be entitled to fractional share interests. Parent shall cause the Agent to, as soon as practicable after the Distribution Date, distribute to each such holder, or for the benefit of each beneficial owner, such holder’s or owner’s ratable share of the net proceeds of such sale, based upon the average gross selling price per share of SpinCo Common Stock after making appropriate deductions for any amount required to be withheld under applicable Tax Law and less any brokers’ charges, commissions or transfer Taxes. The Agent, in its sole discretion, will determine the timing and method of selling such fractional shares, the selling price of such fractional shares and the broker-dealer through which such fractional shares will be sold; provided, however, that the designated broker-dealer shall not be an Affiliate of Parent or SpinCo. Neither Parent nor SpinCo will pay any interest on the proceeds from the sale of fractional shares.

Section 5.03 Sole Discretion of Parent. Parent shall, in its sole and absolute discretion, determine the Record Date, the Distribution Date and all terms of the Distribution, Subsequent Disposition, Remaining Disposition or Debt-for-Debt Exchange, as applicable, including the form, structure and terms of any transactions or offerings to effect the Distribution, Subsequent Disposition, Remaining Disposition or Debt-for-Debt Exchange, as applicable, and the timing of and conditions to the consummation thereof. In addition, and notwithstanding anything to the contrary set forth below, Parent may at any time and from time to time until the consummation of all or part of the Distribution, Subsequent Disposition, Remaining Disposition or Debt-for-Debt Exchange, as applicable, decide to abandon the Distribution, Subsequent Disposition, Remaining Disposition or Debt-for-Debt Exchange, as applicable, or modify or change the form, structure or terms of any transactions or offerings to effect the Distribution, Subsequent Disposition, Remaining Disposition or Debt-for-Debt Exchange, as applicable, including by accelerating or delaying the timing of the consummation of all or part of the Distribution, Subsequent Disposition, Remaining Disposition or Debt-for-Debt Exchange, as applicable. Any determinations regarding the allocation of Assets or Liabilities under this Agreement or under any Ancillary Agreement, Subsequent Separation Agreement or Subsequent Ancillary Agreement, including the identification of Assets or Liabilities for allocation hereunder or thereunder, shall be made by Parent in its sole and absolute discretion; provided that, for the avoidance of doubt, and without limiting the provisions of Section 2.07, this sentence shall not amend the express terms of the Agreement or any Ancillary Agreement after the Distribution Date.

## ARTICLE VI

### MUTUAL RELEASES; INDEMNIFICATION

#### Section 6.01 Release of Pre-Distribution Claims.

(a) Except as provided in Section 6.01(c) or elsewhere in this Agreement or the Ancillary Agreements, effective as of the Distribution, SpinCo does hereby, for itself and each other member of the SpinCo Group as of the Distribution (including, for the avoidance of doubt, any member of the SpinCo Group the equity interests of which constitute Delayed Assets), their respective Affiliates as of the Distribution, and to the extent it may legally do so, its and their successors and assigns, and all Persons who at any time on or prior to the Distribution have been stockholders, fiduciaries, directors, trustees, counsel, officers, members, managers, employees, agents, insurers, re-insurers, administrators, representatives, including legal representatives, or employee retirement or benefit plans (and the trustees, administrators, fiduciaries, agents, representatives, insurers and re-insurers of such plans) of any member of the SpinCo Group (in each case, in their respective capacities as such), remise, release and forever discharge Parent and the other members of the Parent Group, their respective Affiliates, successors and assigns, and all Persons who at any time on or prior to the Distribution have been stockholders, fiduciaries, directors, trustees, counsel, officers, members, managers, employees, agents, insurers, re-insurers, administrators, representatives, including legal representatives, or employee retirement or benefit plans (and the trustees, administrators, fiduciaries, agents, representatives, insurers and re-insurers of such plans) of any member of the Parent Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring, or failing to occur, or alleged to have occurred, or to have failed to occur, or any conditions existing or alleged to have existed on or before the Distribution, including in connection with the Spin-Off and all other activities to implement the Spin-Off. The Liabilities addressed by this Section 6.01(a) shall include Parent's indemnification obligations with respect to Liabilities arising on or before the Distribution Date under Article XI of its Amended and Restated Bylaws, to the extent relating to the SpinCo Business, which for the avoidance of doubt shall constitute SpinCo Liabilities.

(b) Except as provided in Section 6.01(c) or elsewhere in this Agreement or the Ancillary Agreements, effective as of the Distribution, Parent does hereby, for itself and each other member of the Parent Group as of the Distribution, their respective Affiliates as of the Distribution, and to the extent it may legally do so, its and their successors and assigns, and all Persons who at any time on or prior to the Distribution have been stockholders, fiduciaries, directors, trustees, counsel, officers, employees, agents, insurers, re-insurers, administrators, representatives, including legal representatives, or employee retirement or benefit plans (and the trustees, administrators, fiduciaries, agents, representatives, insurers and re-insurers of such plans) of any member of the Parent Group (in each case, in their respective capacities as such), remise, release and forever discharge SpinCo, the other members of the SpinCo Group, their respective Affiliates, successors and assigns, and all Persons who at any time on or prior to the Distribution have been stockholders, fiduciaries, directors, trustees, counsel, officers, employees, agents, insurers, re-insurers, administrators, representatives, including legal representatives, or employee retirement or benefit plans (and the trustees, administrators, fiduciaries, agents, representatives, insurers and re-insurers of such plans) of any member of the SpinCo Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring, or failing to occur, or alleged to have occurred, or to have failed to occur, or any conditions existing, or alleged to have existed, on or before the Distribution, including in connection with the Spin-Off and all other activities to implement the Spin-Off.

(c) Nothing contained in Section 6.01(a) or (b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any Intercompany Agreement or Intercompany Account that is specified in Section 2.03(b) not to terminate as of the Distribution, in each case in accordance with its terms. Nothing contained in Section 6.01(a) or (b) shall release:

(i) any Person from any Liability provided in or resulting from any Contract among any members of the Parent Group or the SpinCo Group that is specified in Section 2.03(b) as not to terminate as of the Distribution, or any other Liability specified in such Section 2.03(b) as not to terminate as of the Distribution;

(ii) any Person from any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Person from any Liability provided in or resulting from any other Contract that is entered into after the Distribution between one Party (or a member of such Party's Group), on the one hand, and the other Party (or a member of such Party's Group), on the other hand;

(iv) any Person from any Liability that the Parties may have with respect to indemnification or contribution pursuant to this Agreement or any Ancillary Agreement for claims brought against the Parties, the members of their respective Groups or any of their respective directors, officers, employees, agents or representatives, by third Persons, which Liability shall be governed by Section 6.02, Section 6.03 and the other applicable provisions of this Article VI or, if applicable, the appropriate provisions of the relevant Ancillary Agreement;

(v) any Party (or any member of its Group) from any Liability that such Party (or any member of its Group) may have to directors, officers, agents or employees under indemnification or similar agreements or arrangements; or

(vi) any employee from any Liability relating to, arising out of or resulting from such Person's fraud, embezzlement or misappropriation of Intellectual Property.

(d) SpinCo shall not make, and shall cause each other member of the SpinCo Group not to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Parent or any other member of the Parent Group, or any other Person released pursuant to Section 6.01(a), with respect to any Liabilities released pursuant to Section 6.01(a). Parent shall not make, and shall cause each other member of the Parent Group not to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against SpinCo or any other member of the SpinCo Group, or any other Person released pursuant to Section 6.01(b), with respect to any Liabilities released pursuant to Section 6.01(b).

(e) It is the intent of each of Parent and SpinCo, by virtue of the provisions of this Section 6.01, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring, or failing to occur, or alleged to have occurred, or to have failed to occur, and all conditions existing or alleged to have existed on or before the Distribution Date, between or among SpinCo or any other member of the SpinCo Group, on the one hand, and Parent or any other member of the Parent Group, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Distribution Date), except as expressly set forth in Section 6.01, Section 6.02, Section 6.03 or elsewhere in this Agreement or in any Ancillary Agreement. At any time, at the request of the other Party, each Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions hereof.

Section 6.02 Indemnification by SpinCo. Subject to Section 6.04, SpinCo shall indemnify, defend and hold harmless Parent, each other member of the Parent Group and each of their respective former and then-current directors, officers and employees, and each of the heirs, executors, administrators, successors and assigns of any of the foregoing (collectively, the "Parent Indemnitees"), from and against any and all Liabilities of the Parent Indemnitees to the extent relating to, arising out of or resulting from any of the following items (without duplication):

(a) the SpinCo Liabilities, including the failure of SpinCo or any other member of the SpinCo Group or any other Person to pay, perform or otherwise promptly discharge any SpinCo Liability in accordance with its terms;

(b) any breach by SpinCo or any other member of the SpinCo Group of this Agreement, or any Ancillary Agreement, unless such Ancillary Agreement expressly provides for separate indemnification therein (which shall be controlling); and

(c) any breach by SpinCo of any of the representations and warranties made by SpinCo on behalf of itself and the members of the SpinCo Group in Section 11.01(c), or in the Representation Letters.

Section 6.03 Indemnification by Parent. Subject to Section 6.04, Parent shall indemnify, defend and hold harmless SpinCo, each other member of the SpinCo Group and each of their respective former and then-current directors, officers and employees, and each of the heirs, executors, administrators, successors and assigns of any of the foregoing (collectively, the “SpinCo Indemnitees”), from and against any and all Liabilities of the SpinCo Indemnitees to the extent relating to, arising out of or resulting from any of the following items (without duplication):

(a) the Parent Liabilities, including the failure of Parent or any other member of the Parent Group, or any other Person, to pay, perform or otherwise promptly discharge any Parent Liability in accordance with its terms;

(b) any breach by Parent or any other member of the Parent Group of this Agreement or any Ancillary Agreement unless such Ancillary Agreement expressly provides for separate indemnification therein (which shall be controlling); and

(c) any breach by Parent of any of the representations and warranties made by Parent on behalf of itself and the members of the Parent Group in Section 11.01(c).

Section 6.04 Indemnification Obligations Net of Insurance Proceeds and Third-Party Proceeds.

(a) The Parties intend that any Liability subject to indemnification or reimbursement pursuant to this Agreement will be net of (i) Insurance Proceeds that actually reduce the amount of, or are paid to the applicable Indemnatee in respect of, such Liability and (ii) other amounts recovered from any third party (net of any out-of-pocket costs or expenses incurred in, or Taxes imposed with respect to, the collection thereof) that actually reduce the amount of, or are paid to the applicable Indemnatee in respect of, such Liability (“Third-Party Proceeds”). Accordingly, the amount that either Party (an “Indemnifying Party”) is required to pay to any Person entitled to indemnification or reimbursement pursuant to this Agreement (an “Indemnatee”) will be reduced by any Insurance Proceeds or Third-Party Proceeds theretofore actually recovered by or on behalf of the Indemnatee from a third party in respect of the related Liability. If an Indemnatee receives a payment required by this Agreement from an Indemnifying Party in respect of any Liability (an “Indemnity Payment”) and subsequently receives Insurance Proceeds or Third-Party Proceeds in respect of such Liability, then the Indemnatee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if such Insurance Proceeds or Third-Party Proceeds had been received, realized or recovered before the Indemnity Payment was made; provided, that for the avoidance of doubt, such amount shall not exceed the amount of the Indemnity Payment.



(b) An insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or have any subrogation rights with respect thereto by virtue of the indemnification provisions hereof, it being expressly understood and agreed that no insurer or any other third party shall be entitled to a “windfall” (*i.e.*, a benefit it would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification provisions hereof. Subject to Section 6.10, each member of the Parent Group and SpinCo Group shall use reasonable best efforts to collect or recover any Insurance Proceeds and any Third-Party Proceeds to which such Person is entitled in connection with any Liability for which such Person seeks indemnification pursuant to this Article VI; provided, however, that such Person’s inability to collect or recover any such Insurance Proceeds or Third-Party Proceeds shall not limit the Indemnifying Party’s obligations hereunder.

(c) The calculation of any Indemnity Payments required by this Agreement shall be subject to Section 5.2(c) of the TMA.

#### Section 6.05 Procedures for Indemnification of Third-Party Claims.

(a) If an Indemnitee shall receive notice or otherwise learn of a Third-Party Claim with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to this Agreement (including Article III), such Indemnitee shall give such Indemnifying Party written notice thereof as soon as reasonably practicable. Any such notice shall describe the Third-Party Claim in reasonable detail and shall include: (i) the basis for, and nature of, such Third-Party Claim, including the facts constituting the basis for such Third-Party Claim; (ii) the estimated amount of losses (to the extent so estimable) that have been or may be sustained by the Indemnitee in connection with such Third-Party Claim; and (iii) copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim; provided, however, that any such notice need only specify such information reasonably known to the Indemnitee as of the date of such notice and shall not limit or prejudice any of the rights or remedies of any Indemnitee on the basis of any limitations on the information included in such notice, including any such limitations made in good faith to preserve the attorney-client privilege, work product doctrine or any other similar privilege or doctrine. Notwithstanding the foregoing, the failure of any Indemnitee or other Person to give notice as provided in this Section 6.05(a) shall not relieve the related Indemnifying Party of its obligations under this Article VI, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice in accordance with this Section 6.05(a).

(b) The Indemnifying Party shall have the right, exercisable by written notice to the Indemnitee within thirty (30) days after receipt of notice from an Indemnitee in accordance with Section 6.05(a), to assume and conduct the defense of such Third-Party Claim in accordance with the limits set forth in this Agreement with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnitee; provided, however, that (x) SpinCo shall not be entitled to control the defense of any Third-Party Claim in respect of a Mixed Action (and, for the avoidance of doubt, Parent shall control any such defense), (y) the Indemnifying Party shall not have the right to control the defense of any Third-Party Claim (i) to the extent such Third-Party Claim seeks criminal penalties or injunctive or other equitable relief or (ii) if the Party to this Agreement which is part of such Indemnitee’s Group has determined in good faith that the Indemnifying Party controlling such defense would reasonably be expected to have a material adverse impact on the reputation or the business relations of the Indemnitee or its Group, and (z) if the Party to this Agreement which is part of such Indemnitee’s Group determines in good faith that the proper defense of the Third-Party Claim requires that the election to assume the defense of such claim be made in fewer than thirty (30) days, the Indemnitee may request that such election be made in such shorter period as the Indemnitee may reasonably determine; provided that such shorter period may not be shorter than ten (10) days. The Indemnifying Party shall notify the Indemnitee in writing within the time period described in the immediately preceding sentence as to whether or not it will assume the defense of the applicable Third-Party Claim. During such notice period, and prior to an election by the Indemnifying Party to control the defense of the applicable Third-Party Claim, the Indemnitee shall be permitted to take such actions in respect of such Third-Party Claim as the Indemnitee determines in good faith are necessary or appropriate to avoid prejudice to the Indemnitee’s interests in respect of such Third-Party Claim during such notice period, provided that the Indemnitee will consult reasonably and in good faith with the Indemnifying Party in respect of such actions in advance of taking such actions to the extent possible.

(c) If the Indemnifying Party elects not to assume the defense of a Third-Party Claim (or is not permitted to assume the defense of such Third-Party Claim) in accordance with this Agreement, or fails to notify an Indemnitee of its election as provided in Section 6.05(b), such Indemnitee may defend such Third-Party Claim with counsel selected by the Indemnitee and reasonably acceptable to the Indemnifying Party. If the Indemnifying Party elects (and is permitted) to assume the defense of a Third-Party Claim in accordance with the terms of this Agreement, the Indemnitee shall, subject to the terms of this Agreement, reasonably cooperate with the Indemnifying Party with respect to the defense of such Third-Party Claim.

(d) If the Indemnifying Party elects (and is permitted) to assume the defense of a Third-Party Claim in accordance with the terms of this Agreement, the Indemnifying Party will not be liable for any additional legal expenses subsequently incurred by the Indemnitee in connection with the defense of the Third-Party Claim; provided, however, that if the Indemnifying Party fails to take reasonable steps necessary to defend diligently such Third-Party Claim, or the nature of such Third-Party Claim changes such that the Indemnifying Party would no longer be entitled to assume the defense of such Third-Party Claim pursuant to Section 6.05(b), the Indemnitee may assume its own defense, and the Indemnifying Party will be liable for all reasonable and documented costs or expenses paid or incurred in connection with such defense. The Indemnifying Party or the Indemnitee, as the case may be, shall have the right to participate in (but, subject to the immediately preceding sentence, not control), at its own expense, the defense of any Third-Party Claim that the other is defending as provided in this Agreement. In the event, however, that such Indemnitee reasonably determines that representation by counsel to the Indemnifying Party of both such Indemnifying Party and the Indemnitee could reasonably be expected to present such counsel with a conflict of interest, then the Indemnitee may employ separate counsel to represent or defend it in any such Action and the Indemnifying Party will pay the reasonable and documented fees and expenses of such counsel.

(e) No Indemnifying Party shall consent to entry of any judgment or enter into any settlement of any Third-Party Claim with respect to which an Indemnifying Party is obligated to provide indemnification to an Indemnitee pursuant to this Agreement (including Article III) without the prior written consent of the applicable Indemnitee or Indemnitees (not to be unreasonably withheld, conditioned or delayed); provided, however, that such consent shall not be required if the judgment or settlement: (i) contains no finding or admission of liability with respect to any such Indemnitee or Indemnitees; (ii) involves only monetary relief which the Indemnifying Party has agreed to pay; and (iii) includes a full and unconditional release of the Indemnitee or Indemnitees. Notwithstanding the foregoing, the consent of an Indemnitee shall be required for any entry of judgment or settlement if the effect thereof is to permit any injunction, declaratory judgment, other order or other non-monetary relief to be entered, directly or indirectly, against such Indemnitee (such consent not to be unreasonably withheld, conditioned or delayed).

(f) Whether or not the Indemnifying Party assumes the defense of a Third-Party Claim, no Indemnitee shall admit any liability with respect to, or settle, compromise, resolve or discharge, such Third-Party Claim without the Indemnifying Party's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed).

Section 6.06 Additional Matters.

(a) Any claim on account of a Liability that does not result from a Third-Party Claim shall be asserted by prompt written notice given by the Indemnitee to the applicable Indemnifying Party. Any failure by an Indemnitee to give notice shall not relieve the Indemnifying Party's indemnification obligations under this Agreement, except to the extent that the Indemnifying Party shall have been actually prejudiced by such failure.

(b) In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(c) For the avoidance of doubt, Liabilities incurred by an Indemnitee pursuant to a contractual indemnification or similar obligation granted to a third party in respect of Liabilities otherwise indemnifiable under Section 6.02 or Section 6.03 shall be indemnifiable thereunder to the same extent that the underlying Liabilities would have been indemnifiable under Section 6.02 or Section 6.03.

(d) To the maximum extent permitted by applicable Law, the rights to recovery of each Party's Subsidiaries in respect of any past, present or future Action are hereby delegated to such Party. It is the intent of the Parties that the foregoing delegation shall satisfy any Law requiring such delegation to be effected pursuant to a power of attorney or similar instrument. The Parties and their respective Subsidiaries shall execute such further instruments or documents as may be necessary to effect such delegation.

(e) Each of Parent and SpinCo hereby agrees that with respect to any Third-Party Claim or Action pending as of the Distribution Date or commenced following the Distribution Date, in each case that (x) has named as a defendant one or more members of the SpinCo Group but otherwise relates only to the Parent Business or (y) has named as a defendant one or more members of the Parent Group but otherwise relates only to the SpinCo Business, the Parties shall use reasonable best efforts, each at its own expense, to cause each such nominal defendant to be removed as a defendant from such Third-Party Claim or Action, as soon as reasonably practicable (including using reasonable best efforts to petition the applicable court or counterparty to remove each such nominal defendant).

Section 6.07 Remedies Cumulative. The remedies provided in this Article VI shall be cumulative and, subject to the provisions of Section 6.01, Section 6.10 and Article XI, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

Section 6.08 Covenant Not to Sue. Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring an Action or otherwise assert any claim or defense against any Person, including before any court, arbitrator, mediator or administrative agency anywhere in the world, and further (on behalf of itself, the members of such Party's Group, and any other Person claiming through it) waives and releases any claim or defense against any Person, alleging that: (a) the assumption or retention of any SpinCo Liabilities by SpinCo or a member of the SpinCo Group on the terms and conditions set forth in this Agreement or the Ancillary Agreements is unlawful, a breach of a fiduciary or other duty, void, unenforceable, unconscionable, inequitable, or otherwise improper for any reason; (b) the assumption or retention of any Parent Liabilities by Parent or a member of the Parent Group on the terms and conditions set forth in this Agreement or the Ancillary Agreements is unlawful, a breach of a fiduciary or other duty, void, unenforceable, unconscionable, inequitable, or otherwise improper for any reason; (c) the provisions of this Agreement (including this Article VI) or any Ancillary Agreement are unlawful, a breach of a fiduciary or other duty, void, unenforceable, unconscionable, inequitable, or otherwise improper for any reason; or (d) any member of the Parent Group owes fiduciary duties to any member of the SpinCo Group or any equity holder of such member in his, her or its capacity as such with respect to this Agreement, any Ancillary Agreement, any transaction contemplated hereby or thereby or any agreement entered into in connection herewith or therewith.

Section 6.09 Survival of Indemnities. The rights and obligations of each of Parent and SpinCo and their respective Indemnitees under this Article VI shall survive the sale or other transfer by any Party or its Affiliates of any Assets or businesses or the assignment by it of any Liabilities.

Section 6.10 Indemnified Damages. Except as may expressly be set forth in this Agreement or any Ancillary Agreement, none of Parent, SpinCo or any other member of either Group shall in any event have any Liability to the other or to any other member of the other's Group, or to any other Parent Indemnitee or SpinCo Indemnitee, as applicable, under this Agreement for any indirect, special, punitive, consequential, exemplary, enhanced or treble damages, whether or not caused by or resulting from negligence or breach of obligations hereunder and whether or not informed of the possibility of the existence of such damages; provided, however, that the provisions of this Section 6.10 shall not limit an Indemnifying Party's indemnification obligations hereunder with respect to any Liability any Indemnitee may have to any third party not affiliated with any member of the Parent Group or the SpinCo Group for any indirect, special, punitive, consequential, exemplary, enhanced or treble damages.

Section 6.11 Management of Certain Actions and Internal Investigations. Notwithstanding the procedures set forth in Section 6.05, this Section 6.11 shall govern the management and direction of certain pending (or, as applicable in the case of Section 6.11(e), future) Actions and Internal Investigations involving one or more members of both the Parent Group and the SpinCo Group, but shall not alter the allocation of Liabilities set forth in Article II or rights to indemnification pursuant to Section 6.02 or Section 6.03. In the event of any conflict between the provisions of this Section 6.11 and Section 6.05 in respect of a SpinCo Directed Action, Parent Directed Action or Joint Action, the provisions of this Section 6.11 shall govern.

(a) From and after the Distribution, except as otherwise provided in Schedule 6.11(a) and subject to Section 7.08:

(i) the SpinCo Group shall direct the defense, prosecution or conduct (as applicable) of any Actions and Internal Investigations described on Schedule 6.11(a) (the “SpinCo Directed Actions”), including the development and implementation of the legal strategy for each SpinCo Directed Action, the filing of any motions, pleadings or briefs, the conduct of discovery and related fact finding, the conduct of any trial, any presentations to regulators or enforcement officials, any responses to subpoenas, requests or demands for information, any decision to appeal or not to appeal any decisions, judgment or order, and, subject to Section 6.11(d), any decision or consent to a settlement, compromise, resolution or discharge of any SpinCo Directed Action or any aspect thereof;

(ii) SpinCo (or the applicable member of the SpinCo Group) shall be responsible for selecting counsel in connection with the conduct and control of each SpinCo Directed Action;

(iii) Parent (or the applicable member of the Parent Group) shall be entitled to participate in (but not control) the defense, prosecution or conduct (as applicable) of each SpinCo Directed Action, and SpinCo shall provide Parent with the reasonable opportunity to consult, advise and comment with respect to all preparation, planning and strategy regarding any such SpinCo Directed Action, to the extent that Parent’s participation does not waive or jeopardize any attorney-client privilege, attorney work product protection or other similar privilege or doctrine. The Parties and the applicable members of their respective Groups shall cooperate reasonably to preserve any attorney-client privilege, work product protection, joint defense, common interest or other privilege as to third parties as may be available in connection with each Group’s participation in a SpinCo Directed Action; and

(iv) the costs and expenses incurred by the SpinCo Group and the Parent Group in connection with the conduct of any SpinCo Directed Action shall be advanced, paid and reimbursed in accordance with Schedule 6.11.

(b) From and after the Distribution, except as otherwise provided in Schedule 6.11(b) and subject to Section 7.08:

(i) the Parent Group shall direct the defense, prosecution or conduct (as applicable) of any Actions and Internal Investigations described on Schedule 6.11(b) (the “Parent Directed Actions”), including the development and implementation of the legal strategy for each Parent Directed Action, the filing of any motions, pleadings or briefs, the conduct of discovery and related fact finding, the conduct of any trial, any presentations to regulators or enforcement officials, any responses to subpoenas, requests or demands for information, any decision to appeal or not to appeal any decisions, judgment or order, and, subject to Section 6.11(d), any decision or consent to a settlement, compromise, resolution or discharge of any Parent Directed Action or any aspect thereof;

(ii) Parent (or the applicable member of the Parent Group) shall be responsible for selecting counsel in connection with the conduct and control of each Parent Directed Action;

(iii) SpinCo (or the applicable member of the SpinCo Group) shall be entitled to participate in (but not control) the defense, prosecution or conduct (as applicable) of each Parent Directed Action, and Parent shall provide SpinCo with the reasonable opportunity to consult, advise and comment with respect to all preparation, planning and strategy regarding any such Parent Directed Action, to the extent that SpinCo’s participation does not waive or jeopardize any attorney-client privilege, attorney work product protection or other similar privilege or doctrine. The Parties and the applicable members of their respective Groups shall cooperate reasonably to preserve any attorney-client privilege, work product protection, joint defense, common interest or other privilege as to third parties as may be available in connection with each Group’s participation in a Parent Directed Action; and

(iv) the costs and expenses incurred by the SpinCo Group and the Parent Group in connection with the conduct of any Parent Directed Action shall be advanced, paid and reimbursed in accordance with Schedule 6.11.

(c) From and after the Distribution, except as otherwise provided in Schedule 6.11(c) and subject to Section 7.08, the Parties shall separately but cooperatively manage and direct the defense, prosecution or conduct (as applicable) of any Actions and Internal Investigations described on Schedule 6.11(c) (“Joint Actions”), including the development and implementation of the legal strategy for each Joint Action, the filing of any motions, pleadings or briefs, the conduct of discovery and related fact finding, the conduct of any trial, any presentations to regulators or enforcement officials, any responses to subpoenas, requests or demands for information, any decision to appeal or not to appeal any decisions, judgment or order, and, subject to Section 6.11(d), any decision or consent to a settlement, compromise, resolution or discharge of any Joint Action or any aspect thereof. The Parties shall cooperate in good faith and take all reasonable actions to provide for any appropriate joinder or change in named parties to such Joint Actions such that the appropriate Party or member of each Party’s Group is party thereto. The Parties shall reasonably cooperate and consult with each other and, to the extent feasible, maintain a joint defense in a manner that would preserve for both Parties and their respective Affiliates any attorney-client privilege, work product protection, joint defense, common interest or other privilege with respect to any Joint Action. Notwithstanding anything to the contrary herein, the costs and expenses of counsel for each Joint Action shall be paid for by the Party indicated with respect to such Joint Action on Schedule 6.11(e); provided, that in the event that either Party determines to retain new separate counsel with respect to any Joint Action, such Party shall bear the costs and expenses of its separate counsel. The costs and expenses incurred by SpinCo or Parent in connection with the conduct of any Joint Action shall be advanced, paid and reimbursed in accordance with Schedule 6.11. In any Joint Action, each of Parent and SpinCo may pursue separate defenses, claims, counterclaims or settlements to those claims relating solely to the Parent Business or the SpinCo Business, respectively; provided that each Party shall in good faith make reasonable best efforts to avoid adverse effects on the other Party.

(d) No Party managing an Action (the “Managing Party”) pursuant to this Section 6.11 shall consent to entry of any judgment or enter into any settlement of any such Action without the prior written consent of the other Party (the “Non-Managing Party”) (not to be unreasonably withheld, conditioned or delayed); provided, however, that such Non-Managing Party, including, in the case of a Joint Action, any co-defendant, shall be required to consent to such entry of judgment or to such settlement that the Managing Party or other co-defendant may recommend with respect to any claim for which such Non-Managing Party (or co-defendant) is the defendant if the judgment or settlement: (i) contains no finding or admission of liability with respect to such Non-Managing Party’s (or co-defendant’s) Group or its applicable related Persons; (ii) involves only monetary relief which the Managing Party or proposing co-defendant has agreed to pay; and (iii) includes a full and unconditional release of the Non-Managing Party’s (or co-defendant’s) Group and its applicable related Persons. Notwithstanding the foregoing, the consent of the Non-Managing Party or co-defendant shall be required for any entry of judgment or settlement if the effect thereof is to permit any injunction, declaratory judgment, other order or other non-monetary relief to be entered, directly or indirectly, against the Non-Managing Party’s Group or its applicable related Persons (such consent not to be unreasonably withheld, conditioned or delayed).

(e) Any Government Investigation that (i) is not set forth on Schedule 6.11(c), (ii) Parent determines in good faith involves one or more members of both the Parent Group and the SpinCo Group, (iii) relates to conduct that occurred prior to the Distribution Date and (iv) Parent determines in good faith involves, or would reasonably be expected to involve, non-monetary relief sought by a Governmental Authority with respect to a member of the Parent Group, shall be separately but cooperatively managed and directed by the Parties as if it were a Joint Action in accordance with the terms of Section 6.11(c) (subject, for the avoidance of doubt, to Schedule 6.11 and Section 6.11(d)). If either Party shall receive notice or otherwise learn of a Government Investigation that would reasonably be expected to require cooperative management as a Joint Action pursuant to this Section 6.11(e), such Party shall give the other Party written notice thereof as soon as reasonably practicable.

Section 6.12 EHS Matters. Notwithstanding anything herein to the contrary, the terms set forth on Schedule 6.12 shall govern the conduct and management of the Liabilities and Actions and Third-Party Claims subject to indemnification pursuant to Section 6.02 or Section 6.03 of this Agreement to the extent relating to (a) Known Environmental Liabilities, or (b) EHS Liabilities Discovered Post Distribution, in the case of each of (a) and (b), to the extent it includes the conduct and management of Remedial Action (herein together referred to as “Environmental Indemnification Claims”). All EHS Liabilities that are subject to indemnification under this Agreement that are not Environmental Indemnification Claims shall be managed in accordance with Section 6.05 and Section 6.11 of this Agreement. This Section 6.12 shall not alter the allocation of Liabilities set forth in Article II. In the event of any conflict between the provisions of this Section 6.12 or Schedule 6.12 and Section 6.05 or Section 6.11 in respect of any Environmental Indemnification Claims, the provisions of this Section 6.12 and Schedule 6.12 shall govern.

## ARTICLE VII

### ACCESS TO INFORMATION; PRIVILEGE; CONFIDENTIALITY

#### Section 7.01 Agreement for Exchange of Information; Archives.

(a) Except in the case of an Adversarial Action or threatened Adversarial Action, and subject to Section 7.01(b), each of Parent and SpinCo, on behalf of its Group, shall provide, or cause to be provided, to the other Party, at any time after the Distribution, as soon as reasonably practicable after written request therefor, any Information relating to time periods on or prior to the Distribution Date in the possession or under the control of such respective Group, which Parent or SpinCo, or any member of its respective Group, as applicable: (i) reasonably needs to comply with reporting, disclosure, filing or other requirements imposed on Parent or SpinCo, or any member of its respective Group, as applicable (including under applicable securities Laws), by any national securities exchange or any Governmental Authority having jurisdiction over Parent or SpinCo, or any member of its respective Group, as applicable; (ii) requests for use in any other judicial, regulatory, administrative or other Action or Internal Investigation, including possible Actions or Internal Investigations anticipated in good faith, or in order to satisfy audit, accounting, regulatory, litigation or other similar requirements; (iii) to comply with its obligations under this Agreement or any Ancillary Agreement; or (iv) in connection with Parent's consideration of the timing or manner in which it will effect the Subsequent Disposition, the Remaining Disposition or the Debt-for-Debt Exchange; provided that any request for information pursuant to this Section 7.01 shall be used only for the purposes described in this paragraph.

(b) In the event that either Parent or SpinCo determines in good faith that the disclosure of any Information pursuant to Section 7.01(a) could be commercially detrimental, violate any Law or Contract or waive or jeopardize any attorney-client privilege, attorney work product protection or other similar privilege or doctrine, such Party may restrict such information to view by the other Party's attorneys' and experts' eyes only before providing access to or furnishing such Information to the other Party; provided, however, that both Parent and SpinCo shall take all commercially reasonable measures to permit compliance with Section 7.01(a) in a manner that avoids any such harm or consequence.

Section 7.02 Ownership of Information. Any Information owned by one Group that is provided to the requesting Party hereunder shall be deemed to remain the property of the providing Party. Except as specifically set forth herein or in any Ancillary Agreement, nothing herein shall be construed as granting or conferring rights of license or otherwise in any such Information.



Section 7.03 Compensation for Providing Information. Parent and SpinCo shall reimburse each other for the reasonable costs, if any, in complying with a request for Information pursuant to this Article VII (whether or not such Information was a SpinCo Asset or a Parent Asset). Except as may be otherwise specifically provided elsewhere in this Agreement, such costs shall be computed in accordance with the “head count liquidation cost” pricing methodology of the TSA.

Section 7.04 Record Retention. To facilitate the possible exchange of Information pursuant to this Article VII and other provisions of this Agreement, each Party shall use its reasonable best efforts to retain all Information in such Party’s possession relating to the other Party or its businesses, Assets or Liabilities, this Agreement or the Ancillary Agreements, in each case to the extent such Information is of a category listed in Schedule 7.04(a) or Schedule 7.04(b), as applicable, in each case in accordance with the provisions of Schedule 7.04(a) or Schedule 7.04(b), as applicable to such category. Each of Parent and SpinCo shall use their reasonable best efforts to maintain and continue their respective Group’s compliance with all “litigation holds” listed on Schedule 7.04(c) in accordance with the provisions set forth on Schedule 7.04(c) with respect to such listed litigation hold.

Section 7.05 Accounting Information. Without limiting the generality of Section 7.01 but subject to Section 7.01(b):

(a) Until the end of the first full fiscal year occurring after the Distribution Date (and for a reasonable period of time afterwards, as determined in good faith by Parent, or as required by Law for Parent to prepare consolidated financial statements or complete a financial statement audit for any period during which the financial results of the SpinCo Group were consolidated with those of Parent), SpinCo shall use its reasonable best efforts to enable Parent to meet its timetable for dissemination of its financial statements and to enable Parent’s auditors to timely complete their annual audit and quarterly reviews of financial statements. As part of such efforts and during such period as specified in the immediately preceding sentence, to the extent reasonably necessary for the preparation of financial statements or completing an audit or review of financial statements or an audit of internal control over financial reporting, (i) SpinCo shall authorize and direct its auditors to make available to Parent’s auditors, within a reasonable time prior to the date of Parent’s auditors’ opinion or review report, both (x) the personnel who performed or will perform the annual audits and quarterly reviews of SpinCo and (y) work papers to the extent related to such annual audits and quarterly reviews, to enable Parent’s auditors to perform any procedures they consider reasonably necessary to take responsibility for the work of SpinCo’s auditors as it relates to Parent’s auditors’ opinion or report and (ii) until all governmental audits of those financial statements of Parent specified in the immediately preceding sentence are complete, SpinCo shall provide reasonable access during normal business hours for Parent’s internal auditors, counsel and other designated representatives to (x) the premises of SpinCo and its Subsidiaries and all Information (and duplicating rights) within the knowledge, possession or control of SpinCo and its Subsidiaries and (y) the officers and employees of SpinCo and its Subsidiaries, so that Parent may conduct reasonable audits relating to the financial statements provided by SpinCo and its Subsidiaries; provided, however, that such access shall not be unreasonably disruptive to the business and affairs of the SpinCo Group; provided, further, that, any request for access pursuant to this Section 7.05(a) shall be made in good faith and limited to the extent reasonable to satisfy the good faith basis for such request.

(b) Until the end of the first full fiscal year occurring after the Distribution Date (and for a reasonable period of time afterwards, as determined in good faith by Parent, or as required by Law), Parent shall use its reasonable best efforts to enable SpinCo to meet its timetable for dissemination of its financial statements and to enable SpinCo's auditors to timely complete their annual audit and quarterly reviews of financial statements. As part of such efforts, and during such period as specified in the immediately preceding sentence, to the extent reasonably necessary for the preparation of financial statements or completing an audit or review of financial statements or an audit of internal control over financial reporting, (i) Parent shall authorize and direct its auditors to make available to SpinCo's auditors, within a reasonable time prior to the date of SpinCo's auditors' opinion or review report, both (x) the personnel who performed or will perform the annual audits and quarterly reviews of Parent and (y) work papers to the extent related to such annual audits and quarterly reviews, to enable SpinCo's auditors to perform any procedures they consider reasonably necessary to take responsibility for the work of Parent's auditors as it relates to SpinCo's auditors' opinion or report and (ii) until all governmental audits of those financial statements of SpinCo specified in the immediately preceding sentence are complete, Parent shall provide reasonable access during normal business hours for SpinCo's internal auditors, counsel and other designated representatives to (x) the premises of Parent and its Subsidiaries and all Information (and duplicating rights) within the knowledge, possession or control of Parent and its Subsidiaries and (y) the officers and employees of Parent and its Subsidiaries, so that SpinCo may conduct reasonable audits relating to the financial statements provided by Parent and its Subsidiaries; provided, however, that such access shall not be unreasonably disruptive to the business and affairs of the Parent Group; provided, further, that, any request for access pursuant to this Section 7.05(b) shall be made in good faith and limited to the extent reasonable to satisfy the good faith basis for such request.

(c) In order to enable the principal executive officer(s) and principal financial officer(s) (as such terms are defined in the rules and regulations of the Commission) of Parent to make any certifications required of them under Section 302 or 906 of the Sarbanes-Oxley Act of 2002, SpinCo shall, within a reasonable period of time following a request from Parent in anticipation of filing such reports, cause its principal executive officer(s) and principal financial officer(s) to provide Parent with certifications of such officers in support of the certifications of Parent's principal executive officer(s) and principal financial officer(s) required under Section 302 or 906 of the Sarbanes-Oxley Act of 2002 with respect to (i) Parent's Quarterly Report on Form 10-Q filed with respect to the fiscal quarter during which the Distribution Date occurs (unless such quarter is Parent's fourth fiscal quarter), (ii) to the extent applicable, each subsequent fiscal quarter through the third fiscal quarter of the year in which the Distribution Date occurs and (iii) Parent's Annual Report on Form 10-K filed with respect to the fiscal year during which the Distribution Date occurs. Such certifications shall be provided in substantially the same form and manner as such SpinCo officers provided prior to the Distribution (reflecting any changes in certifications necessitated by the Spin-Off or any other transactions related thereto) or as otherwise agreed upon between Parent and SpinCo.

Section 7.06 Limitations of Liability. Each of Parent (on behalf of itself and each other member of the Parent Group) and SpinCo (on behalf of itself and each other member of the SpinCo Group) understands and agrees that neither Party is representing or warranting in any way as to the accuracy or sufficiency of any Information exchanged or disclosed under this Agreement, including any Information that constitutes an estimate or forecast or is based upon an estimate or forecast.

Section 7.07 Production of Witnesses; Records; Cooperation.

(a) Without limiting any of the rights or obligations of the Parties pursuant to Section 7.01 or Section 7.04, after the Distribution Date, except in the case of an Adversarial Action or threatened or contemplated Adversarial Action, and subject to Section 7.01(b), each of Parent and SpinCo shall use their reasonable best efforts to make reasonably available, upon written request: (i) the former, current and future directors, officers, employees, other personnel and agents of the Persons in its respective Group (whether as witnesses or otherwise); and (ii) subject to Section 7.01(b), Information contemplated by Section 7.01(a), in each case of clauses (i) and (ii), to the extent that such Person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action, Internal Investigation, Commission comment or review or threatened or contemplated Action, Internal Investigation, Commission comment or review (including preparation for any such Action, Internal Investigation, Commission comment or review) in which either Parent or SpinCo or any Person or Persons in its Group, as applicable, may from time to time be involved, regardless of whether such Action, Internal Investigation, Commission comment or review or threatened or contemplated Action, Internal Investigation, Commission comment or review is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(b) Without limiting the foregoing, Parent and SpinCo shall use their reasonable best efforts to cooperate and consult with each other to the extent reasonably necessary with respect to any Actions, Internal Investigations or threatened or contemplated Actions or Internal Investigations (including in connection with preparation for any such Action or Internal Investigation), other than an Adversarial Action or threatened or contemplated Adversarial Action.

(c) The obligation of Parent and SpinCo, pursuant to this Section 7.07, to use their reasonable best efforts to make available former, current and future directors, officers, employees and other personnel and agents or provide witnesses and experts, except in the case of an Adversarial Action or threatened or contemplated Adversarial Action, is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to make available employees and other officers without regard to whether such individual or the employer of such individual could assert a possible business conflict. Without limiting the foregoing, each of Parent and SpinCo agrees that neither it nor any Person or Persons in its respective Group will take any adverse action against any employee of its Group based on such employee's provision of assistance or information to each other pursuant to this Section 7.07.

Section 7.08 Privileged Matters.

(a) Solely for purposes of asserting privileges which may be asserted under applicable Law, and without limiting the provisions of Section 7.10: (x) the Parties recognize that legal and other professional services that have been and will be provided prior to the Distribution (whether by outside counsel, in-house counsel, other legal professionals, or other professionals acting at the direction of counsel) have been and will be rendered for the collective benefit of Parent and its Subsidiaries (in such capacity) and (y) each of the members of the Parent Group and the SpinCo Group shall be deemed to have been the client in connection with such services with respect to periods prior to the Distribution. The Parties recognize that legal and other professional services will be provided following the Distribution, which services will be rendered solely for the benefit of the Parent Group or the SpinCo Group, as the case may be.

(b) Parent shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any privileged Information that relates solely to the Parent Business or the Distribution and not to the SpinCo Business, whether or not the privileged Information is in the possession or under the control of any member of the Parent Group or any member of the SpinCo Group. Parent shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any privileged Information that relates solely to any Parent Assets or Parent Liabilities, and not any SpinCo Assets or SpinCo Liabilities, in connection with any Actions or Internal Investigations that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the Parent Group or any member of the SpinCo Group. For the avoidance of doubt, Information shall not be deemed to relate to the Parent Business solely by virtue of the fact that personnel associated with the corporate function of Parent were involved in the production or evaluation of such Information or otherwise involved in the Actions or Internal Investigations relating to such Information.

(c) SpinCo shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any privileged Information that relates solely to the SpinCo Business and not to the Parent Business or the Distribution, whether or not the privileged Information is in the possession or under the control of any member of the SpinCo Group or any member of the Parent Group. SpinCo shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any privileged Information that relates solely to any SpinCo Assets or SpinCo Liabilities and not any Parent Assets or Parent Liabilities in connection with any Actions or Internal Investigations that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the SpinCo Group or any member of the Parent Group. For the avoidance of doubt, Information shall not be deemed to relate to the SpinCo Business solely by virtue of the fact that SpinCo personnel were involved in the production or evaluation of such Information or otherwise involved in the Actions or Internal Investigations relating to such Information.

(d) Subject to the remaining provisions of this Section 7.08, the Parties agree that Parent shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with privileged Information not otherwise allocated pursuant to this Section 7.08 in connection with any Actions or Internal Investigations, or threatened or contemplated Actions or Internal Investigations, or other matters that involve both Parties (or one or more members of their respective Groups), whether or not such privileged Information is in the possession or under the control of a member of the SpinCo Group or a member of the Parent Group.

(e) To the extent that an issue regarding a privilege controlled by one Party under this Section 7.08 arises in connection with an Action or Internal Investigation the defense, prosecution or conduct (as applicable) of which the other Party is entitled to direct pursuant to Section 6.11, the Party entitled to control such privilege shall cooperate in good faith with the Party directing such Action or Internal Investigation in order to facilitate the efficient administration of such Action or Internal Investigation. If any dispute arises between the Parties or any members of their respective Group regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party or any member of their respective Groups, each Party agrees that it shall: (i) negotiate with the other Party in good faith and (ii) endeavor to minimize any prejudice to the rights of the other Party and the members of its Group.

(f) Upon receipt by either Party, or by any member of its respective Group, of any subpoena, discovery or other request (or of written notice that it will receive or has received such subpoena, discovery or other request) that may reasonably be expected to result in the production or disclosure of privileged Information subject to a shared privilege or immunity or as to which the other Party has the sole right hereunder to assert a privilege or immunity, or if either Party obtains knowledge or becomes aware that any of its, or any member of its respective Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests (or have received written notice that they will receive or have received such subpoena, discovery or other requests) that may reasonably be expected to result in the production or disclosure of such privileged Information, such Party shall promptly notify the other Party of the existence of any such subpoena, discovery or other request and shall provide the other Party a reasonable opportunity to review the privileged Information and to assert any rights it or they may have, under this Section 7.08 or otherwise, to prevent the production or disclosure of such privileged Information; provided that if such Party is prohibited by applicable Law from disclosing the existence of such subpoena, discovery or other request, such Party shall provide written notice of such related information for which disclosure is not prohibited by applicable Law and use reasonable best efforts to inform the other Party of any related information such Party reasonably determines is necessary or appropriate for the other Party to be informed of to enable the other Party to review the privileged Information and to assert its rights, under this Section 7.08 or otherwise, to prevent the production or disclosure of such privileged Information.

(g) The Parties agree that their respective rights to any access to Information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of privileged Information between the Parties and members of their respective Groups pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise. The Parties further agree that: (i) the exchange by one Party to the other Party of any Information that should not have been exchanged pursuant to the terms of Section 7.09 shall not be deemed to constitute a waiver of any privilege or immunity that has been or may be asserted under this Agreement or otherwise with respect to such privileged Information; and (ii) the Party receiving such privileged Information shall promptly return such privileged Information to the Party who has the right to assert the privilege or immunity.

Section 7.09 Confidential Information.

(a) Each of Parent and SpinCo, on behalf of itself and each Person in its respective Group, shall hold, and cause its respective directors, officers, employees, agents, accountants, subcontractors, counsel and other advisors and representatives (each, a “Representative”) to hold, in strict confidence, not release or disclose and protect with at least the same degree of care, but no less than a reasonable degree of care, that it applies to its own confidential and proprietary information pursuant to policies in effect as of the Distribution Date, all confidential or proprietary Information concerning the Parent Business or the Parent Group (in the case of SpinCo or a member of its Group) or the SpinCo Business or the SpinCo Group (in the case of Parent or a member of its Group) (such Group’s “Specified Confidential Information”) that is either in its possession (including such Specified Confidential Information in its possession prior to the Distribution) or furnished by the other Group or its respective Representatives at any time pursuant to this Agreement or any Ancillary Agreement, and shall not use any such Specified Confidential Information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such Specified Confidential Information is: (x) in the public domain through no fault of any member of the Parent Group or the SpinCo Group, as applicable, or any of its respective Representatives; (y) later lawfully acquired from other sources by any of Parent, SpinCo or its respective Group or Representatives, as applicable, which sources are not themselves bound by a confidentiality obligation to the knowledge of any of Parent, SpinCo or Persons in its respective Group, as applicable; or (z) independently generated after the date hereof without reference to any Specified Confidential Information of the Parent Group or the SpinCo Group, as applicable. Notwithstanding the foregoing, each of Parent and SpinCo may release or disclose, or permit to be released or disclosed, any such Specified Confidential Information of the other Group (i) to their respective Representatives who need to know such Specified Confidential Information (who shall be advised of the obligations hereunder with respect to such Specified Confidential Information), (ii) to any nationally recognized statistical rating organization as it reasonably deems necessary, solely for the purpose of obtaining a rating of securities or other debt instruments upon normal terms and conditions, (iii) if such Party or its respective Group is required or compelled to disclose any such Specified Confidential Information by judicial or administrative process (including any proceeding brought by a Governmental Authority) or by other requirements of Law or stock exchange rule, in each case, to the extent such Party is advised by counsel that it is advisable to do so, (iv) as required in connection with any legal or other proceeding by one Party against the other Party or in respect of claims by one Party against the other Party brought in a proceeding, (v) as necessary in order to permit a Party to prepare and disclose its financial statements, Tax Returns or other required disclosures under applicable Law or in connection with the Distribution, Subsequent Disposition, Remaining Disposition or Debt-for-Debt Exchange, (vi) as necessary for a Party to enforce its rights or perform its obligations under this Agreement or any Ancillary Agreement and (vii) to Governmental Authorities in accordance with applicable procurement regulations and contract requirements; provided, however, that, with respect to clause (i) hereof: (A) such Representatives shall keep such Specified Confidential Information confidential and will not disclose such Specified Confidential Information to any other Person and (B) each Party agrees that it is responsible to the other Party for any action or failure to act that would constitute a breach or violation of this Section 7.09(a) by any such Representative; with respect to clause (ii) hereof, the Party whose Specified Confidential Information is being disclosed or released to such rating organization is promptly notified thereof in writing in advance of such disclosure or release; with respect to public disclosures pursuant to clause (iii) hereof, that the Party required to disclose such Specified Confidential Information gives the other Party a reasonable opportunity to review and comment on the portion of such disclosure containing or reflecting Specified Confidential Information prior to the disclosure thereof; and, in the case of disclosure required by judicial or administrative process pursuant to clause (iii) hereof or disclosure pursuant to clause (iv) hereof, that the Party required to disclose such Specified Confidential Information gives the other Party prompt and, to the extent reasonably practicable and legally permissible, prior notice of such disclosure and an opportunity to contest such disclosure and shall use reasonable best efforts to cooperate, at the expense of the requesting Party, in seeking any reasonable protective arrangements requested by such Party. In the event that such appropriate protective order or other remedy is not obtained, the Party that is required to disclose such Specified Confidential Information of the other Group shall furnish, or cause to be furnished, only that portion of such Specified Confidential Information that is legally required to be disclosed and shall use reasonable best efforts to ensure that confidential treatment is accorded such Specified Confidential Information.

(b) Each Party acknowledges that it or members of its Group may presently have and, after the Distribution, may gain access to or possession of confidential or proprietary Information of, or legally protected personal Information relating to, third parties: (i) that was received under confidentiality or non-disclosure agreements entered into between such third parties, on the one hand, and the other Party or members of such other Party's Group, on the other hand, prior to the Distribution or (ii) that, as between the two Parties, was originally collected by the other Party or such other Party's Group and that may be subject to and protected by privacy, data protection or other applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause the members of its Group and its and their respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary Information of, or legally protected personal Information relating to, third parties in accordance with privacy, data protection or other applicable Laws and the terms of any Contracts that were either entered into before the Distribution or affirmative commitments or representations that were made before the Distribution by, between or among the other Party or members of the other Party's Group, on the one hand, and such third parties, on the other hand.

(c) Notwithstanding anything in this Agreement to the contrary, the receiving Party may disclose, disseminate, or use the ideas, concepts, know-how and techniques, in each case that are related to the receiving Party's business activities and that are contained in the disclosing Party's Specified Confidential Information and retained in the unaided memories of the receiving Party's employees who have had access to the disclosing Party's Specified Confidential Information, who have not intentionally memorized such Specified Confidential Information, and in each case without the specific intent to use or disclose such Specified Confidential Information. For the avoidance of doubt, nothing in this Section 7.09(c) grants either Party any right or license in or to any Patents or Copyrights (as each such term is defined in the IPAA).

Section 7.10 Conflicts Waiver. Each of the Parties acknowledges, on behalf of itself and each other member of its Group, notwithstanding anything to the contrary contained herein or imposed by operation of law, that Parent has retained Paul, Weiss, Rifkind, Wharton & Garrison LLP, DLA Piper LLP, Jones Day LLP, Proskauer Rose LLP and Mayer Brown LLP (collectively, the “Known Counsel”) to act as its counsel in connection with this Agreement, the Ancillary Agreements and the transactions contemplated hereby and thereby. SpinCo hereby agrees on behalf of itself and each member of its Group that, notwithstanding anything to the contrary contained herein or imposed by operation of law, in the event that a dispute (whether or not related to this Agreement, the Ancillary Agreements, or the transactions contemplated hereby and thereby) arises between or among (x) any member of the SpinCo Group, any SpinCo Indemnitee or any of their respective Affiliates, on the one hand, and (y) any member of the Parent Group, any Parent Indemnitee or any of their respective Affiliates, on the other hand: (a) any Known Counsel may represent any member of the Parent Group, any Parent Indemnitee or any of their respective Affiliates in such dispute even though the interests of such Person may be directly adverse to, or conflict with the legal or economic interests of, any Person described in clause (x), and even though such Known Counsel may have represented or provided advice to a Person described in clause (x) in a matter substantially related to such dispute at or prior to the Distribution, or may be handling ongoing matters for a Person described in clause (x) as of the Distribution Date that continue following the Distribution, and even though such Known Counsel may have or previously have had confidential or privileged information of a Person described in clause (x) that may be related to such dispute, (b) SpinCo hereby waives, on behalf of itself and each other Person described in clause (x), as applicable, any conflict of interest or claim to confidentiality in connection with such representation by such Known Counsel, and (c) SpinCo hereby agrees, on behalf of itself and each other Person described in clause (x), as applicable, not to seek to disqualify such Known Counsel in connection with such representation. SpinCo, on behalf of itself and each other member of its Group, irrevocably authorizes any Known Counsel to disclose or provide any of its confidential or privileged information existing as of the date hereof to Parent or any other member of Parent’s Group, and to otherwise use or disclose that information in accordance with Parent’s direction. Each of SpinCo and Parent, on behalf of itself and each other member of its Group, agrees to take, and to cause their respective then-Affiliates to take, all steps necessary to implement the intent of this Section 7.10. Each of SpinCo and Parent, on behalf of itself and each other member of its Group, further agrees that each Known Counsel and its respective partners and employees are third-party beneficiaries of this Section 7.10, and may seek to enforce, without limitation, this Section 7.10.

## ARTICLE VIII

### INSURANCE

#### Section 8.01 Maintenance of Insurance and Termination of Coverage.

(a) Until the Distribution, Parent shall (i) cause the members of the SpinCo Group and their respective employees, officers and directors to continue to be covered as insured parties under Parent’s policies of insurance in a manner which is no less favorable than the coverage provided for the Parent Group and (ii) permit the members of the SpinCo Group and their respective employees, officers and directors to submit claims, whether made before or after the Distribution, relating to, arising out of or resulting from facts, circumstances, events or matters that occurred prior to the Distribution to the extent permitted under such policies.



(b) Except as otherwise expressly permitted in this Article VIII, Parent and SpinCo acknowledge that, as of immediately prior to the Distribution, Parent intends to take such action as it may deem necessary or desirable to remove the members of the SpinCo Group and their respective employees, officers and directors as insured parties under any policy of insurance issued to any member of the Parent Group by any insurance carrier effective immediately prior to the Distribution, and on or following the Distribution, the SpinCo Group shall cease to be in any manner insured by, entitled to any benefits or coverage under, or entitled to seek benefits or coverage from or under any Parent insurance policies other than any insurance policy issued exclusively in the name and for the benefit of any member of the SpinCo Group (and except for any such insurance policy which forms a part of a fronted, or equivalent, insurance program for which any member of the Parent Group retains funding responsibility). SpinCo Group will not be entitled at or following the Distribution to make any claims for insurance thereunder to the extent such claims are based upon facts, circumstances, events, matters or claims occurring or made at or after the Distribution. No member of the Parent Group shall be deemed to have made any representation or warranty as to the availability of any coverage, insurability, or satisfaction of any terms and conditions under any such insurance policy. At and after the Distribution, the SpinCo Group shall procure all contractual and statutorily obligated insurance related to the operation of the SpinCo Business.

Section 8.02 Claims under Parent Insurance Policies.

(a) At and after the Distribution, the members of each of the Parent Group and the SpinCo Group shall, subject to the terms of this Section 8.02, have the right to assert Parent Policy Pre-Separation Insurance Matters under the applicable Parent insurance policies up to the full extent of the applicable and available limits of liability of such policy subject to the terms and conditions of such policies. No other claims shall be permitted under the Parent insurance policies.

(i) Members of the SpinCo Group shall be solely responsible for notifications, and updates to the applicable insurance companies, compliance with all policy terms and conditions, and for the handling, pursuit and collection of such claims.

(ii) Members of the SpinCo Group shall not, without the written consent of Parent, amend, modify, waive or release any rights of Parent under any such insurance policies and programs. Parent shall have primary control over any joint Parent Policy Pre-Separation Insurance Matters, subject to the terms and conditions of the relevant policy of insurance governing such control.

(iii) Notwithstanding anything in this Agreement to the contrary, SpinCo shall not have access to any Available Insurance Policies that are occurrence-based liability policies (including general, public, civil and products liability insurance policies) in respect of any claims, no matter when such claims (or the actual or alleged event, condition, cause, defect, hazard or failure to warn of such claims which results in Liability under such policies) occurred or were reported, to the extent exceeding \$25,000,000 in the aggregate.

(b) Each of Parent and SpinCo shall, and shall cause each member of the Parent Group and SpinCo Group, respectively, to, reasonably cooperate with and assist the applicable member of the SpinCo Group and the Parent Group, as applicable, with respect to claims reported to insurance companies pursuant to Section 8.02(a). With respect to coverage claims or requests for benefits asserted by members of the SpinCo Group under the insurance policies of the Parent Group, Parent shall have the right but not the duty to monitor or associate with such claims.

(c) Notwithstanding anything contained herein, except as provided in Section 8.06, (i) nothing in this Agreement shall limit, waive or abrogate in any manner any rights of any member of the Parent Group to insurance coverage for any matter, whether relating to the rights of the SpinCo Group or otherwise and (ii) Parent shall retain the exclusive right to control the insurance policies of the Parent Group, and the benefits and amounts payable thereunder, including the right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of such insurance policies and to amend, modify or waive any rights under any such insurance policies, notwithstanding whether any such insurance policies apply to any past, present or future Liabilities of or claims by any member of the SpinCo Group, including coverage claims with respect to any claim, act, omission, event, circumstance, occurrence or loss for which the SpinCo Group may make a claim under an insurance policy pursuant to this Section 8.02. SpinCo, on behalf of itself and each member of the SpinCo Group, hereby gives consent for the Parent to inform any affected insurer of this Agreement and to provide such insurer, as reasonably necessary, with all or any portion of a copy hereof.

#### Section 8.03 Claims under SpinCo Insurance Policies.

(a) At and after the Distribution, the members of each of the Parent Group and the SpinCo Group shall, subject to the terms of this Section 8.03, have the right to assert SpinCo Policy Pre-Separation Insurance Matters under the applicable SpinCo insurance policies up to the full extent of the applicable and available limits of liability of such policy subject to the terms and conditions of such policies.

(i) Members of the Parent Group shall be solely responsible for notifications, and updates to the applicable insurance companies, compliance with all policy terms and conditions, and for the handling, pursuit and collection of such claims.

(ii) Members of the Parent Group shall not, without the written consent of SpinCo, amend, modify, waive or release any rights of SpinCo under any such insurance policies and programs. SpinCo shall have primary control over any joint SpinCo Policy Pre-Separation Insurance Matters, subject to the terms and conditions of the relevant policy of insurance governing such control.

(b) Each of Parent and SpinCo shall, and shall cause each member of the Parent Group and SpinCo Group, respectively, to, reasonably cooperate with and assist the applicable member of the SpinCo Group and the Parent Group, as applicable, with respect to claims reported to insurance companies pursuant to Section 8.03(a). With respect to coverage claims or requests for benefits asserted by members of the Parent Group under the insurance policies of the SpinCo Group, SpinCo shall have the right but not the duty to monitor or associate with such claims.

(c) Notwithstanding anything contained herein, except as provided in this ARTICLE VIII, (i) nothing in this Agreement shall limit, waive or abrogate in any manner any rights of any member of the SpinCo Group to insurance coverage for any matter, whether relating to the rights of the Parent Group or otherwise and (ii) SpinCo shall retain the exclusive right to control the insurance policies of the SpinCo Group, and the benefits and amounts payable thereunder, including the right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of such insurance policies and to amend, modify or waive any rights under any such insurance policies, notwithstanding whether any such insurance policies apply to any past, present or future Liabilities of or claims by any member of the Parent Group, including coverage claims with respect to any claim, act, omission, event, circumstance, occurrence or loss for which the Parent Group may make a claim under an insurance policy pursuant to this Section 8.03. Parent, on behalf of itself and each member of the Parent Group, hereby gives consent for SpinCo to inform any affected insurer of this Agreement and to provide such insurer, as reasonably necessary, with all or any portion of a copy hereof.

Section 8.04 Insurance Proceeds. Except as set forth on Schedule 8.04, any Insurance Proceeds received by the Parent Group for the benefit of members of the SpinCo Group or by the SpinCo Group for the benefit of members of the Parent Group shall be transferred, respectively, to the SpinCo Group (in the former case) or the Parent Group (in the latter case). Any Insurance Proceeds received for the benefit of both the Parent Group and the SpinCo Group shall be distributed pro rata based on the respective share of the underlying loss.

Section 8.05 Claims Not Reimbursed. Neither Party shall be liable to the other Party for claims, or portions of claims, not reimbursed by insurers under any policy for any reason, including coinsurance provisions, deductibles, quota share deductibles, self-insured retentions, reimbursement obligations (including under “fronted” or similar insurance policies), bankruptcy or insolvency of any insurance carrier(s), policy limitations or restrictions (including exhaustion of limits), any coverage disputes, any failure to timely file a claim by any member of the Parent Group or any member of the SpinCo Group or any defect in such claim or its processing. Nothing in this Section 8.05 shall be construed to limit or otherwise alter in any way the obligations of the Parties, including those created by this Agreement, by operation of Law or otherwise.

Section 8.06 D&O Policies. At and after the Distribution, Parent shall not, and shall cause the members of the Parent Group not to, take any action that would limit the coverage of the individuals who acted as directors or officers of SpinCo (or members of the SpinCo Group) prior to the Distribution under any directors and officers liability insurance policies or fiduciary liability insurance policies (collectively, “D&O Policies”) maintained by the members of the Parent Group in respect of claims made against and known by Parent prior to the Distribution. Parent shall, and shall cause the members of the Parent Group to, reasonably cooperate with the individuals who acted as directors or officers of SpinCo (or members of the SpinCo Group) prior to the Distribution in their pursuit of any such coverage claims under such D&O Policies which could inure to the benefit of such individuals. Parent shall allow SpinCo and its agents and representatives, upon reasonable prior notice and during regular business hours, to examine the relevant D&O Policies maintained by Parent and members of the Parent Group. Parent shall provide, and shall cause other members of the Parent Group to provide, such cooperation as is reasonably requested by SpinCo in order for SpinCo to have in effect at and after the Distribution new D&O Policies with respect to claims reported at or after the Distribution including for claims relating to acts or omissions prior to the Distribution. Each of SpinCo and Parent shall, and shall cause each member of the SpinCo Group and the Parent Group, respectively, to have in effect at and after the Distribution such D&O Policies as are appropriate in their respective judgments to cover any claims reported at or after the Distribution for which they respectively have written indemnity obligations to directors, officers and employees, including for claims relating to acts or omissions prior to the Distribution.

## ARTICLE IX

### FURTHER ASSURANCES AND ADDITIONAL COVENANTS

#### Section 9.01 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, but subject to the express limitations of this Agreement and of the Ancillary Agreements, each of the Parties shall, subject to Section 5.03, use reasonable best efforts, prior to, on and after the Distribution Date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws and agreements to consummate, and make effective, the transactions contemplated by this Agreement.

(b) Without limiting the foregoing, but subject to the express limitations and other provisions of this Agreement and of the Ancillary Agreements, prior to, on and after the Distribution Date, each Party shall cooperate with the other Party, without any further consideration, but at the expense of the requesting Party: (i) to execute and deliver, or use reasonable best efforts to execute and deliver, or cause to be executed and delivered, all instruments, including any instruments of conveyance, assignment and transfer as such Party may reasonably be requested to execute and deliver by the other Party; (ii) to deliver all required notices and make, or cause to be made, all filings with, and to obtain, or cause to be obtained, all Consents of any Governmental Authority or any other Person under any permit, license, Contract or other instrument; (iii) to obtain, or cause to be obtained, any Governmental Approvals or other Consents required to effect the Spin-Off; and (iv) to take, or cause to be taken, all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement, the Ancillary Agreements and any transfers of Assets or assignments and assumptions of Liabilities hereunder and the other transactions contemplated hereby.

## ARTICLE X

### TERMINATION

Section 10.01 Termination. This Agreement may be terminated by Parent at any time, in its sole discretion, prior to the Distribution.

Section 10.02 Effect of Termination. In the event of any termination of this Agreement prior to the Distribution, neither Party (nor any member of their Group or any of their respective directors or officers) shall have any Liability or further obligation to the other Party or any member of its Group under this Agreement or the Ancillary Agreements.

## ARTICLE XI

### MISCELLANEOUS

#### Section 11.01 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and scanned and exchanged by electronic mail, and such facsimile or PDF signature or scanned and exchanged copies shall constitute an original for all purposes.

(b) This Agreement, the Ancillary Agreements and the Appendices, Exhibits and Schedules hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein. In the event of conflict or inconsistency between the provisions of this Agreement or any Master Ancillary Agreement, on the one hand, and the provisions of any Local Transfer Agreement (including any provision of a Local Transfer Agreement providing for dispute resolution mechanisms inconsistent with those provided herein), on the other hand, the provisions of this Agreement and any such Master Ancillary Agreement shall prevail and remain in full force and effect, unless otherwise stated in such Master Ancillary Agreement or required by non-waivable local Law. Each Party hereto shall, and shall cause each of its Subsidiaries to, implement the provisions of and the transactions contemplated by the Local Transfer Agreement in accordance with the immediately preceding sentence.

(c) Parent represents on behalf of itself and each other member of the Parent Group, and SpinCo represents on behalf of itself and each other member of the SpinCo Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform each of this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been (or, in the case of any Ancillary Agreement, will be on or prior to the Distribution Date) duly executed and delivered by it and constitutes, or will constitute, a valid and binding agreement of it enforceable in accordance with the terms hereof or thereof.

Section 11.02 Negotiation. In the event of any claim, controversy, demand or request for relief of any kind arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity or breach of this Agreement or any Ancillary Agreement (unless such Ancillary Agreement expressly provides that disputes thereunder will not be subject to the resolution procedures set forth in this Article XI) or otherwise arising out of or related to this Agreement or any such Ancillary Agreement or the transactions contemplated hereby or thereby, including any Action based on contract, tort, equity, statute, regulation or constitution (collectively, "Disputes"), the Party raising the Dispute shall give written notice of the Dispute (a "Dispute Notice"), and the general counsels of the Parties (or such other individuals designated by the respective general counsels) or the executive officers designated by the Parties shall negotiate for a reasonable period of time to settle such Dispute; provided, that such reasonable period shall not, unless otherwise agreed by the Parties in writing, exceed ninety (90) days (the "Negotiation Period") from the time of receipt of the Dispute Notice; provided, further, that in the event of any arbitration in accordance with Section 11.03, (x) the Parties shall not assert the defenses of statute of limitations, laches or any other defense, in each such case based on the passage of time during the Negotiation Period, and (y) any contractual time period or deadline under this Agreement or any Ancillary Agreement relating to such Dispute occurring after the Dispute Notice is received shall not be deemed to have passed until such arbitration has been resolved.

Section 11.03 Arbitration. If the Dispute has not been resolved for any reason after the Negotiation Period, such Dispute may be submitted by either Party to final and binding arbitration administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures then in effect (the "Rules"), except as provided in Section 11.04 or as otherwise modified herein.

(a) The arbitration shall, subject to the terms and conditions set forth in Schedule 11.03(a), be conducted using a single arbitrator selected from the list set forth on, and in accordance with the provisions of, Schedule 11.03(a).

(b) If none of the arbitrators listed on and selected in accordance with Schedule 11.03(a) is available or willing to serve, then the arbitration shall be conducted by a three-member arbitral tribunal (such three-member arbitral tribunal or single arbitrator selected pursuant to Section 11.03(a), as applicable, the "Arbitral Tribunal"). In this event, the claimant shall nominate one arbitrator in accordance with the Rules, and the respondent shall nominate one arbitrator in accordance with the Rules within twenty-one (21) days after the appointment of the first arbitrator. The third arbitrator, who shall serve as chair of the Arbitral Tribunal, shall be jointly nominated by the two party-nominated arbitrators within twenty-one (21) days after the confirmation of the appointment of the second arbitrator or such additional period as may be mutually agreed. If any arbitrator is not appointed within the time limit provided herein, such arbitrator shall be appointed by JAMS in accordance with the listing, striking and ranking procedure in the Rules. With respect to any disputes relating to EHS Liabilities, the arbitrators shall be attorneys with experience in EHS Laws or technical or scientific experts whose work relates to environmental science, remediation or pollution control issues, as appropriate to the specific disputes.

(c) The arbitration shall be held, and the award shall be rendered, in New York, New York, in the English language.

(d) For the avoidance of doubt, by submitting their Dispute to arbitration under the Rules, the Parties expressly agree that all issues of arbitrability, including all issues concerning the propriety and timeliness of the commencement of the arbitration, the jurisdiction of the Arbitral Tribunal (including the scope of this agreement to arbitrate and the extent to which a Dispute is within that scope), and the procedural conditions for arbitration, shall be finally and solely determined by the Arbitral Tribunal.

(e) Without derogating from Section 11.03(f), the Arbitral Tribunal shall have the full authority to grant any pre-arbitral injunction, pre-arbitral attachment, interim or conservatory measure or other order in aid of arbitration proceedings (“Interim Relief”). The Parties shall exclusively submit any application for Interim Relief to only: (A) the Arbitral Tribunal; or (B) prior to the constitution of the Arbitral Tribunal, an emergency arbitrator appointed in the manner provided for in the Rules (the “Emergency Arbitrator”). Any Interim Relief so issued shall, to the extent permitted by applicable Law, be deemed a final arbitration award for purposes of enforceability, and, moreover, shall also be deemed a term and condition of this Agreement subject to specific performance in Section 11.04. The foregoing procedures shall constitute the exclusive means of seeking Interim Relief; provided, however, that (i) the Arbitral Tribunal shall have the power to continue, review, vacate or modify any Interim Relief granted by an Emergency Arbitrator; and (ii) in the event an Emergency Arbitrator or the Arbitral Tribunal issues an order granting, denying or otherwise addressing Interim Relief (a “Decision on Interim Relief”), any Party may apply to enforce or require specific performance of such Decision on Interim Relief in any court of competent jurisdiction.

(f) The Arbitral Tribunal shall have the power to grant any remedy or relief that is in accordance with the terms of this Agreement or the applicable Ancillary Agreement, including specific performance and temporary or final injunctive relief, provided, however, that the Arbitral Tribunal shall have no authority or power to limit, expand, alter, amend, modify, revoke or suspend any condition or provision of this Agreement or any Ancillary Agreement, nor any right or power to award indirect, special, punitive, consequential, exemplary, enhanced or treble damages.

(g) The Arbitral Tribunal shall have the power to allocate the costs and fees of the arbitration, including reasonable attorneys’ fees and expenses and costs as well as those costs and fees addressed in the Rules, between the Parties in the manner it deems fit.

(h) Arbitration under this Article XI shall be the sole and exclusive remedy for any Dispute, and any award rendered thereby shall be final and binding upon the Parties as from the date rendered. Judgment on the award rendered by the Arbitral Tribunal may be entered in any state or federal court within the State of Delaware (which courts the Parties hereby agree have jurisdiction over them to enforce any such award) and any other court having jurisdiction over the relevant Party or its Assets.

Section 11.04 Specific Performance. Subject to Section 11.02 and Section 11.03, except as provided below, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any applicable Ancillary Agreement, the affected Party shall have the right to specific performance, declaratory relief and injunctive or other equitable relief (on a permanent, emergency, temporary, preliminary or interim basis) of its rights under this Agreement or any applicable Ancillary Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The other Party shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties agree that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is hereby waived. Any requirements for the securing or posting of any bond or similar security with such remedy are hereby waived. For the avoidance of doubt, the rights pursuant to this Section 11.04 shall be pursued in arbitration under Section 11.03.

Section 11.05 Treatment of Arbitration. The Parties agree that any arbitration hereunder shall be kept confidential, and that the existence of the proceeding and all of its elements (including any pleadings, briefs or other documents or evidence submitted or exchanged, any testimony or other oral submissions, and any awards) shall be deemed confidential, and shall not be disclosed beyond the Arbitral Tribunal, the Parties, their counsel, and any Person necessary to the conduct of the proceeding, except as and to the extent required by applicable Law or stock exchange rule or to defend or pursue any legal right or to the extent required for financial reporting or the audit of applicable financial statements. In the event any Party makes application to any court in connection with this Section 11.05 (including any proceedings to enforce a final award or any Interim Relief), that Party shall take all steps reasonably within its power to cause such application, and any exhibits (including copies of any award or decisions of the Arbitral Tribunal or Emergency Arbitrator) to be filed under seal (other than with respect to materials already publicly available), shall oppose any challenge by any third party to such sealing, and shall give the other Party prompt (and, in any event, within one business day) notice of such challenge.

Section 11.06 No Set-Off; Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement or as otherwise mutually agreed to in writing by the Parties, (a) neither Party nor any member of such Party's Group shall have any right of set-off or other similar rights with respect to (i) amounts payable pursuant to this Agreement or any Ancillary Agreement or (ii) any other amounts claimed to be owed to the other Party or any member of its Group arising out of this Agreement or any Ancillary Agreement and (b) any amounts payable pursuant to this Agreement (including pursuant to Section 2.01(g) and Section 2.03(d)(iii)) or any Ancillary Agreement shall be settled in the manner and on the timeframes provided on Schedule 11.06.

Section 11.07 Continuity of Service and Performance. Unless otherwise agreed in writing, the Parties shall continue to provide services and honor all other commitments under this Agreement and each Ancillary Agreement during the course of dispute resolution pursuant to the provisions of Section 11.02, Section 11.03, Section 11.04 or Section 11.05 with respect to all matters not subject to such dispute resolution.

Section 11.08 Governing Law. This Agreement and any disputes relating to, arising out of or resulting from this Agreement, including to its execution, performance, or enforcement, shall be governed by, and construed and enforced in accordance with, the Laws of the State of Delaware, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof.



Section 11.09 Assignability. Except as otherwise provided for in this Agreement, neither this Agreement nor any right, interest or obligation arising under this Agreement shall be assignable (including by means of a divisional or divisive merger or similar transaction), in whole or in part, directly or indirectly, by either Party without the prior written consent of the other Party, and any attempt to assign any rights, interests or obligations arising under this Agreement without such consent shall be void; provided, that (i) a Party may assign any or all of its rights, interests and obligations hereunder to a member of such Party's Group, so long as such assignee agrees pursuant to an agreement in writing reasonably satisfactory to the other Party to be bound by the terms of this Agreement as if named a "Party" hereto and (ii) a Party may assign this Agreement or any or all of the rights, interests and obligations hereunder in connection with a merger, divisive merger, reorganization or consolidation transaction in which such Party is a constituent party but not the surviving entity or the sale by such Party of all or substantially all of its Assets, so long as the surviving entity of such merger, reorganization or consolidation transaction or the transferee of such Assets shall assume all the obligations of the relevant Party by operation of law or pursuant to an agreement in writing, reasonably satisfactory to the other Party, to be bound by the terms of this Agreement as if named as a "Party" hereto; provided, further, that no assignment permitted by clauses (i) or (ii) of this Section 11.09 shall release the assigning Party from liability for the full performance of its obligations under this Agreement, unless agreed to in writing by the non-assigning Party. In the case of any assignment permitted by this Section 11.09, the assigning Party shall provide prompt written notice of such assignment to the non-assigning Party. Notwithstanding the foregoing, each member of the Parent Group shall be entitled to assign rights, interests and obligations under this Agreement or any Ancillary Agreement, and to be relieved of obligations hereunder and thereunder, as and to the extent provided in Section 2.07, and each Party shall cause the members of such Party's Group to consent to, and to take any other actions as may be necessary in order to make effective, any assignment contemplated by Section 2.07.

Section 11.10 Third-Party Beneficiaries. Except as expressly set forth in Section 7.10, the rights of the members of each Party's Group as set forth herein, and for the indemnification rights under this Agreement of any Parent Indemnitee or SpinCo Indemnitee in his, her or its capacity as such, (a) the provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

Section 11.11 Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) when delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service, (c) upon written confirmation of receipt after transmittal by electronic mail (followed by delivery of an original via overnight courier service) or (d) upon the earlier of confirmed receipt or the fifth (5th) business day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to Parent, to:

General Electric Company  
5 Necco Street  
Boston, MA 02210  
Attn: Michael Holston  
Mark Landis  
Christine Jarmer  
Email: [\*\*\*]

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019-6064  
Attn: Scott A. Barshay  
Steven J. Williams  
Email: sbarshay@paulweiss.com  
swilliams@paulweiss.com

If to SpinCo, to:

[SpinCo]  
[Address]  
Attn: [Name]  
Email: [Email]

Either Party may, by notice to the other Party, change the address and identity of the Person to which such notices and copies of such notices are to be given. Each Party agrees that nothing in this Agreement shall affect the other Party's right to serve process in any other manner permitted by Law (including pursuant to the rules for foreign service of process authorized by the Hague Convention).

Section 11.12 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by an arbitrator or court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances, or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such arbitrator or court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

Section 11.13 Publicity. Each of Parent and SpinCo shall consult with the other and shall, subject to the requirements of Section 7.09, provide the other Party the opportunity to review and comment upon any press releases or other public statements in connection with the Spin-Off or any of the other transactions contemplated hereby and any filings with any Governmental Authority or national securities exchange with respect thereto, in each case prior to the issuance or filing thereof, as applicable (including the Information Statement, the Parties' respective Current Reports on Form 8-K to be filed on the Distribution Date, the Parties' respective Quarterly Reports on Form 10-Q filed with respect to the fiscal quarter during which the Distribution Date occurs, or if such quarter is the fourth fiscal quarter, the Parties' respective Annual Reports on Form 10-K filed with respect to the fiscal year during which the Distribution Date occurs (each such Quarterly Report on Form 10-Q or Annual Report on Form 10-K, a "First Post-Distribution Report")). Each Party's obligations pursuant to this Section 11.13 shall terminate on the date on which such Party's First Post-Distribution Report is filed with the Commission.

Section 11.14 Expenses. Except as set forth on Schedule 11.14, or as otherwise expressly provided in this Agreement or in any Ancillary Agreement, (i) all third-party fees, costs and expenses incurred by either the Parent Group or the SpinCo Group in connection with effecting the Spin-Off prior to or on the Distribution Date (but excluding, for the avoidance of doubt, any financing fees, discounts or interest payable in respect of any indebtedness incurred by SpinCo in connection with the Spin-Off), will be borne and paid by Parent and (ii) all third-party fees, costs and expenses incurred by either the Parent Group or the SpinCo Group in connection with effecting the Spin-Off following the Distribution Date, will be borne and paid by the Party incurring such fee, cost or expense. For the avoidance of doubt, this Section 11.14 shall not affect each Party's responsibility to indemnify Parent Liabilities or SpinCo Liabilities, as applicable, arising from the transactions contemplated by the Distribution.

Section 11.15 Headings. The article, section and paragraph headings contained in this Agreement, including in the table of contents of this Agreement, are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 11.16 Survival of Covenants. Except as expressly set forth in this Agreement, the covenants in this Agreement and the Liabilities for the breach of any obligations in this Agreement shall survive the Spin-Off and shall remain in full force and effect.

Section 11.17 Waivers of Default. No failure or delay of any Party (or the applicable member of its Group) in exercising any right or remedy under this Agreement or any Ancillary Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

Section 11.18 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party; provided, that nothing in this Section 11.18 shall limit the provisions of Section 2.07.

Section 11.19 Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires. The terms “hereof,” “herein,” “herewith” and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole (including all of the Schedules hereto) and not to any particular provision of this Agreement. Article, Section or Schedule references are to the Articles, Sections and Schedules of or to this Agreement unless otherwise specified. Any capitalized terms used in any Schedule to this Agreement or to any Ancillary Agreement but not otherwise defined therein shall have the meaning as defined in this Agreement or the Ancillary Agreement to which such Schedule is attached, as applicable. Any definition of or reference to any agreement, instrument or other document herein (including any reference herein to this Agreement) shall, unless otherwise stated, be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein, including in Section 11.18). The word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless the context otherwise requires or unless otherwise specified. The word “or” shall not be exclusive. The word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply “if.” All references to “\$” or dollar amounts are to the lawful currency of the United States of America. References herein to any Law shall be deemed to refer to such law as amended, reenacted, supplemented or superseded in whole or in part and in effect from time to time and also to all rules and regulations promulgated thereunder. Except as expressly set forth in this Agreement, the Parties (or their respective Group members) shall make, or cause to be made, any payment that is required to be made pursuant to this Agreement as promptly as practicable and without regard to any local currency constraints or similar restrictions. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring either Party by virtue of the authorship of any provisions hereof.

*[Remainder of page left intentionally blank; signature pages follow.]*

IN WITNESS WHEREOF, the Parties have caused this Separation and Distribution Agreement to be executed as of the date first noted above by their duly authorized representatives.

GENERAL ELECTRIC COMPANY

By: \_\_\_\_\_

Name:

Title:

GE HEALTHCARE HOLDING LLC

By: \_\_\_\_\_

Name:

Title:

[Signature Page to Separation and Distribution Agreement]

**AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION**

**OF**

**GE HEALTHCARE TECHNOLOGIES INC.  
(a Delaware corporation)**

GE HealthCare Technologies Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the “DGCL”), hereby certifies as follows:

1. The corporation was originally formed as a limited liability company in the State of Delaware on May 16, 2022. The corporation converted from a limited liability company to a corporation on [•], 2022 upon the filing of a Certificate of Conversion with the Secretary of State of the State of Delaware. The original Certificate of Incorporation of the corporation was filed with the Secretary of State of the State of Delaware on [•], 2022 (as amended and in effect immediately prior to the adoption and effectiveness hereof, the “Original Certificate of Incorporation”).

2. This Amended and Restated Certificate of Incorporation (as it may be further amended, the “Certificate of Incorporation”), which restates, integrates and further amends the Original Certificate of Incorporation, has been duly adopted by the corporation in accordance with Sections 242 and 245 of the DGCL, and by the written consent of its sole stockholder in accordance with Section 228 of the DGCL, and shall be effective as of [•] eastern time, on [•], 2023.

3. The Original Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

**ARTICLE I  
NAME**

The name of the corporation is GE HealthCare Technologies Inc. (the “Corporation”).

**ARTICLE II  
AGENT**

The address of the Corporation’s registered office in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

**ARTICLE III  
PURPOSE**

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

## ARTICLE IV STOCK

Section 4.1 Authorized Stock. The total number of shares of all classes of capital stock that the Corporation shall have authority to issue is [•], divided into two classes of stock as follows: [•] shares of Common Stock, par value \$0.01 per share (the “Common Stock”) and [•] shares of Preferred Stock, par value \$0.01 per share (the “Preferred Stock”).

### Section 4.2 Common Stock.

(a) Voting. Except as otherwise expressly provided herein or required by the DGCL, each holder of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote. The holders of shares of Common Stock shall not have cumulative voting rights. Except as may otherwise be provided in this Certificate of Incorporation or in any amendment hereto, including any certificate of designations relating to any series of Preferred Stock (each hereinafter referred to as a “Preferred Stock Designation”) or by applicable law, no holder of any series of Preferred Stock, as such, shall be entitled to any voting powers in respect thereof.

(b) Dividends. Subject to the rights of the holders of shares of any outstanding series of Preferred Stock, the holders of outstanding shares of Common Stock shall be entitled to receive dividends to the extent permitted by law when, as and if declared by the board of directors of the Corporation (the “Board of Directors”).

Section 4.3 Dissolution, Liquidation or Winding Up. Upon the dissolution, liquidation or winding up of the Corporation, subject to the rights of the holders of shares of any outstanding series of Preferred Stock, the holders of the Common Stock shall be entitled to receive the assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares of Common Stock held by them.

Section 4.4 Preferred Stock. The Preferred Stock may be issued from time to time in one or more series. Subject to limitations prescribed by law and the provisions of this Article IV, the Board of Directors is hereby authorized to provide by resolution and by causing the filing of a Preferred Stock Designation for the issuance of the shares of Preferred Stock in one or more series, and to establish from time to time the number of shares to be included in each such series, and to fix the designations, powers (including voting powers), preferences, and relative, participating, optional or other rights, if any, and the qualifications, limitations or restrictions, if any, of the shares of each such series. The powers, designations, preferences and relative, participating, optional or other rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, may differ from those of any and all other series at any time outstanding.

## ARTICLE V BOARD OF DIRECTORS

Section 5.1 Powers. Except as otherwise required by the DGCL or as provided in this Certificate of Incorporation (including any Preferred Stock Designation), the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 5.2 Number. Subject to the rights of the holders of any outstanding series of Preferred Stock to elect directors pursuant to any Preferred Stock Designation, the Board of Directors shall consist of such number of directors as shall be determined from time to time solely by resolution of the Board of Directors.

Section 5.3 Election. The directors, other than those who may be elected by the holders of any series of Preferred Stock voting separately pursuant to this Certificate of Incorporation (including any Preferred Stock Designation), shall be elected by the stockholders entitled to vote thereon at each annual meeting of the stockholders.

Section 5.4 Vacancies and Newly Created Directorships. Subject to the rights of the holders of any outstanding series of Preferred Stock, and unless otherwise required by law, newly created directorships resulting from any increase in the authorized number of directors and any vacancies in the Board of Directors resulting from death, retirement, disqualification, resignation, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by the sole remaining director. Any director so chosen shall hold office for a term expiring at the next annual meeting of stockholders and until his or her successor shall have been duly elected and qualified, subject to his or her earlier death, retirement, disqualification, resignation or removal. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

Section 5.5 Removal of Directors. Except for such additional directors, if any, as are elected by the holders of any series of Preferred Stock pursuant to the terms of any Preferred Stock Designation, any director, or the entire Board of Directors, may be removed, with or without cause, by the affirmative vote of the holders of at least a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote in the election of directors generally, voting together as a single class.

Section 5.6 Ballot; Notice; Annual Meeting of Stockholders.

(a) Ballot Not Required. The directors of the Corporation need not be elected by written ballot unless the Bylaws of the Corporation so provide.

(b) Notice. Advance notice of nominations for the election of directors, and of business other than nominations, to be proposed by stockholders for consideration at a meeting of stockholders of the Corporation shall be given in the manner and to the extent provided in the Bylaws of the Corporation.

(c) Annual Meeting of Stockholders. The annual meeting of stockholders, for the election of directors and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, either within or without the State of Delaware, on such date, and at such time as the Board of Directors shall fix.

## **ARTICLE VI STOCKHOLDER ACTIONS**

Section 6.1 No Written Consent. Except as otherwise provided for in any Preferred Stock Designation, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such stockholders and may not be effected by any written consent by such stockholders.



**ARTICLE VII  
EXISTENCE**

The Corporation shall have perpetual existence.

**ARTICLE VIII  
AMENDMENT**

Section 8.1 Amendment of Certificate of Incorporation. The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation (including any Preferred Stock Designation), and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by the laws of the State of Delaware, and all powers, preferences and rights of any nature conferred upon stockholders, directors or any other persons by and pursuant to this Certificate of Incorporation (including any Preferred Stock Designation) in its present form or as hereafter amended are granted subject to this reservation.

Section 8.2 Amendment of Bylaws. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation.

**ARTICLE IX  
LIABILITY OF DIRECTORS AND OFFICERS**

Section 9.1 No Personal Liability. To the fullest extent permitted by the DGCL as the same exists or as may hereafter be amended, no director or officer of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, as applicable.

Section 9.2 Amendment or Repeal. Any amendment, alteration or repeal of this Article IX shall not adversely affect any right or protection of a director or officer of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, alteration or repeal.

**ARTICLE X  
FORUM FOR ADJUDICATION OF DISPUTES**

Section 10.1 Unless the Corporation consents in writing to the selection of an alternative forum, and subject to applicable jurisdictional requirements, the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee, agent or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (c) any action asserting a claim arising pursuant to any provision of the DGCL, this Certificate of Incorporation or the Bylaws, or (d) any action asserting a claim governed by the internal affairs doctrine, shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware lacks jurisdiction over such action or proceeding, then another court of the State of Delaware or, if no court

of the State of Delaware has jurisdiction, then the United States District Court for the District of Delaware). This Section 10.1 shall not apply to claims arising under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or other federal securities laws for which there is exclusive federal or concurrent federal and state jurisdiction.

Section 10.2 Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

*[Remainder of Page Intentionally Blank]*

IN WITNESS WHEREOF, this Certificate of Incorporation has been executed by a duly authorized officer of the Corporation on this [•]th day of [•], 202[•].

**GE HEALTHCARE TECHNOLOGIES INC.**

By: \_\_\_\_\_

Name:

Title:

*[Signature Page to Amended and Restated Certificate of Incorporation of GE HealthCare Technologies Inc.]*

AMENDED AND RESTATED BYLAWS

of

GE HEALTHCARE TECHNOLOGIES INC.

(A Delaware Corporation)

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**ARTICLE I**  
**DEFINITIONS**

As used in these Bylaws, the term:

1.1. “Affiliate” has the meaning set forth in Section 3.5(f)(ii).

1.2. “Board” means the Board of Directors of the Corporation.

1.3. “Bylaws” means these Amended and Restated Bylaws of the Corporation, as amended from time to time.

1.4. “Certificate of Incorporation” means the Certificate of Incorporation of the Corporation, as amended from time to time (including by any Preferred Stock Designation (as defined in the Certificate of Incorporation of the Corporation filed with the Office of the Secretary of State of the State of Delaware on [•])).

1.5. “Chair” means the Chair of the Board.

1.6. “Chief Executive Officer” means the Chief Executive Officer of the Corporation.

1.7. “Corporation” means GE HealthCare Technologies Inc.

1.8. “Covered Person” has the meaning set forth in Section 6.1(a).

1.9. “Derivative” has the meaning set forth in Section 2.2(d)(iii).

1.10. “DGCL” means the General Corporation Law of the State of Delaware, as amended from time to time.

1.11. “Directors” means the directors of the Corporation.

1.12. “Eligible Stockholder” has the meaning set forth in Section 3.5(d).

1.13. “Exchange Act” means the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, each as amended from time to time.

1.14. “Law” means any U.S. or non-U.S. federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a governmental authority (including any department, court, agency or official, or non-governmental self-regulatory organization, agency or authority and any political subdivision or instrumentality thereof), including, without limitation, the DGCL.

1.15. “Lead Director” means, at any given time, the lead, independent member (if any) elected as such by the Board and occupying such position.

1.16. “Listing Date” means the first such date on which the Corporation has a class of equity securities registered under the Exchange Act and listed or admitted to trading on a national securities exchange (as defined under the Exchange Act).

1.17. “Majority of Votes Cast” has the meaning set forth in Section 2.9.

1.18. “Office of the Corporation” means the principal executive office of the Corporation, the Corporation’s registered office in the State of Delaware or any other offices at any other place or places designated from time to time by the Board as an Office of the Corporation for purposes of these Bylaws.

1.19. “Outside Entity” has the meaning set forth in Section 6.1(a).

1.20. “Own”, “owned” and “owning” have the meaning set forth in Section 3.5(f)(ii).

1.21. “President” means the President of the Corporation.

1.22. “Proceeding” has the meaning set forth in Section 6.1(a).

1.23. “Proxy Access Nominee” has the meaning set forth in Section 2.4.

1.24. “Public Disclosure” of any date or other information means disclosure thereof by a press release reported by the Dow Jones News Services, Associated Press or comparable U.S. national news service or in a document publicly filed by the Corporation with the SEC pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

1.25. “Qualified Representative” has the meaning set forth in Section 2.2.

1.26. “Required Information” has the meaning set forth in Section 3.5(a).

1.27. “SEC” means the U.S. Securities and Exchange Commission.

1.28. “Secretary” means the Secretary of the Corporation.

1.29. “Stockholder Associated Person” means, with respect to any Stockholder, (i) any other beneficial owner of stock of the Corporation that is owned by such Stockholder and (ii) any person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Stockholder or such beneficial owner. For purposes of this definition, the terms “controls,” “controlled by” and “under common control with” mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

1.30. “Stockholders” means the stockholders of the Corporation as set forth on its stock ledger.

1.31. “Supporting Statement” has the meaning set forth in Section 3.5(a).

1.32. “Treasurer” means the Treasurer of the Corporation.

1.33. “Vice President” means a Vice President of the Corporation.

## ARTICLE II

### STOCKHOLDERS

2.1. Place of Meetings. Meetings of Stockholders may be held at such place, if any, either within or without the State of Delaware, or by means of remote communication, as may be designated by the Board from time to time.

2.2. Annual Meeting.

(a) A meeting of Stockholders for the election of Directors and such other business as may be properly brought before the meeting in accordance with these Bylaws shall be held annually at such date and time as may be designated by the Board from time to time.

(b) At an annual meeting of the Stockholders, only business (other than business relating to the nomination or election of Directors which is governed by Section 3.3 and Section 3.5) that has been properly brought before the Stockholder meeting in accordance with the procedures set forth in this Section 2.2 shall be conducted. To be properly brought before an annual meeting of Stockholders, such business must be brought before the meeting (i) by or at the direction of the Board or any committee thereof or (ii) by a Stockholder who (A) was a Stockholder when the notice required by this Section 2.2 is delivered to the Secretary and at the time of the meeting, (B) is entitled to vote at the meeting and (C) complies with the notice and other provisions of this Section 2.2. Subject to Section 2.2(i), and except with respect to the calling of special meetings of Stockholders (which is governed by Section 2.3) and nominations or elections of Directors (which are governed by Section 3.3 and Section 3.5), Section 2.2(b)(ii) is the exclusive means by which a Stockholder may bring business before an annual meeting of Stockholders. Any business brought before a meeting in accordance with Section 2.2(b)(ii) is referred to as “Stockholder Business.”

(c) Subject to Section 2.2(i), at any annual meeting of Stockholders, all proposals of Stockholder Business must be made by timely written notice given by or on behalf of a Stockholder (the “Notice of Business”) and must otherwise be a proper matter for Stockholder action under applicable Law. To be timely, the Notice of Business must be delivered personally or mailed to, and received at, the Office of the Corporation, addressed to the Secretary, by no earlier than 120 days and no later than 90 days before the first anniversary of the date of the prior year’s annual meeting of Stockholders; provided, however, that (A) if the annual meeting of Stockholders is advanced by more than 30 days, or delayed by more than 60 days, from the first anniversary of the prior year’s annual meeting of Stockholders, (B) if no annual meeting was held during the prior year, or (C) with respect to the first annual meeting after the Listing Date, the notice by the Stockholder to be timely must be received (x) no earlier than 120 days before such annual meeting and (y) no later than the later of 90 days before such annual meeting and the tenth day after the earlier of the day on which the notice of such annual meeting was first made by mail or the day such annual meeting is announced by Public Disclosure. In no event shall an adjournment, postponement or deferral, or Public Disclosure of an adjournment, postponement or deferral, of a Stockholder meeting commence a new time period (or extend any time period) for the giving of the Notice of Business.



(d) The Notice of Business must set forth:

(i) the name and address of each Stockholder proposing Stockholder Business (the “Proponent”), as they appear on the Corporation’s books;

(ii) the name and address of any Stockholder Associated Person;

(iii) as to each Proponent and any Stockholder Associated Person, (A) the class or series and number of shares of stock directly or indirectly held of record and/or beneficially by the Proponent or Stockholder Associated Person, (B) the date such shares of stock were acquired, (C) a description of any agreement, arrangement or understanding, direct or indirect, with respect to such Stockholder Business between or among the Proponent, any Stockholder Associated Person or any others (including their names) acting in concert with any of the foregoing, (D) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into, directly or indirectly, by the Proponent or any Stockholder Associated Person and that remains in effect, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of the Proponent or any Stockholder Associated Person with respect to shares of stock of the Corporation (a “Derivative”), (E) a description in reasonable detail of any proxy (including revocable proxies), contract, arrangement, understanding or other relationship pursuant to which the Proponent or any Stockholder Associated Person has a right to vote any shares of stock of the Corporation, and (F) any profit-sharing or any performance-related fees (other than an asset-based fee) that any Proponent or any Stockholder Associated Person is entitled to, based on any increase or decrease in the value of stock of the Corporation or Derivatives thereof, if any, as of the date of such notice;

(iv) all other information that would be required to be filed with the SEC if the Proponents or Stockholder Associated Persons were participants in a solicitation subject to Section 14 of the Exchange Act (the information specified in Section 2.2(d)(i) to (iv) is referred to herein as “Stockholder Information”);

(v) a representation that each Proponent is a Stockholder entitled to vote at the meeting and intends to appear in person or by a qualified representative (as defined in Section 2.2(h)) at the meeting to propose such Stockholder Business;

(vi) a brief description of the Stockholder Business desired to be brought before the annual meeting, the text of the proposal (including the text of any resolutions proposed for consideration and, if such business includes a proposal to amend the Bylaws, the language of the proposed amendment) and the reasons for conducting such Stockholder Business at the meeting;

(vii) any material interest of each Proponent and any Stockholder Associated Person in such Stockholder Business;

(viii) a representation as to whether each Proponent intends (A) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt such Stockholder Business or (B) otherwise to solicit proxies from Stockholders in support of such Stockholder Business; and

(ix) a representation that each Proponent shall provide all other information and affirmations, updates and supplements required pursuant to these Bylaws.

(e) Each Proponent shall also provide any other information reasonably requested from time to time by the Corporation within 10 business days after each such request.

(f) In addition, each Proponent shall affirm as true and correct the information provided to the Corporation in the Notice of Business or at the Corporation's request pursuant to Section 2.2(e) (and shall update or supplement such information as needed so that such information shall be true and correct) as of (i) the record date for the meeting and (ii) the date that is 10 business days before the meeting and, if applicable, before reconvening any adjournment or postponement thereof. Such affirmation, update and/or supplement must be delivered personally or mailed to, and received at, the Office of the Corporation, addressed to the Secretary, by no later than (x) five business days after the applicable date specified in clause (i) of the foregoing sentence (in the case of the affirmation, update and/or supplement required to be made as of those dates), and (y) not later than seven business days before the date for the meeting (in the case of the affirmation, update and/or supplement required to be made as of 10 business days before the meeting or reconvening any adjournment or postponement thereof).

(g) Except to the extent otherwise determined by the Board, the person presiding over the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the procedures set forth in this Section 2.2. Any such business not properly brought before the meeting shall not be transacted.

(h) Except to the extent otherwise determined by the Board, if each Proponent (or a qualified representative of the Proponent) does not appear at the meeting of Stockholders to present the Stockholder Business it has proposed, such business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.2, to be considered a "qualified representative" of a Proponent, a person must be a duly authorized officer, manager or partner of such Stockholder or must be authorized by a writing executed by such Stockholder or an electronic transmission delivered by such Stockholder to act for such Stockholder as proxy at the meeting of Stockholders, and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of Stockholders.

(i) The notice requirements of this Section 2.2 shall be deemed satisfied with respect to shareholder proposals that have been properly brought under Rule 14a-8 of the Exchange Act and that are included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. Further, nothing in this Section 2.2 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation pursuant to any applicable provision of the Certificate of Incorporation.

### 2.3. Special Meetings.

(a) Special meetings of Stockholders may be called at any time by, and only by, (i) the Board or (ii) solely to the extent required by Section 2.3(b), the Secretary. Business transacted at any special meeting of Stockholders shall be limited to the purposes stated in the Corporation's notice of the meeting.

(b) Subject to Section 2.3(d)-(h), a special meeting of Stockholders shall be called by the Secretary upon proper written request or requests (each, a "Meeting Request") given by or on behalf of a Stockholder of record who is acting on behalf of one or more beneficial owners (each, a "Requesting Stockholder") who collectively hold at least 25% of the voting power of all outstanding shares of Common Stock (as defined in the Certificate of Incorporation) (the "Required Percent"). The record date for determining Stockholders entitled to request a special meeting shall be the date on which the first Meeting Request for such special meeting was received by the Secretary in the manner required by the preceding sentence.

(c) To be in proper form, a Meeting Request shall be signed by the Requesting Stockholder or Requesting Stockholders submitting such Meeting Request, shall be delivered to and received by the Secretary at the Office of the Corporation by hand or by certified or registered mail, return receipt requested, and shall set forth:

(i) a statement of the specific purpose or purposes of the meeting and the matters proposed to be acted on at the meeting, the reasons for conducting such business at the meeting, and any material interest in such business of each such Requesting Stockholder;

(ii) the name and address of each such Requesting Stockholder as it appears on the Corporation's stock ledger (or, with respect to all shares to be included in the Required Percent that are beneficially owned, the name of each broker, bank or custodian (or similar entity) of each beneficial owner with respect to such shares);

(iii) the number of shares of the Corporation's Common Stock owned of record and those held beneficially by each such Requesting Stockholder;

(iv) as to each such Requesting Stockholder, the Stockholder Information (except that references to the "Proponent" and "Stockholder Business" in Section 2.2(d)(i) to (iv) shall instead refer, respectively, to each "Requesting Stockholder" and "the matters proposed to be acted on at the special meeting" for purposes of this paragraph);

(v) a representation as to whether each Requesting Stockholder intends (A) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the matters proposed to be acted on at the special meeting or (B) otherwise to solicit proxies from Stockholders in support of the matters proposed to be acted on at the special meeting (including as needed to comply with Section 14 of the Exchange Act); and

(vi) a representation that each Requesting Stockholder shall provide all other information and affirmations, updates and supplements required pursuant to these Bylaws.

(d) The Requesting Stockholders shall also provide any other information reasonably requested from time to time by the Corporation within 10 business days after each such request.

(e) The Requesting Stockholders shall affirm as true and correct the information provided to the Corporation in the Meeting Request or at the Corporation's request pursuant to Section 2.3(d) (and shall update or supplement such information as needed so that such information shall be true and correct) as of (i) the record date for the meeting, and (ii) the date that is 10 business days before the date of the meeting and, if applicable, before reconvening any adjournment or postponement thereof. Such affirmation, update and/or supplement must be delivered personally or mailed to, and received at, the Office of the Corporation, addressed to the Secretary, by no later than (1) five business days after the applicable date specified in clause (i) of the foregoing sentence (in the case of the affirmation, update and/or supplement required to be made as of those dates), and (2) not later than seven business days before the date of the special meeting (in the case of the affirmation, update and/or supplement required to be made as of 10 business days before the meeting or reconvening any adjournment or postponement thereof).

(f) A Requesting Stockholder may revoke its Meeting Request at any time by written revocation delivered to the Secretary, and if, following such revocation, there are unrevoked Meeting Requests from less than the Required Percent, the Board, in its discretion, may cancel the special meeting of the Stockholders.

(g) A special meeting requested by Stockholders shall be held at such date, time and place, if any, either within or without the state of Delaware or by means of remote communication, as may be fixed by the Board; provided, however, that the date of any such special meeting shall be not more than 90 days after the receipt by the Secretary in the manner required by Section 2.3(c) of a Meeting Request from the Required Percent.

(h) Notwithstanding anything to the contrary in this Section 2.3:

(i) A special meeting requested by Stockholders shall not be held if (A) the Meeting Requests from the Required Percent do not comply with these Bylaws or the Certificate of Incorporation; (B) the action relates to an item of business that is not a proper subject for stockholder action under applicable Law; (C) the Meeting Requests are received by the Secretary during the period commencing 90 days prior to the date of, and ending on the date of adjournment of, the next annual meeting of Stockholders; (D) an identical or substantially similar item of business, as determined in good faith by the Board, was presented at a meeting of Stockholders held not more than 90 days before the Meeting Requests from the Required Percent are received by the Secretary or (E) the Meeting Requests from the Required Percent were made in a manner that involved a violation of Regulation 14A under the Exchange Act or other applicable Law; and

(ii) Nothing herein shall prohibit the Board from including in the Corporation's notice of any special meeting of Stockholders called by the Secretary additional matters to be submitted to the Stockholders at such meeting not included in the Meeting Request(s) in respect of such meeting.

#### 2.4. Record Date.

(a) For the purpose of determining the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, unless otherwise required by the Certificate of Incorporation or applicable Law, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than 60 or less than 10 days before the date of such meeting. For the purposes of determining the Stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, exercise any rights in respect of any change, conversion or exchange of stock, or take any other lawful action, unless otherwise required by the Certificate of Incorporation or applicable Law, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than 60 days prior to such action.

(b) If no such record date is fixed by the Board:

(i) The record date for determining Stockholders entitled to notice of and to vote at a meeting of Stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and

(ii) The record date for the purposes of determining the Stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, exercise any rights in respect of any change, conversion or exchange of stock, or take any other lawful action shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

(c) When a determination of Stockholders entitled to notice of or to vote at any meeting of Stockholders has been made as provided in this Section 2.4, such determination shall apply to any adjournment thereof, unless the Board fixes a new record date for the adjourned meeting, in which case the Board shall also fix such record date or a date earlier than such date as the new Record Date for the adjourned meeting.

2.5. Notice of Meetings of Stockholders. Whenever under the provisions of applicable Law, the Certificate of Incorporation or these Bylaws Stockholders are required or permitted to take any action at a meeting, a notice of the meeting in the form of a writing or electronic transmission shall be given stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which Stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date, and, in the case of a special meeting, the purposes for which the meeting is called. Unless otherwise provided by these Bylaws or applicable Law, notice of any meeting shall be given, not less than 10 nor more

than 60 days before the date of the meeting, to each Stockholder entitled to vote at such meeting as of the record date. If mailed, such notice shall be deemed to be given when deposited in the U.S. mail, with postage prepaid, directed to the Stockholder at his or her address as it appears on the records of the Corporation. If given by electronic mail, such notice shall be deemed to be given when directed to such Stockholder's electronic mail address unless the Stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited pursuant to the terms of the DGCL. A notice by electronic mail must include a prominent legend that the communication is an important notice regarding the Corporation. An affidavit of the Secretary or the transfer agent of the Corporation that the notice required by this Section 2.5 has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein. If a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof, and the means of remote communication, if any, by which Stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. Any business that might have been transacted at the meeting as originally called may be transacted at the adjourned meeting. If, however, the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Stockholder entitled to vote at the meeting.

2.6. Waivers of Notice. Whenever the giving of any notice to Stockholders is required by applicable Law, the Certificate of Incorporation or these Bylaws, a written waiver, signed by the Stockholder entitled to notice, or a waiver by electronic transmission by such Stockholder, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance by a Stockholder at a meeting shall constitute a waiver of notice of such meeting except when the Stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purposes of, any regular or special meeting of the Stockholders need be specified in any waiver of notice.

2.7. List of Stockholders. The Secretary shall prepare and make, at least 10 days before every meeting of Stockholders, a complete, alphabetical list of the Stockholders entitled to vote at the meeting, and showing the address of each Stockholder and the number of shares registered in the name of each Stockholder. Such list may be examined by any Stockholder, at the Stockholder's expense, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting, during ordinary business hours at the principal place of business of the Corporation or on a reasonably accessible electronic network or other electronic means as permitted by applicable Law. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any Stockholder who is present. If the meeting is held solely by means of remote communication, the list shall also be open for inspection as provided by applicable Law. Except as provided by applicable Law, the stock ledger shall be the only evidence as to the identification of Stockholders entitled to examine the list of Stockholders or to vote in person or by proxy at any meeting of Stockholders.

2.8. Quorum of Stockholders; Adjournment in the Absence of a Quorum. At each meeting of Stockholders, the presence, in person or represented by proxy, of the holders of a majority of the voting power of all outstanding shares of stock entitled to vote at the meeting of Stockholders shall constitute a quorum for the transaction of business at such meeting, except that when specified business is to be voted on by one or more classes or series of stock voting as a separate class, the holders of a majority of the voting power of the shares of such classes or series shall constitute a quorum of such separate class for the transaction of such business. The person presiding over the meeting in accordance with Section 2.11 or, in the absence of such person, the holders of a majority of the voting power of the shares of stock present in person or represented by proxy at any meeting of Stockholders, including an adjourned meeting, even if such holders do not constitute a quorum, may adjourn such meeting to another time or place. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity. The Stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Stockholders to leave less than a quorum.

2.9. Voting; Proxies.

(a) At any meeting of Stockholders, all matters other than the election of Directors, and except as otherwise provided by the Certificate of Incorporation, these Bylaws or any applicable Law, shall be decided by the affirmative vote of a majority of the voting power of shares of stock present in person or represented by proxy and entitled to vote thereon. At all meetings of Stockholders for the election of Directors, each Director shall be elected by a majority of the votes cast with respect to the Director; provided that if as of the record date for the applicable meeting of Stockholders the number of nominees exceeds the number of Directors to be elected, the Directors shall be elected by the vote of a plurality of the votes cast. For purposes of this Section 2.9, a “majority of the votes cast” means that (i) the number of votes cast “for” a Director must exceed the number of votes cast “against” that Director and (ii) abstentions and broker non-votes are not counted as votes cast. Any Director who is not so elected shall offer to tender his or her resignation to the Board in accordance with Section 3.7. The independent Directors of the Board, giving due consideration to the best interests of the Corporation and its stockholders, shall evaluate the relevant facts and circumstances, and shall make a decision, within 90 days after the election, on whether to accept the tendered resignation. Any Director who tenders a resignation pursuant to this provision shall not participate in the Board’s decision. The Board will promptly disclose publicly its decision and, if applicable, the reasons for rejecting the tendered resignation.

(b) Each Stockholder entitled to vote at a meeting of Stockholders may authorize another person or persons to act for such Stockholder by proxy but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only so long as, it is coupled with an interest sufficient in Law to support an irrevocable power. A Stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary a revocation of the proxy or by delivering a new duly authorized proxy bearing a later date.

2.10. Voting Procedures and Inspectors at Meetings of Stockholders. The Board, in advance of any meeting of Stockholders, shall appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting and make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the Stockholders will vote at a meeting shall be determined by the person presiding at the meeting and shall be announced at the meeting. No ballot, proxy, vote, or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware, upon application by a Stockholder, shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of Stockholders, the inspectors may consider such information as is permitted by applicable Law. No person who is a candidate for office at an election may serve as an inspector at such election.

2.11. Conduct of Meetings; Adjournment After Establishing a Quorum. The Board may adopt such rules and procedures for the conduct of Stockholder meetings as it deems appropriate. At each meeting of Stockholders, the Chair, or in the absence of the Chair, the Chief Executive Officer, or if the Chair and the Chief Executive Officer are absent, any officer of the Corporation designated by the Board (or in the absence of any such designation, the President, or in the absence of the President, the most senior Vice President present), shall preside over the meeting. Except to the extent inconsistent with the rules and procedures as adopted by the Board, the person presiding over the meeting of Stockholders shall have the right and authority to convene, adjourn and reconvene the meeting from time to time, to prescribe such additional rules and procedures, and to do all such acts as, in the judgment of such person, are appropriate for the proper conduct of the meeting. Such rules and procedures, whether adopted by the Board or prescribed by the person presiding over the meeting, may include (a) the establishment of an agenda or order of business for the meeting, (b) rules and procedures for maintaining order at the meeting and the safety of those present, (c) limitations on attendance at or participation in the meeting to Stockholders, their duly authorized and constituted proxies, or such other persons as the person presiding over the meeting shall determine, (d) restrictions on entry to the meeting after the time fixed for the commencement thereof, and (e) limitations on the time allotted to questions or comments by participants. Subject to any prior, contrary determination by the Board, the person presiding over any meeting of Stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, may determine and declare to the meeting that a matter or business was not properly brought before the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of Stockholders shall not be required to



be held in accordance with the rules of parliamentary procedure. The Secretary shall act as secretary of the meeting. If none of the officers above designated to act as the person presiding over the meeting or as secretary of the meeting shall be present, a person presiding over the meeting or a secretary of the meeting, as the case may be, shall be designated by the Board and, if the Board has not so acted, in the case of the designation of a person to act as secretary of the meeting, shall be designated by the person presiding over the meeting, and in the case of the designation of a person presiding over the meeting, shall be designated by a majority of the voting power of shares of stock present in person or represented by proxy and entitled to vote thereon.

## **ARTICLE III**

### **DIRECTORS**

3.1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board. The Board may adopt such rules and procedures, not inconsistent with the Certificate of Incorporation, these Bylaws or applicable Law, as it may deem proper for the conduct of its meetings and the management of the Corporation.

3.2. Number; Term of Office. The Board shall consist of one or more members, the number thereof to be determined from time to time solely by the Board. Each Director shall hold office until a successor is duly elected and qualified or until the Director's earlier death, resignation, disqualification or removal.

3.3. Nominations of Directors.

(a) Subject to Section 3.3(m) and Section 3.5, only persons who are nominated in accordance with the procedures set forth in this Section 3.3 are qualified for election as Directors.

(b) Nominations of persons for election to the Board may only be made at a meeting properly called for the election of Directors and only (i) by or at the direction of the Board or any committee thereof or (ii) by a Stockholder who (A) was a Stockholder when the notice required by this Section 3.3 is delivered to the Secretary and at the time of the meeting, (B) is entitled to vote for the election of Directors at the meeting, and (C) complies with the notice and other provisions of this Section 3.3. Subject to Section 3.3(m) and Section 3.5, Section 3.3(b)(ii) is the exclusive means by which a Stockholder may nominate a person for election to the Board. Persons nominated in accordance with Section 3.3(b)(ii) are referred to as "Stockholder Nominees." A Stockholder nominating persons for election to the Board is referred to as the "Nominating Stockholder."

(c) Subject to Section 3.3(m), all nominations of Stockholder Nominees must be made by timely written notice given by or on behalf of a Stockholder (the "Notice of Nomination"). To be timely, the Notice of Nomination must be delivered personally or mailed to, and received at, the Office of the Corporation, addressed to the attention of the Secretary, by the following dates:

(i) in the case of the nomination of a Stockholder Nominee for election to the Board at an annual meeting of Stockholders, no earlier than 120 days and no later than 90 days before the first anniversary of the date of the prior year's annual meeting of Stockholders; provided, however, that (A) if the annual meeting of Stockholders is advanced by more than 30 days, or delayed by more than 60 days, from the first anniversary of the prior year's annual meeting of Stockholders, (B) if no annual meeting was held during the prior year, or (C) with respect to the first annual meeting after the Listing Date, the notice by the Stockholder to be timely must be received (1) no earlier than 120 days before such annual meeting and (2) no later than the later of 90 days before such annual meeting and the tenth day after the earlier of the day on which the notice of such annual meeting was first made by mail or the day such annual meeting is announced by Public Disclosure; and

(ii) in the case of the nomination of a Stockholder Nominee for election to the Board at a special meeting of Stockholders, no earlier than 120 days before and no later than the later of 90 days before such special meeting and the tenth day after the earlier of the day on which the notice of such special meeting was first made by mail or the day such special meeting is announced by Public Disclosure.

(d) Notwithstanding anything to the contrary, if the number of Directors to be elected to the Board at a meeting of Stockholders is increased and there is no Public Disclosure by the Corporation naming the nominees for the additional directorships or specifying the increased size of the Board at least 100 days before the first anniversary of the preceding year's annual meeting (in the case of an annual meeting) or before such special meeting (in the case of a special meeting), a Notice of Nomination shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered personally and received at the Office of the Corporation, addressed to the attention of the Secretary, no later than the close of business on the tenth day following the day on which such Public Disclosure is first made by the Corporation.

(e) In no event shall an adjournment, postponement or deferral, or Public Disclosure of an adjournment, postponement or deferral, of an annual or special meeting commence a new time period (or extend any time period) for the giving of the Notice of Nomination.

(f) The Notice of Nomination shall set forth:

(i) the Stockholder Information with respect to each Nominating Stockholder and Stockholder Associated Person (except that references to the "Proponent" in Section 2.2(d)(i)-(iv) shall instead refer to the "Nominating Stockholder," and the disclosure required by Section 2.2(d)(iii)(C) may be omitted, for purposes of this Section 3.3(f)(i));

(ii) a representation that each Nominating Stockholder is a Stockholder entitled to vote at the meeting and intends to appear in person or by a qualified representative (as defined in Section 3.3(l)) at the meeting to propose such nomination;

(iii) all information regarding each Stockholder Nominee and Stockholder Associated Person that would be required to be disclosed in a solicitation of proxies subject to Section 14 of the Exchange Act and a completed signed questionnaire, representation and agreement required by Section 3.4;

(iv) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among a Nominating Stockholder, Stockholder Associated Person or their respective associates, or others (including Stockholder Nominees) acting in concert therewith, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the Nominating Stockholder, Stockholder Associated Person or any person acting in concert therewith were the “registrant” for purposes of such rule and the Stockholder Nominee were a director or executive of such registrant;

(v) a representation as to whether the Nominating Stockholders intend (A) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation’s outstanding capital stock required to approve the nomination, or (B) to solicit proxies in support of Director nominees other than the Corporation’s nominees in accordance with Rule 14a-19 under the Exchange Act; and

(vi) a representation that the Nominating Stockholders shall provide all other information and affirmations, updates and supplements required pursuant to these Bylaws.

(g) The Nominating Stockholders shall also provide any other information reasonably requested from time to time by the Corporation within 10 business days after each such request.

(h) The Nominating Stockholders shall affirm as true and correct the information provided to the Corporation in the Notice of Nomination or at the Corporation’s request pursuant to Section 3.3(g) (and shall update or supplement such information as needed so that such information shall be true and correct) as of (i) the record date for the meeting, and (ii) the date that is 10 business days before the date of the meeting and, if applicable, before reconvening any adjournment or postponement thereof. Such affirmation, update and/or supplement must be delivered personally or mailed to, and received at, the Office of the Corporation, addressed to the Secretary, by no later than (1) five business days after the applicable date specified in clause (i) of the foregoing sentence (in the case of the affirmation, update and/or supplement required to be made as of those dates), and (2) seven business days before the date for the meeting (in the case of the affirmation, update and/or supplement required to be made as of 10 business days before the meeting or reconvening any adjournment or postponement thereof).

(i) For any Nominating Stockholder that, pursuant to Section 3.3(f)(v)(B), has included a representation that such Nominating Stockholder intends to solicit proxies in support of Director nominees other than the Corporation's nominees in accordance with Rule 14a-19 under the Exchange Act, such Nominating Stockholder's notice must, in addition to the matters set forth in Section 3.3(f) above, also include a signed acknowledgement (the form of which such Nominating Stockholder shall request in writing from the Secretary and which the Secretary shall provide to such Nominating Stockholder within ten days after receiving such request) that (x) the Corporation shall disregard any proxies given for such Nominating Stockholder's Stockholder Nominees on the Corporation's proxy card if such Nominating Stockholder fails to comply with the requirements of Rules 14a-19(a) under the Exchange Act and (y) the Corporation's proxy materials and proxy card may include statements that the Corporation's designated proxy holder(s) will not exercise the proxy power otherwise granted thereby to vote the shares as to which any proxies relate in favor of any Stockholder Nominees if the Nominating Stockholder thereof fails to comply with the requirements of Rules 14a-19(a) under the Exchange Act.

(j) If a Nominating Stockholder no longer intends to solicit holders of shares of the Corporation in accordance with the representation made pursuant to Section 3.3(f)(v)(B), such Nominating Stockholder shall inform the Corporation of this change by delivering a writing to the Secretary at the Office of the Corporation no later than two business days after the occurrence of such change. If a Nominating Stockholder (i) provides notice pursuant to Rule 14a-19(b) under the Exchange Act and (ii) such person or entity subsequently fails to comply with the requirements of Rules 14a-19(a) under the Exchange Act, then the Corporation shall instruct its designated proxy holders not to exercise the proxy power otherwise granted thereby to vote the shares as to which any proxies relate in favor of any Stockholder Nominees nominated by such Nominating Stockholder (unless any such Stockholder Nominee is also nominated by the Corporation). Upon request by the Corporation, if any Nominating Stockholder provides notice pursuant to Rule 14a-19(b) under the Exchange Act, such Nominating Stockholder shall deliver to the Corporation, no later than five business days prior to the applicable meeting, reasonable evidence that the requirements of Rule 14a-19 under the Exchange Act have been satisfied.

(k) The person presiding over the meeting shall, if the facts warrant, determine and declare to the meeting that the nomination was not made in accordance with the procedures set forth in this Section 3.3. Any such defective nomination shall be disregarded.

(l) If the Nominating Stockholder (or a qualified representative of the Nominating Stockholder) does not appear at the applicable Stockholder meeting to nominate the Stockholder Nominees, such nomination shall be disregarded and such Stockholder Nominees shall not be qualified for election as Directors, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 3.3, to be considered a "qualified representative" of the Nominating Stockholder, a person must be a duly authorized officer, manager or partner of such Nominating Stockholder or must be authorized by a writing executed by such Nominating Stockholder or an electronic transmission delivered by such Nominating Stockholder to act for such Nominating Stockholder as proxy at the meeting of Stockholders, and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of Stockholders.

(m) Nothing in this Section 3.3 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation pursuant to any applicable provision of the Certificate of Incorporation.

3.4. Nominee Qualifications. To be qualified to be a nominee for election or reelection as a Director, the nominee must deliver (in accordance with the time periods prescribed for delivery of a Notice of Nomination under Section 3.3 or a Proxy Access Notice under Section 3.5 (in the case of a Stockholder Nominee or Proxy Access Nominee, respectively) or upon request of the Secretary from time to time (in the case of a person nominated by or at the direction of the Board or any committee thereof)) to the Secretary at the Office of the Corporation:

(a) a completed and signed written questionnaire (in the form provided by the Secretary) with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made;

(b) information as necessary to permit the Board to determine if such nominee (i) is independent under, and satisfies the audit, compensation or other board committee independence requirements under, the applicable rules and listing standards of the principal national securities exchanges upon which the stock of the Corporation is listed or traded, any applicable rules of the SEC or any other regulatory body with jurisdiction over the Corporation, or any publicly disclosed standards used by the Board in determining and disclosing the independence of the Directors and Board committee members, (ii) is not or has not been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended from time to time, and (iii) is not a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) and has not been convicted in a criminal proceeding within the past 10 years ((i) through (iii) collectively, the "Independence Standards");

(c) a written representation and agreement (in the form provided by the Secretary) that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person will act or vote as a Director on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such person's ability to comply with such person's fiduciary duties as a Director under applicable Law, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a Director that has not been disclosed to the Corporation, (iii) will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality, stock ownership and trading, and other policies and guidelines of the Corporation that are applicable to Directors, and (iv) currently intends to serve as a Director for the full term for which such person is standing for election; and

(d) such person's written consent to being named as a nominee for election as a Director and to serving as a Director if elected.

The Secretary shall provide any Stockholder the forms of the written questionnaire and representation and agreement referred to in this Section 3.4 upon written request therefor.

### 3.5. Proxy Access for Director Nominations.

(a) Information to be Included in the Corporation's Proxy Materials. Subject to the provisions of this Section 3.5, for an annual meeting of Stockholders, the Corporation shall include in its proxy statement and in its form of proxy for such annual meeting, in addition to any persons nominated for election by or at the direction of the Board (or any committee thereof), the name of and the Required Information (as defined below) in respect of any person nominated for election to the Board who satisfies the eligibility requirements in this Section 3.5 (a "Proxy Access Nominee") and who is identified in a proper written notice (the "Proxy Access Notice") that complies with, and is timely delivered pursuant to, this Section 3.5 by an Eligible Stockholder (as defined below). Notwithstanding anything to the contrary contained in this Section 3.5, the Corporation may omit from its proxy materials any information or Supporting Statement (as defined below) (or portions thereof) that it, in good faith, believes (i) would violate any applicable Law or (ii) directly or indirectly impugns the character, integrity or personal reputation of, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation, with respect to any person or entity. Nothing in this Section 3.5 shall limit the Corporation's ability to solicit against or for, and include in its proxy materials its own statements relating to, any Eligible Stockholder or Proxy Access Nominee.

(b) Definition of Required Information. For the purposes of this Section 3.5, the "Required Information" that the Corporation shall include in its proxy statement is (i) the information concerning the Proxy Access Nominee and the Eligible Stockholder that the Corporation determines is required to be disclosed in the Corporation's proxy statement by the applicable requirements of the Exchange Act and (ii) if the Eligible Stockholder so elects, a Supporting Statement.

(c) Definition of Supporting Statement. For each of its Proxy Access Nominees, the Eligible Stockholder may, at its option, provide to the Secretary, at the time the Proxy Access Notice is delivered, one written statement, not to exceed 500 words, in support of such Proxy Access Nominee's candidacy (a "Supporting Statement"). Only one Supporting Statement may be submitted by an Eligible Stockholder for each Proxy Access Nominee.

(d) Definition of Eligible Stockholder. For the purposes of this Section 3.5, an "Eligible Stockholder" is one or more persons who:

(i) own and have owned (in each case, as defined in Section 3.5(f)) continuously for at least three years prior to the date the Proxy Access Notice is received at the Office of the Corporation (the "Minimum Holding Period") a number of shares of stock of the Corporation that represents at least 3% of the voting power of all shares of stock of the Corporation issued and outstanding and entitled to vote in the election of Directors as of the most recent date for which such amount is set forth in any Public Disclosure made by the Corporation prior to the date the Proxy Access Notice is received at the Office of the Corporation (the "Required Shares");

- (ii) continues to own the Required Shares through the date of the annual meeting of Stockholders; and
- (iii) satisfies all other requirements of, and complies with all applicable procedures set forth in, this Section 3.5;

provided, that the aggregate number of record stockholders and beneficial owners whose stock ownership is counted for the purposes of satisfying the foregoing ownership requirement shall not exceed 20. Two or more funds that are part of the same Qualifying Fund Group (as defined in Section 3.5(e)) shall be treated as one record stockholder or beneficial owner for purposes of determining the aggregate number of record stockholders and beneficial owners in this paragraph and shall be treated as one person for the purpose of determining “ownership” as defined in Section 3.5(f). No record stockholder (other than a Custodian Holder (as defined below)) or beneficial owner may be a member of more than one group constituting an Eligible Stockholder with respect to any annual meeting of Stockholders, and no shares may be attributed to more than one Eligible Stockholder or group constituting an Eligible Stockholder. If any person (other than a Custodian Holder) purports to be a member of more than one group constituting an Eligible Stockholder, such person shall only be deemed to be a member of the group that has the largest ownership position (as reflected in the applicable Proxy Access Notice). “Custodian Holder,” with respect to any Eligible Stockholder, means any broker, bank or custodian (or similar nominee) who (i) is acting solely as a nominee on behalf of a beneficial owner and (ii) does not own (as defined in Section 3.5(f)) any of the shares comprising the Required Shares of the Eligible Stockholder. For the avoidance of doubt, Required Shares will qualify as such if and only if the beneficial owner of such shares as of the date of the Proxy Access Notice has itself beneficially owned such shares continuously for the Minimum Holding Period and through the date of the annual meeting of Stockholders (in addition to the other applicable requirements being met).

Whenever the Eligible Stockholder consists of a group of persons (including a group of funds that are part of the same Qualifying Fund Group), each provision in this Section 3.5 that requires the Eligible Stockholder to provide any written statements, representations, undertakings, agreements or other instruments or to meet any other conditions shall be deemed to require each such person (including each individual fund) that is a member of such group (other than a Custodian Holder) to provide such statements, representations, undertakings, agreements or other instruments and to meet such other conditions (except that the members of such group may aggregate the shares that each member has owned continuously for the Minimum Holding Period in order to meet the 3% ownership requirement of the “Required Shares” definition).

(e) Definition of Qualifying Fund Group. For the purposes of this Section 3.5, a “Qualifying Fund Group” means two or more funds that are (i) under common management and investment control, (ii) under common management and funded primarily by the same employer, or (iii) a “group of investment companies,” as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940, as amended from time to time.

(f) Definition of Ownership. For the purposes of this Section 3.5, a person shall be deemed to “own” only those outstanding shares of stock of the Corporation as to which the person:

- (i) possesses full voting and investment rights; and
- (ii) possesses full economic interest (including the opportunity for profit and risk of loss);

provided that the number of shares calculated in accordance with the foregoing clauses (i) and (ii) shall not include any shares:

(A) sold by such person or any of its affiliates in any transaction that has not been settled or closed;

(B) borrowed by such person or any of its affiliates for any purpose or purchased by such person or any of its affiliates pursuant to an agreement to resell; or

(C) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such person or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of outstanding shares of the Corporation, in any such case which instrument or agreement has, or is intended to have, or if exercised would have, the purpose or effect of:

(1) reducing in any manner, to any extent or at any time in the future, such person’s or any of its affiliates’ full right to vote or direct the voting of any such shares; or

(2) hedging, offsetting or altering to any degree gain or loss arising from the full economic ownership of such shares by such person or any of its affiliates.

For avoidance of doubt, a person shall “own” shares held of record in the name of a nominee (including a Custodian Holder) or other intermediary so long as the person retains the right to instruct how the shares are voted with respect to the election of Directors and the right to direct the disposition thereof and possesses the full economic interest therein, and a person’s ownership of shares shall be deemed to continue during any period in which the person has:

(i) delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement that is revocable at any time by the person without condition; or

(ii) loaned such shares or pledged such shares as collateral; provided that the person has the power to recall such loaned or pledged shares on not more than five business days’ notice.



For the purposes of this Section 3.5, the terms “owned,” “owning” and other variations of the word “own” shall have correlative meanings, and the term “affiliate” shall have the meaning ascribed thereto in the rules and regulations promulgated under the Exchange Act. Whether outstanding shares of common stock of the Corporation are “owned” for these purposes shall be determined by the Board in its sole discretion.

(g) Notice Period. To be timely under this Section 3.5, the Proxy Access Notice must be delivered to the Office of the Corporation, addressed to the Secretary, no earlier than 150 days and no later than 120 days before the first anniversary of the filing date of the Corporation’s definitive proxy statement for the prior year’s annual meeting of Stockholders; provided, however, that if the date of the annual meeting is advanced by more than 30 days prior to, or delayed by more than 60 days after, the first anniversary of the prior year’s annual meeting of Stockholders, or if no annual meeting was held in the preceding year, then, for the Proxy Access Notice to be timely, it must be delivered to the Office of the Corporation, addressed to the Secretary, (i) no earlier than 120 days before such annual meeting and (ii) no later than the close of business on the later of 90 days before such annual meeting and the tenth day after the earlier of the day on which the notice of such annual meeting was first made by mail or the day such annual meeting is announced by Public Disclosure. In no event shall an adjournment, postponement or deferral, or Public Disclosure of an adjournment, postponement or deferral, of an annual meeting of Stockholders commence a new time period (or extend any time period) for the giving of the Proxy Access Notice pursuant to this Section 3.5.

(h) Form of Notice. To be in proper written form, the Proxy Access Notice must include or be accompanied by the following:

(i) a written statement by the Eligible Stockholder certifying as to the number of shares it owns and has owned continuously for the Minimum Holding Period, and the Eligible Stockholder’s agreement to provide (a) within five business days following the later of the record date for the annual meeting of Stockholders or the date on which notice of the record date is first publicly disclosed, a written statement by the Eligible Stockholder certifying as to the number of shares it owns and has owned continuously through the record date and (b) prompt notice if the Eligible Stockholder ceases to own a number of shares at least equal to the Required Shares prior to the date of the annual meeting;

(ii) if the Eligible Stockholder is not a record holder of the Required Shares, proof that the Eligible Stockholder owns, and has owned continuously for the Minimum Holding Period, the Required Shares, in a form that would be deemed by the Corporation to be acceptable pursuant to Rule 14a-8(b)(2) under the Exchange Act (or any successor rule) for purposes of a shareholder proposal under such rule;

(iii) a copy of the Schedule 14N that has been or is concurrently being filed with the SEC as required by Rule 14a-18 under the Exchange Act;

(iv) as to the Eligible Stockholder and each Proxy Access Nominee, the information required by Section 2.2(d)(iii)(D)-(F) (except that the references to the “Proponent” and to “any Stockholder Associated Person” in such clauses shall instead refer, respectively, to the “Eligible Stockholder” and “each Proxy Access Nominee” for purposes of this paragraph);

(v) as to each Proxy Access Nominee:

(A) the items specified in Section 3.3(f)(iii) (including the questionnaire, representation and agreement required by Section 3.4) (except that the references to “Stockholder Nominee” in such section shall instead refer to “Proxy Access Nominee,” and the reference to the “Stockholder Associated Person” may be disregarded, for purposes of this paragraph) and an executed agreement, in a form deemed satisfactory by the Board or its designee (which form shall be provided by the Corporation reasonably promptly upon written request therefor), pursuant to which such Proxy Access Nominee agrees not to be named in any other person’s proxy statement or form of proxy;

(B) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among the Eligible Stockholder, such Proxy Access Nominee or their respective associates (as defined in Rule 14a-1 under the Exchange Act), or others acting in concert therewith, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the Eligible Stockholder or its affiliates or any person acting in concert therewith were the “registrant” for purposes of such rule and the person were a director or executive of such registrant; and

(C) any other information relating to the Proxy Access Nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;

(vi) an executed agreement, in a form deemed satisfactory by the Board or its designee (which form shall be provided by the Corporation reasonably promptly upon written request therefor), pursuant to which the Eligible Stockholder:

(A) represents that it intends to continue to hold the Required Shares through the date of, and to vote the Required Shares at, the annual meeting of Stockholders;

(B) represents that it acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control of the Corporation, and does not presently have such intent;

(C) represents and agrees that it has not nominated and will not nominate for election to the Board at the annual meeting of Stockholders any person other than the Proxy Access Nominee(s) it is nominating pursuant to this Section 3.5;

(D) represents and agrees that it is not currently engaged as of the date of the agreement, and will not engage, in, and is not currently as of the date of the agreement, and will not be, a “participant” in another person’s, “solicitation” within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a Director at the annual meeting other than its Proxy Access Nominee(s) or a nominee of the Board;

(E) represents and agrees that it has not distributed and will not distribute to any Stockholder or beneficial owner of the Corporation’s stock any form of proxy for the annual meeting other than the form distributed by the Corporation;

(F) represents and agrees that it is currently in compliance as of the date of the agreement, and will comply, with all Laws and regulations (including, without limitation, Rule 14a-9(a) under the Exchange Act) applicable to solicitations and the use, if any, of soliciting material in connection with the annual meeting;

(G) agrees to assume all liability stemming from any legal or regulatory violation arising out of the Eligible Stockholder’s communications with the Stockholders or beneficial owners of the Corporation’s stock or out of the information that the Eligible Stockholder provided to the Corporation, in each case, in connection with the nomination or election of Proxy Access Nominee(s) at the annual meeting;

(H) agrees to indemnify and hold harmless the Corporation and each of its directors, officers, employees and agents individually against any liability, loss, damages, expenses or other costs (including attorneys’ fees) incurred in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers, employees or agents arising out of any legal or regulatory violation referenced in clause (G) above or any failure or alleged failure of the Eligible Stockholder or its Proxy Access Nominee(s) to comply with, or any breach or alleged breach by the Eligible Stockholder or its Proxy Access Nominee(s) of, the requirements of this Section 3.5; and

(I) agrees to file with the SEC any written solicitation of the Stockholders or beneficial owners of the Corporation’s stock relating to the meeting at which its Proxy Access Nominee(s) will be nominated, regardless of whether any such filing is required under Regulation 14A of the Exchange Act or whether any exemption from filing is available for such solicitation or other communication under Regulation 14A of the Exchange Act;

(vii) in the case of a nomination by a group of persons together constituting an Eligible Stockholder, the designation by all group members (other than a Custodian Holder) of one member of the group that is authorized to receive communications, notices and inquiries from the Corporation and to act on behalf of the Eligible Stockholder group with respect to all matters relating to the nomination under this Section 3.5 (including withdrawal of the nomination); and

(viii) in the case of a nomination by a group of persons together constituting an Eligible Stockholder in which two or more funds that are part of the same Qualifying Fund Group are counted as one record stockholder or beneficial owner for purposes of qualifying as an Eligible Stockholder, documentation reasonably satisfactory to the Corporation that demonstrates that the funds are part of the same Qualifying Fund Group.

(i) Additional Required Information. In addition to the information required pursuant to Section 3.5(h) or any other provision of these Bylaws, (i) the Corporation from time to time may require any proposed Proxy Access Nominee to furnish any other information (a) that may reasonably be required by the Corporation to determine whether the Proxy Access Nominee would be independent under the Independence Standards (as defined in Section 3.4), (b) that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such Proxy Access Nominee, (c) that may reasonably be required by the Corporation to determine the eligibility of such Proxy Access Nominee to serve as a Director, or (d) as may otherwise be reasonably requested, and (ii) the Corporation from time to time may require the Eligible Stockholder to furnish any other information that may reasonably be required by the Corporation to verify the Eligible Stockholder's continuous ownership of the Required Shares for the Minimum Holding Period or other compliance with this Section 3.5.

(j) Exclusion From Proxy Materials. Notwithstanding anything to the contrary contained in this Section 3.5, the Corporation shall not be required pursuant to this Section 3.5 to include a Proxy Access Nominee in its proxy materials for any annual meeting of Stockholders or, if the proxy statement already has been filed, to allow the nomination of a Proxy Access Nominee, notwithstanding that proxies in respect of such vote may have been received by the Board, if the Board determines that:

(i) such Proxy Access Nominee would not satisfy the Independence Standards;

(ii) the election of such Proxy Access Nominee as a member of the Board would cause the Corporation to be in violation of its Certificate of Incorporation, these Bylaws, the rules or listing standards of the principal national securities exchanges upon which the stock of the Corporation is listed or traded, or any applicable Law, rule or regulation;

(iii) such Proxy Access Nominee is, or has been within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended from time to time;

(iv) such Proxy Access Nominee is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past 10 years;

(v) such Proxy Access Nominee is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended from time to time (the “Securities Act”);

(vi) such Proxy Access Nominee otherwise becomes ineligible for inclusion in the Corporation’s proxy materials pursuant to this Section 3.5 or otherwise becomes ineligible, not qualified or unavailable for election at the annual meeting of Stockholders, in each case as determined by the Board or the person presiding over the annual meeting;

(vii) such Proxy Access Nominee or the applicable Eligible Stockholder (or any member of any group of persons that together is such Eligible Stockholder) provided information to the Corporation in connection with such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make any statement made, in light of the circumstances under which it was made, not misleading;

(viii) such Proxy Access Nominee or the applicable Eligible Stockholder (or any member of any group of persons that together is such Eligible Stockholder) otherwise breaches or fails to comply with its representations, undertakings or obligations pursuant to these Bylaws, including, without limitation, this Section 3.5; or

(ix) the Eligible Stockholder ceases to be an Eligible Stockholder for any reason, including, but not limited to, not owning the Required Shares through the date of the applicable annual meeting.

For the purpose of this subsection (j), the occurrence of clauses (i) through (vi) and, to the extent related to a breach or failure by the Proxy Access Nominee, clauses (vii) and (viii) will result in the exclusion from the proxy materials pursuant to this Section 3.5 of the specific Proxy Access Nominee to whom the ineligibility applies and any related Supporting Statement or, if the proxy statement for the applicable annual meeting of Stockholders already has been filed, will result in such Proxy Access Nominee not being eligible or qualified for election at such annual meeting of Stockholders, and, in either case, no other nominee may be substituted by the Eligible Stockholder that nominated such Proxy Access Nominee. The occurrence of clause (ix) and, to the extent related to a breach or failure by an Eligible Stockholder (or any member of any group of persons that together is such Eligible Stockholder), clauses (vii) and (viii) will result in the shares owned by such Eligible Stockholder (or such member of any group of persons that together is such Eligible Stockholder) being excluded from the Required Shares and, if as a result the persons who together nominated the Proxy Access Nominee shall no longer constitute an Eligible Stockholder, will result in the exclusion from the proxy materials pursuant to this Section 3.5 of all of such persons’ Proxy Access Nominees and any related Supporting Statements or, if the proxy statement for the applicable annual meeting of Stockholders already has been filed, will result in such Proxy Access Nominees not being eligible or qualified for election at such annual meeting of Stockholders.

(k) Permitted Number of Proxy Access Nominees.

(i) The maximum number of Proxy Access Nominees nominated by all Eligible Stockholders that will appear in the Corporation's proxy materials with respect to an annual meeting of Stockholders shall not exceed the greater of (i) two and (ii) 20% of the number (as of the last day on which a Proxy Access Notice may be delivered pursuant to this Section 3.5 with respect to the annual meeting) of Directors to be elected by the holders of Common Stock at the annual meeting of Stockholders, or if the number of Directors calculated in this clause (ii) is not a whole number, the closest whole number below 20% (such number, determined pursuant to clause (i) or clause (ii), as applicable, the "Permitted Number"); provided, however, that if the number of Directors to be elected by the holders of Common Stock at the annual meeting is reduced after the deadline in Section 3.5(g) for delivery of the Proxy Access Notice and before the date of the applicable annual meeting of Stockholders for any reason (including if the Board resolves to reduce the size of the Board before or effective at the annual meeting), the Permitted Number shall be calculated based on the number of Directors to be elected as so reduced. The Permitted Number shall also be reduced by (a) the number of Directors in office or Director candidates that in either case will be included in the Corporation's proxy materials with respect to such annual meeting as an unopposed (by the Corporation) nominee pursuant to any agreement, arrangement or other understanding with any Stockholder or group of Stockholders (other than any such agreement, arrangement or understanding entered into in connection with an acquisition of Common Stock, by such Shareholder or group of Shareholders, from the Corporation); (b) the number of incumbent Director candidates who were previously elected to the Board as Proxy Access Nominees at any of the preceding two annual meetings of Stockholders pursuant to this Section 3.5 and who remain members of the Board as of the deadline in Section 3.5(g) for delivery of the Proxy Access Notice, and (c) the number of Director candidates whose names were submitted for inclusion in the Corporation's proxy materials pursuant to this Section 3.5 for the upcoming annual meeting of Stockholders, but who were thereafter nominated for election at such meeting by the Board.

(ii) If the number of Proxy Access Nominees submitted by Eligible Stockholders pursuant to this Section 3.5 exceeds the Permitted Number, each Eligible Stockholder will select one Proxy Access Nominee for inclusion in the Corporation's proxy materials until the Permitted Number is reached, going in order of the amount (largest to smallest) of shares of Common Stock of the Corporation each Eligible Stockholder disclosed as owned in its Proxy Access Notice submitted to the Corporation. If the Permitted Number is not reached after each Eligible Stockholder has selected one Proxy Access Nominee, this selection process will continue as many times as necessary, following the same order each time, until the Permitted Number is reached. After reaching the Permitted Number of Proxy Access Nominees, if any Proxy Access Nominee who satisfies the eligibility requirements in this Section 3.5 thereafter (a) is nominated by the Board for election at the upcoming annual meeting of Stockholders, (b) is not submitted for election as a Director for any reason (including the failure to comply with or satisfy the eligibility requirements in this Section 3.5) other than due to a failure by the Corporation to include such Proxy Access Nominee in the Corporation's proxy materials in violation of this Section 3.5, (c) withdraws his or her nomination (or his or her nomination is

withdrawn by the applicable Eligible Stockholder), or (d) becomes unwilling or otherwise unable to serve on the Board if elected, then, in each such case, no other nominee or nominees shall be included in the Corporation's proxy materials or otherwise submitted for election as a Director pursuant to this Section 3.5 in substitution for such Proxy Access Nominee with respect to the annual meeting of Stockholders.

(iii) Notwithstanding anything to the contrary contained in this Section 3.5, the Corporation shall not be required to include any Proxy Access Nominees in its proxy materials pursuant to this Section 3.5 for any annual meeting of Stockholders for which the Secretary receives a notice that a stockholder intends to nominate one or more persons for election to the Board pursuant to clause (ii) of the first sentence of Section 3.3(b).

(l) Attendance of Eligible Stockholder at Annual Meeting. Notwithstanding the foregoing provisions of this Section 3.5, unless otherwise required by Law or otherwise determined by the Board or the person presiding over the meeting, if none of (i) the Eligible Stockholder or (ii) a Qualified Representative (as defined below) of the Eligible Stockholder appears at the annual meeting of Stockholders to present such Eligible Stockholder's Proxy Access Nominee(s), such nomination or nominations shall be disregarded and conclusively deemed withdrawn, notwithstanding that proxies in respect of the election of the Proxy Access Nominee(s) may have been received by the Corporation. A "Qualified Representative" of an Eligible Stockholder means a person that is a duly authorized officer, manager or partner of such Eligible Stockholder or is authorized by a writing (i) executed by such Eligible Stockholder, (ii) delivered (or a reliable reproduction or electronic transmission of the writing is delivered) by such Eligible Stockholder to the Corporation prior to the action taken by such person on behalf of such Eligible Stockholder, and (iii) stating that such person is authorized to act for such Eligible Stockholder with respect to the action to be taken.

(m) Restrictions on Re-nominations. Any Proxy Access Nominee who is included in the Corporation's proxy materials for a particular annual meeting of Stockholders but either (i) withdraws their nomination (or their nomination is deemed to have withdrawn pursuant to this Section 3.5), becomes ineligible or unavailable for election at that annual meeting, or is unwilling or otherwise unable to serve on the Board, or (ii) does not receive a number of votes cast in favor of their election at least equal to 25% of the votes present in person or represented by proxy and entitled to vote in the election of Directors, will be ineligible to be a Proxy Access Nominee pursuant to this Section 3.5 for the next two annual meetings of stockholders.

(n) Duty to Update, Supplement and Correct. Any information required by this Section 3.5 to be provided to the Corporation must be updated and supplemented by the Eligible Stockholder or Proxy Access Nominee, as applicable, by delivery to the Office of the Corporation, addressed to the Secretary, (i) no later than 10 days after the record date for determining the Stockholders entitled to vote at the annual meeting of Stockholders, of such information as of such record date and (ii) no later than five days before the annual meeting of Stockholders, of such information as of the date that is 10 days before the annual meeting of Stockholders. Further, in the event that any information or communications provided (pursuant to this Section 3.5 or otherwise) by the Eligible Stockholder or the Proxy Access Nominee to the Corporation or its Stockholders ceases to be true and correct in any respect or omits a material fact necessary to make the statements made, in light of the circumstances under which they were made, not

misleading, each Eligible Stockholder or Proxy Access Nominee, as the case may be, shall promptly notify the Secretary of any such inaccuracy or omission in such previously provided information and of the information that is required to make such information or communication true and correct. For the avoidance of doubt, the requirement to update, supplement and correct such information shall not permit any Eligible Stockholder or other person to change or add any proposed Proxy Access Nominee or be deemed to cure any defects or limit the remedies (including without limitation under these Bylaws) available to the Corporation relating to any defect (including any inaccuracy or omission).

(o) Exclusive Method. This Section 3.5 shall be the exclusive method for Stockholders to include nominees for Director election in the Corporation's proxy statement.

3.6. Vacancies and Newly Created Directorships. Except as otherwise provided in the Certificate of Incorporation with respect to rights of holders of Preferred Stock, and unless otherwise required by law, newly created directorships resulting from any increase in the authorized number of Directors and any vacancies in the Board resulting from death, retirement, disqualification, resignation, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board, or by the sole remaining Director. Any Director so chosen shall hold office for a term expiring at the next annual meeting of Stockholders and until his or her successor shall have been duly elected and qualified, subject to his or her earlier death, retirement, disqualification, resignation or removal. When one or more Directors shall resign, effective at a future time, a majority of the Directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office as provided in this Section 3.6 in the filling of other vacancies.

3.7. Resignation. Any Director may resign at any time by notice given in writing or by electronic transmission to the Board, the Chair or the Secretary. Such resignation shall take effect at the time of receipt of such notice or at such later time, or such later time determined upon the happening of an event, as is therein specified.

3.8. Regular Meetings. Regular meetings of the Board may be held without notice at such times and at such places as may be determined from time to time by the Board.

3.9. Special Meetings. Special meetings of the Board may be held at such times and at such places, if any, as may be determined by the Chair on at least 24 hours' notice to each Director given by one of the means specified in Section 3.12 other than by mail or on at least three days' notice if given by mail. Special meetings shall be called by the Chair or Secretary in like manner and on like notice on the written request of any two or more Directors.

3.10. Telephone Meetings. Board or Board committee meetings may be held by means of telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by a Director in a meeting pursuant to this Section 3.10 shall constitute presence in person at such meeting.



3.11. Adjourned Meetings. A majority of the Directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. At least 24 hours' notice of any adjourned meeting of the Board shall be given to each Director whether or not present at the time of the adjournment; provided, however, that notice of the adjourned meeting need not be given if (a) the adjournment is for 24 hours or less and (b) the time, place, if any, and means of remote communication, if any, are announced at the meeting at which the adjournment is taken. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

3.12. Notice Procedure. Subject to Sections 3.11 and 3.13, whenever notice is required to be given to any Director by applicable Law, the Certificate of Incorporation or these Bylaws, such notice shall be deemed given effectively if given in person or by telephone, mail addressed to such Director at such Director's address as it appears on the records of the Corporation, telecopy or by electronic mail or other means of electronic transmission. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of such meeting.

3.13. Waiver of Notice. Whenever the giving of any notice to Directors is required by applicable Law, the Certificate of Incorporation or these Bylaws, a written waiver signed by the Director, or a waiver by electronic transmission by such Director, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except when the Director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special Board or committee meeting need be specified in any waiver of notice.

3.14. Chair. The Board shall annually elect from among its members a Chair. The Chair shall preside at all meetings of the Board and shall exercise such powers and perform such other duties as shall be determined from time to time by the Board. Only Directors shall be eligible to be the Chair. The Chair may be an officer of the Company.

3.15. Organization. At each meeting of the Board, the Chair or, in the Chair's absence, the Lead Director, or in the Lead Director's absence therefrom, another Director chosen by a majority of Directors present, shall act as chair of the meeting and preside thereat. The Secretary shall act as secretary at each meeting of the Board. If the Secretary is absent from any meeting of the Board, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

3.16. Quorum of Directors. The presence of a majority of the total number of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board; provided, however, that in no case shall a quorum consist of less than one-third of the total number of Directors that the Corporation would have if there were no vacancies on the Board. The Directors present at a meeting at which a quorum has been established may continue to transact business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

3.17. Action by Majority Vote. Except as otherwise expressly required by these Bylaws or the Certificate of Incorporation, the vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

3.18. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all Directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board or committee.

#### **ARTICLE IV**

##### **COMMITTEES OF THE BOARD**

The Board may designate one or more committees in accordance with Section 141(c) of the DGCL. Unless the Board provides otherwise, at all meetings of such committee, a majority of the then authorized number of members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board provides otherwise, each committee designated by the Board may make, alter and repeal rules and procedures for the conduct of its business. In the absence of such rules and procedures each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article III.

#### **ARTICLE V**

##### **OFFICERS**

5.1. Positions; Election. The offices of the Corporation shall include a Chief Executive Officer, a President, a Chief Financial Officer, one or more Senior or Group Vice Presidents, a Secretary, a Treasurer, a Controller and any other officers as the Board may elect from time to time, who shall exercise such powers and perform such duties as shall be determined by the Board from time to time. Any number of offices may be held by the same person.

5.2. Term of Office. Each officer of the Corporation shall hold office until such officer's successor is elected and qualified or until such officer's earlier death, resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Such resignation shall take effect at the time of receipt of such notice or at such later time, or at such later time determined upon the happening of an event, as is therein specified. The resignation of an officer shall be without prejudice to the contract rights of the Corporation, if any. Any officer may be removed at any time with or without cause by the Board. Any vacancy occurring in any office of the Corporation may be filled by the Board. The election of an officer shall not of itself create contract rights, and any resignation or removal of an officer shall be without prejudice to the contract rights, if any, of such officer, the Corporation or any other person.

5.3. Chief Executive Officer. The Chief Executive Officer shall have general supervision and direction of the business and affairs of the Corporation, shall be responsible for corporate policy and strategy, and shall report directly to the Board. Unless otherwise provided in these Bylaws or determined by the Board, all other officers of the Corporation shall report directly to the Chief Executive Officer or as otherwise determined by the Chief Executive Officer. The Chief Executive Officer shall, if present and in the absence of the Chair, preside at meetings of the stockholders.

5.4. President. The President shall have such powers and duties incident to the office of a president and any other powers and duties as shall be prescribed by the Board or the Chief Executive Officer. The President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Corporation, or shall be required by applicable Law otherwise to be signed or executed.

5.5. Chief Financial Officer. The Chief Financial Officer shall exercise all the powers and perform the duties incident to the office of a chief financial officer and in general have overall supervision of the financial operations of the Corporation. The Chief Financial Officer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board, the Chief Executive Officer or the President may from time to time determine.

5.6. Senior Vice Presidents/Group Vice Presidents. Each Senior Vice President or Group Vice President of the Corporation shall have such powers and duties incident to the office of a vice president and any other powers and duties as shall be prescribed by their superior officer, the Chief Executive Officer, the President or the Board. A Vice President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board, the Chief Executive Officer, the President or another duly authorized officer may from time to time determine.

5.7. Treasurer. The Treasurer shall supervise and be responsible for all the funds and securities of the Corporation, the deposit of all moneys and other valuables to the credit of the Corporation in depositories of the Corporation, borrowings and compliance with the provisions of all indentures, agreements and instruments governing such borrowings to which the Corporation is a party, the disbursement of funds of the Corporation and the investment of its funds, and in general shall perform all of the duties incident to the office of a treasurer. The Treasurer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board, the Chief Executive Officer, the President or the Chief Financial Officer may from time to time determine.

5.8. Controller. The Controller shall be the chief accounting officer of the Corporation and shall exercise all the powers and duties incident to the office of a controller. The Controller shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board, the Chief Executive Officer, the President, or the Chief Financial Officer may from time to time determine.

5.9. Secretary. The powers and duties of the Secretary are: (i) to act as Secretary at all meetings of the Board, of the committees of the Board and of the Stockholders, and to record the proceedings of such meetings in a book or books to be kept for that purpose; (ii) to see that all notices required to be given by the Corporation are duly given and served; (iii) to act as custodian of the seal of the Corporation and affix the seal or cause it to be affixed to all certificates of stock of the Corporation and to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; (iv) to have charge of the books, records and papers of the Corporation and see that the reports, statements and other documents required by law to be kept and filed are properly kept and filed; and (v) to perform all of the duties incident to the office of Secretary. The Secretary shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board, the Chief Executive Officer or the President may from time to time determine.

5.10. Additional Matters. The Chief Executive Officer and the Chief Financial Officer of the Corporation shall each have the authority to appoint employees of the Corporation or its subsidiaries to have the title of Vice President, Assistant Vice President, or Assistant Treasurer. Any employee so appointed shall have the powers and duties determined by the officer making such appointment. The Secretary may appoint Associate, Assistant or Attesting Secretaries, each of whom shall have the power to affix and attest the corporate seal of the Company and to attest the execution of documents on behalf of the Company and who shall perform such other duties as may be assigned by the Secretary; and in the absence or disability of the Secretary, the Associate or Assistant Secretary may be designated by the Chair of the Board to exercise the powers of the Secretary. The persons appointed pursuant to this Section 5.10 shall not be deemed officers of the Corporation unless elected by the Board. Any person appointed pursuant to this Section 5.10 may be removed or replaced with or without cause by the officer having the right to appoint such person and shall automatically be removed if no longer employed by the Corporation or any of its subsidiaries.

5.11. Actions with Respect to Securities of Other Entities. All stock and other securities of other entities owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted (including by written consent), and all proxies with respect thereto shall be executed, by the person or persons authorized to do so by resolution of the Board or, in the absence of such authorization, by the Chair, the Chief Executive Officer, the President, the Secretary or the Treasurer.

5.12. Delegation of Authority. Any officer of the Corporation may from time to time delegate in writing their powers and duties under these Bylaws (including under Section 5.11). The Board may from time to time delegate the powers and duties of any officer notwithstanding any provisions hereof.

## ARTICLE VI

### INDEMNIFICATION AND PAYMENT OF EXPENSES

#### 6.1. Right to Indemnification.

(a) The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable Law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any written demand, action, suit, proceeding, investigation (including internal investigation), or arbitration proceeding, in each case, whether civil, criminal, administrative, or regulatory (each, a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a Director or officer of the Corporation or, while a Director, officer or employee of the Corporation, is or was serving at the specific direction or request of the Corporation as a director, officer, board observer, fiduciary or member of the management board (or foreign equivalent thereof) of an Outside Entity or an employee benefit plan, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person if the Covered Person acted in good faith and in a manner the Covered Person reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or Proceeding, had no reasonable cause to believe the Covered Person's conduct was unlawful. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3(b), the Corporation shall be required to indemnify a Covered Person in connection with a Proceeding (or part thereof) commenced by such Covered Person only if the commencement of such Proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board. For purposes of this Article VI, "Outside Entity," shall mean a corporation, limited liability company, partnership, trust, or a foreign equivalent thereof, whether for profit or not for profit, in which the ultimate stockholder of the Corporation does not (directly or indirectly) have a majority ownership interest or fifty percent (50%) ownership interest with management control.

(b) The Corporation may indemnify to the fullest extent permitted by Law any person who is not a Director or officer of the Corporation to whom the Corporation is permitted by applicable Law to provide indemnification, whether pursuant to, or provided by, the DGCL or other rights created by (i) resolution of stockholders, (ii) resolution of the Board, or (iii) a written agreement providing for such indemnification, it being expressly intended that these Bylaws authorize the creation of such rights in any such manner.

#### 6.2. Payment of Expenses.

(a) The Corporation shall to the fullest extent not prohibited by applicable Law pay the expenses (including reasonable attorneys' fees) incurred by a Covered Person in defending any Proceeding in advance of its final disposition, provided, however, that such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VI or otherwise.

(b) The Corporation may pay the expenses (including reasonable attorneys' fees) incurred by a person who is not a Director or officer of the Corporation to whom the Corporation is permitted by applicable Law to provide advancement of expenses in defending any Proceeding for which such person may be entitled to be indemnified pursuant to Section 6.1(b) in advance of its final disposition; provided, however, that such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by such person to repay all amounts advanced if it should be ultimately determined that such person is not entitled to be indemnified under this Article VI or otherwise.

### 6.3. Claims.

(a) A Covered Person shall promptly notify the Corporation in writing of any Proceeding commenced against such Covered Person for which such Covered Person may seek indemnification under this Article VI and follow all instructions of the Corporation in connection with such Proceeding, including, without limitation, giving the Corporation sole control of the defense in the Proceeding and all related settlement negotiations, if so requested by it, and providing the Corporation with full assistance, information and authority reasonably necessary to defend such Covered Person in the Proceeding.

(b) If a claim for indemnification under this Article VI (following the final disposition of a Proceeding) is not paid in full within 60 days after the Corporation has received a claim therefor by the Covered Person, or if a claim for any advancement of expenses under this Article VI is not paid in full within 60 days after the Corporation has received a statement or statements requesting such amounts to be advanced, the Covered Person shall thereupon (but not before) be entitled to file suit to recover the unpaid amount of such claim. If successful in whole or in part, the Covered Person shall be entitled to be paid the fees and costs of prosecuting such claim to the fullest extent permitted by Law. In any such action, the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable Law.

6.4. Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article VI shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of these Bylaws, the Certificate of Incorporation, agreement, vote of stockholders or disinterested Directors or otherwise.

6.5. Other Sources. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its specific direction or request as a Director, officer, board observer, fiduciary or member of the management board (or foreign equivalent thereof) of an Outside Entity shall be subordinate to and reduced by any amount such Covered Person is eligible to collect as indemnification or advancement of expenses from such Outside Entity, including amounts collectible from insurance. For avoidance of doubt, the obligation to indemnify or advance shall apply only to the extent that any Covered Person is unable to obtain indemnity or advancement from such Outside Entity after expending best efforts to so recover.

6.6. Amendment or Repeal. Any right to indemnification or to advancement of expenses of any Covered Person arising hereunder shall not be eliminated or impaired by an amendment to or repeal of these Bylaws after the occurrence of the act or omission that is the subject of the Proceeding for which indemnification or advancement of expenses is sought.

6.7. Other Indemnification and Advancement of Expenses. This Article VI shall not limit the right of the Corporation, to the extent and in the manner permitted by Law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

6.8. Nature of Rights. The rights conferred upon indemnitees in this Section shall continue as to an indemnitee who has ceased to be a Covered Person and shall inure to the benefit of the indemnitee's heirs, executors and administrators.

## ARTICLE VII

### GENERAL PROVISIONS

7.1. Certificates Representing Shares. The shares of stock of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. If shares are represented by certificates (if any) such certificates shall be in the form approved by the Board. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of, the Corporation by any two authorized officers of the Corporation. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

7.2. Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agents and registry offices or agents at such place or places as may be determined from time to time by the Board.

7.3. Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate or his legal representative to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

7.4. Declaration of Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board at any annual or special meeting, pursuant to applicable Law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

7.5. Reserve: Before payment of any Dividend. There may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board shall think conducive to the interest of the Corporation, and the Board may modify or abolish any such reserve in the manner in which it was created.

7.6. Form of Records. Any records administered by or on behalf of the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device, method, or one or more electronic networks or databases (including one or more distributed electronic networks or databases); provided that the records so kept can be converted into clearly legible paper form within a reasonable time, and, with respect to the stock ledger, that the records so kept (i) can be used to prepare the list of stockholders specified in Sections 219 and 220 of the DGCL, (ii) record the information specified in Sections 156, 159, 217(a) and 218 of the DGCL, and (iii) record transfers of stock as governed by Article 8 of the Uniform Commercial Code as enacted in the State of Delaware, 6 *Del. C.* §§8-101 *et seq.* The Corporation shall convert any records so kept into clearly legible paper form upon the request of any person entitled to inspect such records pursuant to any provision of the DGCL.

7.7. Seal. The Corporation may have a corporate seal, which shall have the name of the Corporation and the year and state of formation inscribed thereon. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

7.8. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board.

7.9. Time Periods. In applying any provision of these Bylaws that requires that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used unless otherwise specified, the day of the doing of the act shall be excluded, and the day of the event shall be included.

7.10. Amendments. These Bylaws may be amended or repealed and new Bylaws may be adopted by the Board, but the Stockholders may make additional Bylaws and may alter and repeal any Bylaws whether such Bylaws were originally adopted by them or otherwise.

7.11. Conflict with Applicable Law or Certificate of Incorporation. These Bylaws are adopted subject to any applicable Law and the Certificate of Incorporation. Whenever these Bylaws may conflict with any applicable Law or the Certificate of Incorporation, such conflict shall be resolved in favor of such Law or the Certificate of Incorporation.



TRANSITION SERVICES AGREEMENT

BETWEEN

GENERAL ELECTRIC COMPANY

AND

GE HEALTHCARE TECHNOLOGIES INC.

DATED [•], 20[•]

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## TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT, dated [•], 20[•] (as amended, modified or supplemented from time to time in accordance with its terms, this “Agreement”), is made and entered into by and between General Electric Company, a New York corporation (“Parent”), and GE HealthCare Technologies Inc., a Delaware corporation (“SpinCo”). Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings as in the Separation Agreement (as defined below).

### RECITALS

A. WHEREAS, Parent and SpinCo have entered into that certain Separation and Distribution Agreement, dated as of [•], 2022 (as amended, modified or supplemented from time to time in accordance with its terms, the “Separation Agreement”);

B. WHEREAS, in furtherance of the transactions contemplated by the Separation Agreement, the Parties (as defined below) desire that (i) Parent shall provide or cause to be provided to SpinCo or to the other members of the SpinCo Group, as applicable (SpinCo and such other members of the SpinCo Group collectively hereinafter referred to as the “SpinCo Entities”) certain services, access to systems, use of facilities and other assistance on a transitional basis and in accordance with the terms and subject to the conditions set forth herein, and (ii) SpinCo shall provide or cause to be provided to Parent or to the other members of the Parent Group, as applicable (Parent and such other members of the Parent Group collectively hereinafter referred to as the “Parent Entities”) certain services, access to systems, use of facilities and other assistance on a transitional basis and in accordance with the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties, intending to be legally bound, agree as follows:

### ARTICLE I DEFINITIONS

Section 1.01. Certain Defined Terms. The following capitalized terms used in this Agreement shall have the meanings set forth below:

“Actual Charges” shall have the meaning set forth in Section 5.01(c).

“Additional Service” shall have the meaning set forth in Section 2.03.

“Aggregate Cap” shall have the meaning set forth in Section 9.02(a).

“Agreement” shall have the meaning set forth in the Preamble.

“Amortization Charges” shall have the meaning set forth in Section 5.01(d).

“Amortization Termination Date” shall have the meaning set forth in Section 5.01(d).

“Collecting Party” shall have the meaning set forth in Section 5.03(a).

“Confidential Information” means any information furnished or obtained in connection with or as a result of this Agreement or performance or receipt of Services hereunder that is confidential, non-public, or proprietary about a Person, its Affiliates or any of their respective businesses, operations, clients, customers, prospects, personnel, properties, processes or products, financial, technical, commercial or other information (regardless of the form or format of the information (written, verbal, electronic or otherwise) or the manner or media in or through which it is furnished to or otherwise obtained by another Person or its Affiliates or Representatives), including all materials derived from, reflecting or incorporating, in whole or in part, any such information. “Confidential Information” shall not include information that (i) is or becomes generally available to the public through no direct or indirect act or omission by the Person receiving such information or by any of its Affiliates or Representatives; or (ii) is already available to, or is or becomes available on a non-confidential basis to, the Person receiving such information or its Affiliates or Representatives from a source (other than a Party to this Agreement or its Affiliates or Representatives) who is not prohibited from disclosing such information by any contractual, legal or fiduciary obligation.

“Data” means databases and compilations, including all data and collections of data, whether machine readable or otherwise.

“Data Protection Legislation” means all national, federal, state and local privacy, data protection or other laws and regulations applicable to the processing of Personal Information.

“Decommissioning Charges” means any and all costs incurred by the Provider of a Service in connection with the wind down of such Service to (i) terminate users, (ii) disable interfaces, (iii) decommission hardware or (iv) terminate employees or consultants.

“Disbursement” shall have the meaning set forth in Section 5.03(a).

“Disbursement Invoice” shall have the meaning set forth in Section 5.03(a).

“Facility/Facilities” shall have the meaning set forth in Section 4.02(a).

“Force Majeure Event” shall have the meaning set forth in Section 9.03.

“Indemnified Party” means a Provider Indemnified Party or a Recipient Indemnified Party.

“Local Implementing Agreement” shall have the meaning set forth in Section 3.03.

“Nonparty Affiliates” shall have the meaning set forth in Section 10.14.

“One-Time Services” shall have the meaning set forth in Section 2.07(e).

“Parent” shall have the meaning set forth in the Preamble.

“Parent Entities” shall have the meaning set forth in the Recitals.

“Parent Facilities” shall have the meaning set forth in Section 4.02(a).

“Parent Services” shall have the meaning set forth in Section 2.01(a).

“Parent Services Manager” shall have the meaning set forth in Section 2.04(a).

“Parent Transition Plan” shall have the meaning set forth in Section 2.07(b).

“Party” means Parent and SpinCo individually, and “Parties” means Parent and SpinCo collectively, and, in each case, their respective permitted successors and assigns.

“Paying Party” shall have the meaning set forth in Section 5.03(a).

“Personal Information” means any information related to an identified or identifiable natural person in or from any jurisdiction which is processed in connection with this Agreement.

“Prime Rate” means the prime rate published in the eastern edition of The Wall Street Journal or a comparable newspaper if The Wall Street Journal shall cease publishing the prime rate.

“Provider” means, with respect to a Service or Additional Service, the Party or its Affiliate providing or required to provide such Service or Additional Service under this Agreement.

“Provider Indemnified Party” shall have the meaning set forth in Section 8.01(a).

“Receipt” shall have the meaning set forth in Section 5.03(a).

“Receiving Party” shall have the meaning set forth in Section 5.03(a).

“Recipient” means, with respect to a Service or Additional Service, the Party or its Affiliate to whom such Service or Additional Service is being provided or is required to be provided under this Agreement.

“Recipient Indemnified Party” shall have the meaning set forth in Section 8.03.

“Recoveries” shall have the meaning set forth in Section 5.04(c).

“Recovery Period” shall have the meaning set forth in Section 5.04(c).

“Responsible Party” shall have the meaning set forth in Section 5.03(a).

“Schedule(s)” means the schedules attached hereto, as amended, modified or supplemented from time to time in accordance with the terms hereof.

“Separation Agreement” shall have the meaning set forth in the Recitals.

“Service Charges” shall have the meaning set forth in Section 5.01(a).

“Service Period” shall have the meaning set forth in Section 2.02.

“Services” shall have the meaning set forth in Section 2.01(b).

“Software” means all (i) computer programs, including all software implementation of algorithms, models, formulas and methodologies, whether in source code, object code, human readable form or other form; (ii) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons; and (iii) all documentation, including user manuals and other training documentation, relating to any of (i) or (ii), excluding Data.

“SpinCo” shall have the meaning set forth in the Preamble.

“SpinCo Entities” shall have the meaning set forth in the Recitals.

“SpinCo Facilities” shall have the meaning set forth in Section 4.02(a).

“SpinCo Services” shall have the meaning set forth in Section 2.01(b).

“SpinCo Services Manager” shall have the meaning set forth in Section 2.04(b).

“SpinCo Systems” shall have the meaning set forth in Section 4.01(e).

“SpinCo Transition Plan” shall have the meaning set forth in Section 2.07(a).

“Strategy” means the Service separation plan set forth on Schedule A and Schedule C.

“Systems” shall have the meaning set forth in Section 4.01.

“Termination Charges” means any and all costs, fees or expenses payable, directly or indirectly, by the Provider with respect to a Service to any unaffiliated, third-party provider as a result of the expiration of the Service Period duration or any early termination or reduction of such Service (without prejudice to Recipient’s rights with respect to a Force Majeure Event and which costs, fees and expenses may include, but are not limited to, license fees and costs to provide such Service, breakage fees, early termination fees or charges, minimum volume charges with respect to terminated Services, liquidated damages and fees arising from remaining fixed costs); provided, however, that Termination Charges shall not include any Decommissioning Charges.

“TSA Dispute” shall have the meaning set forth in Section 7.01(a).

ARTICLE II  
SERVICES, DURATION AND SERVICES MANAGERS

Section 2.01. Services.

(a) Upon the terms and subject to the conditions of this Agreement, Parent shall provide, or shall cause to be provided, to the SpinCo Entities the services, access to systems and use of facilities as set forth, respectively, in Schedule A and Schedule B attached hereto (collectively, the "Parent Services").

(b) Upon the terms and subject to the conditions of this Agreement, SpinCo shall provide, or shall cause to be provided, to the Parent Entities the services, access to systems and use of facilities as set forth, respectively, in Schedule C and Schedule D attached hereto (collectively, the "SpinCo Services"), and collectively with the Parent Services and any Additional Services, the "Services").

(c) All Services shall be for the sole use and benefit of the relevant Recipient and its respective Affiliates.

Section 2.02. Duration of Services. Upon the terms and subject to the conditions of this Agreement, each of Parent and SpinCo shall provide (or cause to be provided) to the relevant Recipients each Service until the earliest to occur of, with respect to each such Service, (a) the expiration of the period of duration for such Service as set forth in Schedule A, Schedule B, Schedule C or Schedule D, as applicable (with respect to each Service, a "Service Period"); (b) the date on which such Service is terminated in accordance with ARTICLE IX; and (c) the date on which this Agreement is terminated in accordance with ARTICLE IX; provided, however, that to the extent that a Provider's ability to provide (or to cause to be provided) a Service is dependent on the continuation of either a Parent Service or a SpinCo Service (including continuation of access to a Facility), as the case may be, and such dependence is indicated on the applicable Schedule, the Provider's obligation to provide (or to cause to be provided) such dependent Service shall terminate automatically with the termination of such supporting Parent Service or supporting SpinCo Service, as the case may be; and provided, further, that each Recipient shall use its reasonable efforts in good faith to transition itself to a replacement service, system or facility with respect to each Service as soon as reasonably practicable prior to the end of the Service Period for each such Service.



Section 2.03. Additional Unspecified Services. If, after the date hereof, Parent or SpinCo identifies to the other in writing a service that (a) any of the Parent Entities provided to the SpinCo Business in the ordinary course of business during the six (6) month period prior to the Distribution Date that SpinCo reasonably and in good faith believes that a SpinCo Entity needs in order for the SpinCo Business to continue to operate in substantially the same manner in which the SpinCo Business operated immediately prior to the Distribution Date, and such service is not set forth on Schedule E, or (b) any of the SpinCo Entities provided to the Parent Business in the ordinary course of business during the six (6) month period prior to the Distribution Date that Parent reasonably and in good faith believes it needs in order for the Parent Business to continue to operate in substantially the same manner in which the Parent Business operated immediately prior to the Distribution Date, and such service is not set forth on Schedule F, then, in each case, SpinCo and Parent shall negotiate in good faith to provide (or cause to be provided) such requested service (each such additional service, an “Additional Service”) in a manner consistent with the terms of this Agreement and at such cost and on such other terms as shall be mutually agreed by Parent and SpinCo utilizing substantially similar methodology as used to determine the pricing and terms of the most similar Services provided hereunder. Upon the mutual written agreement of the Parties, the Parties shall enter into a supplement to the applicable Schedule which shall describe in reasonable detail the nature, scope, Service Period(s), Service Charges, termination provisions (including, if applicable, Termination Charges and Decommissioning Charges) and other terms applicable to such Additional Service in a manner similar to that in which the Services are described in the existing Schedules. Each supplement to the applicable Schedule, as agreed to in writing by the Parties, shall be deemed part of this Agreement as of the date of such agreement and the Additional Service set forth therein shall be deemed a “Service” provided under this Agreement, in each case subject to the terms and conditions of this Agreement and the relevant supplement. Notwithstanding the foregoing, (i) a Party shall have no more than three (3) months after the Distribution Date to request any Additional Services, and (ii) in no event shall a Party provide, or cause to be provided, such Additional Services for a Service Period that is (A) longer than the longest Service Period for any Service then provided for in the Schedules or (B) extends beyond the latest date permitted under any applicable Law or third-party Contract. If the Parties are unable to agree on the cost or other terms of the Additional Service, Provider shall be under no obligation to provide such requested Additional Service. Notwithstanding anything to the contrary in this Agreement but subject to each Party’s compliance with Section 3.01, neither Party shall be required to perform any obligation under this Agreement that would result in the breach or violation of any applicable Law or third party Contract.

Section 2.04. Transition Services Managers.

(a) Parent hereby appoints and designates [•] to act as its initial services manager (the “Parent Services Manager”), who shall be directly responsible for coordinating and managing the delivery of the Parent Services and have authority to act on Parent’s behalf with respect to all matters relating to this Agreement. The Parent Services Manager shall work with the personnel of the Parent Entities to periodically address issues and matters raised by SpinCo relating to this Agreement. Notwithstanding the requirements of Section 10.06, all communications from SpinCo to Parent pursuant to this Agreement regarding routine matters involving the Services set forth in the Schedules shall be made through the Parent Services Manager, or such other individual as specified by the Parent Services Manager in writing and delivered to SpinCo by e-mail. Parent shall notify SpinCo in writing (email being sufficient) of the appointment of a different Parent Services Manager.

(b) SpinCo hereby appoints and designates [•] to act as its initial services manager (the “SpinCo Services Manager”), who shall be directly responsible for coordinating and managing the delivery of the SpinCo Services and have authority to act on SpinCo’s behalf with respect to all matters relating to this Agreement. The SpinCo Services Manager shall work with the personnel of the SpinCo Entities to periodically address issues and matters raised by Parent relating to this Agreement. Notwithstanding the requirements of Section 10.06, all communications from Parent to SpinCo pursuant to this Agreement regarding routine matters involving the Services set forth in the Schedules shall be made through the SpinCo Services Manager, or such other individual as specified by the SpinCo Services Manager in writing and delivered to Parent by e-mail. SpinCo shall notify Parent in writing (email being sufficient) of the appointment of a different SpinCo Services Manager.

Section 2.05. Steering Committee. The Parties shall establish a joint steering committee (the “Steering Committee”) consisting of each Party’s Services Manager and two (2) additional representatives from Parent and two (2) additional representatives from SpinCo. Each Party shall designate its representatives to the Steering Committee by written notice to the other Party within five (5) Business Days after the Distribution Date. The Steering Committee shall be responsible for monitoring and managing all matters related to the Services, including: (i) reviewing and monitoring the completeness of the Services provided and any plans to phase out any Services per the terms of this Agreement, (ii) resolving any outstanding TSA Disputes pursuant to ARTICLE VII, (iii) reviewing and addressing any performance deficiencies, (iv) managing change requests in the scope, duration or quantity of Services and (v) facilitating the transfer of applicable licenses and other commitments from Parent Entities to SpinCo Entities in accordance with the terms set forth in the Schedules to the Agreement. The Steering Committee shall meet every other week following the Distribution Date, unless otherwise agreed by the Parties. All decisions of the Steering Committee shall be decided by majority vote of the members present, provided that such members include each Party’s Service Manager and at least one (1) other representative from each Party.

Section 2.06. Limitations on Provision of Services.

(a) Notwithstanding anything to the contrary set forth in this Agreement, (i) Parent shall not be required to provide or cause to be provided any Parent Service for use in, and SpinCo shall not use any Parent Service in or for, any business other than the SpinCo Business, and the Parent Services shall be available to SpinCo only for purposes of conducting the SpinCo Business substantially in the manner it was conducted immediately prior to the Distribution Date, and (ii) SpinCo shall not be required to provide or cause to be provided any SpinCo Service for use in or for, and Parent shall not use any SpinCo Service in or for, any business other than the Parent Business, and the SpinCo Services shall be available to Parent only for purposes of conducting the Parent Business substantially in the manner as it was conducted immediately prior to the Distribution Date.

(b) Except as expressly provided in the Separation Agreement or in any Ancillary Agreement, and unless required in connection with the performance or delivery of a Service, the SpinCo Entities shall cease using (and shall cause their employees to cease using) any Services (other than the Parent Services) made available by the Parent Entities to the SpinCo Business or their personnel prior to the date hereof, and the Parent Entities shall cease using (and shall cause their employees to cease using) any Services (other than the SpinCo Services) made available by SpinCo Entities to the Parent Business or their personnel prior to the date hereof.

Section 2.07. Migration.

(a) SpinCo shall develop a plan with the cooperation and assistance of Parent for the migration away from the Parent Entities of each Parent Service being provided to the SpinCo Entities in a smooth, efficient and risk-mitigating manner (the “SpinCo Transition Plan”). The specific transition assistance and timing thereof shall be as mutually agreed to by the Parties, acting in good faith. Parent shall provide, and shall cause the Parent Entities to provide, the SpinCo Entities with assistance to migrate each of the Parent Services to the SpinCo Entities or a successor service provider in accordance with the SpinCo Transition Plan. Such transition assistance may include providing information regarding the specific Parent Services being provided and the systems, software and data formats and data organization being used for the Parent Services, coordination and other reasonable assistance with test runs of replacement systems and processes and other reasonable access to relevant information. Prior to, and as a prior condition of, Parent providing any such transition assistance, Parent shall provide SpinCo cost estimates of such transition assistance. The Parties shall mutually agree on such cost estimates, and SpinCo shall agree to pay the agreed-upon costs prior to any such transition assistance being required to be provided hereunder. The cost shall be applicable to the activity based on the pricing set forth in the Schedules or, if the applicable activity is not included in the Schedules, a cost model similar to the closest comparable Parent Service(s) provided hereunder.

(b) Parent shall develop a plan with the cooperation and assistance of SpinCo for the migration away from the SpinCo Entities of each SpinCo Service being provided to the Parent Entities in a smooth, efficient and risk-mitigating manner (the “Parent Transition Plan”). The specific transition assistance and timing thereof shall be as mutually agreed to by the Parties, acting in good faith. SpinCo shall provide, and shall cause the SpinCo Entities to provide, the Parent Entities with assistance to migrate each of the SpinCo Services to the Parent Entities or a successor service provider in accordance with the Parent Transition Plan. Such transition assistance may include providing information regarding the specific SpinCo Services being provided and the systems, software and data formats and data organization being used for the SpinCo Services, coordination and other reasonable assistance with test runs of replacement systems and processes and other reasonable access to relevant information. Prior to, and as a prior condition of, SpinCo providing any such transition assistance, SpinCo shall provide Parent cost estimates of such transition assistance. The Parties shall mutually agree on such cost estimates, and Parent shall agree to pay the agreed-upon costs prior to any such transition assistance being required to be provided hereunder. The cost shall be applicable to the activity based on the pricing set forth in the Schedules or, if the applicable activity is not included in the Schedules, a cost model similar to the closest comparable SpinCo Service(s) provided hereunder.

(c) Either Parent or SpinCo may request that the other Party perform one-time services (“One-Time Services”) that relate to any Service set forth on Schedule A or Schedule C, as applicable. If the applicable Provider is willing and able (including without limitation after accounting for any restrictions set forth in Provider’s cyber technology and risk policies) to provide One-Time Services, (i) Provider and Recipient shall mutually agree on the scope of work necessary for such One-Time Services and (ii) Provider shall deliver a price quote to Recipient for such One-Time Services. If Recipient desires to accept the quote provided by Provider, Recipient shall notify Provider of such acceptance within thirty (30) days of Provider’s delivery of such quote. The One-Time Services set forth therein shall be deemed “Services” provided under this Agreement, in each case subject to the terms and conditions of this Agreement.

Section 2.08. Employee Benefit Plans, Programs or Services. Additional terms and conditions governing certain employee benefit plans, programs and services are set forth on Schedule J.

ARTICLE III

THIRD-PARTY CONSENTS AND LICENSES; INTELLECTUAL PROPERTY; LOCAL IMPLEMENTING AGREEMENTS

Section 3.01. Third-Party Consents and Licenses.

(a) With respect to any Software license or access to Data or Software-based services that are provided under, or as part of, a Service, each Recipient shall comply with the terms and conditions of the vendor/licensor applicable to such Software license or Data or Software-based Service, provided that such terms and conditions shall have been made available to such Recipient prior to the beginning of the Service Period for such Service.

(b) Except for those items listed on Schedule E, Parent shall use reasonable best efforts to obtain all material third-party consents, licenses (or other appropriate rights), sublicenses and approvals necessary for a Parent Entity to provide, or a SpinCo Entity to receive, Parent Services (including, by way of example, not by way of limitation, rights to use, duplicate and distribute third-party Software necessary for the receipt of the Parent Services); provided, however, that SpinCo shall use reasonable best efforts to notify Parent in writing of the specific types and approximate quantities of any such Software, necessary consents, licenses, sublicenses or approvals that it is aware of; provided, further, that Parent shall not be required to expend any money that is not agreed to be reimbursed by SpinCo or commence or participate in any action, suit, arbitration or proceeding by or before any Governmental Authority or offer to grant any accommodation (financial or otherwise), other than ministerial acknowledgements, to any third-party to obtain any such consent, license (or other appropriate rights), sublicense or approval; and, provided, further, that Parent shall not be required to seek broader rights or more favorable terms for SpinCo than those applicable to Parent or the SpinCo Entity, as the case may be, prior to the date hereof or as may be applicable to Parent from time to time hereafter. The Parties acknowledge and agree that there can be no assurance that Parent's efforts shall be successful or that SpinCo shall be able to obtain such licenses or rights on acceptable terms or at all and, where Parent enjoys rights under any enterprise, site or similar license grant, the Parties acknowledge that such license typically precludes partial transfers or assignments or operation of a service bureau on behalf of unaffiliated entities.

(c) Except for those items listed on Schedule F, SpinCo shall use reasonable best efforts to obtain all material third-party consents, licenses (or other appropriate rights), sublicenses and approvals necessary for a SpinCo Entity to provide, or a Parent Entity to receive, SpinCo Services (including, by way of example, not by way of limitation, rights to use, duplicate and distribute third-party Software necessary for the receipt of the SpinCo Services); provided, however, that Parent shall use reasonable best efforts to notify SpinCo in writing of the specific types and approximate quantities of any such Software, necessary consents, licenses, sublicenses or approvals that it is aware of; provided, further, that SpinCo shall not be required to expend any money that is not agreed to be reimbursed by Parent or commence or participate in any action, suit, arbitration or proceeding by or before any Governmental Authority or offer to grant any accommodation (financial or otherwise), other than ministerial acknowledgements, to any third-party to obtain any such consent, license (or other appropriate rights), sublicense or approval; and, provided, further, that SpinCo shall not be required to seek broader rights or more favorable terms for Parent than those applicable to SpinCo or the Parent Entity, as the case may be, prior to the

date hereof or as may be applicable to SpinCo from time to time hereafter. The Parties acknowledge and agree that there can be no assurance that SpinCo's efforts shall be successful or that Parent shall be able to obtain such licenses or rights on acceptable terms or at all and, where SpinCo enjoys rights under any enterprise, site or similar license grant, the Parties acknowledge that such license typically precludes partial transfers or assignments or operation of a service bureau on behalf of unaffiliated entities.

Section 3.02. Intellectual Property.

(a) As between the Parties, subject to the terms of the Separation Agreement or any Ancillary Agreements, any Intellectual Property or Technology rights owned or licensed by one Party or any of its Affiliates that is provided to the other Party or any of such other Party's Affiliates or third-party providers or third-party vendors pursuant to this Agreement shall remain the property of the Party providing such Intellectual Property or Technology rights, or the Affiliate of such Party that provides the same.

(b) Each Party, on behalf of itself and its Affiliates, hereby grants, and shall cause its permitted subcontractors to grant, to the other Party and its Affiliates, a limited, royalty-free, fully paid-up, worldwide, non-sublicensable (except to third-parties solely to the extent required for the receipt or provision, as the case may be, of any Service), non-exclusive, non-transferable license, solely for the duration of any applicable Service, to use the Intellectual Property and Technology rights owned by or licensed to such Party or any of its Affiliates, solely to the extent necessary for, as the case may be, the applicable Provider to provide the Services and the applicable Recipient to receive and use the Services. Except as expressly identified in this Section 3.02, nothing contained in this Agreement shall be deemed to grant either Party of its Affiliates, by implication, estoppel or otherwise, any license rights, ownership rights or other rights in any Intellectual Property or Technology owned by the other Party (or any Affiliate or permitted subcontractor of the other Party).

Section 3.03. Local Implementing Agreements. The Parties each recognize and agree that there may be a need to document the Services provided hereunder in various jurisdictions outside of the United States from time to time. The Parties shall enter into, or cause their respective Affiliates to enter into, local implementing agreements (each a "Local Implementing Agreement") for Services in such jurisdictions, countries or geographical regions as a Party may reasonably request from time to time. Without limiting the generality of the foregoing, should there be any conflict between any term or condition of a Local Implementing Agreement and this Agreement, the terms and conditions of this Agreement shall prevail. The Parties agree to cooperate in implementing any such Local Implementing Agreement in a manner that does not subject a Provider to income taxes in a jurisdiction other than those jurisdictions under the laws of which such Provider is organized or is, before the implementation of such Local Implementing Agreement, a tax resident.

ARTICLE IV  
ADDITIONAL AGREEMENTS

Section 4.01. Parent Computer-Based and Other Resources.

(a) As of the date hereof, and except as otherwise expressly provided in the Separation Agreement, this Agreement or in any other Ancillary Agreement, or unless required to give effect to the terms of this Agreement or in connection with the performance, receipt or delivery of, a Service, the SpinCo Entities shall cease using and shall have no further access to, and Parent shall have no obligation to otherwise provide such access to, the Parent Entities' intranet and other owned or licensed information technology related resources, including Software, Data, networks, hardware or technology of the Parent Entities and shall have no access to, and Parent shall have no obligation to otherwise provide such access to, computer-based resources (including e-mail and access to the Parent Entities' computer networks and databases) which require a password or are available on a secured access basis. From and after the date hereof, the SpinCo Entities shall cause all of their personnel having access to the Parent Entities' intranet or such other information technology related resources, including Software (owned or licensed), Data, networks, hardware, technology or computer based resources (collectively, the "Systems") in connection with performance, receipt or delivery of a Service (i) to comply with all security guidelines (including physical security, network access, internet security, confidentiality and personal data security guidelines, policies, standards and similar requirements) of the Parent Entities (of which the Parent Entities provide the SpinCo prior written notice) and (ii) to not tamper with, compromise or circumvent any security or audit measures employed by any Parent Entity (of which the Parent Entities provide the SpinCo prior written notice); provided that, in the case of each of clauses "(i)" and "(ii)," no such prior written notice shall be required to the extent the security guidelines or security or audit measures are materially the same as those applicable immediately prior to the Distribution Date. SpinCo shall ensure that such access shall be used by such personnel only for the purposes contemplated by, and subject to the terms of, this Agreement, and such personnel shall access and use only those Systems for which SpinCo has been granted the right to access and use. SpinCo shall use reasonable best efforts to prevent unauthorized access, use, destruction, alteration or loss of information contained therein and to otherwise cooperate and fully implement this Section 4.01, including notifying its personnel of the restrictions set forth in this Agreement. Parent and SpinCo agree to use their respective reasonable best efforts to cooperate and fully implement this paragraph promptly.

(b) In the event of a cyber incident for which Parent reasonably believes the Systems have been or could be compromised by a malicious threat actor, SpinCo agrees that Parent may take all steps it deems necessary and/or advisable in its sole and absolute discretion, with or without advance notice, to remediate the cyber incident, including termination of or blocking the SpinCo Entities' and their personnel's access and connectivity to the Systems. If Parent reasonably believes any of the SpinCo Entities or their personnel has failed to comply with the security guidelines of any Parent Entity, that any unauthorized SpinCo Entity personnel has accessed the Systems, or that any personnel of a SpinCo Entity is a security concern or has engaged in activities that may lead to the unauthorized access, use, destruction, alteration or loss of data, information or Software of a Parent Entity, SpinCo agrees that Parent may terminate or block the SpinCo Entities' access and connectivity to Systems until such time as the SpinCo Entities have remedied such non-compliance in a manner satisfactory to Parent in its sole discretion. The SpinCo Entities shall use reasonable best efforts to cooperate with Parent in investigating any apparent unauthorized access to the Systems, including providing access to the Systems to allow Parent to perform forensic analysis and any other information reasonably required by Parent to assess the scope and potential impact of a cyber incident or security concern to Parent, and shall complete all corrective actions and remediation reasonably required by Parent to contain a cyber incident and prevent a reoccurrence.

(c) SpinCo shall implement and maintain a vulnerability management program for any SpinCo-owned system operating on Parent infrastructure for so long as SpinCo receives Parent Services under this Agreement. Any vulnerabilities identified by SpinCo through its program, by a third party or by Parent shall be remediated in accordance with Table 1 in Schedule G, including the implementation of any required technology updates. If there is a disagreement between the Parties as to the Priority Rating and proper implementation of such Expected Remediation, then the Parties shall immediately discuss in good faith to agree upon the proper Priority Rating and proper implementation or remediation, and in the event there is no agreement within one hour of such discussion, then the highest priority rating shall be assigned and SpinCo or its service provider shall implement an update or remediate a vulnerability accordingly. Table 1 in Schedule G is representative of the types of Expected Remediation that may be encountered and may be updated by Parent from time to time upon notice to SpinCo. In the event SpinCo fails to update or remediate the vulnerability, SpinCo agrees that Parent may take all steps it deems necessary and/or advisable in its sole and absolute discretion, with or without advance notice, to reduce the risk to Parent from the vulnerability, including termination of or blocking the SpinCo Entities' and their personnel's access and connectivity to the Systems.

(d) Parent shall implement and maintain a vulnerability management program for any Parent-owned system operating on SpinCo infrastructure for so long as Parent receives SpinCo Services under this Agreement. Any vulnerabilities identified by Parent through its program, by a third party or by SpinCo shall be remediated in accordance with Table 1 in Schedule G, including the implementation of any required technology updates. If there is a disagreement between the Parties as to the Priority Rating and proper implementation of such Expected Remediation, then the Parties shall immediately discuss in good faith to agree upon the proper Priority Rating and proper implementation or remediation, and in the event there is no agreement within one hour of such discussion, then the highest priority rating shall be assigned and Parent or its service provider shall implement an update or remediate a vulnerability accordingly. Table 1 in Schedule G is representative of the types of Expected Remediation that may be encountered and may be updated by SpinCo from time to time upon notice to Parent. In the event Parent fails to update or remediate the vulnerability, Parent agrees that SpinCo may take all steps it deems necessary and/or advisable in its sole and absolute discretion, with or without advance notice, to reduce the risk to SpinCo from the vulnerability, including termination of or blocking the Parent Entities' and their personnel's access and connectivity to the SpinCo Systems.

(e) The terms and conditions of Section 4.01(a) and Section 4.01(b) shall apply equally (*mutatis mutandis*) to the Parent Entities' access to and use of, as well as to SpinCo's obligation to provide access to, the SpinCo Entities' intranet and other information technology related resources, including Software (owned or licensed), Data, networks, hardware, technology and computer based resources of the SpinCo Entities (the "SpinCo Systems") in connection with the provision or receipt of Services.

Section 4.02. Facilities Matters.

(a) Parent hereby grants, or shall cause the applicable Parent Entities to grant, to the applicable SpinCo Entities, a limited license to use and access space at the facilities listed in Schedule B, and to continue to use the common areas available for use by tenants or occupants at the facilities, as further described below, and certain equipment located at such facilities (including use of office security systems, badge services, fixtures and furniture) (collectively, the "Parent Facilities"), in each case for substantially the same purposes and in the same spaces as used in the SpinCo Business immediately prior to the date hereof. SpinCo hereby grants, or shall cause the applicable SpinCo Entities to grant, to the applicable Parent Entities a limited license to use and access space at certain facilities listed in Schedule D and to continue to use the common areas available for use by tenants or occupants at the facilities, as further described below, and certain equipment located at such facilities (including use of office security systems, badge services, fixtures and furniture) (collectively, the "SpinCo Facilities"), in each case for substantially the same purposes and in the same spaces as used in the Parent Business immediately prior to the date hereof. For the avoidance of doubt, at each of the Parent Facilities and the SpinCo Facilities, Parent Entities and SpinCo Entities, as the case may be, shall, in addition to providing access and the right to use such facilities, provide to the Representatives, contractors, invitees or licensees of Parent Entities and SpinCo Entities, as the case may be, substantially all ancillary services to the same extent as such services are provided by Provider immediately prior to the date hereof to its own Representatives, contractors, invitees or licensees at such facility, such as, by way of example and not limitation, badge services, reception, general maintenance, janitorial, security and telephone services, access to duplication, facsimile, printing and other similar office services environmental management services of the Facilities only (and not business operations) (subject to local Law), and use of certain common areas, including cafeteria, breakroom, restroom and other similar facilities. Unless otherwise provided in the Schedules, such ancillary services (i) shall not include research and development services or medical services and (ii) shall only include (A) in the case of security and environmental management, those services provided in connection with shared areas of a Parent Facility or a SpinCo Facility, as the case may be, it being understood that Parent or SpinCo, as applicable, shall not provide security services or environmental management to areas of its facility used only by the other Party (or security passes that permit entrance to areas of its facility used only by the other Party) and (B) in the case of maintenance services, those services historically provided that are general in nature and within the scope of customary maintenance of ordinary wear and tear and which are the responsibility of Parent or SpinCo under the terms of the applicable lease if the Parent Facility or SpinCo Facility is leased. Recipients shall only permit their authorized Representatives, contractors, invitees or licensees to use the licensed space within the SpinCo Facilities and Parent Facilities (collectively, the "Facilities"), as applicable, except as otherwise permitted by the applicable Provider in writing. Each Recipient shall, and shall cause its respective Affiliates, Representatives, contractors, invitees or licensees to, vacate the applicable Provider's Facilities at or prior to the earliest to occur of: (i) the expiration date relating to each Facility set forth in Schedule B or Schedule D; (ii) the expiration date of the lease relating to each Facility set forth in Schedule B or Schedule D; and (iii) the termination of the applicable Service pursuant to ARTICLE IX hereof, and shall deliver over to the other Party or its Affiliates, as applicable, the licensed space within the Facilities in the same repair and condition at that date as on the date hereof, ordinary wear and tear excepted and to restore the areas of the Provider's Facilities affected thereby (but only to the extent such alterations or installations were made by the Recipient after the Distribution Date).



(b) In addition to the access rights provided under Section 4.03, the Parties or their Affiliates, or the landlord in respect of any third-party lease, or any lender thereof, shall have reasonable access to their respective Facilities from time to time as reasonably necessary for the security, inspection and maintenance thereof in accordance with past practice and the terms of any third-party lease agreement, if applicable. The Parties agree to maintain commercially appropriate and customary levels (in no event less than what is required by the landlord under the relevant lease agreement) of property and liability insurance in respect of the licensed space within the Facilities they occupy and the activities conducted thereon and to be responsible for, and SpinCo shall name the Parent as an additional insured on SpinCo's general liability policies and Parent shall name SpinCo as an additional insured on Parent's general liabilities policies, but only with respect to claims from third parties alleging liability for "bodily injury" or "property damage" caused solely by the negligent acts or omissions of the named insured and not for liability arising out of the negligent acts or omissions of the additional insured. Each Party shall indemnify and hold harmless the other Party subject to and in accordance with ARTICLE VIII hereof in respect of the acts and omissions of its Representatives, contractors, invitees and licensees. Each of the Parties shall, and shall cause its Affiliates, Representatives, contractors, invitees and licensees to, comply with (i) all Laws applicable to their use or occupation of any Facility including those relating to environmental and workplace safety matters, (ii) the other Party's reasonable applicable site rules, regulations, policies and procedures applied to all parties in the Facility (a copy of which shall be made available to such Party upon its written request), and (iii) any applicable requirements of any third-party lease governing any Facility (a copy of which shall be made available to such Party upon its written request). Each Recipient shall not make, and shall cause their respective Affiliates and Representatives, contractors, invitees and licensees to refrain from making, any material alterations or improvements to the respective Facilities except with the prior written approval of the other Party or its Affiliates and the landlords of any third-party leases, as applicable and in all events in compliance with the prior sentence. Each Provider shall provide heating, cooling, electricity and other utility services for its respective Facilities substantially consistent with levels provided immediately prior to the date hereof. In the event that any third party utility services are interrupted or cease, or there is a change in the third-party provider of such utilities, the Parties will cooperatively work together to ensure that any interruption of such utility services is minimized to the extent possible. It is expressly understood and agreed, however, that for third-party leases, Provider is not in the position to render any of the services or to perform any of the obligations required hereunder if they are conditioned upon due performance by the landlord of such leases, but Provider agrees to take reasonable best efforts to ensure that such landlord performs said obligations. For the avoidance of doubt, the term "reasonable best efforts" shall not require Provider to take legal action against such landlord for its failure to so perform.

(c) The rights granted pursuant to this Section 4.02 shall be in the nature of a license and shall not create a leasehold or other estate or possessory rights in SpinCo or Parent, or their respective Affiliates, Representatives, contractors, invitees or licensees, with respect to any of the Facilities of the other Party and shall not include any right of sub-license or sub-leasehold to any unaffiliated third-party. Without limiting the foregoing, the right to management and control of any Facility shall remain with the applicable Provider.

(d) The licenses granted under this Section 4.02 are subject and subordinate to all mortgages, ground or underlying leases or subleases which may now or hereafter affect the Facilities. For the avoidance of doubt, if any license granted under this Section 4.02 would constitute a breach under the relevant lease or sublease, underlying lease or mortgage, Provider shall not be required to provide such license to Recipient and, pursuant to the foregoing, at any time after the date of this Agreement, at the request of the applicable lessor or sublessor, or as required by any mortgagee, the license with respect to the applicable Facility shall be immediately terminated and Recipient shall promptly surrender such licensed space in accordance with this Agreement, in which case Provider and Recipient shall negotiate in good faith a mutually satisfactory replacement arrangement.

Section 4.03. Access.

(a) As a condition to Parent's obligations to provide the Parent Services hereunder, the SpinCo Entities shall (i) make available on a timely basis to the Parent Entities all information and materials reasonably requested by any such Person to enable the Parent Entities to provide the Parent Services and (ii) allow Parent and its Representatives reasonable access during normal business hours (and immediately in case of an emergency) to facilities of the SpinCo Entities necessary for Parent to fulfill its obligations under this Agreement.

(b) As a condition to SpinCo's obligations to provide the SpinCo Services hereunder, the Parent Entities shall (i) make available on a timely basis to the SpinCo Entities all information and materials reasonably requested by any such Person to enable the SpinCo Entities to provide the SpinCo Services and (ii) allow SpinCo and its Representatives reasonable access during normal business hours (and immediately in case of an emergency) to facilities of Parent necessary for SpinCo to fulfill its obligations under this Agreement.

ARTICLE V  
COSTS AND DISBURSEMENTS

Section 5.01. Costs and Disbursements.

(a) Except as otherwise provided in this Agreement or in the Schedules, Parent shall pay to SpinCo or its designee as specified in writing by the SpinCo Services Manager, and SpinCo shall pay to Parent or its designee as specified in writing by the Parent Services Manager, a monthly fee for the Services (or category of Services, as applicable) as provided for in the relevant Schedule or as calculated using the cost basis methodology provided for in the relevant Schedule, as applicable (each fee constituting a "Service Charge" and, collectively, "Service Charges"). During the term of this Agreement, the amount of a Service Charge for any Services (or category of Services, as applicable) shall not increase except to the extent that there is an evidenced increase after the date hereof in the costs actually incurred by Provider in providing such Services, including as a result of (i) an increase in the scope or volume of such Services being provided to Recipient (as compared to the amount of the Services underlying the determination of a Service Charge) that is (and to the extent) requested in writing by Recipient, (ii) an increase in the rates or charges imposed by Provider's service providers or any other third-party provider that is providing goods or services used in providing the Services (as compared to the rates or charges underlying a Service Charge), (iii) an increase in the ordinary course of payroll or benefits for any employees used by Provider in providing the Services, including, for the avoidance of doubt, retention payments (but only to the extent market-based), (iv) any increase in costs relating to any changes in the scope, quality, nature, duration or quantity of the Services provided or how the Services are provided that are (and to the extent) requested in writing by Recipient (including relating to newly installed products or equipment or any upgrades to existing products or equipment) or (v) an increase in costs resulting from a reasonable change in the pricing methodology for a particular Service, provided that Provider is implementing the same change with respect to all of its businesses or divisions that utilize the Service; provided, that, with respect to the Services set forth in Schedule B or Schedule D, the foregoing clause (i) shall constitute the sole basis for any increase in Service Charges set forth in Schedule B or Schedule D. Upon reasonable determination by a Provider that a basis for the increase of a Service Charge set forth in the immediately preceding sentence exists, such Provider shall notify Recipient in writing of the basis for such increase and the amount of such increase (with such supporting documentation as Recipient may reasonably request, subject to any obligations of confidentiality to which Provider is subject, it being agreed that Provider will use reasonable best efforts to obtain any waivers or consents necessary to disclose such confidential information to Recipient, as long as Recipient agrees to keep such information confidential on customary terms), and the appropriate Schedule shall be amended to reflect such increased Service Charge and such increased Service Charge shall thereafter, from the beginning of the immediately following month, be deemed to be the Service Charge for the relevant Service hereunder. If at any time Provider believes that the Service Charges are otherwise materially insufficient to compensate it for the cost of providing the Services it is obligated to provide hereunder for reasons other than those set forth above in clauses (i) to (v), Provider shall notify Recipient and the Parties shall commence good faith negotiations toward an agreement as to the appropriate course of action with respect to pricing of such Services for future periods. If Provider and Recipient are unable to agree upon a modification for Services where Provider believes Service Charges are materially insufficient to compensate it for the cost of providing the Services, Provider may cease providing the Service, subject to the dispute resolution provisions in ARTICLE VII and the termination provisions in ARTICLE IX. For the avoidance of doubt, in no event shall Recipient be charged more than once for the same increase in Service Charges notwithstanding that such increase may result from more than one of the causes set forth in clauses (i) through (v) of the second sentence of this Section 5.01(a) or other causes.

(b) During the term of this Agreement, the amount of a Service Charge for any Services (or category of Services, as applicable) shall be decreased to the extent that there is an evidenced decrease after the date hereof in the costs actually incurred by the Provider in providing such Services as a result of (i) a decrease in the scope or volume of such Services being provided to Recipient (as compared to the amount of the Services underlying the determination of a Service Charge) that is (and to the extent) requested (in writing) by Recipient, (ii) a decrease in the rates or charges imposed by Provider's service provider or other third-party provider that is providing goods or services used by Provider in providing the Services (as compared to the rates or charges underlying a Service Charge), (iii) a decrease in the payroll or benefits for any employees used by Provider in providing the Services, (iv) any decrease in costs relating to any changes in the scope, quality, nature, duration or quantity of the Services provided or how the Services are provided that are (and to the extent) requested in writing by Recipient (including relating to newly installed products or equipment or any upgrades to existing products or equipment), or (v) a decrease in costs resulting from a reasonable change in the pricing methodology for a particular Service, provided that Provider is implementing the same change with respect to all of its businesses or divisions that utilize the Service; provided, that Provider shall promptly notify Recipient of any decrease in the amount of any Service Charge as set forth in the foregoing clauses (i) through (v), and the appropriate Schedule shall be amended to reflect such decreased Service Charge and such decreased Service Charge shall thereafter, from the beginning of the immediately following month, be deemed to be the Service Charge for the relevant Service hereunder.

(c) Except for amounts due in respect of Parent Services or SpinCo Services that prior to the date hereof have been settled through the intercompany billing system of the Parent Entities (which shall continue to be settled through such intercompany billing system for so long as the intercompany billing system is made available under this Agreement), invoicing shall take place as follows: (i) for those Services for which a flat or one-time cost is identified in the applicable Schedule, Provider shall invoice Recipient as of the Distribution Date; (ii) for those Services for which a monthly or other Service Charge is identified in the applicable Schedule, Provider shall invoice Recipient at the beginning of each month; (iii) for those Services for which reimbursable actual charges are specified in the applicable description in the Schedule (“Actual Charges”), Provider shall invoice Recipient, in arrears, for the Actual Charges incurred by Provider as indicated in the Schedule (with such supporting documentation as Recipient may reasonably request); and (iv) to the extent there are any Additional Services or One-Time Services added to the Services for which no charging methodology has been identified, the Parties shall mutually agree to the applicable charges in advance in writing. Provider shall invoice the relevant Recipient monthly in arrears for any other Services provided to such Recipient. Except as provided in the immediately following sentence, all payments by Recipients required hereunder (including for any Termination Charges or Decommissioning Charges) are due to the applicable Provider within thirty (30) calendar days of receipt of invoices therefor. For payments related to Travel & Living, Fleet, Payroll and Purchasing Card Recipient shall pay the applicable Provider in accordance with the payment process and timing in effect for such payments set forth on Schedule M. All payments for Services rendered shall be in U.S. dollars, except that to the extent consistent with past practice with respect to Services rendered outside the United States, payments may be made in local currency; provided that such payment shall be made in such amount as is determined by converting U.S. dollars using the exchange rate published on Bloomberg at 5:00pm Eastern Standard Time (EST) on the day before the relevant date or in the Wall Street Journal on such date if not so published on Bloomberg. If Recipient fails to pay such amount by the required date, Recipient shall be obligated to pay to Provider, in addition to the amount due, interest at an interest rate equal to the Prime Rate, compounded monthly, accruing from the date the payment was due through the date of actual payment. As soon as reasonably practicable after receipt of any reasonable written request by Recipient, Provider shall provide Recipient with reasonably detailed data and documentation supporting the calculation of a particular Service Charge for the purpose of verifying the accuracy of such calculation.

(d) Schedule H sets forth the agreed amortization schedule and related monthly amortization charges to be paid by Recipient to Provider in respect of certain IT applications and access provided to Recipient in respect of Services (“Amortization Charges”). Recipient agrees to pay such monthly Amortization Charges (which, for the avoidance of doubt, shall be pro-rated for any partial month) as Service Charges (for all purposes hereof) from the Distribution Date until the end of the applicable amortization schedule (the “Amortization Termination Date”). If Recipient terminates an applicable Service prior to the applicable Amortization Termination Date, notwithstanding such termination, Recipient agrees that it shall continue to pay any related monthly amortization charges until the applicable Amortization Termination Date; provided, that Schedule H may provide that such related monthly amortization charges shall be paid in one lump sum payment upon the expiration or early termination of such applicable Service. Recipient’s obligations under this Section 5.01(d) shall survive any termination of this Agreement.

Section 5.02. No Right to Set-Off; Right to Dispute Amounts. Recipient shall pay the full amount of Service Charges, Termination Charges and Decommissioning Charges and shall not set off, counterclaim or otherwise withhold any amount owed (or to become due and owing) to Provider under this Agreement on account of any obligation owed (or to become due and owing) by Provider or any of its Affiliates to Recipient or any of its Affiliates that has not been finally adjudicated, settled or otherwise agreed upon by the Parties in writing; provided, however, that Recipient shall be permitted to assert a set-off right with respect to any obligation that has been so finally adjudicated, settled or otherwise agreed upon by the Parties in writing against amounts owed by Recipient to Provider under this Agreement. For the avoidance of doubt, any amounts processed through Parent's intercompany billing system as a net settlement shall not be deemed a set-off. In the event Recipient in good faith disputes an intercompany billing system charge, invoice or portion thereof, Recipient shall deliver a written statement to Provider listing the disputed item(s) and providing a reasonably detailed description, including the basis, of each dispute no later than ten (10) days prior to the date payment is due. Any amounts not so disputed shall be paid by Recipient notwithstanding disputes on other items. Any dispute over amounts owed shall be resolved in accordance with ARTICLE VII.

Section 5.03. Other Costs and Disbursements.

(a) The Parties contemplate that, from time to time after the date hereof, Parent Entities or SpinCo Entities, as applicable (any such party, the "Paying Party"), as a convenience to another Parent Entity or SpinCo Entity, as applicable (the "Responsible Party"), in connection with the provision of the Services or transactions contemplated by this Agreement, may make certain payments that are properly the responsibility of the Responsible Party (whether pursuant to this Agreement or any other agreement contemplated thereby) (any such payment made, a "Disbursement," and the underlying invoice or similar documentation evidencing such obligation, a "Disbursement Invoice"). Similarly, from time to time after the date hereof, the Parent Entities or SpinCo Entities, as applicable (any such party, the "Collecting Party"), may receive from third parties certain payments to which another SpinCo Entity or Parent Entity, as applicable, is entitled (any such Party, the "Receiving Party," and any such payment received, a "Receipt"). Accordingly, with respect to Disbursements and Receipts, the Parties agree as follows:

(i) Disbursements. The Responsible Party shall pay to the Paying Party an amount equal to the amount of such Disbursement, plus any out-of-pocket costs incurred by the Paying Party related to the processing and payment of such Disbursement (including any bank charges), all of which shall be invoiced or, if applicable, settled through the intercompany billing system of the Parent Entities, in each case in accordance with Section 5.01(c). A Paying Party shall provide such Disbursement Invoices for which it is seeking reimbursement as the Responsible Party may reasonably request.

(ii) Receipts. A Collecting Party shall remit Receipts monthly in arrears to the Receiving Party in an amount equal to the aggregate amount of such Receipts minus any out-of-pocket costs incurred by the Collecting Party related to the collection and processing of such Receipts (including any bank charges), all of which shall be paid in accordance with Section 5.01(c) hereof (or deducted from any amount to be reimbursed to the Collecting Party at such time under this Agreement, if applicable).

(b) Certain Exceptions. Notwithstanding anything to the contrary set forth above in Section 5.02, if, with respect to any particular transaction(s), it is impracticable under the circumstances to comply with the procedures set forth in this Section 5.03 (including the time periods specified herein), the Parties shall cooperate to find a mutually agreeable alternative that shall achieve substantially similar economic results from the point of view of the Paying Party or the Receiving Party, as applicable, including the paying of interest at an interest rate equal to the Prime Rate on the date or the closest preceding date to the date such payment was due to the Paying Party or the Receiving Party, as applicable, for the period of time starting on the date such payment was due and ending on the date such payment is made such that the Paying Party shall not incur any material interest expense or the Receiving Party shall not be deprived of any material interest income; provided, however, that if a Collecting Party cannot comply with the procedures set forth in Section 5.03(a)(ii) because it does not become aware of a Receipt on behalf of the Receiving Party in time (e.g., because of the commingling of funds in an account), such Collecting Party shall remit such Receipt without interest thereon to the Receiving Party within ten (10) Business Days after it becomes aware of such Receipt.

(c) Following the termination of this Agreement, Section 2.03(d)(iii) of the Separation Agreement shall govern Disbursements and Receipts between the Parties.

#### Section 5.04. Tax Matters.

(a) Sales Tax or Other Transfer Taxes. Recipient shall bear any and all sales, use, excise, value added, indirect, goods and services, consumption, revenue, stamp, personal property, transaction and transfer taxes and other similar charges, surcharges, levies, imposts, duties, or contributions (and any related interest and penalties) imposed on, or payable with respect to, any Service Charges payable by Recipient pursuant to this Agreement. For the avoidance of doubt, this Section 5.04(a) shall not apply to, and each of the Recipient and the Provider shall pay and be responsible for, all taxes based on their respective income, profits or assets, and all other taxes not described in the previous sentence that are imposed on each of them or their respective Affiliates.

(b) Withholding Tax or Other Similar Taxes. If any withholding or deduction from any payment under this Agreement by Recipient in relation to any Service is required in respect of any taxes pursuant to any applicable Law, Recipient shall: (i) gross up the amount payable such that Provider receives an amount equal to the amount of the Service Charges in respect of that Service, net of the withholding or deduction; (ii) deduct such tax from the amount payable to Provider; (iii) timely pay the deducted amount referred to in clause (ii) to the relevant Governmental Authority (including any Taxing Authority); and (iv) promptly forward to Provider a withholding tax certificate evidencing such timely payment.

(c) Minimization and Recovery of Taxes. Provider shall use reasonable best efforts to (i) minimize the amount of taxes covered by Section 5.04(a) or required to be withheld under applicable Law by Recipient under Section 5.04(b) and (ii) to claim any available refund or credit of any taxes paid by Recipient under Section 5.04(a) or withheld by Recipient under Section 5.04(b) during the two (2) year period beginning at the end of the taxable year in which the applicable payment is made (such two (2)-year period, the “Recovery Period”). Provider shall promptly pay (or cause to be paid) to Recipient any such amounts recovered by Provider or its Affiliates (such amounts, “Recoveries”) pursuant to the previous sentence; provided, that Provider shall not be obligated to pay over any such amounts until the aggregate amount of Recoveries obtained by Provider equals \$200,000, in which case Provider shall pay over the full amount so recovered (and not, for the avoidance of doubt, only the portion in excess of that threshold). Provider shall, within thirty (30) days after the end of every taxable year during any Recovery Period, deliver to Recipient a certificate, executed by a tax counsel of Provider, certifying as to the amount of Recoveries received during the previous taxable year.

(d) Cooperation. Recipient and Provider shall take reasonable steps to cooperate to minimize the imposition of, and the amount of, taxes described in this Section 5.04 (including through the provision of relevant forms or other documents).

## ARTICLE VI STANDARD FOR SERVICE

Section 6.01. Standard for Service. Except as otherwise provided in this Agreement or the Schedules, Provider agrees to provide, or cause to be provided, the Services such that the nature, quality, standard of care and the service levels at which such Services are performed are no less than the nature, quality, standard of care and service levels at which substantially the same services were performed by or on behalf of Provider as of three (3) months prior to the Distribution Date (or, if not so previously provided, then substantially the same nature, quality, standard of care and service levels as those applicable to similar services performed by or on behalf of Provider as of three (3) months prior to the Distribution Date); provided, however, that, subject to Section 6.02, nothing in this Agreement shall require any (a) Parent Entity to favor any SpinCo Entity’s operation of its business over any Parent Entity’s own business operation or (b) SpinCo Entity to favor any Parent Entity’s operation of its business over any SpinCo Entity’s own business operation. For the avoidance of doubt, Provider shall only provide those Services to the extent consistent with Provider’s applicable operating conditions, permits, licenses, business practices and any restrictions in any Contract with any third-party as in effect on the Distribution Date, and any changes or modifications to the foregoing, including as a result of any change in Law or requirements of any Governmental Authority, shall be considered a modification pursuant to Section 6.07. SpinCo acknowledges and agrees that certain of the Parent Services to be provided hereunder were, prior to the Distribution, performed for the Parent Entities by individuals who may no longer be employed by a Parent Entity as a result of the consummation of the transactions contemplated by the Separation Agreement. Consequently, the Parties agree to cooperate in good faith to ensure that the manner of Parent Services provided by a Parent Entity remains substantially similar to the manner in which such services were provided prior to the Distribution Date. Without limiting its obligations pursuant to this Section 6.01, Provider will not be obligated under this Agreement to (x) hire additional employees or retain specific employees or (y) purchase, lease, or license any additional software, or additional equipment or other assets.

Section 6.02. Priorities. Provider shall have the right in its sole discretion to establish priorities, as between Recipient, on the one hand, and Provider, on the other hand, as to the provision of any Service; provided, however, that Provider shall use reasonable best efforts to maintain sufficient resources to perform the Services in accordance with this Agreement. Provider shall use reasonable best efforts to promptly advise Recipient of any Services which shall be interrupted or delayed as a result of such prioritization.

Section 6.03. Level of Use. Except as otherwise expressly provided in this Agreement, Recipient's use of any Service shall not exceed the level of use required as of three (3) months prior to the Distribution Date, unless such Service was not so previously provided (as contemplated in Section 6.01), in which case Provider and Recipient shall negotiate in good faith the level of use of such Service. In no event shall any Recipient be entitled to materially increase its use of any of the Services above such level of use without the prior written consent of Provider (provided, that any material increase in use may result in an increased Service Charge in accordance with Section 5.01(a)), except for those Services that are contemplated and include Service Charges calculated on a per use basis in Schedule A.

Section 6.04. Third Parties. Subject to compliance with Section 3.01, in the event any third-party consent, waiver or approval is required for a Provider or its designees to provide any Services and such consent, waiver or approval is not obtained, the Parties shall cooperate in good faith to identify a commercially reasonable alternative to such Services. If the Parties are unable to identify such an alternative, Provider and its Affiliates shall not be obligated to provide any such Services or to obtain replacement services therefor. Except as set forth in Section 3.01, neither Provider nor its Affiliates shall be required to obtain any consent, waiver or approval of any third-party in order to provide any Services. No Provider shall be obligated to provide any Services which, if provided, would violate any third-party Contract.

Section 6.05. Maintenance. With respect to Facilities owned by Parent or SpinCo (and expressly excluding Facilities leased by Parent or SpinCo from a third-party landlord, which will be governed by the terms and provisions of the applicable lease), Provider and its Affiliates shall have the right to shut down temporarily the operation of any facilities (including the Facilities) or systems providing any Service whenever in Provider's judgment, reasonably exercised, such action is necessary or advisable for general maintenance or emergency purposes; provided that Provider shall use its reasonable best efforts to schedule non-emergency maintenance after consulting with Recipient so as to not materially disrupt the business or operations of the Recipient. Provider shall use reasonable best efforts to give Recipient advance notice of any such shutdown. With respect to the Services dependent on the operation of such facilities or systems, Provider shall be relieved of its obligations hereunder to provide such Services during the period that such facilities or systems are so shut down in compliance with this Agreement, but shall use reasonable best efforts to minimize each period of shutdown.

Section 6.06. Employee Data Acknowledgment. SpinCo shall instruct each of its employees to submit a data retention acknowledgement through a Provider process prior to any data migration from Provider's information systems, including laptop devices, to Recipient's information systems.



Section 6.07. Modifications. Provider may modify a Service (including, with respect to the cost (determined in accordance with Section 5.01), scope, timing and quality of such Service) (a) to the extent the same modification is made with respect to the entirety of Provider's provision of such Service to any of its Affiliates and any other Person to whom such Provider provides such Service; or (b) if provision of such Service is prohibited or restricted by applicable Law; provided, however, that, in such event, (i) Provider shall use its reasonable best efforts to limit the disruption to the business or operations of Recipient caused by such modification; (ii) Provider must provide notice of the modification to Recipient as soon as reasonably practicable; and (iii) Recipient may terminate such Service immediately upon notice to Provider without payment of any Termination Charges or Decommissioning Charges otherwise payable by Recipient under this Agreement with respect to such Service; provided, that in the case of a Service set forth on Schedule B or Schedule D, Recipient may terminate such Service only if such modification is material and adversely affects Recipient's use and occupancy of the Facility and, in such event, Recipient shall not be required to pay any additional Service Charges otherwise payable by Recipient under this Agreement with respect to such Service. In the event Recipient determines that it will continue to receive such modified Service it shall be responsible for any increased Service Charges. Provider's responsibilities set forth herein shall be amended as reasonably necessary to conform to any such modifications made pursuant to this Section 6.07 and Recipient shall use reasonable best efforts to comply with any such amendments. Subject to the terms in this Agreement, in providing its Services hereunder, Provider may use any information systems, hardware, software, processes and procedures it deems necessary or desirable in its reasonable discretion.

Section 6.08. Disclaimer of Warranties. Except as expressly set forth in Section 6.01 and subject to the limitations in ARTICLE VIII, the Parties acknowledge and agree that the Services are provided on an as-is, where-is basis, that each Recipient assumes all risks and liability arising from or relating to its use of and reliance upon the Services and each Provider makes no representation or warranty with respect thereto. EXCEPT AS EXPRESSLY SET FORTH HEREIN, EACH PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES REGARDING THE SERVICES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY REPRESENTATION OR WARRANTY IN REGARD TO QUALITY, PERFORMANCE, COMMERCIAL UTILITY, MERCHANTABILITY, FITNESS OF THE SERVICES FOR A PARTICULAR PURPOSE OR USE, TITLE, NON-INFRINGEMENT, ACCURACY, AVAILABILITY, TIMELINESS, COMPLETENESS, THE RESULTS TO BE OBTAINED FROM SUCH SERVICES OR ARISING FROM COURSE OF PERFORMANCE, DEALING, USAGE OR TRADE, AND EACH RECIPIENT, ON ITS BEHALF AND ON BEHALF OF ALL OF ITS AFFILIATES, HEREBY ACKNOWLEDGES SUCH DISCLAIMER AND RECIPIENT SPECIFICALLY DISCLAIMS THAT IT IS RELYING UPON OR HAS RELIED UPON ANY SUCH REPRESENTATION OR WARRANTY. EXCEPT AS EXPRESSLY SET FORTH HEREIN, NO PROVIDER NOR ANY OF ITS AFFILIATES GUARANTEES OR WARRANTS THE CORRECTNESS, COMPLETENESS, CURRENTNESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY DATA OR OTHER INFORMATION PROVIDED TO ANY RECIPIENT OR ITS AFFILIATES OR ITS REPRESENTATIVES IN CONNECTION WITH THE SERVICES.

Section 6.09. Compliance with Laws and Regulations. Each Party shall be responsible for its and its Affiliates' own compliance with any and all Laws applicable to its and their performance under this Agreement. No Party or its Affiliates shall take any action in violation of any such applicable Law that would reasonably be likely to result in liability being imposed on the other Party or its Affiliates, as the case may be. No Provider shall be obligated to provide any Service which, if provided, would violate any applicable Law.

Section 6.10. No Professional Services. Notwithstanding anything to the contrary contained in this Agreement or in any Schedule hereto, neither any Provider or any of its Affiliates, nor any of its or their respective Representatives, shall be obligated to provide, or shall be deemed to be providing, any legal, regulatory, compliance, financial, payroll and benefits, accounting, treasury or tax advice or IT consulting services to any Recipient or any of its Affiliates, or any of their respective Representatives, pursuant to this Agreement or any Schedule hereto, whether as part of or in connection with the Services provided hereunder or otherwise.

Section 6.11. No Reporting Obligations. Notwithstanding anything to the contrary contained in this Agreement or in any Schedule, except to the extent required by applicable Law or to the extent it is expressly stated in a Schedule that a filing obligation exists, neither any Provider or any of its Affiliates, nor any of its or their respective Representatives, shall be obligated, pursuant to this Agreement or any Schedule, as part of or in connection with the Services provided hereunder, as a result of storing or maintaining any data referred to herein or in any Schedule hereto, or otherwise, to prepare or deliver any notification or report to any Governmental Authority (including any Taxing Authority) or other Person on behalf of Recipient or any of its Affiliates, or any of its or their respective Representatives.

## ARTICLE VII DISPUTE RESOLUTION

### Section 7.01. Dispute Resolution.

(a) In the event of any dispute, controversy, claim or Action arising out of or relating to the transactions contemplated by this Agreement, or the validity, interpretation, breach or termination of any provision of this Agreement, or calculation or allocation of the costs of any Service, including indemnification claims and claims seeking redress or asserting rights under any Law, whether in contract, tort, common law, statutory law, equity or otherwise, including any question regarding the negotiation, execution or performance of this Agreement (each, a “TSA Dispute”), Parent and SpinCo agree that the Parent Services Manager and the SpinCo Services Manager (or such other people as Parent and SpinCo may designate including designation of the Steering Committee) shall negotiate in good faith in an attempt to resolve such TSA Dispute promptly and amicably. If such TSA Dispute has not been resolved to the mutual satisfaction of Parent and SpinCo within thirty (30) days after the initial notice of the TSA Dispute (or such longer period as the Parties may agree in writing), then, [•] on behalf of SpinCo and [•] on behalf of Parent shall negotiate in good faith in an attempt to resolve such TSA Dispute amicably for an additional twenty (20) days (or such longer period as the Parties may agree in writing). If, at the end of such time, such Persons are unable to resolve such TSA Dispute amicably, then such TSA Dispute shall be resolved in accordance with the dispute resolution process set forth in Sections 11.03 to 11.06 of the Separation Agreement, provided that such dispute resolution process shall not modify or add to the remedies available to the Parties under this Agreement.

(b) In any TSA Dispute regarding the amount of a Service Charge, Termination Charge, Decommissioning Charge or Amortization Charge, if after such TSA Dispute is finally adjudicated pursuant to the dispute resolution or judicial process set forth in Section 7.01(a), it is determined that the Service Charge, Termination Charge, Decommissioning Charge or Amortization Charge that Provider has invoiced Recipient, and that Recipient has paid to Provider, is greater or less than the amount that the applicable charge should have been, then (i) if it is determined that Recipient has overpaid the Service Charge, Termination Charge, Decommissioning Charge or Amortization Charge, Provider shall, within five (5) Business Days after such determination, reimburse Recipient an amount of cash equal to such overpayment, plus the Prime Rate, compounded monthly, accruing from the date of payment by Recipient to the time of reimbursement by Provider and (ii) if it is determined that Recipient has underpaid the Service Charge, Termination Charge, Decommissioning Charge or Amortization Charge, Recipient shall within five (5) Business Days after such determination reimburse Provider an amount of cash equal to such underpayment, plus the Prime Rate, compounded monthly, accruing from the date such payment originally should have been made by the Recipient to the time of reimbursement by Recipient.

ARTICLE VIII  
LIMITED LIABILITY AND INDEMNIFICATION

Section 8.01. Limitation of Liability.

(a) No Provider shall have any liability in contract, tort or otherwise, for or in connection with any Services rendered or to be rendered by Provider, its Affiliates or Representatives (each, a “Provider Indemnified Party”) pursuant to this Agreement, the transactions contemplated by this Agreement or any Provider Indemnified Party’s actions or inactions in connection with any such Services, to Recipient or its Affiliates or Representatives, except to the extent that Recipient or its Affiliates or Representatives suffer a loss that results from such Provider Indemnified Party’s gross negligence or willful misconduct in connection with such transactions, actions or inactions, or provision of such Services.

(b) Notwithstanding any other provision contained in this Agreement, no Provider Indemnified Party shall be liable for any consequential, special, incidental, indirect or punitive damages, any amount calculated based upon any multiple of earnings, book value or cash flow, or diminution in value, lost profits or similar items (including loss of revenue, business interruption, income or profits, diminution of value or loss of business reputation or opportunity or loss of customers, goodwill or use) regardless of whether such items are based in contract, breach of warranty, tort or negligence or any other theory, and regardless of whether Provider or any of its Affiliates has been advised of, knew or should have known of, anticipated or foreseen the possibility of such damages. The Parties acknowledge that the Services to be provided hereunder are subject to, and that the remedies under this Agreement are limited by, the applicable provisions of ARTICLE VI, including the limitations on representations and warranties with respect to the Services.

(c) Recipient acknowledges that Provider and its Affiliates are not in the business of providing Services of the type contemplated under this Agreement and the Services are to be provided on a temporary basis to Recipient with respect to, as the case may be, the businesses of the Parent Entities to assist with the orderly transition to SpinCo of the SpinCo Business from the Parent Entities’ other businesses and operations. Accordingly, the aggregate liability and indemnification obligations of any Party and its Provider Indemnified Parties (in each case, in connection with the provision of Services by such Party and its Provider Indemnified Parties) with respect to this Agreement, the Services or the transactions contemplated by this Agreement shall not exceed, in the aggregate in the applicable calendar year, the aggregate amount of Service Charges actually paid hereunder to such Party during such calendar year.

Section 8.02. Recipient Indemnification Obligation. Each Recipient shall indemnify, defend and hold harmless each relevant Provider Indemnified Party from and against any and all losses, and shall reimburse each relevant Provider Indemnified Party for all reasonable expenses as they are incurred, whether or not in connection with pending litigation and whether or not any Provider Indemnified Party is a Party, to the extent caused by, resulting from or in connection with any of the Services rendered or to be rendered by or on behalf of such Provider pursuant to this Agreement, the transactions contemplated by this Agreement or such Provider's actions or inactions in connection with any such Services or transactions; provided, however, that such Recipient shall not be responsible for any losses of such Provider Indemnified Party to the extent that such loss is caused by, results from or arises out of or in connection with the applicable Provider's gross negligence or willful misconduct in providing any of the Services rendered or to be rendered by or on behalf of such Provider pursuant to this Agreement (including any third-party that provides any such Service pursuant to Section 10.02).

Section 8.03. Provider Indemnification Obligation. Subject to the limitations set forth in Section 8.01, each Provider shall indemnify, defend and hold harmless each relevant Recipient and its Affiliates and Representatives (each, a "Recipient Indemnified Party") from and against any and all losses, and shall reimburse each Recipient Indemnified Party for all reasonable expenses as they are incurred, whether or not in connection with pending litigation and whether or not any Recipient Indemnified Party is a Party, to the extent caused by, resulting from or arising out of or in connection with the applicable Provider's gross negligence or willful misconduct in providing any of the Services rendered or to be rendered by or on behalf of such Provider pursuant to this Agreement.

Section 8.04. Indemnification Procedure. The provisions set forth in Section 6.01 and Section 6.04 through Section 6.10 of the Separation Agreement shall apply *mutatis mutandis* to the indemnification provisions of this Agreement, with such conforming changes thereto as are necessary to apply the provisions, and preserve the effect, thereof to the terms of this Agreement.

Section 8.05. Liability for Payment Obligations. Nothing in this ARTICLE VIII shall be deemed to eliminate or limit, in any respect, Parent's or SpinCo's express obligation in this Agreement to pay Termination Charges, Decommissioning Charges or Service Charges for Services rendered in accordance with this Agreement.

Section 8.06. Exclusion of Other Remedies. The indemnification expressly provided in this ARTICLE VIII shall be the sole and exclusive monetary remedies of the Provider Indemnified Parties and the Recipient Indemnified Parties, as applicable, for any claim, loss, damage, expense or liability, whether arising from statute, principle of common or civil law, principles of strict liability, tort, contract or otherwise arising under this Agreement, or in respect of the Services or actions taken by Parties in connection with the transactions contemplated by this Agreement.

Section 8.07. Mitigation. Each Indemnified Party shall use its reasonable best efforts to mitigate any loss for which such Indemnified Party seeks indemnification under this Agreement.

ARTICLE IX  
TERM AND TERMINATION; EXTENSION OF SERVICE PERIOD

Section 9.01. Term and Termination.

(a) This Agreement shall commence immediately upon the Distribution Date and shall terminate upon the earlier to occur of: (i) the last date on which either Party is obligated to provide any Service to the other Party in accordance with the terms hereof; and (ii) the mutual written agreement of the Parties to terminate this Agreement in its entirety.

(b) Without prejudice to Recipient's rights with respect to a Force Majeure Event, a Recipient may terminate this Agreement with respect to any Service, in whole (by Service line item) but not in part: (i) for any reason or no reason upon providing at least ninety (90) days' prior written notice to Provider of such termination (or such greater or smaller number of days as is provided in the Schedules) (it being understood that an early termination may result in Termination Charges being payable by Recipient under this Agreement), or (ii) if the Provider of such Service has failed to perform any of its material obligations under this Agreement with respect to such Service, and such failure shall continue to exist thirty (30) days after receipt by Provider of written notice of such failure from Recipient.

(c) A Provider may terminate this Agreement with respect to one or more Services, in whole (by Service line item) but not in part, at any time (i) if Recipient has failed to perform any of its material obligations under this Agreement relating to such Service, and such failure shall continue to exist for a period of thirty (30) days after receipt by Recipient of a written notice of such failure from Provider; or (ii) thirty (30) days after receipt by Recipient of a written notice that, after a good faith negotiation, the Parties have been unable to agree to a cost adjustment for such Service where Provider believes that the Service Charge is materially insufficient to compensate Provider for the cost of Providing the Service in accordance with Section 5.01.

(d) Both Parties may terminate this Agreement with respect to one or more Services (i) immediately upon mutual written agreement or (ii) immediately upon written notice to the other Party in the event that such other Party: (1) commences, or has commenced against it, proceedings under bankruptcy, insolvency or debtor's relief Laws or similar Laws in any other jurisdiction; (2) makes a general assignment for the benefit of its creditors; or (3) ceases operations or is liquidated or dissolved.

(e) Upon termination of this Agreement with respect to one or more Services, the relevant Schedule shall be updated to reflect any terminated Service. In the event that the effective date of the termination of any Service is a day other than the last day of a Service Period, any periodic Service Charge associated with such Service shall be pro-rated appropriately.

(f) A Recipient may from time to time request in writing a reduction or increase in part of the scope of any Service (it being understood that a reduction may result in Termination Charges being payable by Recipient under this Agreement). If requested to do so by Recipient, Provider agrees to discuss in good faith the potential reduction or increase in scope and any applicable reductions or increases to the Service Charges in light of all relevant factors including the costs and benefits to Provider of any such reductions or increases and (in the case of reductions in scope) any applicable Termination Charges. With respect to any Services that the Provider has agreed to reduce or increase, the relevant Schedule shall be updated to reflect any such agreed upon reduction or increase in the Service. For the avoidance of doubt, Provider is not obligated to reduce or increase the scope of any Services or relevant Service Charges.

Section 9.02. Effect of Termination of Services.

(a) Upon termination (for any reason including expiration of the Service Period duration) or reduction of any Service (in whole or in part) pursuant to this Agreement, (A) Parent shall bear (i) all Termination Charges, other than Termination Charges identified on Schedule A as SpinCo obligations or resulting from a change in Strategy requested by SpinCo with respect to such Service (which Termination Charges shall be borne by SpinCo and shall not be counted toward the Aggregate Cap), and (ii) all Decommissioning Charges, other than Decommissioning Charges identified on Schedule A as SpinCo obligations or resulting from a change in Strategy requested by SpinCo with respect to such Service (which Decommissioning Charges shall be borne by SpinCo) and (B) SpinCo shall bear all applicable Amortization Charges set forth on Schedule H; provided, however, that SpinCo shall not be under any obligation to pay any Termination Charges or Decommissioning Charges with respect to any termination of any Service by SpinCo pursuant to Section 9.01(b)(ii) or Section 9.01(d)(ii) (and, for the avoidance of doubt, any such Termination Charges, which shall be borne by Parent, shall not be counted toward the Aggregate Cap); provided, further, that SpinCo shall bear all Termination Charges or Decommissioning Charges with respect to any termination of any Service by Parent pursuant to Section 9.01(c)(i) or Section 9.01(d)(ii); provided, further, that any Termination Charges in excess of the amount set forth on Schedule L in the aggregate with respect to all Services (the “Aggregate Cap”) shall be borne by SpinCo. All Termination Charges, Decommissioning Charges and Amortization Charges shall be invoiced and paid as provided in ARTICLE V.

(b) Upon termination of any Service pursuant to this Agreement, the Provider of the terminated Service shall have no further obligation to provide the terminated Service, and the relevant Recipient shall have no obligation to pay any future Service Charges relating to any such Service; provided that such Recipient shall remain obligated to the relevant Provider for the (i) Service Charges and other fees, costs and expenses (if any) owed and payable under the terms of this Agreement in respect of Services provided prior to the effective date of termination, including Service Charges that are billed in arrears, (ii) Amortization Charges, (iii) Termination Charges or Decommissioning Charges as invoiced by the relevant Provider to the relevant Recipient; provided, that any such Termination Charges or Decommissioning Charges must be invoiced by the relevant Provider within 180 days after the termination of a Service and (iv) solely with respect to the Services set forth on Schedule B or Schedule D, Service Charges and other fees, costs and expenses (if any) owed and payable under the terms of this Agreement for the entire duration of the Service Period of such Service; provided, that in the case of this clause (iv), Recipient shall not be under any obligation to pay any such Service Charges with respect to any Services set forth on Schedule B or Schedule D to the extent arising from and after the termination of such Services pursuant to Section 9.01(b)(ii) or Section 9.01(d)(ii) (and, for the avoidance of doubt, any such Service Charges shall be borne by Provider). Upon termination of any Service pursuant to this Agreement, the relevant Provider shall reduce for the next monthly billing period the amount of the Service Charge for the category of Services in which the terminated Service was included (such reduction to reflect the elimination of all costs incurred in connection with the terminated service to the extent the same are not required to provide other Services to Recipient), and, upon request of Recipient, Provider shall provide Recipient with documentation or information regarding the calculation of the amount of the reduction. In connection with termination of any Service, the provisions of this Agreement not relating solely to such terminated Service shall survive any such termination. In connection with a termination of this Agreement, ARTICLE I, Section 4.02(b) (with respect to the indemnification obligations set forth therein), Section 5.01(e), Section 6.08, ARTICLE VIII (including liability in respect of any indemnifiable losses under this Agreement arising or occurring on or prior to the date of termination), this ARTICLE IX, ARTICLE X, all confidentiality obligations under this Agreement and liability for all due and unpaid Service Charges, Amortization Charges, Termination Charges and Decommissioning Charges shall continue to survive indefinitely.

Section 9.03. Force Majeure. Neither Party (nor any Person acting on its behalf) shall be liable to the other Party for any loss as a result of any delay or failure in the performance of any obligation hereunder which is due to fire, flood, war, acts of God, strikes, riots, pandemic (including delays or issues caused by the SARS-Cov-2 virus and COVID-19 disease, or measures taken by a Governmental Authority with respect thereto), Governmental Authority, or other causes beyond its reasonable control (a “Force Majeure Event”); provided that the Party so affected shall notify the other Party in writing promptly upon the onset of any Force Majeure Event, shall use reasonable best efforts to mitigate the effect of any Force Majeure Event, and notify the other Party in writing promptly upon the termination of any Force Majeure Event. In the event that a Provider is unable to provide any Service due to a Force Majeure Event, the Recipient shall be relieved of its obligation to pay for any such Service to the extent not provided (including any Termination Charges, Decommissioning Charges or Amortization Charges payable by Recipient pursuant to the terms of this Agreement); provided that a Force Majeure Event shall not relieve Recipient from its payment obligations under this Agreement with respect to the Services actually performed hereunder.

Section 9.04. Extension of Service Period. Upon ninety (90) days’ advance written notice prior to the expiration of the Service Period for any Service, Recipient may request a service extension; provided, however, Provider (i) is not obligated to extend any Service and (ii) shall, in its sole and absolute discretion, not extend the Service if Recipient has past due invoice amounts outstanding at the time the Recipient requests a service extension. If for any reason, other than a Force Majeure Event, the Service Period for any Service is extended, then all Service Charges payable by the Recipient and any incremental charges incurred by Provider in providing the relevant Service during the period of the approved extension shall each be subject to (a) in the case of a Service extended from one (1) to three (3) months after the initial term, an additional twenty-five percent (25%) premium, (b) in the case of a Service extended from four (4) to six (6) months after the initial term, an additional forty percent (40%) premium, and (c) in the case of a Service extended by more than seven (7) months after the initial term, an additional fifty percent (50%) premium (in each case, with such premiums being assessed relative to the Service Charge that would otherwise be in effect immediately prior to the first of any such extension). In no event shall the aggregate term (meaning the initial term and extension period, including any extension periods previously permitted under this Agreement) exceed (i) the maximum period permitted under any third-party agreement(s) that provides or supports the relevant Service, or (ii) a period of twenty-four (24) months after the Distribution Date, except, in the case of this clause (ii), with respect to the Services set forth on Schedule K.

ARTICLE X  
GENERAL PROVISIONS

Section 10.01. Independent Contractors. Nothing contained herein is intended or shall be deemed to make any Party or its respective Affiliates the agent, employee, partner or joint venture of any other Party or its Affiliates or be deemed to provide such Party or its Affiliates with the power or authority to act on behalf of the other Party or its Affiliates or to bind the other Party or its Affiliates to any Contract, agreement or arrangement with any other individual or entity. A Provider of any Service hereunder shall act as an independent contractor and not as the agent of the Recipient in performing such Service, maintaining control over its employees, its subcontractors and their employees and complying with all withholding of income at source requirements, whether federal, state, local or foreign.

Section 10.02. Subcontractors. A Provider may hire or engage one or more subcontractors to perform any or all of its obligations under this Agreement; provided that (a) such Provider shall use the same degree of care in selecting any such subcontractor as it would if such subcontractor was being retained to provide similar services to the Provider; and (b) such Provider shall in all cases remain primarily responsible for all of its obligations hereunder with respect to the scope of the Services, the standard for Services as set forth in ARTICLE VI hereof and the content of the Services provided to the Recipient.

Section 10.03. Treatment of Confidential Information.

(a) The Parties shall not, and shall cause all other Persons providing or receiving Services or having access to Facilities hereunder not to, disclose to any other Person or use, except for purposes of this Agreement, any Confidential Information of the other Party; provided, however, that each Party may disclose Confidential Information of the other Party, to the extent permitted by applicable Law: (i) to its Representatives on a need-to-know basis in connection with the performance of such Party's obligations under this Agreement; or (ii) in order to comply with applicable Law or in response to any summons, subpoena or other legal process or formal or informal investigative demand issued to the disclosing Party in the course of any litigation, investigation or administrative proceeding. In the event that a Party becomes legally compelled (based on advice of counsel) by judicial, investigative or administrative process to disclose any Confidential Information of the other Party, such disclosing Party (to the extent legally permitted) shall provide the other Party with prompt prior written notice of such requirement, and, to the extent reasonably practicable, cooperate with the other Party (at such other Party's expense) to obtain a protective order or similar remedy to cause such Confidential Information not to be disclosed, including interposing all available objections thereto, such as objections based on settlement privilege. In the event that such protective order or other similar remedy is not obtained, the disclosing Party shall furnish only that portion of the Confidential Information that has been legally compelled and shall exercise its reasonable best efforts (at such other Party's expense) to obtain assurance that confidential treatment shall be accorded such Confidential Information. In the event that a Party becomes legally required (based on advice of counsel) to disclose Confidential Information pursuant to stock exchange rules or securities Laws, the disclosing Party shall allow the other Party a reasonable opportunity to review and comment on the portion of such disclosure containing or reflecting Confidential Information, prior to the disclosure thereof.



(b) Each Party shall, and shall cause its Representatives to, protect the Confidential Information of the other Party by using the same degree of care to prevent the unauthorized disclosure of such Confidential Information as the Party uses to protect its own confidential information of a like nature, which shall not be less than a reasonable standard of care.

(c) Each Party shall inform its Representatives and Affiliates of the confidential nature of the information and direct them to abide by the terms hereof in advance of the disclosure of any such Confidential Information to them. Such disclosing Party shall be responsible for any breach of this Agreement by such Representatives or Affiliates, as if such Representatives or Affiliates were party hereto.

(d) Each Party shall comply with the terms and conditions of Schedule I hereto and with all applicable Laws (including state, federal and foreign privacy and Data Protection Legislation) that are or that may in the future be applicable to the provision of Services hereunder, including as related to any Personal Information.

(e) Each Party shall use reasonable best efforts to ensure that at completion of specific Services or termination of this Agreement, all access to Confidential Information of the other Party that was provided for purposes of Provider providing such Services to Recipient, including any access rights provided under Section 4.03 hereof, will be terminated, including cancellation of all user identifications and passwords related thereto, if any, and any Confidential Information of the other Party will be deleted or returned to such other Party.

Section 10.04. Further Assurances. From time to time following the Distribution, the Parties shall, and shall cause their respective Affiliates to, execute, acknowledge and deliver all reasonable further conveyances, notices, assumptions, releases and acquittances and such instruments, and shall take such reasonable actions as may be necessary or appropriate to make effective the transactions contemplated hereby as may be reasonably requested by the other Party; provided, however, that nothing in this Section 10.04 shall require either Party or its Affiliates to pay money to, commence or participate in any action or proceeding with respect to, or offer or grant any accommodation (financial or otherwise) to, any third-party following the date hereof.

Section 10.05. Rules of Construction. Interpretation of this Agreement shall be governed by the rules of construction set forth in Section 11.18 of the Separation Agreement.

Section 10.06. Notices. Except with respect to routine communications by the Parent Services Manager and the SpinCo Services Manager under Section 2.04, all notices and other communications under this Agreement shall be made in accordance with Section 11.10 of the Separation Agreement.

Section 10.07. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court or arbitrator of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances, or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

Section 10.08. Assignment. This Agreement will be binding upon and inure to the benefit of and be enforceable by the respective successors and permitted assigns of the Parties. Except as otherwise provided for in this Agreement, neither this Agreement nor any right, interest or obligation arising under this Agreement shall be assignable, in whole or in part, directly or indirectly, by either Party without the prior written consent of the other Party, and any attempt to assign any rights, interests or obligations arising under this Agreement without such consent shall be void; provided, that (i) a Party may assign any or all of its rights, interests and obligations hereunder to a member of such Party's Group, so long as such assignee agrees pursuant to an agreement in writing reasonably satisfactory to the other Party to be bound by the terms of this Agreement as if named a "Party" hereto, (ii) a Party may assign this Agreement or any or all of its rights, interests and obligations hereunder in connection with a merger, reorganization or consolidation transaction in which such Party is a constituent party but not the surviving entity or the sale by such Party of all or substantially all of its Assets, so long as the surviving entity of such merger, reorganization or consolidation transaction or the transferee of such Assets shall assume all the obligations of the relevant Party by operation of law or pursuant to an agreement in writing, reasonably satisfactory to the other Party, to be bound by the terms of this Agreement as if named as a "Party" hereto, and (iii) a Party may assign this Agreement or any or all of its rights, interests and obligations hereunder in connection with a sale or disposition of any assets or lines of business of such Party, so long as such assignee agrees pursuant to an agreement in writing reasonably satisfactory to the other Party to be bound by the terms of this Agreement as if named a "Party" hereto; provided, that in the case of an assignment pursuant to the foregoing clause (ii) or this clause (iii), (A) the non-assigning Party shall not be required to perform any obligation under this Agreement that would result in the breach or violation of any third party Contract by such Party or its Affiliates and (B) a Party may not assign its limited license to use and access space granted pursuant to Section 4.02 at the Parent Facilities set forth on Schedule B or the SpinCo Facilities set forth on Schedule D, as applicable, without the prior written consent of the non-assigning Party; provided, further, that in the case of each of the preceding clauses, no assignment permitted by this Section 10.08 shall release the assigning Party from liability for the full performance of its obligations under this Agreement, unless agreed to in writing by the non-assigning Party. Notwithstanding the foregoing, rights and obligations of Parent under this Agreement may be assigned as and to the extent provided in the Separation Agreement.

Section 10.09. No Third-Party Beneficiaries. Except as expressly set forth herein with respect to Provider Indemnified Parties and Recipient Indemnified Parties pursuant to ARTICLE VIII, (a) the provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

Section 10.10. Entire Agreement. This Agreement, the Separation Agreement, the other Ancillary Agreements and the Appendices, Exhibits and Schedules hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein. In the event of conflict or inconsistency between the provisions of this Agreement, on the one hand, and the provisions of any Local Transfer Agreement or Local Implementing Agreement (including any provision of a Local Transfer Agreement or Local Implementing Agreement providing for dispute resolution mechanisms inconsistent with those provided herein), on the other hand, the provisions of this Agreement shall prevail and remain in full force and effect. Each Party hereto shall, and shall cause each of its Subsidiaries to, implement the provisions of and the transactions contemplated by the Local Transfer Agreement or Local Implementing Agreement in accordance with the immediately preceding sentence.

Section 10.11. Amendment. Except as provided in Section 2.03, Section 5.01(a), Section 6.07, and Section 9.01, this Agreement (including all Exhibits and Schedules) may be amended, restated, supplemented or otherwise modified, only by written agreement duly executed by an authorized representative of each Party. No consent from any Indemnified Party under ARTICLE VIII (in each case other than the Parties) shall be required to amend this Agreement. Nothing in this Agreement will constitute an amendment to any plan or program sponsored by Parent, and no Parent plan or program will be amended absent a separate written amendment that complies with the plan's or program's amendment procedures.

Section 10.12. Waiver. No failure or delay of any Party (or the applicable member of its Group) in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

Section 10.13. Governing Law. This Agreement, and any TSA Dispute, shall be governed by, and construed and enforced in accordance with, the Laws of the State of Delaware, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof. The Provider shall cause the Provider Indemnified Parties, and the Recipient shall cause the Recipient Indemnified Parties, to comply with the foregoing and with Section 7.01 as though such Indemnified Parties were a Party to this Agreement.

Section 10.14. Non-Recourse. All claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to, this Agreement), may be made only against (and are expressly limited to) the entities that are expressly identified as Parties to this Agreement. No Person who is not a Party, including any past, present or future director, officer, employee, incorporator, member, partner, manager, stockholder, Affiliate, agent, attorney, or representative of, and any financial advisor or lender to, any Party, or any director, officer, employee, incorporator, member, partner, manager, stockholder, Affiliate, agent, attorney, or representative of, and any financial advisor or lender to, any of the foregoing (“Nonparty Affiliates”), shall have any liability (whether in contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection with, or related in any manner to, this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach; and, to the maximum extent permitted by Law, each Party hereby waives and releases all such liabilities, claims, causes of action, and obligations against any such Nonparty Affiliates.

Section 10.15. Counterparts. This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and scanned and exchanged by electronic mail, and such facsimile or PDF signature or scanned and exchanged copies shall constitute an original for all purposes.

**[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

**GENERAL ELECTRIC COMPANY**

By: \_\_\_\_\_

Name:

Title:

**GE HEALTHCARE TECHNOLOGIES INC.**

By: \_\_\_\_\_

Name:

Title:

*[Signature Page to Transition Services Agreement]*

TAX MATTERS AGREEMENT

by and between

GENERAL ELECTRIC COMPANY

and

GE HEALTHCARE TECHNOLOGIES INC.

Dated as of [•], 202[•]

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## TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT (including the schedules hereto, this "Agreement"), is entered into as of [•], 202[•] between General Electric Company, a New York corporation ("Parent"), and GE HealthCare Technologies Inc., a Delaware corporation ("SpinCo") and, together with Parent, the "Parties").

### R E C I T A L S

WHEREAS, the board of directors of Parent has determined that it is appropriate, desirable and in the best interests of Parent and its stockholders to separate the Parent Business from the SpinCo Business in the manner described in the Separation and Distribution Agreement, dated as of [•], 202[•], between the Parties (such agreement, the "Separation Agreement" and such separation the "Separation") and, following the Separation, to undertake the Distribution;

WHEREAS, SpinCo has been incorporated for these purposes and has not engaged in activities except those incidental to its formation and in preparation for the Distribution;

WHEREAS, Parent has effected or will effect certain restructuring transactions for purposes of aggregating the SpinCo Business in the Parent Group prior to the Distribution (collectively, the "Restructuring") and in connection therewith, shall undertake the Contribution pursuant to which, SpinCo shall (i) issue to Parent shares of SpinCo Common Stock and the SpinCo Securities and (ii) pay to Parent the SpinCo Debt Proceeds Distribution;

WHEREAS, following the Distribution, Parent may retain up to 19.9% of the outstanding SpinCo Common Stock (the "Retained Stock") and transfer all or a portion of such Retained Stock to Parent creditors in a Debt-for-Equity Exchange or, based on market and general economic conditions and sound business judgment (i) distribute such Retained Stock pro rata to its public common shareholders (a "Clean-Up Spin"), or pursuant to an exchange offer in redemption of public common shares (a "Clean-Up Split" and a Clean-Up Split or a Clean-Up Spin, a "Subsequent Distribution"), or (ii) at any time following the Distribution Date sell the Retained Stock in one or more public or private sales;

WHEREAS, Parent intends to effect the Spin-Off Transaction in a transaction that is intended to qualify as tax-free for U.S. federal income tax purposes under Sections 368(a)(1)(D), 355 and 361(c) of the Code;

WHEREAS, certain members of the Parent Group, on the one hand, and certain members of the SpinCo Group, on the other hand, file certain Tax Returns on a consolidated, combined or unitary basis for certain federal, state, local and Non-U.S. Tax purposes; and

WHEREAS, the Parties desire to (a) provide for the payment of Tax Liabilities and entitlement to refunds thereof, allocate responsibility for, and cooperation in, the filing of Tax Returns, and provide for certain other matters relating to Taxes and (b) set forth certain covenants and indemnities relating to the preservation of the Intended Tax Treatment of the Transactions.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

## ARTICLE I – DEFINITIONS

1.1 General. For the purposes of this Agreement, the following terms shall have the following meanings:

“Accounting Firm” shall have the meaning set forth in Section 9.1.

“Active Business” shall mean any business relied on to satisfy (i) the active trade or business requirement of Section 355(b) of the Code (taking into account Section 355(b)(3) of the Code) or (ii) the continuity of business enterprise requirements under Treasury Regulations Section 1.355-3 and Treasury Regulations Section 1.368-1(d), to the extent identified as such in the Tax Materials.

“Adjustment” shall mean an adjustment of any item of income, gain, loss, deduction, credit or any other item affecting Taxes of a taxpayer pursuant to a Final Determination.

“Affiliate” shall have the meaning set forth in the Separation Agreement.

“Agreement” shall have the meaning set forth in the preamble hereto.

“Ancillary Agreements” shall have the meaning set forth in the Separation Agreement.

“Capital Stock” shall mean classes or series of capital stock of a Person, including (i) common stock, (ii) all options, warrants and other rights to acquire such capital stock and (iii) all instruments properly treated as stock in such Person for U.S. federal income tax purposes.

“Chosen Court Claim” shall have the meaning set forth in Section 9.5.

“Chosen Courts” shall have the meaning set forth in Section 9.5.

“Clean-Up Spin” shall have the meaning set forth in the recitals hereto.

“Clean-Up Split” shall have the meaning set forth in the recitals hereto.

“Code” shall mean the U.S. Internal Revenue Code of 1986.

“Controlling Party” shall mean, with respect to a Tax Contest, the Party entitled to control such Tax Contest pursuant to Section 6.2, Section 6.3 or Section 6.4.

“Contribution” shall have the meaning set forth in the Separation Agreement.

“Debt-for-Debt Exchange” shall have the meaning set forth in the definition of Intended Tax Treatment herein.

“Debt-for-Equity Exchange” shall have the meaning set forth in the definition of Intended Tax Treatment herein.

“Delayed Asset” shall have the meaning set forth in the Separation Agreement.

“Dispute” shall have the meaning set forth in Section 9.2.

“Distribution” shall have the meaning set forth in the Separation Agreement.

“Distribution Date” shall have the meaning set forth in the Separation Agreement.

“Distribution Taxes” shall mean any Taxes incurred solely as a result of the failure of any of the Transactions to qualify for the Intended Tax Treatment of such Transaction.

“Due Date” shall mean (a) with respect to a Tax Return, the date (taking into account all valid extensions) on which such Tax Return is required to be filed under applicable Tax Law or, in the case of a Joint Return for a U.S. jurisdiction filed by Parent pursuant to Section 2.1(a), such earlier date on which such Tax Return is filed as determined by Parent in its sole and absolute discretion, and (b) with respect to a payment of Taxes, the date on which such payment is required to be made, which shall in any case be no later than the payment date required to avoid the incurrence of interest, penalties and additions to Tax.

“EMA” shall have the meaning set forth in the Separation Agreement.

“Final Determination” shall mean the final resolution of any Tax Liability, which resolution may be for a specific issue or adjustment or for a Tax Period, (a) by IRS Form 870 or 870-AD (or any successor forms thereto), on the date of acceptance by or on behalf of the taxpayer, or by a comparable form under the Laws of a state, local or non-U.S. taxing jurisdiction, except that a Form 870 or 870-AD or comparable form shall not constitute a Final Determination to the extent that it reserves (whether by its terms or by operation of Law) the right of the taxpayer to file a claim for Refund or the right of the Taxing Authority to assert a further deficiency in respect of such issue or adjustment or for such Tax Period (as the case may be); (b) by a decision, judgment, decree or other order by a court of competent jurisdiction, which has become final and unappealable; (c) by a closing agreement or accepted offer in compromise under Section 7121 or Section 7122 of the Code, or a comparable agreement under the Laws of a state, local or non-U.S. taxing jurisdiction; (d) by any allowance of a Refund, but only after the expiration of all periods during which such Refund may be recovered (including by way of offset) by the jurisdiction imposing such Tax; (e) by a final settlement resulting from a competent authority proceeding or determination; or (f) by any other final disposition, including by reason of the expiration of the applicable statute of limitations or by mutual agreement of the parties.

“Gain Recognition Agreement” shall mean any agreement to recognize gain that is described in Treasury Regulations Section 1.367(a)-8(i) which is entered into in connection with the Transactions and (ii) to which any member of the Parent Group or the SpinCo Group is a party.

“Group” shall mean either the Parent Group or the SpinCo Group, as the context requires.

“Indemnifying Party” shall have the meaning set forth in Section 5.2.

“Indemnitee” shall have the meaning set forth in Section 5.2.

“Intended Tax Treatment” shall mean (x) the qualification of (i) the Contribution (and Parent’s receipt or deemed receipt of the SpinCo Common Stock, the SpinCo Securities and SpinCo Debt Proceeds Distribution in connection therewith), the Distribution and any Subsequent Distributions, taken together, as a reorganization described in Sections 368(a)(1)(D) and 355(a) of the Code, with each of Parent and SpinCo being a party to the reorganization, in which no income or gain is recognized by Parent, SpinCo, the Parent Group, the SpinCo Group or the holders of Parent Common Stock pursuant to Sections 355, 361 and 1032 of the Code, other than in respect of intercompany items or excess loss accounts taken into account pursuant to the Treasury Regulations promulgated pursuant to Section 1502 of the Code, (ii) the Distribution and any Subsequent Distributions as transactions in which the stock distributed thereby is “qualified property” for purposes of Sections 355(c) and 361(c) of the Code (and neither Section 355(d) nor Section 355(e) of the Code causes such stock to be treated as other than “qualified property” for such purposes), (iii) any transfer, following the Distribution, by Parent of SpinCo Securities to Parent creditors in satisfaction of certain Parent obligations (any such transfer, a “Debt-for-Debt Exchange”) as a transfer of “qualified property” to creditors of Parent in connection with the reorganization within the meaning of Section 361(c) of the Code and (iv) any transfer, following the Distribution, by Parent of Retained Stock to Parent creditors in satisfaction of certain Parent obligations (any such transfer, a “Debt-for-Equity Exchange”) as a transfer of “qualified property” to creditors of Parent in connection with the reorganization within the meaning of Section 361(c) of the Code and (y) the qualification of each of the Transactions undertaken pursuant to the Restructuring identified on Schedule B for the tax treatment specified for such Transaction therein under applicable Tax Law. The term “Intended Tax Treatment” will, as applicable, also include the qualification of each transaction described in clauses (x) and (y) above under comparable provisions of state or local Tax Law, or, in the case of clause (y), Non-U.S. Tax Law.

“IRS” shall mean the United States Internal Revenue Service or any successor thereto, including its agents, representatives, and attorneys.

“IRS Ruling” shall mean any U.S. federal income tax ruling and any supplements thereto issued to Parent by the IRS in connection with the Transactions.

“IRS Ruling Request” shall mean the letter filed by Parent with the IRS requesting a ruling regarding certain tax consequences of the Transactions and any amendment or supplement to such ruling request letter.

“Joint Return” shall mean any Tax Return that includes, by election or otherwise, one or more members of the Parent Group together with one or members of the SpinCo Group.

“Law” shall have the meaning set forth in the Separation Agreement.

“Negotiation Period” shall have the meaning set forth in Section 9.1.

“Non-Controlling Party” shall mean, with respect to a Tax Contest, the Party that is not entitled to (or elects not to) control such Tax Contest pursuant to Section 6.2, Section 6.3 or Section 6.4.

“Non-U.S. Tax” shall mean any Tax imposed by any non-U.S. country or any possession of the United States, or by any political subdivision of any non-U.S. country or possession of the United States.

“Notified Action” shall have the meaning set forth in Section 4.3(a).

“Parent” shall have the meaning set forth in the preamble hereto.

“Parent Business” shall have the meaning set forth in the Separation Agreement.

“Parent Common Stock” shall have the meaning set forth in the Separation Agreement.

“Parent Group” shall have the meaning set forth in the Separation Agreement.

“Parent Separate Return” shall mean any Tax Return of or including any member of the Parent Group (including any consolidated, combined, or unitary return) that does not include any member of the SpinCo Group.

“Parties” shall have the meaning set forth in the preamble hereto.

“Past Practices” shall have the meaning set forth in Section 3.5.

“Person” shall have the meaning set forth in the Separation Agreement.

“Post-Distribution Period” shall mean any Tax Period (or portion thereof) beginning after the Distribution Date, including, for the avoidance of doubt, the portion of any Straddle Period with respect to the Distribution Date beginning after the Distribution Date.

“Post-Distribution Ruling” shall have the meaning set forth in Section 4.2(c).

“Pre-Distribution Period” shall mean any Tax Period (or portion thereof) ending on or before the Distribution Date, including, for the avoidance of doubt, the portion of any Straddle Period with respect to the Distribution Date ending at the end of the day on the Distribution Date.

“Preparing Party” shall have the meaning set forth in Section 3.3.

“Privilege” shall mean any privilege that may be asserted under applicable Law, including any privilege arising under or relating to the attorney-client relationship (including the attorney-client and work product privileges), the accountant-client privilege and any privilege relating to internal evaluation processes.

“Prohibited Acts” shall mean any act or failure to act by SpinCo described in Section 4.2(a) or Section 4.2(b) (regardless of whether the conditions set forth in Section 4.2(c) are satisfied).

“Proposed Acquisition Transaction” shall mean a transaction or series of transactions (or any agreement, understanding or arrangement within the meaning of Section 355(e) of the Code and Treasury Regulations Section 1.355-7, or any other regulations promulgated thereunder, to enter into a transaction or series of transactions), whether such transaction is supported by SpinCo management or shareholders, is a hostile acquisition, or otherwise, as a result of which SpinCo (or any successor thereto) would merge or consolidate with any other Person or as a result of which one or more Persons would (directly or indirectly) acquire, or have the right to acquire, from SpinCo (or any successor thereto) and/or one or more holders of SpinCo Capital Stock, respectively, any amount of stock of SpinCo, that would, when combined with any other direct or indirect changes in ownership of the stock of SpinCo pertinent for purposes of Section 355(e) of the Code and the Treasury Regulations promulgated thereunder, comprise forty percent (40%) or more of (i) the value of all outstanding shares of SpinCo as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (ii) the total combined voting power of all outstanding shares of voting stock of SpinCo as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (i) the adoption by SpinCo of a customary shareholder rights plan or (ii) issuances by SpinCo that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person’s performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulations Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. This definition and the application thereof are intended to monitor compliance with Section 355(e) of the Code and the Treasury Regulations promulgated thereunder and shall be interpreted and applied accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

“Refund” shall mean any refund, reimbursement, offset, credit or other similar benefit in respect of Taxes (including any overpayment of Taxes that can be refunded or, alternatively, applied against other Taxes payable), including any interest paid on or with respect to such refund of Taxes; provided, however, that the amount of any refund of Taxes shall be net of any costs and expenses (including Taxes imposed by any Taxing Authority) related to, or attributable to, the receipt of or accrual of such refund (including any Taxes imposed by way of withholding or offset).

“Representation Letters” shall mean the representation letters of officers of Parent and/or SpinCo provided to any law or accounting firm in connection with any Tax Opinion issued in connection with the Transactions.

“Responsible Party” shall mean, with respect to any Tax Return, the Party having responsibility for preparing and filing such Tax Return pursuant to this Agreement.



“Restricted Period” shall mean the period beginning on the Distribution Date and ending on the two (2)-year anniversary of the day after the Distribution Date.

“Restructuring” shall have the meaning set forth in the recitals hereto.

“Retained Stock” shall have the meaning set forth in the recitals hereto.

“Reviewing Party” shall have the meaning set forth in Section 3.3.

“Section 4.2(b)(v) Acquisition Transaction” shall have the meaning set forth in Section 4.2(b)(v).

“Separate Return” shall mean a Parent Separate Return or a SpinCo Separate Return, as the case may be.

“Separation” shall have the meaning set forth in the recitals hereto.

“Separation Agreement” shall have the meaning set forth in the recitals hereto.

“Spin-Off Transaction” shall mean the Contribution, the Distribution, the deployment by Parent of the proceeds of the SpinCo Debt Proceeds Distributions, any Subsequent Distributions, any Debt-for-Debt Exchange and any Debt-for-Equity Exchange, taken together.

“SpinCo” shall have the meaning set forth in the preamble hereto.

“SpinCo Business” shall have the meaning set forth in the Separation Agreement.

“SpinCo Capital Stock” means the Capital Stock of SpinCo, including the SpinCo Common Stock.

“SpinCo Common Stock” shall have the meaning set forth in the Separation Agreement.

“SpinCo Debt Proceeds Distribution” shall have the meaning set forth in the Separation Agreement.

“SpinCo Disqualifying Action” shall mean (a) any action (or the failure to take any action) by any member of the SpinCo Group after the Distribution (including entering into any agreement, understanding or arrangement or any negotiations with respect to any transaction or series of transactions), (b) any event (or series of events) after the Distribution involving the SpinCo Capital Stock or any stock or assets of any member of the SpinCo Group or (c) any breach by any member of the SpinCo Group after the Distribution of any representation, warranty or covenant made by them in this Agreement, that, in each case, would adversely affect, jeopardize or prevent the Intended Tax Treatment; provided, however, that the term “SpinCo Disqualifying Action” shall not include any action required by the Separation Agreement or any Ancillary Agreement (other than this Agreement) or that is undertaken pursuant to the Separation or the Distribution.

“SpinCo Group” shall have the meaning set forth in the Separation Agreement.

“SpinCo Securities” shall have the meaning set forth in the Separation Agreement.

“SpinCo Separate Return” shall mean any Tax Return of or including any member of the SpinCo Group (including any consolidated, combined, or unitary return) that does not include any member of the Parent Group.

“State Tax” shall mean any Tax imposed by any State of the United States or by any political subdivision of any such State.

“Straddle Period” shall mean any Tax Period beginning on or before the Distribution Date and ending after the Distribution Date.

“Subsequent Distribution” shall have the meaning set forth in the recitals hereto.

“Subsidiary” shall have the meaning set forth in the Separation Agreement.

“Tax” or “Taxes” shall mean (i) all taxes, charges, fees, duties, levies, imposts, rates or other assessments or charges of any kind imposed by any Taxing Authority, including income, gross income, gross receipts, profits, employment, estimated, excise, severance, stamp, occupation, premium, windfall profits, environmental, custom duties, property, sales, use, license, lease, capital stock, transfer, import, export, franchise, registration, payroll, withholding, social security, workers’ compensation, unemployment, disability, ad valorem, service, value-added, alternative or add-on minimum, estimated, unclaimed property or escheat, or other taxes, whether disputed or not, and including any fee, assessment, duty, or other charge in the nature of or in lieu of any tax, and including any interest, penalties, charges or additions to tax or additional amounts in respect of the foregoing, (ii) liability for the payment of any amount of the type described in clause (i) above arising as a result of being (or having been) a member of any consolidated, combined, unitary or similar group or being (or having been) included or required to be included in any Tax Return related thereto and (iii) liability for the payment of any amount of the type described in clause (i) or (ii) above as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person. For the avoidance of doubt, Tax includes any increase in Tax as a result of a Final Determination.

“Tax Advisor” shall mean a U.S. Tax counsel or other Tax advisor of recognized national standing acceptable to Parent, in its sole and absolute discretion.

“Tax Advisor Dispute” shall have the meaning set forth in Section 9.1.

“Tax Advisor Dispute Notice” shall have the meaning set forth in Section 9.1.

“Tax Attribute” shall mean net operating losses, capital losses, research and experimentation credit carryovers, investment tax credit carryovers, earnings and profits, foreign tax credit carryovers, overall foreign losses, overall domestic losses, previously taxed earnings and profits, separate limitation losses and any other losses, deductions, credits or other comparable items that could affect a Tax Liability for a past, current or future Tax Period, other than the basis or adjusted basis of any property or any depreciation, amortization or other deductions or offsets attributable thereto.

“Tax Benefit” shall mean any reduction in Taxes paid or payable actually realized by a Person as a result of any loss, deduction, Refund, credit, offset or other Tax Item.

“Tax Contest” shall have the meaning set forth in Section 6.1.

“Tax Item” shall mean any item of income, gain, loss, deduction, or credit.

“Tax Law” shall mean the law of any Taxing Authority or political subdivision thereof relating to any Tax.

“Tax Liability” shall mean any liability or obligation for Taxes.

“Tax Materials” shall have the meaning set forth in Section 4.1(a).

“Tax Matter” shall have the meaning set forth in Section 7.1(a).

“Tax Opinion” shall mean any written opinion or memorandum of any law or accounting firm, regarding certain tax consequences of certain transactions executed as part of the Transactions.

“Tax Period” shall mean, with respect to any Tax, the period for which the Tax is reported or required to be reported as provided under the Code or other applicable Tax Law.

“Tax Records” shall have the meaning set forth in Section 8.1.

“Tax Related Costs and Expenses” shall mean, with respect to Taxes, all accounting, legal and other professional fees, and court costs incurred in connection with such Taxes, as well as any other out-of-pocket costs incurred in connection with such Taxes.

“Tax Related Losses” shall mean (i) Tax Related Costs and Expenses and (ii) with respect to Taxes, all costs, expenses and damages associated with stockholder litigation or controversies and any amount paid by Parent (or any of its Affiliates) or SpinCo (or any of its Affiliates) in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Taxing Authority, in each case, resulting from the failure of any of the Transactions to qualify for the Intended Tax Treatment or the defense against any challenge by the IRS or any other Taxing Authority to the Intended Tax Treatment of any Transaction, even if such Transaction ultimately is determined to so qualify.

“Tax Return” shall mean any return, report, certificate, form or similar statement or document (including any related supporting information or schedule attached thereto and any information return, amended tax return, claim for refund or other adjustment or declaration of estimated tax) supplied to or filed with, or required to be supplied to or filed with, a Taxing Authority, or any bill for or notice related to ad valorem or other similar Taxes received from a Taxing Authority, in each case, in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

“Taxing Authority” shall mean any governmental authority or any subdivision, agency, commission or entity thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax (including the IRS).

“Transaction Related Tax Contest” shall mean any Tax Contest in which the IRS, another Taxing Authority or any other party asserts a position that could reasonably be expected to (a) adversely affect, jeopardize or prevent (i) the Intended Tax Treatment of the Spin-Off Transaction or (ii) the Intended Tax Treatment of any other Transaction as set forth in a Tax Opinion or an IRS Ruling (or, if not set forth in a Tax Opinion or an IRS Ruling, as set forth in Schedule B) or (b) otherwise affect the amount of Taxes imposed with respect to any of the Transactions, as determined in each case by Parent, in its sole and absolute discretion.

“Transaction Taxes” shall mean all Taxes (including Taxes imposed on any member of the Parent Group under Sections 951 or 951A of the Code) imposed on or with respect to the Transactions other than any Taxes resulting from the failure of any of the Transactions to qualify for the Intended Tax Treatment, as determined by Parent in its sole and absolute discretion.

“Transactions” shall mean the Separation (including the Restructuring and the Contribution), the Distribution, any Subsequent Distribution, any Debt-for-Debt Exchange, any Debt-for-Equity Exchange and any related transactions.

“Treasury Regulations” shall mean the regulations promulgated from time to time under the Code as in effect for the relevant Tax Period.

“Unqualified Tax Opinion” shall mean an unqualified “will” opinion of a Tax Advisor, and on which Parent may rely, to the effect that a transaction will not affect the Intended Tax Treatment or otherwise cause any Transaction to fail to qualify for the Intended Tax Treatment; provided, that, any tax opinion obtained in connection with a proposed acquisition of SpinCo Capital Stock entered into during the Restricted Period shall not qualify as an Unqualified Tax Opinion unless such tax opinion concludes that such proposed acquisition will not be treated as “part of a plan (or series of related transactions),” within the meaning of Section 355(e) of the Code and the Treasury Regulations promulgated thereunder, that includes the Distribution; provided, further, that any such opinion must assume that the Contribution and the Distribution, taken together, would have qualified for the Intended Tax Treatment if the transaction in question did not occur.

## ARTICLE II – PAYMENTS AND TAX REFUNDS

2.1 Responsibility for SpinCo Group Taxes and Certain Parent Group Taxes. Except as otherwise expressly provided in this Agreement (including Schedule A):

(a) Parent shall be responsible for all Taxes (i) of the SpinCo Group for any Pre-Distribution Period shown on any Joint Return for a U.S. jurisdiction, provided, that, in the case of any Straddle Period Parent shall be responsible for such Taxes only to the extent allocated to Parent pursuant to Section 2.3; (ii) of any non-U.S. member of the SpinCo Group for any Pre-Distribution Period shown on any Joint Return or SpinCo Separate Return (in each case, other than a non-income Tax Return) for a non-U.S. jurisdiction to the extent such Taxes are not attributable to the SpinCo Business; (iii) of the SpinCo Group for any Pre-Distribution Period shown on any non-income Tax Return to the extent attributable to the Parent Business; (iv) imposed under Treasury Regulations Section 1.1502-6 or under any comparable or similar provision of state, local or non-U.S. Law on any member of the SpinCo Group solely as a result of such company being a member of a consolidated, combined, affiliated or unitary group with, or as a successor to, any member of the Parent Group during any Tax Period; or (v) imposed on any member of the SpinCo Group for any Pre-Distribution Period as a result of any express or implied obligation to indemnify any other Person, or any successor or transferee liability, except, in the case of clauses (iv) and (v), to the extent such Taxes are otherwise not the responsibility of Parent pursuant to clauses (i) through (iii) and, in the case of each of clauses (i) through (v), as determined by Parent in its sole and absolute discretion; provided, that, solely for purposes of this Section 2.1(a), “SpinCo Group” shall not include any Person that becomes a Subsidiary of SpinCo after the Distribution, unless such Subsidiary is a Delayed Asset.

(b) SpinCo shall be responsible for all Taxes of the SpinCo Group which are not the responsibility of Parent pursuant to Section 2.1(a) (including Taxes (i) of any member of the SpinCo Group for Post-Distribution Periods, (ii) of the SpinCo Group for any Pre-Distribution Period shown on any Joint Return or SpinCo Separate Return (in each case, other than a non-income Tax Return) for a non-U.S. jurisdiction except to the extent attributable to the Parent Business, and (iii) of the SpinCo Group for any pre-Distribution Period shown on any non-income Tax Return except to the extent attributable to the Parent Business), as determined by Parent in its sole and absolute discretion.

(c) SpinCo shall be responsible for all Taxes (i) of the Parent Group for any Pre-Distribution Period shown on any Joint Return or Parent Separate Return (in each case, other than a non-income Tax Return) for a non-U.S. jurisdiction to the extent such Taxes are attributable to the SpinCo Business, (ii) of the Parent Group for any Pre-Distribution Period shown on any non-income Tax Return to the extent attributable to the SpinCo Business, (iii) of the Parent Group for any Post-Distribution Period to the extent attributable to income that accrued but was not recognized during the Pre-Distribution Period and for which SpinCo would otherwise have been responsible under this Section 2.1 had such income been recognized in the Pre-Distribution Period, and (iv) set forth in paragraph 8.a on Schedule A, in each case, as determined by Parent in its sole and absolute discretion.

2.2 Transaction Taxes. Notwithstanding anything to the contrary in Section 2.1, and except as otherwise provided herein (including Schedule A), Parent shall pay and be responsible for any Transaction Taxes.

### 2.3 Allocation of Taxes.

(a) If any member of a Group is permitted but not required under applicable U.S. federal, state, local or Non-U.S. Tax Law to treat the Distribution Date as the last day of a Tax Period with respect to any member of the SpinCo Group, then the Parties and their Affiliates shall treat such day as the last day of the applicable Tax Period under such applicable Law, and shall file any elections necessary or appropriate for such treatment; provided, that, for the avoidance of doubt, this Section 2.3 shall not be construed to require Parent to change its taxable year or treat the Distribution Date as the last day of a Tax Period of any member of the Parent Group.

(b) Any transactions occurring, or actions taken, on the Distribution Date but after the Distribution outside the ordinary course of business by, or with respect to, any member of the SpinCo Group shall be deemed subject to the “next day rule” of Treasury Regulations Section 1.1502-76(b)(1)(ii)(B) (and under any comparable or similar provision under state, local or non-U.S. Laws or regulations; provided, that, if there is no comparable or similar provision under state, local or non-U.S. Laws or regulations, then the transaction will be deemed subject to the “next day rule” of Treasury Regulations Section 1.1502-76(b)(1)(ii)(B)) and as such shall for purposes of this Agreement be treated (and consistently reported by the Parties and their Affiliates) as occurring in a Post-Distribution Period of the SpinCo Group, as appropriate.

(c) Any Taxes for a Straddle Period with respect to the SpinCo Group (or entities in which any member of the SpinCo Group has an ownership interest) shall, for purposes of this Agreement, be allocated between the portion of the period ending on and including the Distribution Date and the portion of the period beginning after the Distribution Date by means of a closing of the books and records of the SpinCo Group as of the close of business on the Distribution Date; provided, that, (i) Parent may elect to allocate Tax Items (other than any extraordinary Tax Items) ratably in the month in which the Distribution occurs (and if Parent so elects, SpinCo shall so elect) as described in Treasury Regulations Section 1.1502-76(b)(2)(iii) and corresponding provisions of state, local, and non-U.S. Law; (ii) whenever it is necessary to determine the liability for Taxes of a United States shareholder (within the meaning of Section 951(b) of the Code) of a controlled foreign corporation (within the meaning of Section 957 of the Code) attributable to amounts included in the income of such United States shareholder under Sections 951 or 951A of the Code for the taxable year or period of such controlled foreign corporation that begins on or before and ends after the Distribution Date, the determination of liability for any such Taxes shall be made by assuming that the taxable year or period of the controlled foreign corporation consisted of two (2) taxable years or periods, one which ended at the close of the Distribution Date and the other of which began at the beginning of the day following the Distribution Date and relevant items of income, gain, deduction, loss or credit of the controlled foreign corporation shall be allocated between such two (2) taxable years or periods on a closing of the books basis by assuming that the books of the controlled foreign corporation were closed at the close of the Distribution Date; provided, however, that Subpart F income (within the meaning of Section 952 of the Code) of the controlled foreign corporation shall be determined without regard to Section 952(c) of the Code; and (iii) subject to clauses (i) and (ii), exemptions, allowances or deductions that are calculated on an annual basis, and not on a closing of the books method (including depreciation and amortization deductions) and, at Parent’s election, Taxes that are imposed on a periodic basis or otherwise measured by the level of any item, shall be allocated between the period ending on and including the Distribution Date and the period beginning after the Distribution Date based on the number of days for the portion of the Straddle Period ending on and including the Distribution Date, on the one hand, and the number of days for the portion of the Straddle Period beginning after the Distribution Date, on the other hand. The foregoing provisions in this Section 2.3(c) shall be applied as determined by Parent in its sole and absolute discretion.

2.4 Allocation of Employment Taxes. Liability for Taxes and any related Tax Benefits related to any equity compensation awards shall be determined pursuant to the EMA.

2.5 Tax Refunds.

(a) Parent shall be entitled to all Refunds attributable to Taxes the liability for which is allocated to Parent pursuant to this Agreement. SpinCo shall be entitled to all Refunds attributable to Taxes the liability for which is allocated to SpinCo pursuant to this Agreement. For purposes of the foregoing, a Refund relating to a correlative adjustment as a result of a competent authority proceeding shall be deemed to be attributable to the liability for Taxes that gave rise to the correlative adjustment.

(b) SpinCo shall pay to Parent any Refund received by SpinCo or any member of the SpinCo Group that is allocable to Parent pursuant to this Section 2.5 no later than thirty (30) business days after the receipt of such Refund. Parent shall pay to SpinCo any Refund received by Parent or any member of the Parent Group that is allocable to SpinCo pursuant to this Section 2.5 no later than thirty (30) business days after the receipt of such Refund. For purposes of this Section 2.5, any Refund that arises as a result of an offset, credit, or other similar benefit in respect of Taxes other than a receipt of cash shall be deemed to be received on the earlier of (i) the date on which a Tax Return is filed claiming such offset, credit, or other similar benefit and (ii) the date on which payment of the Tax which would have otherwise been paid absent such offset, credit, or other similar benefit is due (as determined by Parent in its sole and absolute discretion without taking into account any applicable extensions). Notwithstanding anything in this Section 2.5(b) to the contrary, any Refund of less than \$50,000 treated as received pursuant to this Section 2.5(b) by Parent or any member of the Parent Group, on the one hand, or SpinCo or any member of the SpinCo Group, on the other hand, and that is allocable to the other Party pursuant to this Section 2.5, may be aggregated with other Refunds received in the same calendar quarter and paid over to the other Party within thirty (30) days after the end of such calendar quarter.

2.6 Tax Benefits. If Parent determines, in its sole and absolute discretion, that: (i) one Party is responsible for a Tax pursuant to this Agreement or under applicable Law and (ii) the other Party is entitled to a Tax Benefit relating to such Tax, then the Party entitled to such Tax Benefit shall pay to the Party responsible for such Tax the amount of the Tax Benefit, as determined pursuant to Section 2.7.

2.7 Determination of Taxes, Tax Refunds and Tax Benefits. The amount of any Taxes, any Refunds attributable to Taxes for which Parent or SpinCo, respectively, is responsible pursuant to this Agreement, or the amount of any Tax Benefit, in each case, attributable to one or more items of income, gain, loss, deduction or credit (or equivalent items in the case of non-income Taxes) (the "relevant items") shall be based on the increase or decrease in the amount of cash Taxes for which such Party is liable when measured by including such relevant items in a computation of Tax compared to excluding such relevant items from the computation of Tax, in each case as determined by Parent in its sole and absolute discretion,

which may include making simplifying assumptions concerning the computation of Tax, including that the relevant Party be deemed to recognize all other items of income, gain, loss, deduction or credit (or equivalent items) before recognizing such relevant items; provided, that, if there is no increase or decrease in the amount of cash Taxes for which a Party is liable in the taxable period when first measured, the Parties shall thereafter make payments to one another at the end of each subsequent taxable period to reflect any increase or decrease in the amount of cash Taxes recognized in such subsequent taxable period; provided, further, that notwithstanding anything in this Section 2.7 to the contrary, Parent shall not be responsible for any non-U.S. Taxes of the SpinCo Group to the extent SpinCo has Tax Attributes attributable to the Parent Business that are available to offset such Tax, as determined by Parent in its sole and absolute discretion.

2.8 Prior Agreements. Except as set forth in this Agreement and in consideration of the mutual indemnities and other obligations of this Agreement, any and all prior Tax sharing or allocation agreements or practices between any member of the Parent Group and any member of the SpinCo Group shall be terminated with respect to the SpinCo Group and the Parent Group as of the Distribution Date and no member of either the SpinCo Group or the Parent Group shall have any continuing rights or obligations under any such agreement.

### **ARTICLE III – PREPARATION AND FILING OF TAX RETURNS**

3.1 Joint Returns. The Party responsible for filing any Joint Return under applicable Law shall prepare and file when due (taking into account any applicable extensions), or shall cause to be prepared and filed, all such Joint Returns, including any amendments to such Tax Returns.

3.2 Separate Returns. Parent shall prepare and file when due (taking into account any applicable extensions), or shall cause to be prepared and filed, all Parent Separate Returns, including any amendments to such Tax Returns, required to be filed by or with respect to members of the Parent Group, and SpinCo shall prepare and file when due (taking into account any applicable extensions), or shall cause to be prepared and filed, all SpinCo Separate Returns, including any amendments to such Tax Returns, required to be filed by or with respect to members of the SpinCo Group. For the avoidance of doubt, the Preparing Party shall prepare any transfer pricing documentation required to be prepared with respect to a Tax Return required to be prepared and filed by the Preparing Party under this Section 3.2 and the Reviewing Party shall be entitled to review and comment on any such transfer pricing documentation in a manner consistent with Section 3.3.

3.3 Right to Review Tax Returns. To the extent that the positions taken on any Tax Return would reasonably be expected to materially adversely affect the Tax position of the Party other than the Party that is required to prepare and file any such Tax Return pursuant to Section 3.1 or Section 3.2 (the “Reviewing Party”), or, in the case of Tax Returns required to be prepared and filed by SpinCo, to the extent Parent otherwise requests in writing to review such Tax Returns at least thirty (30) days prior to the Due Date for such Tax Return, in the case of Tax Returns other than U.S. state or local Tax Returns, and, in the case of any such U.S. state or local Tax Returns, at least ten (10) days prior to the Due Date thereof, the Party required to prepare and file such Tax Return (the “Preparing Party”) shall prepare the portions of such Tax



Return that relates to the business of the Reviewing Party (the Parent Business or the SpinCo Business, as the case may be), shall provide a draft of such portion of such Tax Return to the Reviewing Party for its review and comment at least thirty (30) days prior to the Due Date for such Tax Return, in the case of Tax Returns other than U.S. state or local Tax Returns, and, in the case of any such U.S. state or local Tax Returns, at least ten (10) days prior to the Due Date thereof. In the case where SpinCo is the Preparing Party, SpinCo shall consider in good faith any comments received at least fourteen (14) days prior to the Due Date for such Tax Return, in the case of Tax Returns other than U.S. state or local Tax Returns, and, in the case of any such U.S. state or local Tax Returns, at least five (5) days prior to the Due Date thereof, in each case with respect to items that would reasonably be expected to materially adversely affect the Tax position of the Reviewing Party. In the case where Parent is the Preparing Party, Parent shall consider in its sole and absolute discretion, any comments received at least fourteen (14) days prior to the Due Date for such Tax Return, in the case of Tax Returns other than U.S. state or local Tax Returns, and, in the case of any such U.S. state or local Tax Returns, at least five (5) days prior to the Due Date thereof, in each case with respect to items that would reasonably be expected to materially adversely affect the Tax position of the Reviewing Party.

3.4 Cooperation. The Parties shall provide, and shall cause their Affiliates to provide, assistance and cooperation to one another in accordance with Article VII with respect to the preparation and filing of Tax Returns, including providing information required to be provided under Article VIII. Notwithstanding anything to the contrary in this Agreement, Parent shall not be required to disclose to SpinCo any consolidated, combined, unitary or other similar Joint Return of which a member of the Parent Group is the common parent or any information related to such a Joint Return other than information relating solely to the SpinCo Group; provided, that, Parent shall provide such additional information that is reasonably required in order for SpinCo to determine the Taxes attributable to the SpinCo Business. If an amended Separate Return for State Taxes for which SpinCo is responsible under this Article III is required to be filed as a result of an amendment made to a Joint Return for U.S. federal income taxes pursuant to an audit Adjustment, then the Parties shall cooperate to ensure that such amended Separate Return can be prepared and filed in a manner that preserves confidential information including through the use of third party preparers.

3.5 Tax Reporting Practices. Except as provided in Section 3.6, any Tax Return for any Pre-Distribution Period or Straddle Period, to the extent it relates to members of the SpinCo Group, shall be prepared in accordance with practices, accounting methods, elections, conventions, transfer pricing and Tax positions used with respect to the Tax Return in question for periods prior to the Distribution (“Past Practices”), and, in the case of any item the treatment of which is not addressed by Past Practices, in accordance with generally acceptable Tax accounting practices. Notwithstanding the foregoing, for any Tax Return described in the preceding sentence, (i) a Party will not be required to follow Past Practices with either the written consent of the other Party (not to be unreasonably withheld, delayed or conditioned) or a “more likely than not” (or stronger) level opinion from a Tax Advisor that reporting in accordance with Past Practices is not correct and (ii) Parent shall, subject to applicable Law, have the right to determine in its sole and absolute discretion which entities will be included in any consolidated, combined, affiliated or unitary Tax Return that it is responsible for filing.

### 3.6 Reporting of Separation.

(a) The Tax treatment of any step in or portion of the Transactions shall be reported on each applicable Tax Return consistently with the Intended Tax Treatment, taking into account the jurisdiction in which such Tax Returns are filed.

(b) If Parent determines, in its sole and absolute discretion, that a protective election under Section 336(e) of the Code shall be made with respect to the Distribution, SpinCo shall take any such action that is necessary to effect such election, including any corresponding election with respect to any of its Subsidiaries, as determined by Parent in its sole and absolute discretion. If such a protective election is made, this Agreement shall be amended in such a manner as is determined by Parent in its sole and absolute discretion to compensate Parent for any Tax Benefits realized by SpinCo as a result of such election.

### 3.7 Payment of Taxes.

(a) With respect to any Tax Return required to be filed pursuant to this Agreement, the Responsible Party shall remit or cause to be remitted to the applicable Taxing Authority in a timely manner any Taxes due in respect of any such Tax Return.

(b) In the case of any Tax Return for which the Party that is not the Responsible Party is obligated pursuant to this Agreement to pay all or a portion of the Taxes reported as due on such Tax Return, the Responsible Party shall notify the other Party, in writing, of its obligation to pay such Taxes and, in reasonably sufficient detail, its calculation of the amount due by such other Party and the Party receiving such notice shall pay such amount to the Responsible Party upon the later of thirty (30) business days prior to the Due Date for such payment and thirty (30) business days after the receipt of such notice; provided, that, if any amount due to the Responsible Party cannot be calculated with accuracy prior to the applicable Due Date, the Responsible Party's notice shall set forth, and the Party that is not the Responsible Party shall pay, a reasonable estimate of such amount to the Responsible Party at such time, and shall pay any difference between the amount finally determined to be the amount due and the estimated amount within thirty (30) business days of receipt of written notice from the Responsible Party setting forth in reasonably sufficient detail the calculation of such final determination.

(c) With respect to any estimated Taxes, the Party that is or will be the Responsible Party with respect to any Tax Return that will reflect (or otherwise give credit for) such estimated Taxes shall remit or cause to be remitted to the applicable Taxing Authority in a timely manner any estimated Taxes due. In the case of any estimated Taxes for which the Party that is not the Responsible Party is obligated pursuant to this Agreement to pay all or a portion of the Taxes that will be reported as due on any Tax Return that will reflect (or otherwise give credit for) such estimated Taxes, the Responsible Party shall notify the other Party, in writing, of its obligation to pay such estimated Taxes and, in reasonably sufficient detail, its calculation of the amount due by such other Party and the Party receiving such notice shall pay such amount to the Responsible Party upon the later of thirty (30) business days prior to the Due Date for such payment and thirty (30) business days after the receipt of such notice.

### 3.8 Amended Returns and Carrybacks.

(a) SpinCo shall not, and shall not permit any member of the SpinCo Group to, file or allow to be filed any request for an Adjustment or any amended Tax Return for any Pre-Distribution Period without the prior written consent of Parent, such consent to be exercised in Parent's sole and absolute discretion; provided, that, if requested by Parent in its sole and absolute discretion, SpinCo shall file, or cause to be filed, a request for an Adjustment or an amended Tax Return, and shall, to the extent permitted by applicable Law, amend any financial account or statement to the extent necessary to effectuate such Adjustment or amended Tax Return, to claim a Refund to which Parent is entitled pursuant to this Agreement.

(b) SpinCo shall, and shall cause each member of the SpinCo Group to, make any available elections to waive the right to carry back any Tax Attribute from a Post-Distribution Period to a Pre-Distribution Period.

(c) SpinCo shall not, and shall cause each member of the SpinCo Group not to, without the prior written consent of Parent, make any affirmative election to carry back any Tax Attribute from a Post-Distribution Period to a Pre-Distribution Period, including by filing a claim for a refund or making any other filing with any Taxing Authority with respect to such carryback, such consent to be exercised in Parent's sole and absolute discretion.

(d) Receipt of consent by SpinCo or a member of the SpinCo Group from Parent pursuant to the provisions of this Section 3.8 shall not limit or modify SpinCo's continuing indemnification obligation pursuant to Article V.

3.9 Tax Attributes. Parent shall advise SpinCo in writing of the amount (if any) of any Tax Attributes which Parent determines, in its sole and absolute discretion, shall be allocated or apportioned to the SpinCo Group under applicable Law. SpinCo and all members of the SpinCo Group shall prepare all Tax Returns in accordance with such written notice. SpinCo shall not dispute Parent's determination of Tax Attributes. Parent shall provide (or otherwise make available) to SpinCo documentation maintained or prepared by Parent to support such Tax Attributes, provided that, for the avoidance of doubt, Parent shall not be required in order to comply with this Section 3.9 to create or cause to be created any books and records or reports or other documents based thereon (including "earnings & profits studies," "basis studies" or similar determinations) that it does not maintain or prepare in the ordinary course of business.

3.10 Gain Recognition Agreements. SpinCo will not take any action (including the sale or disposition of any stock, securities or other assets), or permit its Affiliates to take any such action, and SpinCo will not fail to take any action, or permit its Affiliates to fail to take any action, that would cause Parent or any of its Affiliates or SpinCo or any of its Affiliates to recognize gain under any Gain Recognition Agreement.

## ARTICLE IV – INTENDED TAX TREATMENT OF THE DISTRIBUTION

### 4.1 Representations and Warranties.

(a) Parent, on behalf of itself and all other members of the Parent Group, hereby represents and warrants that (i) it has examined the IRS Ruling Request, the Tax Opinions, the Representation Letters and any other materials delivered or deliverable in connection with the issuance of any IRS Ruling and the rendering of the Tax Opinions, in each case, as they exist as of the date hereof (collectively, the “Tax Materials”) and (ii) the facts presented and representations made therein, to the extent descriptive of or otherwise relating to Parent or any member of the Parent Group or the Parent Business, were at the time presented or represented and from such time until and including the Distribution Date, true, correct and complete in all material respects. Parent, on behalf of itself and all other members of the Parent Group, hereby confirms and agrees to comply with any and all covenants and agreements in the Tax Materials applicable to Parent or any member of the Parent Group or the Parent Business.

(b) SpinCo, on behalf of itself and all other members of the SpinCo Group, hereby represents and warrants that (i) it has examined the Tax Materials and (ii) the facts presented and representations made therein, to the extent descriptive of or otherwise relating to SpinCo or any member of the SpinCo Group or the SpinCo Business, were or will be, at the time presented or represented and from such time until and including the Distribution Date, true, correct and complete in all material respects. SpinCo, on behalf of itself and all other members of the SpinCo Group, hereby confirms and agrees to comply with any and all covenants and agreements in the Tax Materials applicable to SpinCo or any member of the SpinCo Group or the SpinCo Business.

(c) Each of Parent, on behalf of itself and all other members of the Parent Group, and SpinCo, on behalf of itself and all other members of the SpinCo Group, represents and warrants that it knows of no fact (after due inquiry) that may cause the Tax treatment of any of the Transactions to be other than the Intended Tax Treatment.

(d) Each of Parent, on behalf of itself and all other members of the Parent Group, and SpinCo, on behalf of itself and all other members of the SpinCo Group, represents and warrants that it has no plan or intent to take any action which is inconsistent with any statements or representations made in the Tax Materials.

### 4.2 Restrictions Relating to the Distribution.

(a) SpinCo, on behalf of itself and all other members of the SpinCo Group, hereby covenants and agrees that no member of the SpinCo Group will take, fail to take, or permit to be taken: (i) any action where such action or failure to act would be inconsistent with or cause to be untrue any statement, information, covenant or representation in the Tax Materials or (ii) any action which constitutes a SpinCo Disqualifying Action.

(b) During the Restricted Period, SpinCo:

(i) shall continue and cause to be continued and not approve or allow, or enter into any agreement, understanding or arrangement with respect to, the discontinuance, cessation, or sale or other transfer (to an Affiliate or otherwise) of, or a material change in or sale of the material assets of, any Active Business, other than sales in the ordinary course of business;

(ii) shall not voluntarily dissolve or liquidate or partially liquidate itself, approve or allow any liquidation, or partial liquidation of any of its Affiliates (including any action that is a liquidation for U.S. federal income tax purposes), or enter into any agreement, understanding or arrangement with respect to the foregoing, other than, in the case of any of its Affiliates, into any other Affiliate that is a member of the SpinCo “separate affiliated group” as defined in Section 355(b)(3)(B) of the Code;

(iii) shall not (1) enter into any Proposed Acquisition Transaction or, to the extent SpinCo has the right or ability to prevent or prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur, (2) redeem or otherwise repurchase (directly or through an Affiliate) any stock, or rights to acquire stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48), (3) amend its certificate of incorporation (or other organizational documents), issue a new class of non-voting stock, or take any other action, whether through a stockholder vote or otherwise, affecting the relative voting rights of its Capital Stock (including through the conversion of any Capital Stock into another class of Capital Stock), (4) (A) merge or consolidate with any other Person or (B) allow any of its Affiliates to merge or consolidate with any other Person other than any other Affiliate that is a member of the SpinCo “separate affiliated group” as defined in Section 355(b)(3)(B) of the Code or (5) take any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any representation made in the Tax Materials) that in the aggregate would, when combined with any other direct or indirect changes in ownership of SpinCo Capital Stock pertinent for purposes of Section 355(e) of the Code, have the effect of causing or permitting one or more Persons (whether or not acting in concert) to acquire directly or indirectly stock representing a forty percent (40%) or greater interest in SpinCo or would reasonably be expected to result in a failure to preserve, achieve or maintain the Intended Tax Treatment, or enter into any agreement, understanding or arrangement with respect to any of the foregoing;

(iv) shall not and shall not permit any member of the SpinCo Group, to sell, transfer or otherwise dispose of (including in any transaction treated for U.S. federal income tax purposes as a sale, transfer or disposition) assets (including any shares of Capital Stock of a Subsidiary) that, in the aggregate, constitute more than twenty percent (20%) of the consolidated gross assets of SpinCo or the SpinCo Group, or enter into (or permit any member of the SpinCo Group to enter into) any agreement, understanding or arrangement with respect to the foregoing. The foregoing sentence shall not apply to (1) sales, transfers or dispositions of assets in the ordinary course of business or to members of the SpinCo “separate affiliated group” as defined in Section 355(b)(3)(B) of the Code, (2) any cash paid to acquire assets from an unrelated Person in an arm’s-length transaction, (3) any assets transferred to a Person that is disregarded as an entity separate from the transferor for U.S. federal income tax purposes or (4) any mandatory or optional repayment (or pre-payment) of any indebtedness of SpinCo or any member of the SpinCo Group. The percentages of gross assets or consolidated gross assets of SpinCo or the SpinCo Group, as the case may be, sold, transferred or otherwise disposed of, shall be based on the fair market value of the gross assets of SpinCo and the members of the SpinCo Group as of the Distribution Date. For purposes of this Section 4.2(b)(iv), a merger of SpinCo or one of its Subsidiaries with and into any Person that is not a wholly owned Subsidiary of SpinCo shall constitute a disposition of all of the assets of SpinCo or such Subsidiary;

(v) shall, if any member of the SpinCo Group proposes to enter into any transaction or series of transactions that is not a Proposed Acquisition Transaction but would be a Proposed Acquisition Transaction if the percentage reflected in the definition of Proposed Acquisition Transaction were thirty percent (30%) instead of forty percent (40%) (a “Section 4.2(b)(v) Acquisition Transaction”) or, to the extent SpinCo has the right or ability to prevent or prohibit any Section 4.2(b)(v) Acquisition Transaction, proposes to permit any Section 4.2(b)(v) Acquisition Transaction to occur, in each case, provide Parent, no later than ten (10) business days following the signing of any written agreement with respect to the Section 4.2(b)(v) Acquisition Transaction, a written description of such transaction (including the type and amount of stock of SpinCo to be issued in such transaction) and a certificate of the board of directors of SpinCo to the effect that the Section 4.2(b)(v) Acquisition Transaction is not a Proposed Acquisition Transaction; and

(vi) shall not cause or permit any member of the SpinCo Group identified on Schedule B as either a “distributing corporation” or a “controlled corporation” (within the meaning of Section 355(b) of the Code) in any Transaction other than the Distribution to take any action or enter into any transaction described in clauses (2), (3), (4) or (5) of Section 4.2(b)(iii) or in Section 4.2(b)(iv) (in each case, substituting references therein to “SpinCo”, the “SpinCo Group” and “SpinCo Capital Stock” with references to the relevant corporation, the relevant corporation and its Subsidiaries and the Capital Stock of such corporation, respectively).

(c) Notwithstanding the restrictions imposed by Section 4.2(b), SpinCo or a member of the SpinCo Group may take any of the actions or transactions described therein if (i) SpinCo shall have requested that Parent obtain a private letter ruling (including a supplemental ruling, if applicable) from the IRS (a “Post-Distribution Ruling”) in accordance with Section 4.3(b) to the effect that such transaction will not affect the Intended Tax Treatment, and Parent shall have received such a Post-Distribution Ruling and shall have notified SpinCo in writing that Parent has determined that such Post-Distribution Ruling is in form and substance satisfactory to Parent in its sole and absolute discretion or (ii) both (A) SpinCo obtains an Unqualified Tax Opinion with respect thereto and (B) Parent notifies SpinCo in writing that Parent has determined that such Unqualified Tax Opinion is in form and substance satisfactory to Parent in its sole and absolute discretion. Parent’s evaluation of a Post-Distribution Ruling or an Unqualified Tax Opinion may consider, among other factors, the appropriateness of any underlying assumptions, representations and covenants made in connection with such ruling or opinion as well as any other factors, circumstances, considerations or concerns that Parent determines in its sole and absolute discretion are relevant. SpinCo shall bear all costs and expenses of securing any such Post-Distribution Ruling or Unqualified Tax Opinion and shall, as set forth in Section 4.3(b) below, reimburse Parent for all reasonable out-of-pocket expenses that Parent or any of its Affiliates may incur in good faith in seeking to obtain or evaluate any such Post-Distribution Ruling or Unqualified Tax Opinion. None of the obtaining of a Post-Distribution Ruling, the delivery of an Unqualified Tax Opinion or Parent’s waiver of SpinCo’s obligation to deliver a Post-Distribution Ruling or an Unqualified Tax Opinion shall limit or modify SpinCo’s continuing indemnification obligation pursuant to Article V.

#### 4.3 Additional Procedures Regarding Post-Distribution Rulings and Unqualified Tax Opinions.

(a) If SpinCo determines that it desires to take one of the actions described in Section 4.2(b) (a “Notified Action”), SpinCo shall notify Parent of this fact in writing.

(b) Post-Distribution Rulings or Unqualified Tax Opinions at SpinCo’s Request. Unless Parent shall have waived the requirement to obtain such Post-Distribution Ruling or Unqualified Tax Opinion, upon the reasonable request of SpinCo pursuant to Section 4.2(c)(i), Parent shall use commercially reasonable efforts in cooperating with SpinCo and in seeking to obtain, as expeditiously as possible, a Post-Distribution Ruling from the IRS (and/or any other applicable Taxing Authority) or an Unqualified Tax Opinion for the purpose of permitting SpinCo to take the Notified Action, subject in all respects to the provisions of Section 4.2. Notwithstanding the foregoing, Parent shall not be required to file or cooperate in the filing of any request for a Post-Distribution Ruling under this Section 4.3(b) unless SpinCo represents that (A) it has reviewed such request for a Post-Distribution Ruling, and (B) all statements, information and representations relating to any member of the SpinCo Group contained in such request for a Post-Distribution Ruling are (subject to any qualifications therein) true, correct and complete. SpinCo shall reimburse Parent for all reasonable costs and expenses, including out-of-pocket expenses and expenses relating to the utilization of Parent personnel, incurred by the Parent Group in obtaining a Post-Distribution Ruling or Unqualified Tax Opinion requested by SpinCo within thirty (30) business days after receiving an invoice from Parent therefor.

(c) Post-Distribution Rulings or Unqualified Tax Opinions at Parent’s Request. Parent shall have the right to obtain a Post-Distribution Ruling or an Unqualified Tax Opinion at any time in its sole and absolute discretion. If Parent determines in its sole and absolute discretion to obtain a Post-Distribution Ruling or an Unqualified Tax Opinion, SpinCo shall (and shall cause each Affiliate of SpinCo to) cooperate with Parent and take any and all actions reasonably requested by Parent in connection with obtaining the Post-Distribution Ruling or Unqualified Tax Opinion (including by making any representation or covenant or providing any materials or information requested by the IRS, any other applicable Taxing Authority or a Tax Advisor; provided, that, SpinCo shall not be required to make (or cause any Affiliate of SpinCo to make) any representation or covenant that is inconsistent with historical facts or as to future matters or events over which matters or events it has no control). Parent shall reimburse SpinCo for all reasonable costs and expenses, including out-of-pocket expenses and expenses relating to the utilization of SpinCo personnel, incurred by the Parent Group in connection with such cooperation within thirty (30) business days after receiving an invoice from SpinCo therefor.

(d) Parent shall have sole and exclusive control over the process of obtaining any Post-Distribution Ruling, and only Parent shall be permitted to apply for a Post-Distribution Ruling. In connection with obtaining a Post-Distribution Ruling, Parent shall (A) keep SpinCo informed in a timely manner of all material actions taken or proposed to be taken by Parent in connection therewith; (B) (1) reasonably in advance of the submission of any request for any Post-Distribution Ruling provide SpinCo with a draft copy thereof, (2) reasonably consider SpinCo comments on such draft copy, and (3) provide SpinCo with a final copy of such Post-Distribution Ruling; and (C) provide SpinCo with notice reasonably in advance of, and SpinCo shall have the right to attend, any formally scheduled meetings with the

IRS or other applicable Taxing Authority (subject to the approval of the IRS or such Taxing Authority) that relate to such Post-Distribution Ruling. Neither SpinCo nor any Affiliate of SpinCo directly or indirectly controlled by SpinCo shall seek any guidance from the IRS or any other Taxing Authority (whether written, oral or otherwise) at any time concerning the Transactions (including the impact of any transaction on the Transactions).

(e) Any Post-Distribution Ruling or Unqualified Tax Opinion obtained in accordance with Section 4.2(c) and Section 4.3 shall be deemed included in the definition of Tax Materials from and after the obtaining thereof for all purposes of this Agreement.

## ARTICLE V – INDEMNITY OBLIGATIONS

### 5.1 Indemnity Obligations.

(a) Parent shall indemnify and hold harmless SpinCo from and against, and will reimburse SpinCo for, (i) all liability for Taxes allocated to Parent pursuant to Article II, (ii) all Tax Related Costs and Expenses allocated to Parent pursuant to Section 6.7, (iii) all Taxes, Tax Related Costs and Expenses and Tax Related Losses (without duplication) to the extent arising out of, based upon, or relating or attributable to any breach of or inaccuracy in, or failure to perform, as applicable, any representation, covenant or obligation of any member of the Parent Group pursuant to this Agreement and (iv) the amount of any Refund received by any member of the Parent Group that is allocated to SpinCo pursuant to Section 2.5(a).

(b) Without regard to whether a Post-Distribution Ruling or an Unqualified Tax Opinion may have been provided or whether any action is permitted or consented to hereunder and notwithstanding anything to the contrary in this Agreement, SpinCo shall indemnify and hold harmless Parent from and against, and will reimburse Parent for, (i) all liability for Taxes allocated to SpinCo pursuant to Article II, (ii) all Tax Related Costs and Expenses allocated to SpinCo pursuant to Section 6.7, (iii) all liability for Taxes, Tax Related Costs and Expenses and Tax Related Losses (without duplication) arising out of, based upon, or relating or attributable to any breach of or inaccuracy in, or failure to perform, as applicable, any representation, covenant or obligation of any member of the SpinCo Group pursuant to this Agreement, (iv) the amount of any Refund received by any member of the SpinCo Group that is allocated to Parent pursuant to Section 2.5(a) and (v) any Distribution Taxes and Tax Related Losses attributable to a Prohibited Act, or otherwise attributable to a SpinCo Disqualifying Action (regardless of whether the conditions set forth in Section 4.2(c) are satisfied). To the extent that any Tax, Tax Related Costs and Expenses or Tax Related Loss is subject to indemnity pursuant to both Section 5.1(a) and Section 5.1(b), responsibility for such Tax, Tax Related Costs and Expenses or Tax Related Loss shall be shared by Parent and SpinCo according to relative fault as determined by Parent in its sole and absolute discretion. The amount of any liability for Taxes which are indemnifiable pursuant to this Section 5.1(b)(iii) and (v) shall be determined, in Parent's sole and absolute discretion, without regard to any Tax Attributes of the Parent Group or the Parent Business.



## 5.2 Indemnification Payments.

(a) Except as otherwise provided in this Agreement, if either Party (the “Indemnitee”) is required to pay to a Taxing Authority a Tax or to another Person a payment in respect of a Tax, Tax Related Costs and Expenses or Tax Related Loss that the other Party (the “Indemnifying Party”) is liable for under this Agreement, including as the result of a Final Determination, the Indemnitee shall notify the Indemnifying Party, in writing, of its obligation to pay such Tax, Tax Related Costs and Expenses or Tax Related Loss and, in reasonably sufficient detail, its calculation of the amount due by such Indemnifying Party to the Indemnitee. The Indemnifying Party shall pay such amount, including any Tax Related Costs and Expenses or Tax Related Losses, to the Indemnitee no later than the later of (i) thirty (30) business days prior to the Due Date for such payment to the applicable Taxing Authority or (ii) thirty (30) business days after the receipt of notice from the other Party.

(b) If, as a result of any change or redetermination, any amount previously allocated to and borne by one Party pursuant to the provisions of Article II is thereafter allocated to the other Party, then, no later than thirty (30) business days after such change or redetermination, each other Party shall pay to such Party the amount previously borne by such Party which is allocated to such other Party as a result of such change or redetermination.

(c) If a Party incurs a Tax Liability as a result of its receipt of a payment pursuant to this Agreement or the Separation Agreement, such payment shall be appropriately adjusted so that the amount of such payment, reduced by the amount of all Taxes payable with respect to the receipt thereof (but taking into account all correlative Tax Benefits resulting from the payment of such Taxes), shall equal the amount of the payment which the Party receiving such payment would otherwise be entitled to receive.

## 5.3 Payment Mechanics.

(a) All payments under this Agreement shall be made by Parent directly to SpinCo and by SpinCo directly to Parent; provided, however, that if the Parties mutually agree with respect to any such indemnification payment, any member of the Parent Group, on the one hand, may make such indemnification payment to any member of the SpinCo Group, on the other hand, and vice versa. All indemnification payments shall be treated in the manner described in Section 5.4.

(b) In the case of any payment of Taxes made by a Responsible Party or Indemnitee pursuant to this Agreement for which such Responsible Party or Indemnitee, as the case may be, has received a payment from the other Party, such Responsible Party or Indemnitee shall provide to the other Party a copy of any official government receipt received with respect to the payment of such Taxes to the applicable Taxing Authority (or, if no such official governmental receipts are available, executed bank payment forms or other reasonable evidence of payment).

5.4 Treatment of Payments. The Parties agree that any payment made among the Parties pursuant to this Agreement shall be treated, to the extent permitted by Law, for all U.S. income tax purposes as either (i) a non-taxable contribution by Parent to SpinCo or (ii) a distribution by SpinCo to Parent, and, with respect to any payment made among the Parties pursuant to this Agreement after the Distribution, such payment shall be treated as having been made immediately prior to the Distribution. Notwithstanding the foregoing, the Parties agree to treat any payment which, pursuant to the proviso of Section 5.3(a), is to be made or received by a Party's Subsidiary as a series of deemed distributions or deemed contributions, as applicable, for all Tax purposes.

## ARTICLE VI – TAX CONTESTS

6.1 Notice. Each Party shall notify the other Party in writing (i) within thirty (30) days after receipt by such Party or any member of its Group of a written communication from any Taxing Authority with respect to any pending or threatened audit, claim, dispute, suit, action, proposed assessment or other proceeding (a "Tax Contest") concerning any Taxes for which the other Party may be liable pursuant to this Agreement, or (ii) at least ten (10) days prior to any deadline to respond to any such communication from any Taxing Authority with respect to such a Tax Contest, whichever is earlier, and thereafter shall promptly forward or make available to such Party copies of notices and communications relating to such Tax Contest.

### 6.2 Separate Returns.

(a) In the case of any Tax Contest with respect to any Separate Return other than a Separate Return in respect of a Straddle Period, the Party having the liability for the Tax pursuant to Article II hereof shall have the sole responsibility and right to control the prosecution of such Tax Contest, including the exclusive right to communicate with agents of the applicable Taxing Authority and to control, resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of such Tax Contest.

(b) In the case of any Tax Contest with respect to any Separate Return in respect of a Straddle Period, Parent shall have the responsibility and right to control the prosecution of such Tax Contest; provided, that, Parent may elect that SpinCo be responsible for the conduct of such Tax Contest (or portion thereof), but, in such case, SpinCo may not take any position in such Tax Contest inconsistent with any position taken by Parent on a relevant U.S. federal Tax Return or Joint Return unless and until there has been a Final Determination that such latter position is not correct; provided, further, the other Party shall have the right to participate, at its own expense, and the controlling Party shall not have the right to resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of such Tax Contest without the consent of the other Party, not to be unreasonably withheld, delayed or conditioned.

6.3 Joint Return. In the case of any Tax Contest with respect to any Joint Return, the Preparing Party shall have the responsibility and right to control the prosecution of such Tax Contest, including the exclusive right to communicate with agents of the applicable Taxing Authority and to control, resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted, or assessed in connection with or as a result of such Tax Contest. Notwithstanding the foregoing, (i) to the extent a portion of any such Tax Contest controlled by Parent relates to a Tax liability allocated to SpinCo pursuant to Schedule A, SpinCo shall have

the right to be notified of any material written communication asserting a Tax liability for which the SpinCo Group could reasonably be expected to be liable hereunder, as determined by Parent in its sole and absolute discretion, provided, that, Parent shall have the right to resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of such portion of the Tax Contest in its sole and absolute discretion, (ii) to the extent a portion of any such Tax Contest controlled by SpinCo relates to a Tax liability allocated to Parent, Parent shall have the right to be notified of any material written communication asserting a Tax liability for which the Parent Group could reasonably be expected to be liable hereunder, as determined by Parent in its sole and absolute discretion, Parent shall have the right to participate in such portion of such Tax Contest, and SpinCo shall not resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of such portion of the Tax Contest without the prior written consent of Parent, such consent to be exercised in Parent's sole and absolute discretion and (iii) to the extent a portion of any such Tax Contest controlled by Parent with respect to a Joint Return with respect to Non-U.S. Taxes relates to a matter which was customarily controlled by a member of the SpinCo Group, as determined by Parent in its sole and absolute discretion, then Parent may elect that SpinCo shall be responsible for conduct of such portion of such Tax Contest and, notwithstanding anything to the contrary in Section 6.7, any expenses related thereto, including expenses relating to supporting transfer pricing analysis.

6.4 Transaction Related Tax Contests. Notwithstanding anything to the contrary in Section 6.2 or Section 6.3, in the case of any Transaction Related Tax Contest, Parent shall have the sole and absolute responsibility and right to control the prosecution of such Tax Contest, including the exclusive right to communicate with agents of the applicable Taxing Authority and to control, resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted, or assessed in connection with or as a result of such Tax Contest; provided, that, to the extent any Transaction Related Tax Contest relates to a SpinCo Separate Return in respect of a Tax Period beginning after the Distribution Date, such responsibilities and rights of Parent shall be limited to the portion of such Transaction Related Tax Contest related to the Intended Tax Treatment of or the amount of Taxes imposed in respect of any of the Transactions. Notwithstanding anything to the contrary in Section 6.6, the final determination of the positions taken, including with respect to settlement or other disposition, in any Transaction Related Tax Contest (taking into account the proviso to the first sentence of this Section 6.4) shall be made in the sole and absolute discretion of Parent and shall be final and not subject to the dispute resolution provisions of Section 9.1 or Section 9.2 of this Agreement or Section 11.02, Section 11.03 or Section 11.05 of the Separation Agreement.

6.5 Obligation of Continued Notice. During the pendency of any Tax Contest or threatened Tax Contest, each of the Parties shall provide prompt notice to the other Party of any written communication received by it or a member of its respective Group from a Taxing Authority regarding any Tax Contest for which it is indemnified by the other Party hereunder or for which it may be required to indemnify the other Party hereunder. Such notice shall attach copies of the pertinent portion of any written communication from a Taxing Authority and contain factual information (to the extent known) describing any asserted Tax Liability in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Taxing Authority in respect of any such matters. Such notice shall be provided in a reasonably timely fashion; provided, however, that in the event that timely notice is not provided, a Party shall be relieved of its obligation to indemnify the other Party only to the extent that such delay results in actual increased costs or actual prejudice to such other Party.

## 6.6 Tax Contest Rights.

(a) Unless waived by the Parties in writing, in connection with any potential adjustment in a Tax Contest as a result of which adjustment the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment to the Controlling Party under this Agreement: (i) the Controlling Party shall keep the Non-Controlling Party informed in a timely manner of all material actions taken or proposed to be taken by the Controlling Party with respect to such potential adjustment in such Tax Contest; (ii) the Controlling Party shall timely provide the Non-Controlling Party with copies of any correspondence or filings submitted to any Taxing Authority or judicial authority in connection with such potential adjustment in such Tax Contest; and (iii) the Controlling Party shall defend such Tax Contest diligently and in good faith. The failure of the Controlling Party to take any action specified in the preceding sentence with respect to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability and/or obligation which it may have to the Controlling Party under this Agreement, and in no event shall such failure relieve the Non-Controlling Party from any other liability or obligation which it may have to the Controlling Party.

(b) Consistent Treatment. Unless and until there has been a Final Determination to the contrary, each Party agrees not to take any position on any Tax Return, in connection with any Tax Contest or otherwise that is inconsistent with (i) the treatment of payments between the Parent Group and the SpinCo Group as set forth in Section 5.4, (ii) the Tax Materials or (iii) the Intended Tax Treatment.

6.7 Costs and Expenses. Except to the extent provided otherwise in this Agreement, the Party to which the Tax liability related to a Tax Contest is (or would be) allocated, as determined by Parent in its sole and absolute discretion, shall be responsible for all Tax Related Costs and Expenses incurred in connection with such Tax Contest, regardless of which Party is responsible for the conduct of such Tax Contest; provided that in the event such Tax liability is allocated to both Parties, such Tax Related Costs and Expenses shall be allocated to the Parties in such manner as the Parent determines in its sole and absolute discretion.

## ARTICLE VII – COOPERATION

### 7.1 General.

(a) Each Party shall fully cooperate, and shall cause all members of such Party's Group to fully cooperate, with all reasonable requests in writing from the other Party, or from an agent, representative or advisor to such Party, in connection with the preparation and filing of any Tax Return, claims for Refunds, the conduct of any Tax Contest (including, for the avoidance of doubt, providing assistance to respond to information requests from any Taxing Authority), and calculations of amounts required to be paid pursuant to this Agreement, in each case, related or attributable to or arising in connection with Taxes of either Party or any member of either Party's Group covered by this Agreement or otherwise relating to

the SpinCo Business for any Pre-Distribution Period and the establishment of any reserve required in connection with any financial reporting (a “Tax Matter”). Such cooperation shall include making available, upon reasonable notice, all information and documents in their possession relating to the other Party and its respective Affiliates as provided in this Article VII and Article VIII. Each Party shall make its employees, advisors and facilities available, without charge, on a reasonable and mutually convenient basis in connection with the foregoing matters in a manner that does not interfere with the ordinary business operations of such Party. The Parties shall use commercially reasonable efforts to provide any information or documentation requested by the other Party in a manner that permits the other Party (or its Affiliates) to comply with Tax Return filing deadlines or other applicable timing requirements.

(b) Any information or documents provided under this Section 7.1 shall be kept confidential by the Party receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any Tax Contest. Notwithstanding any other provision of this Agreement or any other agreement, (i) no Party or any of its Affiliates shall be required to provide another Party or any Affiliate thereof or any other Person access to or copies of any information or procedures (including the proceedings of any Tax Contest) other than information or procedures that reasonably relate to the Taxes (including any Taxes for which the first Party is liable under this Agreement), business or assets of the first Party or any of its Affiliates or are necessary to prepare Tax Returns for which the first Party is responsible for preparing the applicable Tax Return in accordance with the terms of this Agreement, (ii) in no event shall any Party or its Affiliates be required to provide another Party, any of its Affiliates or any other Person access to or copies of any information if such action could reasonably be expected to result in the waiver of any Privilege, and (iii) for the avoidance of doubt, Section 7.08 of the Separation Agreement shall apply with respect to matters of Privilege. In addition, in the event that a Party determines that the provision of any information to another Party or any of its Affiliates could be commercially detrimental, violate any Law or agreement or waive any Privilege, the first Party shall use reasonable best efforts to permit compliance with its obligations under this Section 7.1 in a manner that avoids any such harm or consequence.

7.2 Return Information. SpinCo and Parent acknowledge that time is of the essence in relation to any request for information, assistance or cooperation made by Parent or SpinCo pursuant to Section 7.1 or this Section 7.2. Each Party shall provide to the other Parties information and documents relating to its Group reasonably required by the other Parties to prepare Tax Returns. Any information or documents a Party responsible for preparing a Tax Return in accordance with the terms of this Agreement requires to prepare such Tax Returns shall be provided in such form as such Party reasonably requests and in sufficient time for such Party to prepare such Tax Returns on a timely basis.

## **ARTICLE VIII – RETENTION OF RECORDS; ACCESS**

8.1 Retention of Records. For so long as the contents thereof may become material in the administration of any matter under applicable Tax Law, but in any event until the later of (i) sixty (60) days after the expiration of any applicable statutes of limitation (including any waivers or extensions thereof) and (ii) ten (10) years after the Distribution Date, the Parties shall retain records, documents, accounting data and other information (including computer data)

necessary for the preparation and filing of all Tax Returns (collectively, “Tax Records”) in respect of Taxes of any member of either the Parent Group or the SpinCo Group for any Pre-Distribution Period or Post-Distribution Period or for any Tax Contests relating to such Tax Returns. At any time after the Distribution Date when the Parent Group proposes to destroy any Tax Records that pertain to SpinCo in Parent’s sole and absolute discretion, Parent shall first notify SpinCo in writing at least sixty (60) days prior to the destruction of such Tax Records and the SpinCo Group shall be entitled to receive such records or documents proposed to be destroyed. At any time after the Distribution Date when the SpinCo Group proposes to destroy any Tax Records, SpinCo shall first notify Parent in writing at least sixty (60) days prior to the destruction of such Tax Records and the Parent Group shall be entitled to receive such records or documents proposed to be destroyed. The Parties will notify each other in writing of any waivers or extensions of the applicable statute of limitations that may affect the period for which the foregoing records or other documents must be retained.

8.2 Access to Tax Records. The Parties and their respective Affiliates shall make available to each other for inspection and copying during normal business hours upon reasonable notice all Tax Records (including, for the avoidance of doubt, any pertinent underlying data accessed or stored on any computer program or information technology system) in their possession and shall permit the other Party and its Affiliates, authorized agents and representatives and any representative of a Taxing Authority or other Tax auditor direct access, during normal business hours upon reasonable notice to any computer program or information technology system used to access or store any Tax Records, in each case to the extent reasonably required by the other Party in connection with the preparation of Tax Returns or financial accounting statements, audits, litigation or the resolution of items pursuant to this Agreement. The Party seeking access to the records of the other Party shall bear all costs and expenses associated with such access, including any professional fees.

## ARTICLE IX – DISPUTE RESOLUTION

9.1 Tax Disputes. Subject to Section 9.3, Section 9.4 and Section 9.5, this Section 9.1 shall govern the resolution of any dispute between the Parties as to any matter covered by this Agreement that primarily relates to the interpretation of Tax Law, as determined by Parent in its sole and absolute discretion (a “Tax Advisor Dispute”). The Party raising the Tax Advisor Dispute shall give written notice of the Tax Advisor Dispute (a “Tax Advisor Dispute Notice”), and the tax directors of the Parties (or such other individuals designated by the respective general counsels) and/or the executive officers designated by the Parties shall negotiate for a reasonable period of time to settle such Tax Advisor Dispute; provided, that, such reasonable period shall not, unless otherwise agreed by the Parties in writing, exceed thirty (30) days (the “Negotiation Period”) from the time of receipt of the Tax Advisor Dispute Notice; provided, further, that (x) the Parties shall not assert the defenses of statute of limitations, laches or any other defense, in each such case based on the passage of time during the Negotiation Period, and (y) any contractual time period or deadline under this Agreement relating to such Tax Advisor Dispute occurring after the Tax Advisor Dispute Notice is received shall not be deemed to have passed until the procedures described in this Section 9.1 have been resolved. If the Tax Advisor Dispute has not been resolved for any reason after the Negotiation Period, Parent shall, in its sole and absolute discretion, appoint a nationally recognized independent public accounting firm (the “Accounting Firm”) to resolve such dispute.

In this regard, the Accounting Firm shall make determinations with respect to the Tax Advisor Dispute based solely on representations made by Parent, SpinCo and their respective representatives, and not by independent review, and shall function only as an expert and not as an arbitrator and shall be required to make a determination in favor of one Party only. The Parties shall require the Accounting Firm to resolve all Tax Advisor Disputes no later than thirty (30) days after the submission of such Tax Advisor Dispute to the Accounting Firm, but in no event later than the Due Date of Taxes or the filing of the applicable Tax Return, if applicable, and agree that all decisions by the Accounting Firm with respect thereto shall be final and conclusive and binding on the Parties. The Accounting Firm shall resolve all Tax Advisor Dispute in a manner consistent with this Agreement and, to the extent not inconsistent with this Agreement, in a manner consistent with the Past Practices of Parent and its Subsidiaries, except as otherwise required by applicable Law. The Parties shall require the Accounting Firm to render all determinations in writing and to set forth, in reasonable detail, the basis for such determination. The fees and expenses of the Accounting Firm shall be borne equally by the Parties, and the parties agree to waive any objection to the naming of the Accounting Firm or the determination of the Accounting Firm based on actual or alleged conflicts of interest.

9.2 Legal Disputes. Subject to Section 9.1, Section 9.3, Section 9.4 and Section 9.5, in the event of any claim, controversy, demand or request for relief of any kind arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity or breach of this Agreement or otherwise arising out of or related to this Agreement (a “Dispute”), then the Party raising the Dispute shall give written notice of the Dispute, and the Parties shall work together in good faith to resolve any such Dispute within thirty (30) days of such notice. If any Dispute is not so resolved, then a senior executive of each Party shall, in good faith, attempt to resolve any such Dispute within the following thirty (30) days of the referral of the matter to the senior executives. If no resolution is reached with respect to any such Dispute, the Dispute shall be resolved in accordance with the procedures contained in Section 11.03, Section 11.04 and Section 11.05 of the Separation Agreement.

9.3 Injunctive Relief. Nothing in this Article IX shall prevent Parent from seeking injunctive relief to enforce the procedures provided for in Section 9.1 if any delay resulting from the efforts to resolve the Tax Advisor Dispute through the Accounting Firm could result in serious and irreparable injury to Parent. Notwithstanding anything to the contrary in this Agreement or the Separation Agreement (or any Ancillary Agreement), Parent and SpinCo are the only members of their respective Groups entitled to commence a dispute resolution procedure under this Agreement, and each of Parent and SpinCo will cause its respective Group members not to commence any dispute resolution procedure other than through Parent or SpinCo, as applicable, as provided in this Article IX.

9.4 Specific Performance. Notwithstanding anything to the contrary in this Agreement or the Separation Agreement (or any Ancillary Agreement), in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of Section 4.1(b), Section 4.2(a) or Section 4.2(b) by SpinCo, Parent shall have the right, without first pursuing the procedures provided for in Section 9.1 and Section 9.2, to specific performance, declaratory relief and injunctive or other equitable relief (on a permanent, emergency, temporary, preliminary or interim basis) of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and

remedies shall be cumulative. SpinCo shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. SpinCo agrees that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss, and waives any defense in any action by Parent for specific performance that a remedy at Law would be adequate. SpinCo also waives any requirements that Parent secure or post any bond or similar security with respect to such remedy.

9.5 Venue for Injunctive Relief and Specific Performance Claims by Parent. Notwithstanding anything to the contrary in this Agreement or the Separation Agreement (or any Ancillary Agreement), Parent may bring any claim for specific performance, declaratory relief and injunctive or other equitable relief (on a permanent, emergency, temporary, preliminary or interim basis) under Section 9.3 or Section 9.4 of this Agreement (a “Chosen Court Claim”) either (a) pursuant to the procedures contained in Section 11.03, Section 11.04 and Section 11.05 of the Separation Agreement or (b) at Parent’s sole and absolute discretion, in the Delaware Court of Chancery (or, if the Delaware Court of Chancery shall be unavailable, any Delaware State court or the federal court sitting in the State of Delaware) (the “Chosen Courts”). SpinCo irrevocably consents and agrees, on behalf of itself and each SpinCo Group member, to the jurisdiction, forum and venue of the Chosen Courts for a Chosen Court Claim, and agrees that it shall not assert, and shall hereby waive, any claim or right or defense that it is not subject to the jurisdiction of the Chosen Courts, that the venue is improper, that the forum is inconvenient, that the Chosen Court Claim should instead be arbitrated by agreement of Parent or operation of law, or any similar objection, claim or argument.

## ARTICLE X – MISCELLANEOUS PROVISIONS

10.1 Conflicting Agreements. In the event and to the extent that there shall be a conflict between the provisions of this Agreement and the provisions of the Separation Agreement, this Agreement shall control with respect to the subject matter thereof; provided, however, for the avoidance of doubt that Section 2.07 of the Separation Agreement shall apply mutatis mutandis to this Agreement.

10.2 Specified Matters. Notwithstanding anything to the contrary in this Agreement, the matters specified in Schedule A shall in addition be subject to the provisions of Schedule A, which shall govern in the event of any conflict between the provisions of Schedule A and any provision in this Agreement.

10.3 Interest on Late Payments. With respect to any payment between the Parties pursuant to this Agreement not made by the due date set forth in this Agreement for such payment, the outstanding amount will accrue interest at a rate per annum equal to the rate in effect for underpayments under Section 6621 of the Code from such due date to and including the payment date.

10.4 Counterparts. This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and scanned and exchanged by electronic mail, and such facsimile or PDF signature or scanned and exchanged copies shall constitute an original for all purposes.



10.5 Successors. This Agreement shall be binding on and inure to the benefit of any successor by merger, acquisition of assets or otherwise, to any of the parties hereto, to the same extent as if such successor had been an original party to this Agreement.

10.6 Application to Present and Future Subsidiaries. This Agreement is being entered into by Parent and SpinCo on behalf of themselves and the members of their respective Group. This Agreement shall constitute a direct obligation of each such Party and shall be deemed to have been readopted and affirmed on behalf of any entity that becomes a Subsidiary of Parent or SpinCo in the future.

10.7 Governing Law. This Agreement and any disputes relating to, arising out of or resulting from this Agreement, including to its execution, performance, or enforcement, shall be governed by, and construed and enforced in accordance with, the Laws of the State of Delaware, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof or of any jurisdiction.

10.8 Assignability. Except as set forth in Section 2.07 of the Separation Agreement, neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of Law or otherwise by either Party without the prior written consent of the other Party. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns. Notwithstanding the foregoing, if any Party to this Agreement (or any of its successors or permitted assigns) (a) shall enter into a consolidation or merger transaction in which such Party is not the surviving entity and the surviving entity acquires or assumes all or substantially all of such Party's assets or (b) shall transfer all or substantially all of such Party's assets to any Person, then, in each such case, the assigning Party (or its successors or permitted assigns, as applicable) shall ensure that the assignee or successor-in-interest expressly assumes in writing all of the obligations of the assigning Party under this Agreement, and the assigning Party shall not be required to seek consent, but shall provide written notice and evidence of such assignment, assumption or succession to the non-assigning Party. No assignment permitted by this Section 10.8 shall release the assigning Party from liability for the full performance of its obligations under this Agreement.

10.9 Further Assurances. Subject to the provisions hereof, the Parties hereto shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered, such other instruments and documents, and take or do, or cause to be taken or done, all such other actions and all things reasonably necessary, proper or advisable under applicable Laws and agreements to effectuate the provisions and purposes of this Agreement and to consummate and make effective the transactions contemplated hereby.

10.10 Survival. Notwithstanding anything to the contrary in this Agreement, all representations, covenants and obligations contained in this Agreement shall survive until the expiration of the applicable statute of limitations with respect to any such matter (including extensions thereof).

10.11 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court or arbitrator of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances, or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court or arbitrator determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

10.12 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party. Any decision by any Party to waive or to not waive any provision of this Agreement is in such Party's sole and absolute discretion.

10.13 Headings. The article, section and paragraph headings contained in this Agreement, including in the table of contents of this Agreement, are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

10.14 Waivers of Default. No failure or delay of any Party (or the applicable member of its Group) in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

10.15 Continuity of Service and Performance. Unless otherwise agreed in writing, the Parties shall continue to provide services and honor all other commitments under this Agreement, each other Ancillary Agreement and the Separation Agreement during the course of dispute resolution pursuant to the provisions of Article IX with respect to all matters not subject to such dispute resolution.

10.16 Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) when delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service, (c) upon written confirmation of receipt after transmittal by electronic mail or (d) upon the earlier of confirmed receipt or the fifth (5th) business day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to Parent, to:

[•]

with a copy to:

[•]

and with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019-6064  
Attn: Jeffrey B. Samuels  
Brian D. Krause  
Email: jsamuels@paulweiss.com  
bkrause@paulweiss.com

If to SpinCo, to:

[•]

Either Party may, by notice to the other Party, change the address and identity of the Person to which such notices and copies of such notices are to be given. Each Party agrees that nothing in this Agreement shall affect any other Party's right to serve process in any other manner permitted by Law (including pursuant to the rules for foreign service of process authorized by the Hague Convention).

10.17 Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires. The terms "hereof," "herein," "herewith" and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole (including all of the schedules hereto) and not to any particular provision of this Agreement. Article, Section or schedule references are to the articles, sections and schedules of or to this Agreement unless otherwise specified. Any capitalized terms used in this Agreement but not otherwise defined therein shall have the meaning as defined in the Separation Agreement. Any definition of or reference to any agreement, instrument or other document herein (including any reference herein to this Agreement) shall, unless otherwise stated, be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein, including in Section 10.12). The word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless the context otherwise requires or unless otherwise specified. The word "or" shall not be exclusive. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if." All references to "\$" or dollar amounts are to the lawful currency of the United States of America. References herein to any Law shall be deemed to refer

to such law as amended, reenacted, supplemented or superseded in whole or in part and in effect from time to time and also to all rules and regulations promulgated thereunder. Except as expressly set forth in this Agreement, the Parties (or their respective Group members) shall make, or cause to be made, any payment that is required to be made pursuant to this Agreement as promptly as practicable and without regard to any local currency constraints or similar restrictions. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring either Party by virtue of the authorship of any provisions hereof.

10.18 Distribution Date. This Agreement shall become effective only upon the Distribution Date.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

**GENERAL ELECTRIC COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

**GE HEALTHCARE TECHNOLOGIES INC.**

By: \_\_\_\_\_  
Name:  
Title:

*[Signature Page to Tax Matters Agreement]*

**TRADEMARK LICENSE AGREEMENT**

**Name and Address of Licensee:**

GE HealthCare Imaging Holding Inc.  
3000 N Grandview Blvd  
Waukesha, WI 53188

Attn: [\*\*\*]  
E-mail: [\*\*\*]

with a copy (which will not constitute notice) to:

GE HealthCare  
500 West Monroe Street  
Chicago, IL 60661

Attn: [\*\*\*]  
E-mail: [\*\*\*]

**Name and Address of Parent:**

General Electric Company  
Trademark Operation  
901 Main Ave  
Norwalk, CT 06851

Attn: [\*\*\*]  
E-mail: [\*\*\*]

with a copy (which will not constitute notice) to:

General Electric Company  
Trademark Operation  
901 Main Ave  
Norwalk, CT 06851

Attn: [\*\*\*]  
E-mail: [\*\*\*]

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS TRADEMARK LICENSE AGREEMENT HAS BEEN OMITTED BY MEANS OF REDACTING A PORTION OF THE TEXT AND REPLACING IT WITH [\*\*\*], PURSUANT TO REGULATION S-K ITEM 601(B) OF THE SECURITIES ACT OF 1933, AS AMENDED. CERTAIN CONFIDENTIAL INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS: (i) NOT MATERIAL AND (ii) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

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This **TRADEMARK LICENSE AGREEMENT** (this “Agreement”), dated as of [•], 202[•] is made and entered into by and between General Electric Company, a New York corporation (“Parent”), as licensor, and GE HealthCare Imaging Holding Inc., a Delaware corporation (“Licensee”), as licensee.

## PREAMBLE

WHEREAS,

- A. Parent and GE HealthCare Technologies Inc., a Delaware corporation (“SpinCo”) previously entered into that certain Separation and Distribution Agreement, dated [•], 2022 (as amended, modified or supplemented from time to time in accordance with its terms, the “Separation Agreement”);
- B. The Separation Agreement requires the execution and delivery of this Agreement by the Parties as of the Distribution Date;
- C. Parent owns the GE Marks and holds registrations thereof in various countries of the world for various products and services;
- D. Parent has the right to grant the rights and licenses granted in this Agreement to Licensee;
- E. The GE Marks constitute valuable rights owned and used by Parent and its Affiliates in conducting their businesses and designating the origin or sponsorship of their distinctive products and services;
- F. Parent desires to enhance and protect the goodwill of the GE Marks and to preserve its and its Affiliates’ rights to label products and associated services with the GE Marks so as to avoid consumer confusion;
- G. Licensee and Parent agree that certain rules regarding Licensee’s use of the GE Marks are necessary to enhance and protect the goodwill of the GE Marks, and to ensure that Parent’s and its Affiliates’ rights in the GE Marks are preserved;
- H. Licensee wishes to use the GE Marks upon and in connection with the manufacture, importation, exportation, packaging, display, sale, marketing, advertising, promotion, distribution, delivery, performance and provision of the Licensed Products;
- I. In connection with the transactions contemplated by the Separation Agreement, Parent desires to grant to Licensee rights and licenses to use the GE Marks in accordance with the terms, and subject to the conditions, set forth herein; and
- J. Licensee acknowledges Parent is entering into this Agreement as required by the Separation Agreement, for payment of the fees and royalties to be paid by Licensee to Parent hereunder, and also for the promotional value and marketing benefits to be secured by Parent as a result of the manufacture, importation, exportation, packaging, display, sale, marketing, advertising, promotion, distribution, delivery, performance and provision of the Licensed Products.

NOW THEREFORE, in consideration of the mutual covenants contained herein and in the Separation Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS

1.1 Defined Terms.

Unless otherwise defined in this Agreement, all capitalized terms used herein shall have the meanings ascribed to such terms in the Separation Agreement. The following capitalized terms as used in this Agreement shall have the meanings given to them below.

(a) “Additional Fields” means the following fields of care: (i) cardiology and vascular; (ii) oncology, including radiation oncology (interventional/external beam/radiopharma); (iii) neurology and nervous system; (iv) musculoskeletal and orthopedics; (v) gastrointestinal and urology; (vi) obstetrics, gynecology and reproductive health; (vii) ophthalmic; (viii) ear, nose and throat (*e.g.*, endoscopy); (ix) nephrology; (x) endocrine and lymphatic system; (xi) ultrasound therapies; (xii) in vitro diagnostics; (xiii) drug delivery (*e.g.*, IV pumps); and (xiv) general surgery.

(b) “Additive Technologies” means any activity, asset, device, Software, product or service that processes or enables the processing of the joining of materials to make objects from 3D model data, usually layer upon layer, as opposed to subtractive manufacturing methodologies, including any activities, assets, devices, Software, products or services to the extent they store, process, analyze, manage, secure, or transfer data in connection with such processing or the enablement of such processing.

(c) “Affiliate” of any Person means a Person that controls, is controlled by or is under common control with such Person. As used herein, “control” of any entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity, whether through ownership of voting securities or other interests, by Contract or otherwise; provided, however, that (i) SpinCo and the other members of the SpinCo Group shall not be considered Affiliates of Parent or any of the other members of the Parent Group and (ii) Parent and the other members of the Parent Group shall not be considered Affiliates of SpinCo or any of the other members of the SpinCo Group.

(d) “Bankruptcy Event” shall have occurred in respect of a Person, if such Person becomes insolvent, or generally does not pay its debts as they become due, or admits in writing its inability to pay its debts, or makes a general assignment for the benefit of creditors, or (a) if insolvency, receivership, reorganization or bankruptcy proceedings are commenced against any such party, and such proceedings are not dismissed within sixty (60) days, or (b) if insolvency, receivership, reorganization or bankruptcy proceedings are commenced by any such Person.

(e) “Business Day” means any day that is not a Saturday, a Sunday or other day on which commercial banks in the City of New York, New York are required or authorized by Law to be closed.

(f) “Change of Control” means, with respect to Licensee or a Permitted Sublicensee, the acquisition, directly or indirectly, of control of Licensee or such Permitted Sublicensee by a third party, either alone or pursuant to an arrangement or understanding with one or more persons.

(g) “Contract Year” means each twelve (12) month period from and including January 1st through and including December 31st during the Term, with the exception of (i) the first Contract Year (Contract Year 1), which shall be for the period from and including the Distribution Date through and including December 31, 2023 and (ii) the final Contract Year, which shall be from and including January 1st of the relevant year through the later of (a) the Expiration Date or (b) the end of any Grace Period.

(h) “Digital Solutions” means any Digital Solutions Products and Services in existence as of or after the Distribution Date, that in each case are not exclusively applicable to the SpinCo Business (excluding any Former SpinCo Business).

(i) “Digital Solutions Products and Services” means any activity, asset, device, Software, product or service (i) that connects, senses, measures, coordinates, manages, tests, controls, automates, or communicates between or among two (2) or more of (A) industrial assets, (B) complex healthcare assets and (C) network edge devices; or (ii) which stores, processes, analyzes, manages, secures (including provision of unauthorized access detection and prevention, data security in transit, or other cybersecurity or operation security features), or transfers industrial or complex data, including healthcare data, in connection with such activities, assets, devices, Software, products or services of subsection (i).

(j) “Domain Names” means Internet domain names, including top level domain names, global top level domain names, and URLs.

(k) “Earned Royalties” means royalties earned at the rates negotiated in good faith by the Parties (as contemplated in Section 2.1(b)) based on Net Sales of New Licensed Products.

(l) “Exclusively Licensed Products” means (i) all products and services that, as of immediately prior to the Distribution Date, are both (A) branded with a GE Mark and (B) exclusively sold by the SpinCo Business (excluding any Former SpinCo Business), including such products and services in the Existing Fields, and any natural evolutions thereof and (ii) any other products and services approved by Parent for inclusion as an Exclusively Licensed Product in accordance with Section 2.1(b); provided, however, that “Exclusively Licensed Products” shall in no event include, and shall expressly exclude Separate Product Components, Software, Digital Solutions, Additive Technologies or other products and services that would constitute “Non-Exclusively Licensed Products” as defined in this Agreement.

(m) “Existing Fields” means the following fields of care: (i) diagnostic imaging; (ii) ultrasound; (iii) patient monitoring; (iv) diagnostic cardiology; (v) anesthesia and ventilators; (vi) maternal and infant care; (vii) image-guided therapy; (viii) pharmaceutical diagnostics (*e.g.*, contrast and molecular imaging agents); (ix) supplies, consumables, and services related to the foregoing; and (x) financing healthcare assets.

(n) “Expiration Date” means the earlier of (i) ten (10) years following the Distribution Date if this Agreement is not renewed, and if it is renewed, the last day of the last Renewal Term and (ii) the date on which this Agreement is otherwise terminated.

(o) “Former Business” means any corporation, partnership, entity, product line, division, business unit or business, including any business within the meaning of Rule 11-01(d) of Regulation S-X (in each case, including any assets and liabilities comprising the same) that has been sold, conveyed, assigned, transferred or otherwise disposed of or divested (in whole or in part) to a Person other than Parent or its Subsidiaries or the operations, activities or production of which has been discontinued, abandoned, completed or otherwise terminated (in whole or in part), in each case, prior to the Distribution Date.

(p) “Former SpinCo Business” means the operations set forth on Schedule 1.01(c) of the Separation Agreement and any Former Business that at the time of sale, conveyance, assignment, transfer, or other disposition or divestiture (in whole or in part) or discontinuation, abandonment, completion or termination (in whole or in part) of the operations, activities or production thereof, was primarily managed by or primarily associated with the SpinCo Business or any portion thereof as then conducted.

(q) “GE Domain Names” means the Domain Names listed and referenced on Attachment 4.

(r) “GE Marks” means the Trademarks listed and referenced on Attachment 1, as may be unilaterally amended from time to time by Parent with reasonable advance notice to Licensee, solely to reflect modifications to the appearance of the GE Marks and the guidelines for use of the GE Marks, including to comply with the Usage Guidelines.

(s) “Governmental Authority” means any federal, state, local, foreign, international or multinational government, political subdivision, governmental, quasi-governmental authority of any nature (including any department, commission, board, bureau, agency, court, tribunal) or other body exercising legislative, judicial, regulatory, administrative or taxing authority, arbitral body or official of any of the foregoing.

(t) “Grace Period” means the time in which sales of any Licensed Products are permitted following the termination date as provided in Sections 7.3(c) and 7.4.

(u) “Gross Revenue” means all gross revenue directly or indirectly invoiced or received for all Licensed Products Sold by or for Licensee or any Affiliate of Licensee to any third-party (*e.g.*, retailers, distributors, dealers, resellers, sales agents, consumers, etc.) before any discounts, allowances, other deductions, setoffs or offsets. For clarity, Gross Revenue is computed on sales by Licensee’s Affiliates (and not only by Licensee and Permitted Sublicensees) solely for purposes of computing Earned Royalties.

(v) “Intellectual Property” means all of the following intellectual property and similar rights, title or interest arising under the Laws of the United States or any other country: (i) patents, patent applications and patent rights, including any such rights granted upon any reissue, reexamination, division, extension, provisional, continuation or continuation-in-part applications (“Patents”); (ii) copyrights, moral rights, mask work rights, database rights and design rights, whether or not registered, and registrations and applications for registration thereof, and all rights therein provided by international treaties or conventions (“Copyrights”); and (iii) trade secrets; provided, however, as used in this Agreement, the term “Intellectual Property” expressly excludes Trademarks and rights arising from or in respect of Domain Names and Domain Name registrations and reservations and Software.

(w) “Law” means any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, Governmental Approval, concession, grant, franchise, license, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and, in each case, as amended.

(x) “Licensed Products” means, collectively, (i) the Exclusively Licensed Products and (ii) the Non-Exclusively Licensed Products.

(y) “Licensed Territory” means the jurisdictions set forth on Attachment 2.

(z) “Net Sales” means the total Gross Revenue less the following documented and supportable items of expense to the extent to which they are actually paid or allowed:

(i) trade or quantity discounts and allowances customarily and regularly required by and actually granted to customers or any other third party (*e.g.*, retailers, distributors, dealers, and consumers, including commissions paid to distributors or dealers) acquiring from Licensee or Licensee’s Affiliate; provided, however, that, subject to applicable Law or regulatory requirements, the deduction for such discounts and allowances may not exceed ten percent (10%) of Gross Revenue in any Contract Year;

(ii) returns actually made and credited if amounts equal to such credits have previously been included in Gross Revenue; provided, however, that the deduction for such returns may not exceed ten percent (10%) of Gross Revenue in any Contract Year;

(iii) value added taxes, sales taxes, use taxes or similar taxes on sales to the extent included in Gross Revenues; and

(iv) separately stated freight or Licensee’s or any Permitted Sublicensee’s cost of freight as evidenced in each case by proper documentation (*e.g.*, UPS shipment invoice or other documentation requested by Parent) to the extent included in Gross Revenues;

provided, however, that Licensee shall not deduct from Gross Revenue: (A) except as expressly set forth in this Section 1.1(z), any expenses, accruals, allowances, or any other costs incurred or amounts accrued by Licensee or Permitted Sublicensees (1) in the manufacture, importation, exportation, packaging, display, sale, marketing, advertising, promotion, distribution, delivery or provision of the New Licensed Products, or (2) relating to uncollectible accounts, bad debts, warranty claims, extended warranty claims, returns processing, co-op advertising or insurance; or (B) any indirect or overhead expense of any kind whatsoever.

(aa) “New Legal Names” means new legal entity names of any Person that do not consist in whole or in part of, and are not dilutive of or confusingly similar to, the GE Marks, except as explicitly approved by Parent in accordance with the terms of this Agreement.

(bb) “Non-Exclusively Licensed Products” means all (i) products and services that, as of immediately prior to the Distribution Date, are both (A) branded with a GE Mark and (B) sold by both the Parent Business (excluding any Former Business) and the SpinCo Business (excluding any Former SpinCo Business), including such products and services in the Existing Fields, and any natural evolutions thereof, (ii) Separate Product Components, provided, that such Separate Product Components are embedded into Licensed Products or otherwise distributed for use as part of or in connection with Licensed Products, (iii) Software or Digital Solutions that, as of immediately prior to the Distribution Date, are both (A) branded with a GE Mark and (B) used or sold by the SpinCo Business (excluding any Former SpinCo Business), and any natural evolutions thereof, and (iv) any other products and services approved by Parent for inclusion as a Non-Exclusively Licensed Product in accordance with Section 2.1(b); provided, however, that “Non-Exclusively Licensed Products” shall in no event include, and shall expressly exclude, any Additive Technologies.

(cc) “Parent Business” means the businesses and operations as conducted immediately prior to the Distribution or as formerly conducted by Parent and its Subsidiaries other than the SpinCo Business, including any Former Business other than any Former SpinCo Business.

(dd) “Parent Personal Information” shall have the meaning set forth in Section 2(e) of the Data Privacy Guidelines included in Attachment 5.

(ee) “Party” means Parent and Licensee individually, and “Parties” means Parent and Licensee collectively.

(ff) “Permitted Sublicensees” means: (a) SpinCo; and (b) any of SpinCo’s Subsidiaries (other than Licensee) that are engaged in the SpinCo Business (excluding any Former SpinCo Business) as of immediately prior to the Distribution Date, but excluding the entities listed on Attachment 8; provided, that, in the event that (i) SpinCo acquires, otherwise obtains or forms additional direct or indirect Subsidiaries after the Distribution Date, any such Subsidiary shall be deemed a Permitted Sublicensee upon Parent’s written consent, (x) which shall not be unreasonably withheld with respect to any wholly-owned Subsidiary, and (y) which shall be provided in Parent’s sole discretion with respect to any other Subsidiary, and (ii) any Permitted Sublicensee ceases to be a Subsidiary of SpinCo, except as and to the extent provided in Section 10.1(c), such Person shall immediately cease to be a “Permitted Sublicensee” and all sublicenses granted to it under the rights and licenses hereunder shall automatically terminate forthwith.

(gg) “Person” means an individual, a general or limited partnership, a corporation, an association, a trust, a joint venture, an unincorporated organization, a limited liability company, any other entity or any Governmental Authority.

(hh) “Personal Information” shall have the meaning set forth in Section 2(f) of the Data Privacy Guidelines in Attachment 5.

(ii) “Professional Medical Device” means a professional diagnostic, surgical, monitoring or therapeutic medical device.

(jj) “Reporting Period” means each calendar quarter of each Contract Year and any Grace Period; provided, however, that the first and last such quarter during the Term or any Grace Period may not be a full calendar quarter.

(kk) “Separate Product Components” means any individual component of a Licensed Product, taken separately from the Licensed Product as a whole, including cameras, monitors, sensors and printers.

(ll) “Software” means all: (i) computer programs, including all software implementation of algorithms, models, formulas and methodologies, whether in source code, object code, human readable form or other form; (ii) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons; and (iii) all documentation, including user manuals and other training documentation, relating to any of (i) or (ii).

(mm) “Sold” means the first to occur of any of the following events with respect to specified Licensed Products: (i) when delivered, leased, loaned, rented or otherwise provided or disposed of; (ii) when paid for; or (iii) when billed. The term “Sell” shall have a correlative meaning.

(nn) “SpinCo Business” means the Healthcare businesses and operations of Parent and its Subsidiaries, as such businesses and operations were conducted as of immediately prior to the Distribution or as formerly conducted by Parent and its Subsidiaries, including as described in the Information Statement, together with any Former SpinCo Businesses.

(oo) “Standards of Quality” means the GE Data Privacy and Protection Guidelines for Licensees (“Data Privacy Guidelines”) and the other guidelines set forth in Article 3, which shall not be less than (i) the high standards of quality, appearance, service and other standards that are observed immediately prior to the Distribution Date by SpinCo Group or Parent Group in the commercialization, advertising, marketing and promotion of Licensed Products rendered immediately prior to or as of the Distribution Date and (ii) the standards that Licensee, Permitted Sublicensees and their respective Vendors observe in their commercialization, advertising, marketing and promotion from time to time of any products and services similar to the Licensed Products.

(pp) “Subsidiary” of any Person means any corporation or other organization, whether incorporated or unincorporated, of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization, is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries.



(qq) “Trademarks” means, collectively, trademarks, service marks, trade names, service names, taglines, slogans, brand names, brand marks, trade dress, identifying symbols and logos, including all goodwill associated therewith, and registrations and applications for registration thereof, all rights therein provided by international treaties or conventions, and all extensions and renewals of any of the foregoing.

(rr) “Usage Guidelines” means, collectively: (i) Parent’s guidelines for use of the GE Marks as may be provided and amended from time to time by Parent in its sole discretion; (ii) Parent’s Brand Identity Guidelines (<http://www.gebrandcentral.com/article/brand-architecture>), or any successor brand identity guidelines thereto, as may be updated from time to time by Parent in its sole discretion; and (iii) the Healthcare Visual and Branding Guidelines which are set forth in Attachment 7, as may be updated from time to time by Parent in its sole discretion or as requested by Licensee and approved by Parent in its sole discretion.

(ss) “Vendor” means (i) any supplier to Licensee or a Permitted Sublicensee that manufactures or assembles finished Licensed Products and (ii) any supplier to Licensee or a Permitted Sublicensee of components that bear a GE Mark for incorporation into Licensed Products or any subcontractor that provides any portion of services included in the Licensed Products that are Sold under a GE Mark.

1.2 Additional Defined Terms.

The following terms have the meanings set forth in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Agreement	Preamble
Annual Fee	6.1
Applicable Standards	3.2(a)
Applicable Vendor Standards	3.8(b)
Approved GE Entity Names	2.3(a)
Approved Marketing Strategies	4.1
Assignee	10.1(c)
Books and Records	6.8
Change of Control Notice	7.2(c)
child	9.2
children	9.2
Damages	9.8(a)
Data Privacy Guidelines	1.1(oo)
Divested Entity	10.1(b)
EHS	3.5
EWR Products	9.4
Financial Report	6.5
GAAP	6.9
IFRS	6.9
Initial Notice	7.2(c)
Initial Term	7.1
Licensee	Preamble
Licensee Indemnified Parties	9.9(a)

<u>Term</u>	<u>Section</u>
Licensee's Indemnity	9.8(a)
Marketing Meeting Outline	4.1
Marketing Meetings	4.1
New Licensed Product	2.1(b)
NPI Process	3.2(c)
Parent	Preamble
Parent Indemnified Parties	9.8(a)
Renewal Term	7.1
Required Insurance	8.1
Responsible Parties	9.4
Separation Agreement	Recitals
SpinCo	Recitals
SRG	3.8(a)
Term	7.1
Waste Fees	9.4

## 2. GRANT OF LICENSE

### 2.1 Licensed Products.

(a) In accordance with the terms, and subject to the conditions, set forth in this Agreement, Parent hereby grants Licensee:

(i) a limited, personal, fee-bearing (with respect to (A) Exclusively Licensed Products and (B) New Licensed Products described in Section 2.1(b)(i) that are deemed Exclusively Licensed Products in accordance with Section 2.1(b)) or royalty-bearing (with respect to New Licensed Products described in Section 2.1(b)(ii) or Section 2.1(b)(iii) that are deemed Exclusively Licensed Products in accordance with Section 2.1(b)), exclusive (even as to Parent, but subject to any rights granted prior to the Distribution Date), non-transferable, non-assignable (except as permitted in accordance with Section 10.1), non-sublicensable (except as permitted in accordance with Section 2.4), license during the Term and any Grace Period only in the Licensed Territory to use the GE Marks only in connection with the manufacture by or for Licensee (including the right to have manufactured by Vendors in accordance with Article 3) and the importation, exportation, packaging, display, sale, marketing, advertising, promotion, distribution, delivery, performance and provision of Exclusively Licensed Products, solely in connection with the SpinCo Business (excluding any Former SpinCo Business) as conducted as of immediately prior to the Distribution Date, and any natural evolutions thereof; provided, however, that in no event shall Parent be restricted from using the GE Marks in connection with the importing, exporting, packaging, displaying, selling, marketing, advertising, promoting, distributing, delivering, performing or providing any products or services (including, for the avoidance of doubt, any products or services that would otherwise constitute Exclusively Licensed Products) created using or generated by or through the use of, or that constitute the output of any Additive Technologies; and

(ii) a limited, personal, fee-bearing (with respect to (A) Non-Exclusively Licensed Products and (B) New Licensed Products described in Section 2.1(b)(i)) that are deemed Non-Exclusively Licensed Products in accordance with Section 2.1(b)) or royalty-bearing (with respect to New Licensed Products described in Section 2.1(b)(ii) or Section 2.1(b)(iii)) that are deemed Non-Exclusively Licensed Products in accordance with Section 2.1(b)), non-exclusive, non-transferable, non-assignable (except as permitted in accordance with Section 10.1), non-sublicensable (except as permitted in accordance with Section 2.4), license during the Term and any Grace Period only in the Licensed Territory to use the GE Marks only in connection with the manufacture by or for Licensee (including the right to have manufactured by Vendors in accordance with Article 3) and the importation, exportation, packaging, display, sale, marketing, advertising, promotion, distribution, delivery, performance and provision of Non-Exclusively Licensed Products, solely in connection with the SpinCo Business (excluding any Former SpinCo Business) as conducted as of immediately prior to the Distribution Date and any natural evolutions thereof.

All such use shall be in strict accordance with the Standards of Quality, the Usage Guidelines and otherwise in accordance with all terms, and subject to all and conditions, set forth this Agreement.

(b) Licensee may request that the foregoing licenses be extended to cover additional products or services in the Licensed Territory (a “New Licensed Product”). Any such request by Licensee shall be submitted in writing to Parent in a form containing information and details mutually agreed upon between the Parties. Parent shall have the right, in its sole discretion, to request additional information to facilitate its assessment of any such request. Any such extension to a New Licensed Product shall be subject to the following:

(i) With respect to New Licensed Products that are (x) Professional Medical Devices for use in one or more of the Additional Fields, (y) radiopharmaceutical therapies or therapeutics associated with antigen-based imaging agents, or (z) imaging and image-guided devices and digital solutions for use in the dental field, any such extension of the licenses hereunder shall not be subject to the prior written approval of Parent or any additional royalties; provided, however, that Licensee must provide Parent with reasonable prior notice of any request to extend such licenses to any such New Licensed Product and any such extension shall become effective only upon Parent’s (A) confirmation that Parent has all necessary rights to grant such extension and (B) designation of such New Licensed Product as an Exclusively Licensed Product or Non-Exclusively Licensed Product (as set forth below in this Section 2.1(b)).

(ii) With respect to all New Licensed Products that are Professional Medical Devices, other than New Licensed Products addressed in Section 2.1(b)(i), any such extension of the licenses hereunder shall be subject to Parent’s prior written approval, not to be unreasonably withheld or denied, and a royalty rate to be negotiated in good faith between the Parties; [\*\*\*].

(iii) With respect to all New Licensed Products that are not addressed in Section 2.1(b)(i) or Section 2.1(b)(ii), any such extension of the licenses hereunder shall be subject to Parent’s prior written approval, which shall be provided in Parent’s sole discretion and which may not extend to all such requested products or services nor all jurisdictions in the Licensed Territory, and a royalty rate to be negotiated in good faith between the Parties.

With respect to any of the foregoing requests for extensions to a New Licensed Product, Licensee acknowledges and agrees that any such extensions may be subject to additional terms or conditions, as deemed necessary or desirable by the Parent, including with respect to exclusivity. Upon (A) Parent's consent (with respect to New Licensed Products addressed in [Section 2.1\(b\)\(ii\)](#) or [Section 2.1\(b\)\(iii\)](#)) or (B) confirmation of Parent's ability to extend the license in [Section 2.1\(a\)\(i\)](#) or [Section 2.1\(a\)\(ii\)](#) (with respect to New Licensed Products addressed in [Section 2.1\(b\)\(i\)](#)), as applicable, to cover a New Licensed Product in accordance with the terms of this [Section 2.1\(b\)](#), such extension, and any relevant terms and conditions related thereto, shall be documented in writing by the Parties and attached hereto as an Attachment, at which time such New Licensed Product shall be deemed an Exclusively Licensed Product or Non-Exclusively Licensed Product, as applicable, as defined and used hereunder. The Parties will meet twice per Contract Year (or at a different frequency, as mutually agreed upon between the Parties) to discuss any such requests for New Licensed Products, as well as to review Licensee's and its Permitted Sublicensees' product pipeline, acquisition and divestiture activities, joint ventures and similar developments.

## 2.2 Trade Name.

(a) In accordance with the terms, and subject to the conditions, set forth in this Agreement, Parent hereby grants Licensee a limited, personal, fee-bearing, non-exclusive, non-transferable, non-assignable (except as permitted in accordance with [Section 10.1](#)), non-sublicensable (except as permitted in accordance with [Section 2.4](#)), license during the Term and any Grace Period to use the trade name "GE HealthCare," solely in connection with (i) the SpinCo Business (excluding any Former SpinCo Business) as conducted as of immediately prior to the Distribution Date and any natural evolutions thereof and (ii) Licensed Products.

(b) Subject to [Section 7.2\(a\)\(vii\)](#), Licensee may request that the license granted under [Section 2.2\(a\)](#) be extended to include a trade name that is or contains a GE Mark but is not "GE HealthCare." Any such request by Licensee shall be submitted in writing to Parent and shall be subject to Parent's prior written approval, in its sole discretion; provided, however, that in no event shall Parent's failure to respond or render a decision be deemed to constitute an approval.

## 2.3 Legal Entity Names.

(a) In accordance with the terms, and subject to the conditions, set forth in this Agreement, Parent hereby grants Licensee a limited, non-sublicensable (except as permitted in accordance with [Section 2.4](#)) right, during the Term and any Grace Period (subject to [Section 2.3\(d\)](#)) to use the GE Marks as part of legal entity names for the entities listed on [Attachment 6](#) (the "Approved GE Entity Names"). To the extent any member of the SpinCo Group that exists as of immediately prior to the Distribution Date has a legal entity name that includes any GE Mark but is not an Approved GE Entity Name, Licensee and the members of the SpinCo Group shall adopt New Legal Names for such members of the SpinCo Group in accordance with [Section 2.3\(b\)](#). For the avoidance of doubt, the rights granted under this [Section 2.3\(a\)](#) shall not confer any right or license to use the GE Marks or the Approved GE Entity Names as a Trademark.

(b) Promptly after the Distribution Date, but in any event no later than six (6) months after the Distribution Date (or such longer time period as may be approved by Parent in its reasonable discretion), Licensee and the members of the SpinCo Group shall make all filings with any and all offices, agencies and bodies and take all other actions necessary to adopt New Legal Names for such members of the SpinCo Group with legal entity names that include any GE Mark but are not Approved GE Entity Names, and upon receipt of confirmation from the appropriate registry that such name changes have been effected, Licensee shall provide Parent with written proof that such name changes have been effected. In the event that Licensee or any such member of the SpinCo Group is unable to obtain all approvals necessary to adopt a New Legal Name in a jurisdiction, or is otherwise unable for regulatory reasons or other reasons outside of the SpinCo Group's control to adopt a New Legal Name in a jurisdiction, such Person shall be allowed to continue its use of the applicable legal entity name for a transition period, to the extent required for the SpinCo Group to adopt a New Legal Name in a particular jurisdiction, which shall be mutually agreed-upon by the Parties, provided, however, that such Person has demonstrated reasonable efforts to adopt a New Legal Name.

(c) Licensee may request that the right granted under Section 2.3(a) be extended to legal entity names that did not exist at the time of the Distribution Date for Licensee or a Permitted Sublicensee, provided, that such legal entity names must include "GE HealthCare" or "GEHC." Any such request by Licensee shall be submitted in writing to Parent and shall be subject to Parent's prior written approval, not to be unreasonably withheld or denied; provided, however, that in no event shall Parent's failure to respond or render a decision be deemed to constitute an approval. Notwithstanding the foregoing, to the extent such legal entity name includes "GE HealthCare" or "GEHC" in combination with a jurisdiction (*e.g.*, "GE HealthCare Canada"), the right granted to Licensee under Section 2.3(a) shall be automatically extended to such legal entity names upon Licensee's timely written notice to Parent of such legal entity names, without further review or approval by Parent.

(d) Notwithstanding the foregoing, in the event the SpinCo Group adopts a trade name that is not "GE HealthCare," the rights granted to Licensee under this Section 2.3 shall immediately terminate, and Licensee and all members of the SpinCo Group shall promptly, but in any event no later than six (6) months after such termination of rights, make all filings with any and all offices, agencies and bodies and take all other actions necessary to adopt New Legal Names for all such members of the SpinCo Group with legal entity names that include any GE Mark, and upon receipt of confirmation from the appropriate registry that such name changes have been effected, Licensee shall provide Parent with written proof that such name changes have been effected. In the event that any such Person is unable to obtain all approvals necessary to adopt a New Legal Name in a jurisdiction, or is otherwise unable for regulatory reasons or other reasons outside of SpinCo Group's control to adopt a New Legal Name in a jurisdiction, such Person shall be allowed to continue its use of the applicable legal entity name in such impacted jurisdiction for a transition period mutually agreed-upon by the Parties not to exceed one (1) year, provided, however, that such Person has demonstrated commercially reasonable efforts to adopt a New Legal Name.

2.4 Sublicensing. In accordance with all terms, and subject to all conditions, set forth in this Agreement, as of the Distribution Date, Licensee shall have the right to grant to any Permitted Sublicensee a non-transferable sublicense (without the right to grant further sublicenses) under the rights and licenses granted to Licensee in this Article 2; provided, however, that in no event shall any such sublicense exceed the scope of the rights and licenses granted to Licensee in this Article 2. The Parties acknowledge and agree that, as of immediately prior to the Distribution Date, all

Subsidiaries of SpinCo (other than Licensee) are using the GE Marks or Approved GE Entity Names (as applicable) in the conduct of the SpinCo Business (excluding any Former SpinCo Business) and therefore shall be deemed “Permitted Sublicensees” hereunder; provided, however, that if Licensee notifies Parent within thirty (30) days of the Distribution Date of any Subsidiary that is not so using the GE Marks or Approved GE Entity Names, as applicable, such Subsidiary shall not be deemed a “Permitted Sublicensee” and shall not receive any sublicenses hereunder. Licensee shall cause each Permitted Sublicensee to fully comply with all terms and conditions set forth in this Agreement as if such Permitted Sublicensee was directly bound thereby, and Licensee shall be liable hereunder for all actions or omissions of any Permitted Sublicensee, including any breach or other violation by any Permitted Sublicensee of any terms and conditions set forth herein, as if performed (or failed to be performed) by Licensee itself. Notwithstanding the foregoing, in the event any Permitted Sublicensee ceases to be a Subsidiary of SpinCo, except as and to the extent provided in Section 10.1(c), such Person shall immediately cease to be a “Permitted Sublicensee” and all sublicenses granted to it under the rights and licenses hereunder shall automatically terminate forthwith.

- 2.5 Reservation of Rights. Any rights not granted to Licensee in this Agreement are specifically reserved by and for the Parent Group and the rights granted to Licensee in this Agreement are subject to any and all of the rights granted by the Parent Group to third parties prior to the Distribution Date. Except as expressly provided in this Article 2, if applicable, no licenses or other rights are implied or granted by estoppel or otherwise. Licensee hereby accepts the grant of rights and licenses in Article 2, and shall cause Permitted Sublicensees to accept the grant of any sublicenses, in each case, in accordance with the terms, and subject to the conditions, set forth in this Agreement. Licensee shall not (and shall ensure that Permitted Sublicensees do not) manufacture, export, import, package, display, sell, market, advertise, promote, distribute, deliver, perform or provide any products or services other than Licensed Products only in the Licensed Territory in accordance with the foregoing licenses. Parent Group expressly reserves the right (i) to retain for itself the right to use the GE Marks in all geographical areas for any products or services or other use, and (ii) to grant to any third parties a license of any scope to use the GE Marks in all geographical areas for any products or services or other use, in each case (i) and (ii), other than with respect to the Exclusively Licensed Products (provided, that, for the avoidance of doubt, as per Section 2.1(a)(i), in no event shall Parent be restricted from using the GE Marks in connection with the importing, exporting, packaging, displaying, selling, marketing, advertising, promoting, distributing, delivering, performing or providing any products or services (including, for the avoidance of doubt, any products or services that would otherwise constitute Exclusively Licensed Products) created using or generated by or through the use of, or that constitute the output of any Additive Technologies).

### 3. QUALITY CONTROL

3.1 Parent's Quality Control. Parent has the right, but no obligation, to supervise, control and approve the use of the GE Marks by Licensee, Permitted Sublicensees and Vendors with respect to the nature and quality of the Licensed Products and the materials used to advertise, market and promote the Licensed Products for the purpose of protecting and maintaining the goodwill associated with the GE Marks and the reputation of the Parent Group. Such supervision, control and approval extends to (i) Licensee's, Permitted Sublicensees' and Vendors' practices and procedures for quality control of Licensed Products, including all aspects of the design, manufacture, display, sale, promotion, advertising, marketing, distribution, delivery, performance or provision of Licensed Products by Licensee, Permitted Sublicensees and Vendors, and (ii) the appearance of, quality of, and other manner in which the GE Marks are used in connection with Licensed Products, labeling and packaging for Licensed Products, and such materials; provided, that, in the event of any conflict between this sentence and Section 3.2 as it relates to the specific procedures set forth in Section 3.2 regarding reporting and providing corrective action plans for product quality, product safety and product recalls, Section 3.2 shall control. Licensee acknowledges and agrees, on behalf of itself and Permitted Sublicensees and Vendors, that each of the quality control rights of Parent in Article 3, Article 4 and Article 5 are a material element of this Agreement.

#### 3.2 Safety, Quality, Compliance and Warranty Requirements.

(a) All Licensed Products (and the manufacturing thereof) and all materials used to advertise, market and promote the Licensed Products shall meet all requirements of the Standards of Quality and shall comply with all applicable Laws and industry standards and protocols, including applicable laws and standards described in the Data Privacy Guidelines (collectively, the "Applicable Standards"). Licensed Products may not be manufactured, exported, imported, packaged, displayed, sold, marketed, advertised, promoted, distributed, delivered, performed or provided until such Applicable Standards have been met.

(b) The Licensed Products shall be merchantable and fit for the purpose for which they are intended as provided in the express warranty provided with Licensed Products. Licensee may (and may permit Permitted Sublicensees to) disclaim the foregoing representations to its users or its purchasers to the extent permitted by Law, but not to Parent. Licensee shall (and shall ensure Permitted Sublicensees) use all efforts necessary or reasonable to ensure that the Licensed Products shall be of a quality in terms of design, features, safety, material and workmanship, and suitability for their intended purposes, that is, in all material respects, equal to or better than (i) the quality of the Licensed Products manufactured, exported, imported, packaged, displayed, sold, marketed, advertised, promoted, distributed, delivered, performed or provided by SpinCo Group or Parent Group in connection with the SpinCo Business immediately prior to the Distribution Date and (ii) competitive products and services marketed in a comparable category, price range and jurisdiction in which the Licensed Products compete.

(c) Licensee shall (and shall ensure Permitted Sublicensees and their respective Vendors) integrate into their product and service development processes a new product introduction process ("NPI Process") prior to the sale or distribution of such Licensed Products, which (i) is reasonably consistent with NPI processes used by SpinCo Group or Parent Group in connection with the SpinCo Business (excluding any Former SpinCo Business) as of immediately prior to the Distribution Date and (ii) ensures that all Applicable Standards are met. Licensee, on behalf of itself, Permitted Sublicensees and Vendors, shall provide copies of all materials prepared in the NPI Process for any Licensed Product to Parent upon Parent's request.

(d) Licensee shall (and shall ensure Permitted Sublicensees and Vendors) maintain, develop and update from time to time, as needed, a product safety compliance program, which shall include, at a minimum, a product safety escalation process to permit the timely notification of potential product safety hazards to applicable regulatory authorities when required by applicable Law, or reasonably deemed necessary by Licensee or the applicable Permitted Sublicensee. The product safety compliance program is intended, in part, to ensure the timely disclosure to applicable Governmental Authorities of potential product safety issues. To the extent Licensee, any Permitted Sublicensee or any Vendor (i) becomes aware of any highly material product safety or product quality issues or (ii) issues or is required to, or has cause to, issue any highly material product recalls, in each case, Licensee, on behalf of itself and its Permitted Sublicensees and their respective Vendors, as applicable, shall notify the Parent in accordance with Licensee's then-current crisis communication plan for alerting key stakeholders. For purposes of this Section 3.2(d), a "highly material" product safety or product quality issue is one that, in Licensee's reasonable determination, creates a material and significant risk of reputational harm to the Parent's brand or would cause Parent to face a material and credible legal claim as a result of matters such as regulatory enforcement matters (*e.g.*, untitled letters, warning letters, consent decrees), criminal investigations or actions, congressional or other governmental inquiries, civil litigation claims, and whistleblower cases (in each case, only insofar as they may create a material and significant risk of reputational harm with respect to product safety or product quality), and a "highly material" product recall would include any recall issued that is considered to be Class 1, as defined by the United States Food and Drug Administration, or the equivalent thereof in other jurisdictions. Upon reasonable request, Licensee will provide to Parent the full corrective action plan for such highly material product safety or product quality issues or such highly material product recalls, including as reported to the United States Food and Drug Administration or other Governmental Authorities. If Licensee's corrective action plan is not implemented or is not effective to resolve the identified issue or concern, Licensee will submit to Parent a revised corrective action plan. Parent will have the right to submit questions or concerns in writing to Licensee, or to request a meeting with Licensee to discuss such revised corrective action plan, within ten (10) Business Days of Parent's receipt of Licensee's revised corrective action plan and Licensee will reasonably consider such questions or concerns and, as applicable, meet with Parent to discuss the revised corrective action plan, in each case, solely to the extent reasonably practicable without interfering with Licensee's, or any Permitted Sublicensee's or Vendor's, regulatory compliance obligations. Following the Distribution Date, the Parties shall meet once per Contract Year (or more frequently, at the reasonable request of Parent) to discuss product safety compliance matters, including product recalls.

(e) For each Licensed Product, Licensee will (and will ensure that Permitted Sublicensees and Vendors) conduct necessary testing to demonstrate compliance with all safety standards included in the Applicable Standards and any certification requirements thereto. The frequency and scope of such testing shall be equal to or better than: (i) the testing practices of the SpinCo Group or Parent Group for the Licensed Products immediately prior to the Distribution Date and (ii) the testing practices required by applicable Law.

(f) Licensee will (and will ensure that each Permitted Sublicensee and each of their respective Vendors does) continuously adapt its production process and product development to minimize the use or creation of hazardous substances.



(g) Licensee shall (and shall ensure that each Permitted Sublicensee does) provide a warranty for each Licensed Product Sold and Licensee or such Permitted Sublicensee shall be solely responsible for performing its obligations under that warranty, whether during the Term or following the Expiration Date. The Licensed Products shall carry warranty coverage equal to or better than the warranty coverage: (a) offered by the SpinCo Group or Parent Group for like products immediately prior to the Distribution Date, (b) offered by Licensee or any of its Affiliates for like products, if any, that it sells; and (c) offered by primary competitors on like products and services in a comparable category, price range and jurisdiction. Notwithstanding the foregoing, the warranty coverage (parts and labor) for the Licensed Products shall in no event be less than one (1) year (or such longer period of time as may be required by applicable Law).

(h) Licensee shall (and shall ensure that Permitted Sublicensees and Vendors) maintain, develop and update from time to time, as needed, a data privacy and protection compliance program, which shall: (i) comply with all applicable Laws and the standards described in the Data Privacy Guidelines; (ii) be consistent with programs and policies used by SpinCo Group or Parent Group in connection with the SpinCo Business immediately prior to the Distribution Date; and (iii) be updated from time to time to reflect evolving industry standards and best practices. Licensee shall (and shall ensure that Permitted Sublicensees) use the GE Mark(s) only in connection with Licensed Products that are in strict compliance with such data privacy and protection compliance program. Licensee, on behalf of itself and Permitted Sublicensees and their respective Vendors, shall submit such program to Parent on an annual basis or when changes or modifications to the plan are made. If Licensee fails to implement or cause Permitted Sublicensees or their respective Vendors to implement, Licensee's data privacy and protection program within forty-five (45) days of such notice, then Parent shall have the right to terminate this Agreement at any time upon notice to Licensee. Licensee, on behalf of itself, Permitted Sublicensees and Vendors, shall provide Parent with notice of material data privacy and protection complaints and implement corrective action plans related thereto, in each case, in accordance with the process described in Section 3.2(d).

3.3 Record-keeping. Licensee shall (and shall ensure Permitted Sublicensees and Vendors) maintain reasonable records and information relating to their compliance with the Applicable Standards and their activities under this Agreement. Such records and information shall be maintained for a minimum period of ten (10) years after the later of the Expiration Date or the end of the Grace Period (or such longer period of time as may be required by applicable Law). Such records and information shall include: quality manuals; the restriction of hazardous substances compliance records; lot inspection reports; return rate data by model; environment, health and safety, quality, ethics, or other reviews required to be conducted under this Agreement that relate in any way to the Licensed Products or components thereof; and the appropriate Governmental Authority listings and other records and information required by any industry-standard quality and safety guidelines for each Licensed Product.

3.4 Information Requests and Samples.

(a) Upon reasonable request by Parent, Licensee, on behalf of itself, Permitted Sublicensees and Vendors, will promptly provide to Parent copies of records maintained by itself, Permitted Sublicensees and Vendors under this Agreement, including any quality and safety audits, quality manuals, the restriction of hazardous substances compliance forms, lot inspection reports, return rate data by model, and the appropriate Governmental Authority listings.

(b) During the Term, upon reasonable notice from time to time, Parent shall have the right to promptly obtain (or otherwise be provided with access to) from Licensee, Permitted Sublicensees and Vendors from time to time and at any time during the Term upon reasonable notice (i) Licensed Products and all associated labeling or packaging, (ii) samples showing all other uses of the GE Marks, and (iii) other reasonable information as to the nature and quality of the Licensed Products and advertising, marketing and promotional materials therefor using the GE Marks and the manner in which the GE Marks are used in connection with the Licensed Products or such materials. Such products will be shipped to or otherwise made available for examination by Parent (or a designee of Parent) at a mutually agreed-upon location and otherwise provided at no charge to the Parent Group, including no handling charges or duties.

3.5 Inspections and Audits. Licensee shall inspect and perform audits of each facility used by Licensee, Permitted Sublicensees or Vendors in the manufacture or assembly of Licensed Products using procedure and methods that are (i) equal to or better than industry standards and best practices and (ii) consistent with those used by SpinCo Group or Parent Group in connection with the SpinCo Business immediately prior to the Distribution Date, in each case, to determine compliance with the Applicable Vendor Standards (as defined below), any applicable Laws and any other requirements of this Agreement. Such inspections and audits will be performed prior to the commencement of manufacturing of Licensed Products at any facility not used for those purposes for three hundred sixty-five (365) consecutive days and in each Contract Year thereafter. Such inspections and audits will include the manufacturing site's business processes, labor practices, wage and work hour compliance, worker living conditions (where worker housing is provided), environmental, health and safety ("EHS") systems, EHS performance, and working conditions. Licensee shall, and shall ensure that all Permitted Sublicensees and their respective Vendors, keep formal records of such inspections and audits and provide a copy of any such inspection or audit to Parent upon Parent's reasonable request. If, during the course of such inspections and audits, Licensee or a Permitted Sublicensee, as applicable, identifies any "unacceptable" or "zero tolerance" findings, as understood by the rating system used by SpinCo Group or Parent Group in connection with the SpinCo Business immediately prior to the Distribution Date, Licensee will provide its (or its applicable Permitted Sublicensee's) findings in writing to Parent promptly (in the case of "unacceptable" findings) or immediately (in the case of "zero tolerance" findings) and implement corrective action plans in accordance with the process described in Section 3.2(d). Licensee shall re-inspect or re-audit to confirm the corrective action has been effectively implemented. Notwithstanding the foregoing, if Licensee or any Permitted Sublicensee, as applicable, identifies any "zero tolerance" findings, any such corrective action plans must be initiated immediately and such findings resolved without delay. Any Vendor, Permitted Sublicensee or Licensee factory with an "unacceptable" or "zero tolerance" finding shall not ship or produce Licensed Products or components for Licensed Products until the issue(s) raised by the finding(s) is/are fully resolved. Any Vendor that fails to address unacceptable factory practices, product safety or product quality related issues or any violation of the terms of this Agreement shall be barred from producing Licensed Products or components for Licensed Products until such issues are addressed.

- 3.6 Non-conformance. If Parent reasonably believes that any Licensed Product, any component thereof, or any materials used to advertise, market or promote the Licensed Products do not conform to the Applicable Standards or any other requirement of this Agreement (either during the new product development process or after the Licensed Product has been Sold), Parent may give notice to Licensee that it desires to meet and discuss its findings with Licensee and have Licensee create (or cause to be created) a corrective action plan. To the extent Licensee's corrective action plan is not implemented or is not effective to resolve the identified issue or concern, Licensee will submit to Parent a revised corrective action plan and Parent will have the right to submit questions or concerns in accordance with Section 3.2(d), and the process outlined in Section 3.2(d) shall apply *mutatis mutandis* to revised corrective action plans covering non-conforming Licensed Products. If, notwithstanding the implementation and adoption of corrective action plans in accordance with Section 3.2(d), the applicable Licensed Product continues not to conform to the Applicable Standards or any other requirement of this Agreement, or if Licensee fails to implement such corrective action plans, then, without prejudice to Parent's right to terminate the Agreement in accordance with Article 7, Licensee shall (and shall ensure Permitted Sublicensees) promptly cease manufacturing, Selling, advertising, marketing, promoting, and servicing such non-conforming Licensed Products or advertising, marketing and promotional materials in connection with the GE Marks. Licensee acknowledges, on behalf of itself and Permitted Sublicensees and Vendors, that any use of the GE Marks during a suspension period in contravention of this Section 3.6 shall be deemed unauthorized and infringing.
- 3.7 Recalls. Licensee (or a Permitted Sublicensee) shall bear any and all costs related to, and shall be solely responsible for, any product recall of Licensed Products, whether voluntary or required by a Governmental Authority hereunder. Licensee hereby agrees, on behalf of itself and Permitted Sublicensees, that adequate identification stamping will be placed on finished Licensed Products to best facilitate any product recall that may be declared.
- 3.8 Vendor Compliance.

(a) Licensee, on behalf of itself and Permitted Sublicensees, shall provide to Parent once per Contract Year a report which includes: (i) a true and complete list of each facility used by Licensee, Permitted Sublicensees or Vendors in the manufacture or assembly of Licensed Products identifying the jurisdiction and product(s) manufactured therein and (ii) the designation of risk for each such facility, to be prepared in accordance with Parent Group's Supplier Responsibility Governance ("SRG") Program and EHS risk allocation standards in existence immediately prior to the Distribution Date (*i.e.*, "Sanctioned," "Restricted," "High Risk" or "Low Risk") or Licensee's or Permitted Sublicensees' SRG and EHS risk allocation standards, provided these standards are consistent with those used by SpinCo Group or Parent Group in connection with the SpinCo Business immediately prior to the Distribution Date.

(b) Licensee shall develop (or cause to be developed) a set of standards and requirements for any Vendor engaged to manufacture or distribute Licensed Products for or on behalf of Licensee or Permitted Sublicensees, which shall be: (i) consistent with the SRG Program, EHS standards, and the Integrity Guide for Suppliers, Contractors and Consultants used and enforced by SpinCo Group or Parent Group in connection with the SpinCo Business immediately prior to the Distribution Date and (ii) updated from time to time to reflect evolving industry standards and best practices (collectively, the "Applicable Vendor Standards"). Any such Applicable Vendor Standards shall be submitted in writing to Parent upon any updates to such standards by Licensee, upon Parent's reasonable request, or otherwise on an annual basis.

(c) Licensee shall (and shall ensure that Permitted Sublicensees): (i) provide Vendors with the Applicable Vendor Standards and all applicable requirements hereunder; (ii) require Vendors to expressly agree to comply with the Applicable Vendor Standards and all applicable requirements hereunder; and (iii) ensure that Vendors continually meet or exceed such standards and requirements. Licensee will (and will ensure that Permitted Sublicensees) take all appropriate actions if any Vendor fails to comply with the foregoing, including causing Vendors to undertake necessary corrective actions or suspending or terminating such Person's relationship with them. To the extent any Vendor experiences, in Parent's, Licensee's or a Permitted Sublicensee's reasonable determination, significant or consistent issues with compliance with the Applicable Standards or any applicable requirements hereunder or is operating in a jurisdiction designated as "Sanctioned," "Restricted" or "High Risk," Parent may request that Licensee provide a regular written report to the Parent (in a form reasonably acceptable to Parent) detailing the compliance issues of such Vendor, the steps taken by Vendor to accomplish any agreed-upon corrective action plan and an assessment of such Vendor's progress to fulfill such corrective action plan.

(d) Licensee will (and will ensure that Permitted Sublicensees) procure and maintain on file its legally required certifications and those from all Vendors (for all their respective manufacturing sites) attesting to their compliance with the Applicable Vendor Standards. Licensee hereby agrees, on behalf of itself and Permitted Sublicensees, that no Vendor shall produce any Licensed Products, or any components used in Licensed Products, in any facility in any country that is subject to sanctions by any Governmental Authority or any Law, absent Parent approval. With respect to any country that was subject to sanctions and subsequently has all such sanctions removed, Parent shall determine, in its reasonable discretion, whether Licensed Products may be produced in such country.

3.9 Parent Review/Approvals; Regulatory Compliance. Notwithstanding anything to the contrary herein, in no event will Parent be liable or responsible for, or bear any obligation or liability with respect to, Licensee's, its Permitted Sublicensees' or their respective Vendors' compliance with regulatory requirements or applicable Laws, including with respect to corrective actions or responses to any product safety issues, product quality issues or product recalls, it being understood and agreed that compliance with regulatory requirements and all applicable Laws with respect to any Licensed Products shall be the sole responsibility of Licensee, its Permitted Sublicensees and their respective Vendors, as applicable. Where Parent reviews, comments on or approves any activity, document or product under this Agreement, or makes any judgment or determination with respect to the Licensed Products (including with respect to the quality or safety thereof), it does so for its benefit only and without limiting any obligation or responsibility of Licensee, its Permitted Sublicensees or their respective Vendors with respect thereto. Without limiting the provisions of Section 10.6, no third-party beneficiary rights to consumers, users, purchasers or others are intended by this Article 3. No waiver or renunciation of any performance requirement or product liability of Licensee, Permitted Sublicensees and Vendors may be implied by such review, comments or approval. Furthermore, no right granted to Parent with respect to review, comments or approval in this Article 3 shall impose a duty or obligation on Parent to review or approve or otherwise engage in Licensee's, or its Permitted Sublicensee's or Vendors', obligations described in this Article 3.

4. MARKETING AND COMMUNICATIONS MEETINGS

- 4.1 Marketing and Communications Meetings. Promptly following the Distribution Date, and in any event, no more than three (3) months following the Distribution Date, and once per Reporting Period thereafter, the Parties will meet to review the status of the marketing, communications and sales strategies for the Licensed Products and discuss any proposals for significant updates or changes to such strategies, which shall be subject to Parent's prior approval in accordance with Section 4.2 (such meetings, the "Marketing Meetings" and such strategies, the "Approved Marketing Strategies"). Until the initial Marketing Meeting, Licensee shall (and shall ensure Permitted Sublicensees) continue to implement marketing, communications and sales strategies for the Licensed Products in a manner consistent with past practices and policies of the SpinCo Group or Parent Group in connection with the SpinCo Business (excluding any Former SpinCo Business) immediately prior to the Distribution Date. Prior to each Marketing Meeting, Licensee will deliver to Parent an outline for such Marketing Meeting covering topics in a form substantially similar to the meeting agenda outlined in Attachment 3 (the "Marketing Meeting Outline").
- 4.2 Approval of Marketing Strategies. Parent shall have the right to approve how the GE Marks are proposed to be used and depicted in accordance with the Approved Marketing Strategies, including with respect to any significant updates or changes to the Approved Marketing Strategies proposed by Licensee at the Marketing Meetings. Parent will endeavor to provide a written response to or submit follow-up questions regarding each proposed significant update or change to the Approved Marketing Strategies within ten (10) Business Days of submission at the applicable Marketing Meeting; provided, however, that any failure of Parent to respond or render a decision within such ten (10) Business Day period shall not be deemed to be an approval by Parent and Licensee shall continue to follow-up with Parent until such time as Parent has provided written approval of the applicable submission. If Parent has failed to respond or render a decision within such ten (10) Business Day period, Licensee shall give notice to Parent, and Parent agrees that, within ten (10) Business Days of Parent's receipt of such notice, Parent will deliver its response or it will make available one of its employees or representatives to discuss Parent's response. If Parent provides notice that such submission is unsatisfactory, contemporaneously with providing notice of disapproval, Parent shall state the reasons for its disapproval and provide guidance on how such proposed significant update or change to the Approved Marketing Strategies might be approved, and the Parties will make available, as necessary, one or more senior employees or representatives to facilitate such resolution. To the extent Licensee or any Permitted Sublicensee desires to significantly change or update the Approved Marketing Strategies at any time other than the Marketing Meetings, Licensee may contact the Parent for consideration of such changes or updates, upon reasonable notice. Licensee shall (and shall ensure Permitted Sublicensees) use all commercially reasonable efforts necessary to implement the Approved Marketing Strategies, and any significant updates or changes thereto, approved by Parent.

## 5. OWNERSHIP AND USE OF THE MARK AND RELATED REQUIREMENTS

### 5.1 Ownership.

(a) Licensee, on behalf of itself and Permitted Sublicensees, admits the validity, and Parent's exclusive ownership, of the GE Marks and agree that any and all goodwill, rights or interests that might be acquired by the use of the GE Marks by Licensee or any Permitted Sublicensee shall inure to the sole benefit of Parent. If Licensee or any Permitted Sublicensee obtains any rights or interests in the GE Marks, Licensee hereby transfers (and agrees to ensure each Permitted Sublicensee hereby transfers), and shall execute (and agrees to ensure each Permitted Sublicensee executes) upon request by Parent any additional documents or instruments necessary or desirable to transfer, all such rights or interests to Parent and its Affiliates. Licensee admits and agrees that, as between Parent and Licensee, Licensee has been extended only a mere permissive right to use the GE Marks as provided in this Agreement, which right is not coupled with any ownership interest.

(b) Parent retains the sole right to protect in its sole discretion the GE Marks, including deciding whether and how to file and prosecute applications to register the GE Marks, whether to abandon such applications or registrations, and whether to discontinue payment of any maintenance or renewal fees with respect to any such registrations. Parent will own all right, title and interest in, to and under any and all registrations and applications for registration of the GE Marks, whether filed before or after the Distribution Date.

(c) Notwithstanding Section 5.1(b), if and to the extent Licensee desires to seek registration for any new Trademarks that contain or are confusingly similar to the GE Marks or maintain any GE Marks that Parent in its sole discretion has decided to abandon or for which Parent has decided to discontinue payment of any maintenance or renewal fees, Licensee may seek Parent's approval to maintain such GE Marks or seek registration for such new Trademarks, which shall be provided in Parent's sole discretion. To the extent Parent approves Licensee's request to maintain such GE Marks or seek registration for such new Trademarks, the costs and expenses for such prosecution, registration or maintenance shall be borne solely by Licensee.

### 5.2 Review and Approval of Materials by Parent.

(a) The Parties shall cooperate to establish a mutually agreed-upon brand and advertising review process to enable Parent to work collaboratively with Licensee in the development and approval of materials under this Agreement and to ensure that all such materials comply with the Usage Guidelines and the terms of this Agreement. The process will include meetings at least once per Reporting Period and may be combined with Marketing Meetings, and such other meetings at such other times or on such other intervals as the Parties may mutually agree.

(b) Licensee may submit any materials to be used by Licensee or any Permitted Sublicensee bearing the GE Marks (*e.g.*, business cards, letterhead, public relations releases, trade show displays) to Parent for confirmation that such materials are compliant with the Usage Guidelines and the terms of this Agreement. Parent will endeavor to provide a written response to or submit follow-up questions regarding any materials submitted for review within ten (10) Business Days of its receipt thereof; provided, however, that any failure of Parent to respond or render a decision within such ten

(10) Business Day period shall not be deemed to be an approval by Parent and Licensee shall continue to follow-up with Parent until such time as Parent has provided written approval of the applicable submission. If Parent has failed to respond or render a decision within such ten (10) Business Day period, Licensee shall give notice to Parent, and Parent agrees that, within ten (10) Business Days of Parent's receipt of such notice, Parent will deliver its response or it will make available one of its employees or representatives to discuss Parent's response. If Parent provides notice that such submission is unsatisfactory, contemporaneously with providing notice of disapproval, Parent shall state the reasons for its disapproval and provide guidance on how such submission might be approved, and the Parties will make available, as necessary, one or more senior employees or representatives to facilitate such resolution.

(c) Except as provided above or as otherwise approved by Parent, all materials shall be sent to Parent in the manner provided in Section 10.3. If Parent requests changes to previously approved materials (*e.g.*, due to changes in the Usage Guidelines), Licensee shall (and shall ensure Permitted Sublicensees) promptly make such changes, provided, that Licensee (and Permitted Sublicensees) shall be allowed to continue to distribute such materials then existing in inventory.

- 5.3 Use of GE Marks and Trademark Notations. Licensee shall (and shall ensure Permitted Sublicensees) use the GE Marks on each Licensed Product in the same manner as the approved pre-production or production samples or in such manner reasonably specified by Parent in writing. All Marketing, advertising, promotional, user manuals, and packaging materials created after the Distribution Date for Licensed Products shall bear the marking: "GE is a trademark of General Electric Company. Manufactured under trademark license," or such other reasonable marking as Parent shall direct from time to time or as otherwise approved by Parent. Licensee shall (and shall ensure Permitted Sublicensees) comply with all applicable Laws pertaining to the GE Marks, including those pertaining to the proper use and designation of GE Marks and pertaining to the Sale, advertising, marketing and promotion of Licensed Products. In addition, all Licensed Products shall be marked as required by local Law and the Usage Guidelines. Licensee shall (and shall ensure Permitted Sublicensees) begin adding any additional or revised markings directed by Parent under this Section 5.3 within a reasonable period of time following notice from Parent. Any use of the GE Marks not specifically provided for by the Usage Guidelines (including any uses not contemplated by the Usage Guidelines, any uses in contravention of the Usage Guidelines and any clarifications of the Usage Guidelines) shall be adopted by Licensee and Permitted Sublicensees only upon prior written approval by Parent.
- 5.4 Changes to GE Marks. If Parent requests changes (*e.g.*, due to changes in the Usage Guidelines) to previously-approved materials bearing the GE Marks (*e.g.*, signage, fleet vehicles, packaging, instruction manuals, business cards, letterhead, advertising, display, product insert, promotional materials, or the like), Licensee shall (and shall ensure Permitted Sublicensees) promptly implement the change as soon as reasonably practicable following the effective date of such change but no later the timeframe mutually agreed upon between the Parties, and Licensee shall be allowed to continue (and to permit Permitted Sublicensees to continue) to distribute such materials then existing in inventory during such period but not any new materials, unless otherwise approved in writing by Parent.

## 5.5 Compliance Matters With Respect To Marketing Materials.

(a) Licensee, on behalf of itself and each Permitted Sublicensee, represents, warrants and covenants that it and each Permitted Sublicensee has, and will have at all relevant times, all rights, title and interest (whether by ownership or through a valid license) necessary to use, display and distribute all advertising, displays, product inserts, packaging, promotional copy, and other materials associated with the Licensed Products. All new advertising, displays, product inserts, packaging, promotional copy, and other materials associated with the Licensed Products created by Licensee or any Permitted Sublicensee for any jurisdiction regardless of the media type will: (A) comply in all respects (1) with all Parent requirements that are described or referenced in, or arise out of, this Agreement, and (2) with applicable Laws, including those Laws regarding Intellectual Property and Trademarks, and unfair competition; (B) not infringe, misappropriate, dilute or otherwise violate the Intellectual Property or Trademarks of any third party; (C) not violate the rights of publicity or privacy of any third party; or (D) not contain false or misleading representations or claims.

(b) Licensee, on behalf of itself and each Permitted Sublicensees, represents, warrants and covenants that:

(i) Licensee and each Permitted Sublicensee has, and will have at all relevant times, all rights and approvals (whether by ownership or through a valid license) necessary to use any Trademarks that Licensee or such Permitted Sublicensee uses on or in connection with a Licensed Product or any advertising, displays, product inserts, packaging, promotional copy, or other materials associated with the Licensed Products;

(ii) prior to the adoption and use of any new Trademark on or in connection with a Licensed Product, Licensee shall (and shall ensure Permitted Sublicensees) conduct appropriate legal due diligence for clearance to use the Trademark in the applicable jurisdictions, including obtaining a full search and associated legal opinion in accordance with the customary practice in each jurisdiction and upon Parent's request, Licensee, on behalf of itself and Permitted Sublicensees, shall provide the search, legal opinion, other clearance materials or a summary thereof to Parent;

(iii) any new Trademark used on or in connection with a Licensed Product or otherwise used in the SpinCo Business shall be shared for Parent's review for compliance with the terms of this Agreement, with Parent at least once per Reporting Period; and

(iv) any new Trademark used on or in connection with a Licensed Product shall not be or contain, or be confusingly similar to, any Trademarks owned or used by Parent or its third-party licensees (other than the GE Marks in accordance with Section 5.1(c) of this Agreement).



5.6 Internet Sales. Licensee may (and may permit Permitted Sublicensees to) display, advertise, promote, market or sell the Licensed Products on or in connection with the Internet, provided, that Licensee and each Permitted Sublicensee strictly adheres to the terms of this Agreement in connection therewith, including the following:

(a) Except with respect to the GE Domain Names and as described in Section 5.6(c), the GE Marks shall neither be used in Licensee's or any Permitted Sublicensees' website's name nor as part (or whole) of the Domain Names relating to Licensee's or any Permitted Sublicensees' website or any other website controlled by Licensee or any Permitted Sublicensee, nor any social media/website username/handle registered by Licensee or any Permitted Sublicensee, unless otherwise approved by Parent in writing.

(b) Licensee shall (and shall ensure each Permitted Sublicensee does) not knowingly link web pages featuring the GE Marks or the Licensed Products to any other Parent-owned website(s) in a manner which suggests that Parent is the manufacturer or provider of the Licensed Products, unless Licensee has obtained prior written approval from Parent for use of such link.

(c) Licensee, on behalf of itself and Permitted Sublicensees, shall obtain prior written approval from Parent for any new Domain Names or social media/website usernames/handles using the GE Marks; provided, that Licensee may reserve or register any such Domain Name or social media/website username/handle prior to receiving approval from Parent as long as Licensee promptly relinquishes its control of the same if subsequent approval is not granted.

(d) The Parties shall work together in good faith to develop reasonable processes around coordination of their respective online customer care efforts (including the manner and timing of responses to customers, particularly where one Party receives inquiries or complaints from customers about products of the other Party). All customer support centers, service centers, and Internet sites shall be established and operated in strict compliance with the Data Privacy Guidelines, shall require Parent approval prior to operation, and Licensee shall pay all costs and expenses related to the creation and maintenance thereof.

(e) Licensee shall (and shall ensure Permitted Sublicensees) conduct all Internet activities consistent with the equity of the GE Marks and in accordance with all terms, and subject to all conditions, set forth in this Agreement, including the Usage Guidelines.

5.7 Obligations of Licensee. Licensee shall (and shall ensure that each Permitted Sublicensee does) not:

(a) Alter the GE Marks in any manner, including proportions, colors or elements, except as permitted in accordance with the Usage Guidelines; or animate, morph or otherwise distort its perspective or two-dimensional appearance;

(b) Use the GE Marks in any manner, conduct itself or otherwise commit any acts or engage in any conduct that (i) disparages Parent or any of its Affiliates, or any of their respective products or services, (ii) infringes any of Parent's or its Affiliates' Intellectual Property or Trademark rights, or (iii) violates any applicable Law;

(c) Sell the Licensed Products in connection with deeply discounted or liquidation programs, without the prior written approval of Parent;

(d) Use, or permit the use of, Trademarks upon Licensed Products or the packaging, labeling, promotional or advertising materials therefor, except as expressly authorized or approved by Parent in accordance with this Agreement except as expressly authorized or approved by Parent in accordance with this Agreement (as contemplated in Section 5.5(b));

(e) Include, or permit the inclusion of, any third party's name or Trademarks in combination with the name of Parent or the GE Marks in advertising, display, product inserts, packaging, promotional copy, or other associated materials or on the Licensed Products, in each case, in a manner that would suggest co-branding, co-marketing or a similar relationship, except as expressly authorized or approved by Parent in accordance with this Agreement;

(f) Except as permitted in accordance with Sections 2.2, 2.3 or 7.3(b), use the GE Marks or translations thereof, or marks confusingly similar thereto, as part of its trade name, corporate name, registered name, fictitious name, assumed name, doing business as name or legal entity name.

(g) Use the GE Marks, other than as permitted by the rights and licenses granted in Article 2, including with other products, or in any manner that implies or suggests an association with the Licensed Products or the sponsorship or endorsement of Licensee or any Permitted Sublicensee or their products by Parent;

(h) Except as permitted in accordance with Attachment 1, use the GE Marks or the letters "GE" (except as the combination of a consonant and a vowel in a word) as a feature or design element of any other logo, name or Trademark;

(i) Except with Parent's prior written consent, register, seek to register, use, or display the GE Marks in such a way as to create the impression that the GE Marks belong to Licensee or a Permitted Sublicensee;

(j) Use the GE Marks or any other Trademarks in a manner that suggests that the products or services associated with the GE Marks are not the highest tier of offerings, by quality and value, of products or services for Licensee or any of its Affiliates;

(k) Make unlicensed use, or apply for registration, of a Trademark confusingly similar to the GE Marks; or

(l) Knowingly infringe third-party Intellectual Property or Trademark rights by the sale of Licensed Products.

#### 5.8 Brand Equity.

(a) Licensee shall conduct (and shall ensure each Permitted Sublicensee conducts) its business in a manner that will reflect positively upon the GE Marks.

(b) Licensee will (and will ensure Permitted Sublicensees) use their commercially reasonable efforts to: (a) position Licensed Products with consumers and customers in a manner consistent with their relative product positioning in the relevant marketplace as of immediately prior to the Distribution Date; and (b) materially maintain, or enhance, the relative product positioning in the relevant marketplace as that marketplace may evolve in the future. Licensee will use (and will ensure each Permitted Sublicensee uses) its commercially reasonable efforts to position the Licensed Products with its customers in a manner consistent with this Section 5.8.

(c) Licensee shall participate, at Parent's request, in an annual meeting with Parent to discuss the Parties' shared vision and goals for the GE Marks and brand.

- 5.9 Assistance in Protecting the GE Marks. Licensee shall (and shall ensure Permitted Sublicensees) assist Parent and promptly supply all information Parent may reasonably request in procuring or renewing registrations, registration of licenses required by Law (including local Law), entry of Licensee as a registered or authorized user of the GE Marks, and other actions for the maintenance, enforcement and protection of the GE Marks and protecting Parent's and its Affiliates' rights therein (including information concerning sales and other dispositions of products and services that are required in connection with the foregoing). Licensee hereby agrees to (and to ensure Permitted Sublicensees) fully cooperate with Parent in the requested filings and the prosecution of Trademarks that Parent may desire to file, and in the conduct of litigation relating to the GE Marks. Licensee shall, on behalf of itself and Permitted Sublicensees, supply to Parent such samples, containers, labels, sales information, sample invoices and similar material and, upon Parent's request and shall procure evidence, give testimony, and cooperate with Parent as may reasonably be required in connection with such application or litigation.
- 5.10 Foreign Registration of the GE Marks. At Licensee's request, Parent agrees to use commercially reasonable efforts, in its reasonable judgment, to obtain Trademark registrations for the GE Marks in countries or jurisdictions in which Parent determines a commercially viable market for Licensed Products exists or can be developed. To the extent any applications for such registrations face opposition or any other appeals are necessary to achieve registrations, the Parties shall confer on the viability of such applications. To the extent Licensee desires to proceed with such applications, but Parent does not, any costs associated or related to such registrations shall be borne by Licensee. Notwithstanding anything to the contrary in Article 2, neither Licensee nor any Permitted Sublicensee may use the GE Marks, and no particular Licensed Product may be manufactured, exported, imported, packaged, displayed, sold, marketed, advertised, promoted, distributed, delivered, performed or provided (i) in any jurisdiction where the GE Marks have not been registered in the relevant trademark class(es) for Licensed Products, until an appropriate trademark search has been conducted and an application to register the particular GE Mark in the relevant trademark class(es) for Licensed Products has been filed in such jurisdiction, or Parent determines in good faith on the advice of its trademark counsel that (a) it would be preferable not to seek to register such GE Mark in such jurisdiction but that there is no material impediment to the use of such GE Mark therein or (b) use of such GE Mark without registration is not likely to adversely affect Parent's and its Affiliates' rights in, to or under such GE Mark in such jurisdiction, and (ii) in a jurisdiction where entry of Licensee or a Permitted Sublicensee as registered or authorized users is required by Law, prior to the execution of an appropriate registered user agreement or similar agreement and the filing thereof with the appropriate Governmental Authority. In the event that Licensee or a Permitted Sublicensee desires to manufacture, export, import, package, display, sell, market, advertise, promote, distribute, deliver, perform or provide any Licensed Product under a GE Mark in any jurisdiction where such GE Mark has not been

registered in the relevant trademark class(es), Licensee shall provide prior written notice thereof to Parent and Licensee shall pay all reasonable, preapproved, documented costs for the trademark search and for any application to register such GE Mark in such jurisdiction. Not in limitation of the foregoing or Parent's and its Affiliates' rights hereunder (including in accordance with Articles 7, 8 and 9), in the event that Parent determines that Licensee or a Permitted Sublicensee is using the GE Marks in a jurisdiction where such GE Marks are not registered in the appropriate trademark class(es) for Licensed Products, Parent in its sole discretion shall have the option to require such registration at Licensee's expense. Parent will own all right, title and interest in, to and under any and all registrations and applications for registration of the GE Marks, whether filed before or after the Distribution Date.

5.11 Notice of Third-Party Infringements by Licensed Products. Licensee, on behalf of itself and Permitted Sublicensees, shall promptly notify Parent of all claims by third parties made against or to Licensee or any Permitted Sublicensee involving alleged infringement by the Licensed Products of such third parties' Intellectual Property or Trademark rights of which it becomes aware.

5.12 Third Party Infringements of GE Marks.

(a) Licensee, on behalf of itself and each Permitted Sublicensee, shall promptly notify Parent in writing of all (i) counterfeit goods, parallel imports or gray good issues relating to products or services in the same or similar categories as the Licensed Products using the GE Marks or marks or designs confusingly similar to the GE Marks or (ii) disputes or issues relating to or otherwise implicating the GE Marks with distributors, Vendors, Permitted Sublicensees or other Persons, in each case, as they relate to the Licensed Products, of which it becomes aware. With respect to any such claims or allegations, upon Parent's prior written approval, to be provided in Parent's sole discretion, Licensee shall have the right to make demands or claims, institute suit, give notices, or take action on account of such disputes, issues or infringements; provided, however, that Parent shall be permitted to participate and provide input with respect to such matters, and Licensee must obtain prior written approval from Parent, to be provided in Parent's sole discretion, prior to settling or otherwise resolving any such matters. Licensee shall be solely responsible for all reasonable expenses, legal fees, and costs incurred in connection with such matters and Licensee shall be entitled to all sums recovered from others as a result of such matters. If Licensee decides not to take action against an infringer or violator with respect to such matters, Parent may pursue such enforcement on its own at its sole cost and expense, in which case, Parent will be entitled to all sums recovered from others as a result of such matters. Licensee hereby agrees to (and to ensure Permitted Sublicensees) reasonably cooperate in such matters, including providing relevant records and documentation, making employees available, or providing other evidence or support as requested by Parent.

(b) Licensee, on behalf of itself and each Permitted Sublicensee, shall promptly notify Parent in writing of all (i) counterfeit goods, parallel imports or gray good issues relating to products or services using the GE Marks or marks or designs confusingly similar to the GE Marks as they relate to products or services that are not in the same or similar categories as the Licensed Products, (ii) third-party infringements of, or unlicensed use of, marks or designs confusingly similar to the GE Marks, (iii) ordinary course enforcement actions (*e.g.*, oppositions, cancellations, cease and desist letters,

domain name issues) concerning the GE Marks or any Marks confusingly similar thereto, or (iv) other enforcement actions or infringement issues concerning the GE Marks of which it or any Permitted Sublicensee becomes aware. With respect to any such claims or allegations, Parent shall have the right to make demands or claims, institute suit, give notices, effect settlements, or take action on account of such disputes, issues or infringements and to determine whether or not action shall be taken due to or against such disputes, issues or infringements or to otherwise terminate such disputes, issues or infringements; provided, however, that Licensee hereby agrees to (and to ensure Permitted Sublicensees) reasonably cooperate in such matters (including providing relevant records and documentation, making employees available, or providing other evidence or support as requested by Parent) and shall be permitted to participate and provide input with respect to such matters to the extent such matters impact the SpinCo Business. Parent shall be solely responsible for all reasonable expenses, legal fees, and costs incurred by Parent in connection with such matters and Parent will be entitled to all sums recovered from others as a result of such matters. If Parent decides not to take action against an infringer or violator with respect to such matters, Licensee may, upon Parent's prior written approval, to be provided in Parent's sole discretion, pursue such enforcement on its own at its sole cost and expense, in which case, Licensee will be entitled to all sums recovered from others as a result of such matters. Parent shall be permitted to participate and provide input in such matters, and Licensee must obtain prior written approval from Parent, to be provided in Parent's sole discretion, prior to settling or otherwise resolving any such matters.

- 5.13 Implementation. To the extent not previously implemented in the conduct of the SpinCo Business immediately prior to the Distribution Date, requirements with respect to use of the GE Marks contained in the Usage Guidelines or other provisions of this Agreement shall be fully implemented by Licensee and each Permitted Sublicensee as soon as reasonably practicable following the Distribution Date.
- 5.14 Modification Due to Third-Party Claims. The Parties understand that Parent, its Affiliates, and their respective authorized dealers use the GE Marks to advance and promote Parent equipment and other product and service sales, and that Parent has a paramount obligation to preserve its ability to so use such GE Marks. Should Parent's trademark counsel render a legal opinion that concludes that use of the GE Marks becomes threatened as a result of a claim by a third party or any applicable Law, then Licensee shall (and shall ensure each Permitted Sublicensee does) use commercially reasonable efforts (taking into consideration among other things any adverse impact or consequences that might arise from Licensee's and Permitted Sublicensees' continued use of the GE Marks) to cease use of the GE Marks upon notice from Parent to Licensee. Licensee shall (and shall ensure Permitted Sublicensees) comply fully and promptly with all guidelines provided to Licensee from time to time by Parent for the purpose of distinguishing Parent's Trademarks and preventing confusion between itself and another entity. In addition, in the event of any such opinion, Parent's and Licensee's respective trademark counsel shall negotiate in good faith an amendment to this Agreement that modifies this Agreement only to the extent reasonably necessary to address the legal issue arising out of such third-party claim or Law. In the event that, as a result of such amendment, Licensee or any Permitted Sublicensee has Licensed Products that it cannot sell, Licensee or the applicable Permitted Sublicensee shall be permitted to remove the GE Marks and all other Parent-identifying information (subject to applicable Law) and dispose of such inventory in a commercially reasonable manner.

- 5.15 Territorial Restrictions. Licensee hereby agrees not to exercise any rights granted to it under this Agreement (and agrees to ensure that Permitted Sublicensees do not exercise any sublicense granted to it as permitted under this Agreement) with respect to countries, territories or jurisdictions falling into any of the following categories at any given time: (a) under applicable Law, Licensee or its Affiliates are not permitted to conduct business in such country, territory or jurisdiction, (b) under applicable Law, Parent is not permitted to conduct business in such country, territory or jurisdiction, and (c) to the extent that Parent makes a policy determination that it and its Affiliates shall cease doing business in a country, territory or jurisdiction; provided, that in the case of this clause (c), (x) Parent makes a policy determination with respect to the activities of its business units and Affiliates as a whole and not in a manner intended to discriminate against or disproportionately burden Licensee and Permitted Sublicensees, and (y) Parent shall provide Licensee with reasonable notice to enable Licensee and each Permitted Sublicensee to transition its cessation of the manufacture, import, marketing, sale or provision of Licensed Products in such countries, territories or jurisdictions, but at a minimum the same amount of time as Parent has provided to its own business units and Affiliates for such a transition in those countries, territories or jurisdictions. Notwithstanding the foregoing, Licensee, on behalf of itself or any Permitted Sublicensee, may request that Parent grant approval for certain exception(s) to the countries, territories or jurisdictions excluded above, solely for the purpose of providing humanitarian aid and related services and products to such countries, such approval not to be unreasonably withheld or denied by Parent.
- 5.16 Cyber Security Concerns and Product Security Vulnerabilities. Licensee shall (and shall ensure Permitted Sublicensees) implement and maintain a vulnerability management program (in each case, consistent with best industry practices in effect as of the applicable time) for any publicly accessible website or web portal bearing any GE Mark or any Licensed Product. Any vulnerabilities identified by Licensee or any Permitted Sublicensee through its applicable program, by a third party, or by Parent shall be remediated in accordance with best industry practices at the time such vulnerability is identified. Any material vulnerabilities or related concerns identified by Licensee or any Permitted Sublicensee through its applicable program, or by a third party, shall be reported to Parent in accordance with Section 3.2. Licensee (or a Permitted Sublicensee) shall bear any and all costs for all such remediation. Parent reserves the right to conduct an audit, upon thirty (30) days' advance notice to Licensee to ensure compliance with this Section 5.16.
6. FEES, ROYALTIES, REPORTS, RECORDS
- 6.1 Annual Assessment. During the Term and any Grace Period, Licensee shall pay to Parent an annual assessment of [\*\*\*] (the "Annual Fee"). Such payments will be made in quarterly installments of [\*\*\*] no later than the twenty-fifth (25<sup>th</sup>) day following the end of each Reporting Period and the end of the Grace Period (in each case, pro-rated, as applicable, to the extent the final Reporting Period or the Grace Period ends prior to the end of the applicable calendar quarter).

- 6.2 Royalties on New Licensed Products. During the Term and any Grace Period, Licensee shall pay to Parent Earned Royalties equal to the applicable rate(s) negotiated between the Parties in good faith, in accordance with Section 2.1(b), of Net Sales of all New Licensed Products Sold during a Reporting Period. Such payments will be made no later than the twenty-fifth (25<sup>th</sup>) day following the end of each Reporting Period and the end of the Grace Period. For the avoidance of doubt, such Earned Royalties shall be payable to Parent in addition to, and not in replace of, the Annual Fee.
- 6.3 Taxes.
- (a) Licensee shall bear any and all Taxes or other charges of any kind imposed by any Governmental Authority (and any related interest and penalties) on or in respect of, or payable by Licensee with respect to, any amount payable by Licensee in accordance with this Agreement.
- (b) If any withholding or deduction from any payment under this Agreement by Licensee is required in respect of any Taxes or other charges of any kind imposed by any Governmental Authority in accordance with any applicable Law, Licensee will: (i) gross up the amount payable such that the Parent receives an amount equal to the amount that Parent would be entitled to receive under this Agreement absent any withholding or deduction in respect of such payment, (ii) deduct such Tax or charge from the amount payable to Parent; (iii) timely pay such Tax or charge to the relevant Governmental Authority; and (iv) promptly provide Parent with original receipts or other documentation satisfactory to Parent in respect thereof evidencing such payments to the relevant Governmental Authority. The Parties agree to reasonably work together to minimize Taxes and to provide each other with all reasonably necessary original receipts.
- 6.4 Currency and Exchange Rates. All amounts due under this Agreement shall be denominated, reported, and paid in United States dollars. Where a country or jurisdiction restricts repatriation of United States dollars, fees and royalties will continue to accrue until paid. The royalty on Net Sales in currencies other than United States dollars shall be calculated using the appropriate foreign exchange rate for such currency published in the Wall Street Journal (or such other reasonable source as may be mutually agreed by the Parties if the Wall Street Journal no longer exists, no longer publishes such rate, or is no longer a leading source for such information) on the first (1<sup>st</sup>) banking day following each corresponding Reporting Period.
- 6.5 Quarterly Financial Reports. By the twenty-fifth (25<sup>th</sup>) day following the end of each Reporting Period during the Term and the end of any Grace Period, Licensee shall send to Parent a single, electronic, full and accurate report ("Financial Report"), certified by the Chief Financial Officer of Licensee or his or her designee, detailing, among other items, Net Sales of each of the New Licensed Products Sold by or on behalf of Licensee and all Affiliates of Licensee during the Reporting Period, including the breakdown of sales by country. The Financial Report shall constitute a completed royalty report form, including a breakdown of sales by country, New Licensed Product and Licensee/Affiliate, provided or approved by Parent from time to time. Such Financial Report shall be rendered at the times specified, whether or not Licensee or any Affiliate has Sold any New Licensed Product during the Reporting Period or whether any Earned Royalty is due under the terms of Section 6.2. At the time of sending each Financial Report hereunder, Licensee shall calculate the Earned Royalty for the Reporting Period, if any, and remit to Parent in full such Earned Royalty.

6.6 Payment Method. All payments shall be made by wire transfer to Parent as specified below or in the manner otherwise specified by Parent in writing.

Wire Transfer Information

Account Title: [•]  
Bank Name: [•]  
Account Number: [•]  
Treasury Code: [•]  
Swift Code: [•]  
ABA#: [•]

- 6.7 Late Payment Charge. Except with respect to any portion of Earned Royalties that is reasonably in dispute, a late payment charge of one percent (1%) per month (*i.e.*, twelve percent (12%) per annum) over the prime rate (as published in the Wall Street Journal on the fifteenth (15<sup>th</sup>) day of the month when such funds were due) shall be payable to Parent on the amount of all payments (including the Annual Fee, all Earned Royalties and any payments due as a result of a dispute or indemnity obligation) not made when due, from the payment due date until the date payment is received by Parent; provided, that in no circumstances shall the late payment fee required hereunder exceed the highest charge allowed by applicable Law. All payments shall be made by wire transfer to Parent as specified above or in the manner otherwise specified by Parent in writing.
- 6.8 Report and Record Retention. During the Term and for at least five (5) years following the later of the Expiration Date and the end of any Grace Period, Licensee shall maintain the Financial Reports, the reports required in Section 3.3, and related books (collectively, "Books and Records") at a single point for review (where commercially practical) as are necessary to substantiate that:
- (a) all reports submitted to Parent hereunder are true, complete, and accurate; and
  - (b) all Earned Royalties, the Annual Fee and other payments due Parent hereunder shall have been paid to Parent in accordance with the provisions of this Agreement; and
  - (c) no material payments have been made, directly or indirectly, by or on behalf of Licensee to or for the benefit of any Parent employee or agent who may reasonably be expected to influence Parent's decision to enter into this Agreement or the amount to be paid by Licensee under this Agreement. As used in this sub-Section, "payment" shall include money, property, services, and all other forms of consideration.
- 6.9 Accounting Principles. United States Generally Accepted Accounting Principles ("GAAP") or International Financial Reporting Standards ("IFRS") shall be applied consistently to all transactions under this Agreement as applicable, for calculation of Gross Revenue and Earned Royalties and all Books and Records shall be maintained in accordance with GAAP or IFRS, consistently applied as applicable, and with all applicable Laws.



- 6.10 Inspection Rights. Not in limitation of any other rights hereunder, during the Term and for at least five (5) years following the later of the Expiration Date and the end of any Grace Period, Parent, and its duly authorized representatives (including certified public accountants or Tax advisors) who are bound by an appropriate confidentiality agreement with Licensee, shall have the right, upon five (5) Business Days' prior notice, to inspect and audit, and copy any of Licensee's and its Affiliates' Books and Records and any other records related to the New Licensed Products, including records relating to production, inventory, sales, invoices, general ledger and sub-ledgers, accounts receivable, accounts payable, production, shipping, inventory, purchase of production materials, management reports, warranties, and returns, at all times during regular business hours for the purpose of determining the correctness of the Financial Reports and Earned Royalty payments due under and compliance with the other terms and conditions of this Agreement.
- 6.11 Deficiencies Revealed by Audit. If the inspection or audit reveals a deficiency of Earned Royalties due or paid by Licensee to Parent, Licensee shall, within thirty (30) Business Days of receipt of notice to cure the deficiency, make payment to Parent of said deficiency, including the fee and interest terms as provided in Article 6 as permitted by applicable Law. In addition, if the audit reveals a deficiency of more than five percent (5%) of the Earned Royalties due in any audited period, Licensee shall reimburse Parent for the reasonable audit costs and reasonable attorneys' fees and expenses and costs of collection.

## 7. TERM, RENEWAL AND TERMINATION

- 7.1 Term. Unless terminated or extended as herein provided, this Agreement shall commence immediately upon the Distribution Date and shall expire as of 11:59 P.M. Eastern Time ten (10) years thereafter ("Initial Term"). This Agreement shall automatically renew for additional ten (10) year periods (each, a "Renewal Term"), provided, that: (a) none of Licensee or any Permitted Sublicensee is in material breach of this Agreement at the expiration of the Initial Term or the then-current Renewal Term, as applicable, and (b) Licensee (on behalf of itself and each Permitted Sublicensee) provides reasonable written assurance of its ability to continue to perform its obligations under this Agreement and to maintain the operation of the SpinCo Business (in each case for such Renewal Term). The "Term" of this Agreement shall be the Initial Term and any Renewal Term. All terms of this Agreement shall remain in full force and effect throughout any Renewal Term and any Grace Period.

### 7.2 Termination of the Agreement.

(a) Parent shall have the right, without prejudice to any other rights it may have, to terminate this Agreement in whole or, in Parent's sole discretion, in part in the event of any of the following events:

- (i) a Change of Control of Licensee, SpinCo or any other member of the SpinCo Group that is not a Subsidiary of Licensee without notice to and prior written consent of Parent, with respect to Licensee or such Permitted Sublicensee; any Change of Control Notice; any assignment by Licensee in violation of Section 10.1; or any attempt of any Permitted Sublicensee to transfer or otherwise assign any sublicense granted under this Agreement;

(ii) a Bankruptcy Event with respect to Licensee or any of its Permitted Sublicensees;

(iii) any material breach or violation by Licensee or a Permitted Sublicensee of the terms or conditions of the Agreement, which Licensee (or such Permitted Sublicensee, as the case may be) fails to cure within ten (10) Business Days after notice to Licensee by Parent (or such longer period as Parent may approve in writing, in Parent's sole discretion, in accordance with a written corrective action plan delivered by Licensee to Parent during such initial ten (10) Business Days after such notice to Licensee); provided, that in the event Licensee or a Permitted Sublicensee breaches or violates any such provisions of the Agreement on three (3) or more occasions in any consecutive twelve (12) month period, such breaches or violations taken together shall constitute a material breach or violation;

(iv) any failure by Licensee or any Permitted Sublicensee to use any of the GE Marks in commerce for three (3) consecutive years in any jurisdiction of the Licensed Territory, with respect to such jurisdiction of the Licensed Territory (where "use" of such GE Mark means the bona fide use of such Trademark made in the ordinary course of trade, and not token use, nominal use, or use made merely to reserve a right in a Trademark);

(v) a public announcement by Licensee or a Permitted Sublicensee of its desire to exit any jurisdiction of the Licensed Territory, in which instance, such termination shall be limited to Licensee or the applicable Permitted Sublicensee for such jurisdiction of the Licensed Territory;

(vi) Parent demonstrates an actual material adverse impact (or the reasonable likelihood of a material adverse impact to occur) to the goodwill associated with the GE Marks or the reputation of the Parent Group, in each case, as a result of the rights granted to Licensee hereunder or the exercise of any such rights by Licensee or any Permitted Sublicensee; or

(vii) Licensee or any Permitted Sublicensee adopts a trade name that is not "GE HealthCare" (whether or not such new trade name contains a GE Mark) that was not approved by Parent prior to such adoption.

(b) In the event that Parent provides notice of any material breach or violation described in Section 7.2(a)(iii) on three (3) or more occasions in any consecutive twelve (12) month period (whether or not such material breaches or violations have been cured, and whether or not such material breaches or violations arise from the same or different events or circumstances), Parent shall have the right, without prejudice to other rights it may have, to terminate this Agreement, in whole or in part, immediately upon written notice to Licensee.

(c) Licensee shall notify Parent in writing within five (5) Business Days following the first announcement of a transaction in respect of a potential Change of Control of Licensee or any Permitted Sublicensee (the "Initial Notice"). Licensee shall further notify Parent in writing not later than two (2) Business Days prior to the anticipated effective date of a Change of Control (such notice collectively with the Initial Notice, the "Change of Control Notice").

(d) Licensee shall have the right to terminate this Agreement, in whole but not in part, at any time upon three (3) months' prior notice to Parent.

7.3 Obligations on Expiration and Termination; Survival.

(a) Upon expiration or full or partial termination of this Agreement:

(i) all money owed and required to be paid under this Agreement or the terminated portion thereof (as applicable) during the Term through and including the effective date of such expiration or termination shall become immediately due and payable (and, for the avoidance of doubt, any partial termination shall not reduce the Annual Fee);

(ii) except as provided in Section 7.3(c), Licensee and each Permitted Sublicensee (or, in the event of a partial termination, the applicable Permitted Sublicensees) shall immediately discontinue the manufacture, sale, distribution or delivery of all Licensed Products and the use of the GE Marks hereunder in the Licensed Territory;

(iii) the licenses herein granted shall terminate in their entirety (or, in the event of a partial termination, the applicable Permitted Sublicensees) and, except as specifically provided for in Section 7.3(b) or 7.3(c), Licensee shall, and shall cause each applicable Permitted Sublicensee and their respective receivers, representatives, trustees, agents, administrators, successors, or permitted assigns to, immediately cease all use of the GE Marks;

(iv) with respect to the expiration or full termination of the Agreement, all right, title and interest in, to and under all GE Domain Names, and any other Domain Names using the GE Marks owned by Licensee or a Permitted Sublicensee, shall immediately revert to Parent (or, at Parent's request, be cancelled by Licensee or the applicable Permitted Sublicensee), and Licensee shall, and shall cause each Permitted Sublicensee, as applicable, to, immediately cease from any further use of such Domain Names, Licensee hereby assigns (and will ensure each Permitted Sublicensee hereby assigns) to Parent, effective as of the effective date of such expiration or termination, all such right, title and interest in, to and under such Domain Names, and Licensee hereby agrees to, and agrees to ensure Permitted Sublicensees, perform, execute, acknowledge, and deliver or cause to be performed, executed, acknowledged, and delivered all such further and other acts, instruments, and assurances as may reasonably be required to carry out such assignment promptly upon termination;

(v) with respect to partial termination of the Agreement in jurisdiction(s) of the Licensed Territory or Licensed Product(s) in accordance with Section 7.2(a)(iv) or 7.2(a)(v), as applicable, all right, title and interest in, to and under the GE Domain Names that relate to such terminated jurisdiction(s) or Licensed Product(s), as applicable, and any other Domain Names using the GE Marks owned by Licensee or any Permitted Sublicensee that relate to such terminated jurisdiction(s) or Licensed Product(s), as applicable, shall immediately revert to Parent (or, at Parent's

request, be cancelled by Licensee or the applicable Permitted Sublicensee), and Licensee shall, and shall cause each Permitted Sublicensee, as applicable, to, immediately cease from any further use of such Domain Names, Licensee hereby assigns (and will ensure each Permitted Sublicensee hereby assigns) to Parent, effective as of the effective date of such termination, all such right, title and interest in, to and under such Domain Names, and Licensee hereby agrees to, and agrees to ensure Permitted Sublicensees, perform, execute, acknowledge, and deliver or cause to be performed, executed, acknowledged, and delivered all such further and other acts, instruments, and assurances as may reasonably be required to carry out such assignment promptly upon termination; and

(vi) Parent shall have the option to repurchase Licensee's and the Permitted Sublicensees' (or, in the event of a partial termination, the applicable Permitted Sublicensees) remaining inventory of Licensed Products or components for incorporation into Licensed Products, at Licensee's or the applicable Permitted Sublicensees' (or, in the event of a partial termination, the applicable Permitted Sublicensees) cost as evidenced by invoices or other documentation (with it being understood that no royalty would be owed on such inventory of New Licensed Products repurchased by Parent).

(b) Notwithstanding the foregoing, promptly after expiration or termination of this Agreement (or if there is a Grace Period, promptly after expiration or termination of the Grace Period), but in any event no later than ten (10) Business Days after such expiration or termination, Licensee shall (and shall ensure all of its Affiliates) make all filings with any and all offices, agencies and bodies and take all other actions necessary to adopt New Legal Names. Upon receipt of confirmation from the appropriate registry that such name changes have been effected, Licensee, on behalf of itself and its Affiliates, shall provide Parent with written proof that such name changes have been effected. Licensee shall (and shall ensure all of its Affiliates) use commercially reasonable efforts to adopt New Legal Names as soon as practicable following the expiration or full or partial termination of this Agreement. In the event that any such Person is unable to obtain regulatory approval necessary to adopt a New Legal Name in a jurisdiction, or is otherwise unable for regulatory reasons to adopt a New Legal Name in a jurisdiction, Licensee or such Affiliate, as applicable, shall be allowed to continue its use of the applicable corporate name for a transition period mutually agreed-upon by the Parties not to exceed one (1) year, provided, however, that such Person has demonstrated commercially reasonable efforts to adopt a New Legal Name.

(c) Upon expiration of this Agreement, Licensee's termination for convenience of this Agreement in accordance with Section 7.2(d) or Parent's termination of this Agreement in accordance with Sections 7.2(a)(iii)-(vii) or 7.2(b), Licensee may make a written request to Parent to allow Licensee and Permitted Sublicensees to continue sales of Licensed Products in inventory bearing the GE Marks during a Grace Period in accordance with Section 7.4. Upon any such request by Licensee, the Parties shall meet and confer and any such Grace Period shall be subject to Parent's prior written approval, which shall not be unreasonably withheld or denied; provided, that any Grace Period following Parent's termination of this Agreement in accordance with Sections 7.2(a)(iii)-(vii) or 7.2(b), shall not exceed one (1) year. If a Grace Period is approved, all of Parent's, Licensee's, any Permitted Sublicensees' and Vendors' rights and obligations shall survive until the end of the Grace Period in accordance with Section 7.4.

(d) Upon expiration or termination of this Agreement (or if there is a Grace Period, upon expiration or termination of the Grace Period), all rights and obligations under this Agreement shall terminate, except that each Party's obligations under the following Sections shall survive as set forth therein (along with such other provisions which by their own specific terms are expressly effective thereafter):

Article 1	(Definitions)
Section 2.5	(Reservation of Rights)
Section 3.3	(Record-Keeping)
Section 3.5	(Inspections and Audits)
Section 3.9	(Parent Review/Approvals; Regulatory Compliance)
Section 5.1	(Ownership)
Section 5.7	(Obligations of Licensee)
Section 5.8	(Brand Equity)
Article 6	(Fees, Royalties, Reports, Records)
Article 7	(Term, Renewal and Termination)
Article 8	(Insurance)
Article 9	(Representations, Warranties, and Covenants; Indemnification; Disclaimers)
Article 10	(Miscellaneous)

7.4 Grace Period. If a Grace Period is approved in accordance with Section 7.3(c), Licensee may (and may permit Permitted Sublicensees to) sell or deliver Licensed Products which are already manufactured and ready for sale prior to the date of termination for a Grace Period, provided:

- (a) Licensee shall (and shall ensure each Permitted Sublicensee) promptly stops all work in progress and not begin to manufacture or have manufactured any additional Licensed Products after receiving or sending notice of termination;
- (b) Licensee (on behalf of itself and each Permitted Sublicensee) promptly gives Parent a listing of remaining inventory of Licensed Products;
- (c) all payments then due are first made to Parent;
- (d) such sales are in accordance with the terms of this Agreement;
- (e) to the extent legally permissible, Licensed Products shall not be included in bankruptcy auctions; and
- (f) reports and payments with respect to that Grace Period are made in accordance with this Agreement.

All final reports and payments shall be made within thirty (30) days after the end of the Grace Period. Upon expiration of said Grace Period, and notwithstanding contractual obligations of Licensee or Permitted Sublicensees to third parties, all remaining inventory of Licensed Products, including all components thereof that bear the GE Marks shall be, at Licensee's election, either rebranded/rebadged to remove the GE Marks, sold to Parent at Licensee's or the applicable Permitted Sublicensee's cost (if Parent desires to purchase such inventory) or destroyed (except as otherwise required by

applicable Law) with evidence of such destruction to be given to Parent. All Licensee and Permitted Sublicensee tooling that is only used to manufacture Licensed Products shall be modified to the extent necessary so that future products manufactured by such modified tooling shall not be confusingly similar to the Licensed Products.

7.5 Adequate Assurances. If concerns arise with respect to Licensee's, any Permitted Sublicensees' or any Vendor's performance of this Agreement, Parent may, but need not, in writing, request adequate assurance of due performance. If Parent does not receive such assurance within thirty (30) days after the date of its written request, the failure by Licensee to furnish such assurance will constitute a material breach of this Agreement.

## 8. INSURANCE

8.1 Licensee will acquire and maintain (and ensure each Permitted Sublicensee acquires and maintains) at its sole cost and expense throughout the Term, the following insurance underwritten by insurance companies with a Best's rating of at least A-/VII, or equivalent, and licensed to do business in the License Territory ("Required Insurance"): (i) Comprehensive General Liability Insurance, including broad form coverage for product/completed operation liability, personal injury (including bodily injury and death), advertiser's liability, and contractual liability, and (ii) cyber liability including coverage for data privacy breach and IT security failure (including unauthorized access/ introduction of virus), naming Parent as an additional insured party.

8.2 Each coverage shall be primary (irrespective of the existence or coverage of any other policy maintained by any insured), contain a waiver of subrogation against additional insureds, provide for cross liability, and have limits of \$10,000,000 per occurrence and in the aggregate. If coverage is not on an occurrence form, the retro date must precede the effective date of this Agreement and continuity of cover must be maintained for two (2) years following termination or expiration of this Agreement.

8.3 Upon request and at any time, Licensee shall promptly furnish evidence of the Required Insurance to Parent. Within ten (10) days after the Distribution Date, a certificate or certificates issued by Licensee's and each Permitted Sublicensee's insurance company evidencing the Required Insurance shall be submitted to Parent. Licensee shall provide Parent a minimum of thirty (30) days prior notice, in writing, of any cancellation, non-renewal or material modification in coverage if Licensee's or any Permitted Sublicensee's insurance ceases to comply with the requirements of the Required Insurance.

## 9. REPRESENTATIONS, WARRANTIES AND COVENANTS; INDEMNIFICATION; DISCLAIMERS

9.1 Compliance with Laws. Licensee (on behalf of itself and each Permitted Sublicensee) represents, warrants and covenants during the Term and any Grace Period that the Licensed Products, and the manufacturing, packaging, marketing, sales, display, distribution and delivery thereof shall meet or exceed the requirements of all applicable Laws, and any additional requirements imposed by Parent that are described or referenced in, or arise out of, this Agreement, pertaining to such products or activities including those relating to product safety, quality, labeling, environmental waste,

Intellectual Property and Trademarks. Licensee shall not (and shall ensure that each Permitted Sublicensee does not) manufacture, package, market, display, sell, distribute or deliver any Licensed Products or cause any Licensed Products to be manufactured, packaged, marketed, displayed, sold, distributed or delivered in material violation of any such applicable Laws, including disposal, environmental and hazardous waste Laws, and any additional requirements imposed by Parent that are described or referenced in, or arise out of, this Agreement. With respect to the collection, transportation, registration, disposal, recycling or other handling of all Licensed Products and their component parts, Licensee shall, and shall cause all Permitted Sublicensees, and their respective agents, assigns and Vendors to, comply in all material respects with Laws in all relevant territories applicable to such activities in respect of Licensed Products and their component parts.

- 9.2 No Child Labor. Licensee represents, warrants and covenants during the Term and any Grace Period that it shall not (and shall ensure that Permitted Sublicensees do not) encourage or knowingly use child, indentured, prison or any other form of involuntary labor, and to the best of its knowledge, that it shall not engage any Vendor that engages in such activities. The term “child” or “children” refers to a person younger than sixteen (16) regardless of the applicable local legal minimum age for employment (or such higher age as may be reflected in Parent’s own then-current corporate policies). Parent prohibits anyone eighteen (18) or younger from performing hazardous work as defined by the International Labour Organization (ILO). Licensee, Permitted Sublicensees, Vendors, and prospective Vendors shall be required to respond promptly and fully to all Parent inquiries as to use of such labor. The identification of the use of child, involuntary, indentured or prison labor will result in Licensee or the applicable Permitted Sublicensee immediately working with the Vendor to achieve compliance or termination of dealings between Licensee or such applicable Permitted Sublicensee and said Vendor if compliance is not promptly achieved. Parent reserves the right, in its sole discretion, to conduct unannounced audits if there is reasonable evidence as to human rights-related violations of Parent policy. In the event that a Vendor is determined to be non-compliant, Licensee or the applicable Permitted Sublicensee shall immediately work either directly or with any other Vendor such non-compliant Vendor is working with to achieve compliance by such Vendor. If compliance is not promptly achieved, Licensee and Permitted Sublicensees shall terminate direct dealings or demand termination of all other Vendor dealings with such non-compliant Vendor.
- 9.3 Respectful Workplace and Human Rights. Licensee shall have the sole responsibility to ensure that persons involved in Licensee’s or any Permitted Sublicensees’ business activities relating to the manufacture, production, marketing, sale, display, distribution and delivery of Licensed Products are not working in violation of applicable Law, and are provided a fair employment opportunity, protection of their basic human rights, and a clean working environment as free as practicable from health and safety hazards. Licensee represents, warrants and covenants during the Term and any Grace Period that it will (and will ensure that each Permitted Sublicensee does) conduct its business activities in accordance with these policies and put similar language in its agreements with its Vendors, distributors, and agents on a commercially reasonable basis going forward. It is understood that Parent assumes no liability for acts that may be inconsistent with the above-stated policies of this Section. Parent

reserves the right, in its sole discretion, to make inquiries and to make inspections upon ten (10) Business Days' notice or conduct unannounced audits if there is reasonable evidence as to human rights-related violations of Parent policy. Parent is not an employer of Licensee, any Permitted Sublicensee or any of their respective Vendors, distributors, or agents. Licensee, on behalf of itself and Permitted Sublicensees, shall promptly report to Parent any circumstances, claims, or allegations that are inconsistent with the above-stated policies of this Section.

- 9.4 Environmental Waste. Licensee shall, and shall cause Permitted Sublicensees, Affiliates, agents, assigns, vendors and customers (collectively, the "Responsible Parties"), to comply with all Laws in all territories that now or in the future apply to the collection, transportation, registration, disposal, recycling or other handling of all Licensed Products and their component parts (as defined below) whether disposed of by the Responsible Parties, a consumer or otherwise, and to pay all fees, expenses, levies, Taxes or other amounts assessed, invoiced or otherwise charged ("Waste Fees") in connection therewith. For the absence of any doubt, the Responsible Parties shall pay such Waste Fees even if the applicable Laws require that the Waste Fees be the responsibility of, or assessed, invoiced or otherwise charged to Parent. Without limiting the foregoing, Licensee shall itself do the following, and shall cause each of the Responsible Parties to do the following throughout the Term, any Grace Period, and after expiration or termination of this Agreement: (i) pay Waste Fees for all Licensed Products that are currently or subsequently regulated by electronic waste recycling laws ("EWR Products"); (ii) notify retailers concerning EWR Products that must be recycled, if required by applicable Law; (iii) cause the collection of Waste Fees at the point of sale for EWR Products, if required by applicable Law; (iv) prepare and submit all reports required by regulatory authorities on the manufacture, sale, lease or licensing volume of such EWR Products; (v) properly inform consumers of disposal and recycling requirements and opportunities; (vi) pay and bear the expense of paying Waste Fees to the applicable authorities; (vii) notify the applicable authorities that the Responsible Parties, and not Parent, are responsible for paying all Waste Fees and for complying with the electronic waste disposal and recycling requirements in effect at that time, even if the law or regulation states that the brand owner is responsible; (viii) comply with the electronic waste disposal and recycling requirements including submitting any required disposal plans to the applicable authority and setting up collection and transportation services for the applicable EWR Products; and (ix) comply with any and all other requirements of the applicable federal, state, or local laws and regulations currently in effect or hereinafter enacted. Licensee shall be liable for any and all claims associated with failure to comply with such Laws and hereby agrees to indemnify, defend, and hold harmless Parent Group and its directors, officers, employees and independent contractors from claims that arise from such Laws.
- 9.5 Ethics Compliance. In carrying out this Agreement, Licensee shall (and shall ensure Permitted Sublicensees and their respective Vendors and Representatives) comply with: (a) all applicable Laws of any country, jurisdiction, state, province or locality in which it operates regarding anti-money laundering, illegal payments, gifts and gratuities, customs and Taxes; (b) the Foreign Corrupt Practices Act of the United States; and (c) the requirements and principles of Parent's Policies as set forth in the document GE Code of Conduct titled: "The Spirit & The Letter," accessible at



[https://www.ge.com/sites/default/files/S&L\\_Booklet\\_English\\_0.pdf](https://www.ge.com/sites/default/files/S&L_Booklet_English_0.pdf) (as may be amended from time to time by Parent in its sole discretion) relating to business practices generally (including anti-bribery) and standards of conduct for transactions with Governmental Authorities, receipt of copies of such are hereby acknowledged. Such compliance includes (but is not limited to) the obligation not to pay, offer or promise to pay, or authorize the payment directly or indirectly of any money or anything of value to any Person (whether a Governmental Authority official, private individual, or corporation) for the purpose of illegally or improperly inducing or rewarding any favorable action by a Governmental Authority official or a political party or official thereof or private individual or corporation to make a buying decision or illegally or improperly to assist Licensee, any Permitted Sublicensee or their respective Vendors in obtaining or retaining business, or to take any other action favorable to Licensee, any Permitted Sublicensee or their respective Vendors.

- 9.6 Parent Trademark Warranty. To the Knowledge of Parent, Licensee's use of the GE Marks in connection with Licensed Products as of the Distribution Date in accordance with this Agreement will not infringe the Trademark rights of third parties. Parent agrees to deliver to Licensee instruments or documents Licensee may reasonably request to confirm or establish Licensee's rights under this Agreement.
- 9.7 No Other Representations or Warranties. Except as specifically provided herein, Parent makes no representations or warranties, either express or implied, and assumes no responsibilities whatsoever with respect to the use, sale, disposition or delivery of Licensed Products.
- 9.8 Licensee's Indemnity.

(a) Licensee shall fully indemnify, defend, and hold harmless Parent Group and its directors, officers, agents, representatives and employees ("Parent Indemnified Parties"), from and against any and all claims, losses, damages, expenses, liabilities, judgments, penalties, and costs (including reasonable attorneys' fees and costs) (collectively, "Damages") asserted against or incurred by the Parent Indemnified Parties with respect to any and all third-party claims, actions or suits against them arising out of or in any way related to (i) this Agreement (including (x) any breach of any representation, warranty or covenant hereunder by Licensee, any Permitted Sublicensee or any of their respective Vendors or Representatives or (y) any act or omission by Licensee, any Permitted Sublicensee or any of their respective Vendors or Representatives in any way related to this Agreement), (ii) the manufacture, packaging, shipment, distribution, use, sale, offering for sale, promotion, advertising, marketing, labeling, consumption, or disposal or delivery of Licensed Products, whether or not such Licensed Products conform to the Applicable Standards, and regardless of whether or not Parent has specifically approved the manufacture, packaging, shipment, distribution, use, sale, offering for sale, promotion, marketing, disposition or delivery of Licensed Products, or (iii) except to the extent Parent indemnifies Licensee in accordance with Section 9.9, infringement, misappropriation, dilution or other violations of Intellectual Property or Trademarks, violations of the rights of publicity or privacy of any third party, or claims of false or misleading advertising or other representations arising out of or in any way related to this Agreement or any Licensed Product(s) ("Licensee's Indemnity"). Licensee's Indemnity shall include, by way of example, (A) a defect in the design or manufacture, failure to warn or failure to comply with applicable Laws arising out of or in any way related to this Agreement or any Licensed Product(s); (B) any disposal or environmental fees pertaining to the

Licensed Products that are assessed against the Parent Indemnified Parties; (C) any violation of any applicable child labor, environmental, disposal, or hazardous materials Laws arising out of or in any way related to this Agreement or any Licensed Product(s); and (D) any violation of any applicable data privacy Laws, including the Laws and standards described in the Data Privacy Guidelines, arising out of or in any way related to this Agreement or any Licensed Product(s).

(b) Parent shall give Licensee reasonable notice within forty-five (45) days of all claims, actions and suits subject to Licensee's Indemnity to the extent it becomes aware of the same, and grant Licensee the right to select counsel and settle or control such claim or suit at Licensee's expense, provided Parent must (x) be consulted in the selection of any counsel by Licensee (and Licensee agrees to give good faith consideration to any comments or concerns raised by Parent) and (y) approve (i) the strategy of Licensee and its counsel, to the extent such strategy impacts, or has the reasonable potential to impact, the value or reputation of the Parent's brand or the GE Marks, and (iii) any settlement that results in any non-monetary terms that bind Parent, Licensee or any Permitted Sublicensee, in each case (y)(i) and (y)(ii), such approvals not to be unreasonably withheld or denied. Failure to give Licensee reasonable notice of all claims or suits within forty-five (45) days shall not, in any way, nullify Licensee's Indemnity obligations. Notwithstanding the foregoing, Parent shall have the right to retain its own counsel (the expenses for which are covered by Licensee under this indemnification) to represent its own interests in all cases involving indemnification.

#### 9.9 Parent's Indemnity.

(a) Parent shall indemnify and hold harmless Licensee, Permitted Sublicensees and their respective directors, officers, agents, representatives and employees ("Licensee Indemnified Parties") from and against any and all Damages asserted against or incurred by the Licensee Indemnified Parties, arising out of any claim or suit involving an allegation of trademark infringement involving use of the GE Marks in accordance with this Agreement.

(b) Licensee shall give Parent reasonable notice within thirty (30) days of all claims, actions and suits subject to the indemnity in Section 9.9(a) to the extent it becomes aware of the same, and grant Parent the right to select counsel and settle or control such claim or suit at Parent's expense; provided, that, in the event such suit or claim has, or has the reasonable potential to, materially impact the SpinCo Business (excluding any Former SpinCo Business) or Licensee's ability to exercise its rights under the Agreement, Licensee shall have the right, at Licensee's sole cost and expense, to participate in such claim or suit. If Parent decides not to take action with respect to such claims, Licensee may, upon Parent's prior written approval, to be provided in Parent's sole discretion, pursue such claim on its own at its sole cost and expense. Parent shall be permitted to participate and provide input in such matters, and Licensee must obtain prior written approval from Parent, to be provided in Parent's sole discretion, prior to settling or otherwise resolving any such claims.

- 9.10 General Disclaimers. Nothing in this Agreement shall be construed as: (a) a warranty or representation by Parent that anything made, used, displayed, Sold, or otherwise disposed of by Licensee under license granted in this Agreement or by any Permitted Sublicensee under a sublicense permitted under this Agreement, in each case, is or will be free from the rightful claim of third parties by way of infringement or the like, except as specifically provided herein; (b) a requirement that Parent shall file or prosecute trademark applications, secure copyrights, or maintain Trademarks or copyright registrations in force or notify Licensee of actions or failures to act with respect to applications or renewals; except as specifically provided in Section 5.10; (c) an obligation that Parent bring or prosecute actions or suits against third parties for infringement or the like; or (d) granting by implication, estoppel, or otherwise, licenses or rights under Intellectual Property or Trademark rights of Parent other than to the GE Marks.
- 9.11 Limitation on Liability. Except for liability for indemnification expressed herein, Parent's total liability under or related to this Agreement, whether based on claims founded in contract, warranty, tort (including negligence), strict liability or otherwise, shall not exceed the amount of cumulative royalties and fees due under the Agreement for the applicable Contract Year in which the cause for such indemnification claim occurred. In no event, whether in contract, warranty, tort (including negligence), strict liability or otherwise, shall Parent be liable for special, incidental, exemplary, punitive or consequential damages, including loss of profit or revenue, loss of use of equipment or other property, cost of capital, cost of substitute goods, facilities, or services, downtime costs, or claims of customers for damage or loss of property.
- 9.12 Remedies Not Exclusive. All remedies specified herein shall be cumulative and not exclusive and shall be in addition to any other remedies which Parent may have under this Agreement or otherwise.

## 10. MISCELLANEOUS

### 10.1 Assignment and Divested Entities.

(a) This Agreement shall not be assigned, in whole or in part, by operation of Law or otherwise by Licensee without the prior written consent of Parent. Any attempted assignment by Licensee in violation of this Section 10.1 shall be null and void ab initio. This Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the Parties and their respective successors and permitted assigns. Licensee shall not extend, sublicense, convey, pledge, encumber, or otherwise dispose of this Agreement or its rights or interest hereunder without the prior written consent of Parent.

(b) Notwithstanding the foregoing, in the event Licensee or SpinCo, directly or indirectly, divests a Permitted Sublicensee (other than SpinCo itself), or a line of business of a Permitted Sublicensee that uses the GE Marks in accordance with this Agreement, by (a) spinning off such Permitted Sublicensee by its sale or other disposition to a third party, (b) reducing ownership or control such Permitted Sublicensee so that it no longer qualifies as a Permitted Sublicensee under this Agreement or (c) selling or otherwise transferring such line of business to a third party (each such divested entity/line of business, a "Divested Entity"), the Divested Entity shall receive a transitional license to wind-down its use of the GE Marks for a period of six (6) months following the effective date of such divestiture, subject to Parent's standard terms and conditions for transitional trademark licenses. For the avoidance of doubt, any divestment of a Divested Entity shall not reduce the Annual Fee. Upon the expiration or termination of any such transitional license granted to a Divested Entity in accordance with this Section 10.1(b), such Divested Entity shall immediately cease to be a "Permitted Sublicensee" and all sublicenses granted to it under the rights and licenses hereunder shall automatically terminate forthwith.

(c) Parent may assign this Agreement and any or all rights and obligations under this Agreement to any of its Affiliates or a third party (the “Assignee”) subject to (i) the Assignee agreeing to be bound by all of the terms and conditions of this Agreement and assuming all of the rights, interests and obligations of Parent under this Agreement, and (ii) Parent providing written notice of the assignment to Licensee. Immediately upon such assignment, automatically and without the requirement of any further action by any person or entity, (i) all references in this Agreement to the Parent shall instead apply to the Assignee unless the context otherwise requires and (ii) Parent shall be unconditionally and irrevocably released and discharged from any and all liabilities and obligations under or in connection with this Agreement.

(d) Notwithstanding anything to the contrary in this Agreement, the provisions set forth in Section 2.07 of the Separation Agreement (*Subsequent Separation Transaction*) shall apply *mutatis mutandis* to the assignment provisions of this Agreement, with such conforming changes thereto as are necessary to apply the provisions, and preserve the effect, thereof to the terms of this Agreement.

10.2 Governing Law. This Agreement and any disputes relating to, arising out of or resulting from this Agreement, including to its execution, performance, or enforcement, shall be governed by, and construed and enforced in accordance with, the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof.

10.3 Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) when delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service, (c) upon written confirmation of receipt after transmittal by electronic mail (followed by delivery of an original via overnight courier service) or (d) upon the earlier of confirmed receipt or the fifth (5th) business day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to Parent, to:

General Electric Company  
Trademark Operation  
901 Main Ave  
Norwalk, CT 06851  
Attn: [\*\*\*]  
Email:[\*\*\*]

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019-6064  
Attn: Scott A. Barshay  
Steven J. Williams  
Jonathan Ashtor  
Email: sbarshay@paulweiss.com  
swilliams@paulweiss.com  
jashtor@paulweiss.com  
Facsimile: (212) 757-3990

If to Licensee, to:

GE HealthCare Imaging Holding Inc.  
300 N Grandview Blvd  
Waukesha, WI 53188  
Attn: [\*\*\*]  
Email: [\*\*\*]

with a copy to:

GE HealthCare  
500 West Monroe street  
Chicago, IL 60661  
Attn: [\*\*\*]  
Email: [\*\*\*]

Either Party may, by notice to the other Party, change the address and identity of the Person to which such notices and copies of such notices are to be given. Each Party agrees that nothing in this Agreement shall affect the other Party's right to serve process in any other manner permitted by Law (including pursuant to the rules for foreign service of process authorized by the Hague Convention).

10.4 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances, or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

10.5 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and scanned and exchanged by electronic mail, and such facsimile or PDF signature or scanned and exchanged copies shall constitute an original for all purposes.

(b) This Agreement, together with the Separation Agreement and the Exhibits and Schedules hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein. In the event of conflict or inconsistency between the provisions of this Agreement and the Separation Agreement, the provisions of this Agreement shall prevail and remain in full force and effect.

(c) Parent represents on behalf of itself and each other member of the Parent Group, and Licensee represents on behalf of itself and each Permitted Sublicensee, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform each of this Agreement and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes, or will constitute, a valid and binding agreement of it enforceable in accordance with the terms thereof.

10.6 Third-Party Beneficiaries. Except as otherwise expressly set forth herein or as otherwise provided in the Separation Agreement, (a) the provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

10.7 Waivers of Default. No failure or delay of any Party in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

10.8 Amendment. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party; provided, that nothing in this Section 10.8 shall limit the provisions of Section 10.1(d).

- 10.9 Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires. The terms “hereof,” “herein,” “herewith” and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole (including all of the schedules hereto) and not to any particular provision of this Agreement. Article, Section or Schedule references are to the articles, sections and schedules of or to this Agreement unless otherwise specified. Any capitalized terms used in any Schedule to this Agreement but not otherwise defined therein shall have the meaning as defined in this Agreement. Any definition of or reference to any agreement, instrument or other document herein (including any reference herein to this Agreement) shall, unless otherwise stated, be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein, including in Section 10.7 above). The word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless the context otherwise requires or unless otherwise specified. The word “or” shall not be exclusive. The word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply “if.” All references to “\$” or dollar amounts are to the lawful currency of the United States of America. References herein to any Law shall be deemed to refer to such law as amended, reenacted, supplemented or superseded in whole or in part and in effect from time to time and also to all rules and regulations promulgated thereunder. Except as expressly set forth in this Agreement, the Parties shall make, or cause to be made, any payment that is required to be made pursuant to this Agreement as promptly as practicable and without regard to any local currency constraints or similar restrictions. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring either Party by virtue of the authorship of any provisions hereof.
- 10.10 Headings. The article, section and paragraph headings contained in this Agreement, including in the table of contents of this Agreement, are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- 10.11 Dispute Resolution. The Parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of New York and to the jurisdiction of the United States District Court for the Southern District of New York for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of New York or the United States District Court for the Southern District of New York, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.
- 10.12 Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the affected Party shall have the right to specific performance, declaratory relief and injunctive or other equitable relief (on a permanent, emergency, temporary, preliminary or interim basis) of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The other Party shall not oppose the granting of such relief on

the basis that money damages are an adequate remedy. The Parties agree that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is hereby waived. Any requirements for the securing or posting of any bond or similar security with such remedy are hereby waived.

- 10.13 Waiver of Jury Trial. EACH PARTY AND ITS AFFILIATES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY. EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.13.
- 10.14 Confidentiality. All confidential information of a Party disclosed to the other Party under this Agreement shall be deemed Specified Confidential Information (as that term is defined in the Separation Agreement), shall be subject to the provisions of Section 7.09 of the Separation Agreement, and may be used by the receiving Party in accordance with this Agreement for the sole and express purpose of effecting the licenses granted herein.
- 10.15 Relationship of the Parties. Nothing contained herein is intended or shall be deemed to make either Party or members of the Parent Group (in the case of Parent) or the members of the SpinCo Group (in the case of Licensee) the agent, employee, partner or joint venturer of the other Party or members of the Parent Group or members of the SpinCo Group, as applicable, or be deemed to provide such Party or members of the Parent Group or members of the SpinCo Group, as applicable, with the power or authority to act on behalf of the other Party or members of the Parent Group or members of the SpinCo Group, as applicable, or to bind the other Party or members of the Parent Group or members of the SpinCo Group, as applicable, to any contract, agreement, or arrangement with any other individual or entity.

*Remainder of Page Left Blank Intentionally*



IN WITNESS WHEREOF, Parent and Licensee have caused this Agreement to be executed, in duplicate, by their respective, duly authorized representatives on the dates indicated below.

“LICENSEE”

GE HealthCare Imaging Holding Inc.

By: \_\_\_\_\_

Name:

Title:

Date:

“PARENT”

General Electric Company

By: \_\_\_\_\_

Name:

Title:

Date:

*[Signature Page to Trademark License Agreement]*

## REAL ESTATE MATTERS AGREEMENT

This REAL ESTATE MATTERS AGREEMENT (this “Agreement”) is entered into on [●], 202[●] by and between General Electric Company, a New York corporation (“Parent”), and GE HealthCare Technologies Inc., a Delaware corporation (“SpinCo”).

### R E C I T A L S :

WHEREAS, in accordance with that certain Separation and Distribution Agreement dated as of [●], 2022, by and between Parent and SpinCo (the “Separation Agreement”), the Parent Group has transferred or conveyed or will transfer or convey to the SpinCo Group, certain assets related to the SpinCo Business;

WHEREAS, in accordance with the Separation Agreement, the SpinCo Group has transferred or conveyed or will transfer or convey to the Parent Group certain assets related to the Parent Business; and

WHEREAS, the parties desire to set forth certain agreements regarding the transfer of real estate assets and other real estate matters pertaining to the SpinCo Business and the Parent Business.

NOW, THEREFORE, in consideration of the foregoing, the covenants and agreements set forth below and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

### ARTICLE I DEFINITIONS

Section 1.1 Definitions. The following terms, as used herein, shall have the meanings stated below. Capitalized terms used in this Agreement (including the preamble and recitals) and not otherwise defined herein shall have the meanings ascribed to such terms in the Separation Agreement.

(a) “Actual Completion Date” means, with respect to each Parent Property and each SpinCo Property, the date upon which completion of the transfer, assignment, novation, lease, sublease and/or replacement leases with respect to that Property, as applicable, actually takes place.

(b) “Allocation Principle” means the principle that as of the Real Estate Separation Date, without taking into account temporary remote working requirements related to the COVID-19 pandemic, and provided the parties have not agreed otherwise, (1)(a) any Property where SpinCo has a plurality or greater of the employees occupying such Property (taking into account the employees relating to SpinCo and the business units within the Parent Group (i.e., aviation or energy, each such business unit taken in its entirety and not with reference to subunits of such business unit), will be allocated in full to SpinCo, or (b) any Property where such business unit within the Parent Group has a plurality or greater of the employees occupying such Property will be allocated in full to that business unit. SpinCo or the Parent Group business unit having the plurality or greater of the employees occupying a given Property may be referred to hereunder as the Majority Occupant. For Properties where there are Unassigned Parent Corporate Employees, such employees shall be excluded from determinations of the whether SpinCo or another business unit within Parent has a plurality or greater of the employees occupying a Property. This Allocation Principle is not applicable to the Corporate Sites as listed in Schedule 4, which sites will remain with Parent Group, nor will this Allocation Principle be applied to Special Sites as listed on Schedule 5, which will be governed exclusively by the Supplemental Environmental Agreement, an ancillary agreement to the Separation Agreement.

(c) “Casualty” has the meaning ascribed to such term in Section 2.12(a).

(d) “Colocation Sites” has the meaning ascribed to such term in Section 2.5.

(e) “Colocation Sites Schedule” means Schedule 2 attached hereto, which identifies the Colocation Sites and associated Property Transactions, as the same may be updated from time to time prior to the Real Estate Separation Date in accordance with this Agreement.

(f) “Corporate Sites” means the sites listed in Schedule 4.

(g) “Damaged Property” has the meaning ascribed to such term in Section 2.12.

(h) “Demising Costs” means the costs incurred in connection with Demising Work (as defined below).

(i) “Demising Work” means, with respect to Colocation Sites, any alterations or improvements required in the sole discretion of the Majority Occupant in order to provide physically separate and exclusive space for Parent employees and SpinCo employees, including, without limitation, the design and construction of demising walls and separate security and badging systems, but excluding any costs associated with fit-out or specific improvements or requirements of the new tenant or sub-tenant at such Property.

(j) “Exception Schedule” means Schedule 3 attached hereto, which identifies those Colocation Sites where the term of the lease, sublease and/or TSA (as applicable) between Parent and SpinCo, will expire more than twenty-four (24) months after the Distribution Date.

(k) “Excluded Personal Property” means that certain equipment, office equipment, trade fixtures, furniture and any other personal property located at each Property which is scheduled or identified as excluded personal property under any lease and/or sublease entered into between a member of the Parent Group and a member of the SpinCo Group.

(l) “Head Lease” means, the lease(s) or sublease(s) and any related supplemental agreements under which a member of Parent Group or SpinCo Group leases property from a Landlord prior to the Real Estate Separation Date.

(m) “Landlord” means the third-party landlord or third-party sublandlord under a Head Lease, as the case may be, who, as of the date hereof, has or will enter into a lease or sublease with a member of Parent Group or SpinCo Group (as applicable), and its successors and assigns, and includes the holder of any other interest that is superior to the interest of the landlord or sublandlord under such Head Lease.

(n) “Landlord Consents” means, as applicable, all consents or waivers required from the Landlord or other third parties under the Required Consent Leases to assign the Required Consent Leases to a member of the SpinCo Group or a member of the Parent Group, as applicable, or to sublease the Sublease Properties to a member of the SpinCo Group or a member of the Parent Group, as applicable.

(o) “Lease Assignment Form” means the form of lease assignment attached to this Agreement as Exhibit 1, subject to commercially reasonable changes necessary to reflect Property-specific provisions negotiated in good faith by the parties and to conform to requirements of the jurisdiction in which the applicable Property is located in accordance with Section 2.17 hereof.

(p) “Lease Form” means the form of lease attached hereto as Exhibit 2, subject to commercially reasonable changes necessary to reflect Property-specific provisions negotiated in good faith by the parties and to conform to requirements of the jurisdiction in which the applicable Property is located in accordance with Section 2.17 hereof.

(q) “Lease Novation Form” means the form of novation of a lease attached to this Agreement as Exhibit 3, subject to commercially reasonable changes necessary to reflect Property-specific provisions negotiated in good faith by the parties and to conform to requirements of the jurisdiction in which the applicable Property is located in accordance with Section 2.17 hereof.

(r) “Majority Occupant” means, with respect to any Property, the Parent business unit or SpinCo, as applicable, that has the plurality or greater of the employees occupying such Property in accordance with the definition of “Allocation Principle”.

(s) “Minority Occupant” means, with respect to any Property, each of the Parent business units and SpinCo that is not the Majority Occupant of such Property.

(t) “New Lease Properties” means collectively, the SpinCo New Lease Properties and the Parent New Lease Properties as identified in the Colocation Sites Schedule.

(u) “Parent Assigning Leased Properties” means those Properties identified as “Parent Assigning Leased Properties” in the Transferred Sites Schedule, which Properties are or were leased by Parent from a Landlord and will be or have been, in accordance with this Agreement transferred by lease assignment or novation from Parent (or its Subsidiaries) to SpinCo (or its Subsidiaries) as of the Real Estate Separation Date, subject to obtaining any necessary Lease Consent.

(v) “Parent New Lease Properties” means those Properties identified as “Parent New Lease Properties” on the Colocation Sites Schedule, which Properties are owned by SpinCo (or its Subsidiaries) in fee and a portion of which will be or has been leased to Parent (or its Subsidiaries) prior to or as of the Real Estate Separation Date.

(w) “Parent Transferring Owned Properties” means those Properties identified as “Parent Transferring Owned Properties” on the Transferred Sites Schedule, which Properties are or were owned by Parent (or its Subsidiaries) in fee and will be conveyed or have been conveyed by deed to SpinCo (or its Subsidiaries) prior to or as of the Real Estate Separation Date.

(x) “Parent Split Lease Properties” means those Properties demised or to be demised unto Parent (or one of its Subsidiaries) as tenant pursuant to any Parent Split Lease.

(y) “Parent Split Leases” means those new leases to be entered into by Parent (or its Subsidiaries) as tenant pursuant to Section 2.5(e).

(z) “Parent New Sublease Properties” means those Properties identified as “Parent New Sublease Properties” on the Colocation Sites Schedule, which Properties are leased by SpinCo (or its Subsidiaries) and a portion of which will be or has been subleased to Parent (or its Subsidiaries) prior to or as of the Real Estate Separation Date, subject to obtaining any necessary Landlord Consents.

(aa) “Pre-Split Leases” means those Head Leases pursuant to which Parent (or its Subsidiaries) or SpinCo (or its Subsidiaries), as applicable, occupies the Split Lease Properties prior to the Real Estate Separation Date, and which Pre-Split Leases are contemplated to be terminated on or prior to the Real Estate Separation Date pursuant to Section 2.5(e) or (f) of this Agreement.

(bb) “Property Transaction(s)” shall mean each conveyance, assignment, transfer, novation, lease or sublease of owned or leased property pursuant to this Agreement.

(cc) “Real Estate Separation Date” means the Distribution Date, or such earlier date in accordance with the Separation Agreement and the Separation Step Plan (as defined in the Separation Agreement).

(dd) “Receiving Party” means the Party, or as applicable, the member of the Parent Group or the SpinCo Group, as applicable, that is to receive or be transferred such real property (as owner, lessee, or sublessee) prior to or on Real Estate Separation Date.

(ee) “Required Consent Leases” means those Head Leases with respect to which the Landlord’s consent is required for (x) assignment or sublease to a member of the Parent Group or a member of the SpinCo Group, as applicable, as contemplated by the Separation Agreement or under this Agreement, or (y) any of the other transactions relating to real property contemplated by the Separation Agreement or the other Ancillary Agreements.

(ff) “Restoration Costs” means all costs reasonably anticipated to be incurred to perform any restoration, repair or removal work required to be performed by the lessee under the applicable Head Lease at the end of the term of such Head Lease.

(gg) “Reserves” means, with respect to any Parent Assigning Leased Property or SpinCo Assigning Leased Property, any reserve for any Restoration Costs in the financial statements of Parent or SpinCo (or any member of their respective Group) relating to such Property as of February 1, 2022.

(hh) “SpinCo Assigning Leased Properties” means those Properties identified as “SpinCo Assigning Leased Properties” in the Transferred Sites Schedule, which Properties are or were leased by SpinCo from a Landlord and will be or have been in accordance with this Agreement transferred by lease assignment or novation to Parent (or its Subsidiaries) as of the Real Estate Separation Date subject to obtaining any necessary Landlord Consent.

(ii) “SpinCo New Lease Properties” means those Properties identified as “SpinCo New Lease Properties” on the Colocation Sites Schedule, which Properties are owned by Parent (or its Subsidiaries) in fee and a portion of which will be or have been leased to SpinCo (or its Subsidiaries) prior to or as of the Real Estate Separation Date.

(jj) “SpinCo Transferring Owned Properties” means those Properties identified as “SpinCo Transferring Owned Properties” on the Transferred Sites Schedule, which Properties are or were owned by SpinCo (or its Subsidiaries) in fee and will transfer or have been transferred by deed to Parent (or its Subsidiaries) in fee prior to or as of the Real Estate Separation Date.

(kk) “SpinCo Split Lease Properties” means those Properties demised or to be demised unto SpinCo (or one of its Subsidiaries) as tenant pursuant to any SpinCo Split Lease.

(ll) “SpinCo Split Leases” means those new leases to be entered into by SpinCo (or its Subsidiaries) as tenant pursuant to Section 2.5(f).

(mm) “SpinCo New Sublease Properties” means those Properties identified as “SpinCo New Sublease Properties” on the Colocation Sites Schedule, which Properties are leased by Parent (or its Subsidiaries) and a portion of which will be or has been subleased to SpinCo (or its Subsidiaries) prior to or as of the Real Estate Separation Date, subject to obtaining any necessary Landlord Consents.

(nn) “Split Lease Properties” means those Properties identified as “Split Lease Properties” on the Colocation Sites Schedule, which Properties are or were leased by one of SpinCo (or its Subsidiaries) or Parent (or its Subsidiaries) pursuant to a Pre-Split Lease, which Pre-Split Lease will be terminated on or prior to the Real Estate Separation Date (subject to obtaining the necessary Landlord Consents) and, following such termination, which Properties will be or have been demised in part pursuant to a SpinCo Split Lease and in part pursuant to a Parent Split Lease, in each case subject to Section 2.5(e) or (f).

(oo) “Split Leases” means the Parent Split Leases and the SpinCo Split Leases.

(pp) “Transferred Sites” means the Parent Transferring Owned Properties, the SpinCo Transferring Owned Properties, the Parent Assigning Leased Properties and the SpinCo Assigning Leased Properties that will be transferred between the Parties, as provided in Sections 2.1, 2.2, 2.3, and 2.4 below.

(qq) “Transferred Sites Schedule” means Schedule 1 attached hereto, which identifies the Transferred Sites, as the same may be updated from time to time prior to the Real Estate Separation Date in accordance with this Agreement.

(rr) “TSA” means the Transition Services Agreement, entered into as of the date hereof, by and between Parent and SpinCo.

(ss) “Unassigned Parent Corporate Employees” means those employees of Parent (for the avoidance of doubt, excluding any employees allocated to SpinCo) who have not yet been allocated to either the aviation business unit or the energy business unit within Parent.

## ARTICLE II PROPERTIES

Section 2.1 Asset Transfers: Parent Transferring Owned Property conveyed to SpinCo Group. Parent shall convey or cause its applicable Subsidiary to convey each of the Parent Transferring Owned Properties (together with all improvements thereon and all rights and easements appurtenant thereto and fixtures and fittings and all personal property except any Excluded Personal Property) to SpinCo or its applicable Subsidiary, subject to the other provisions of this Agreement and (to the extent not inconsistent with the provisions of this Agreement) the terms of the Separation Agreement and the Ancillary Agreements. The Actual Completion Date shall be on or before the Real Estate Separation Date. Such properties will be identified on Schedule 1.01(d) of the Separation Agreement as “SpinCo as Grantee: Intercompany Deeds”.

Section 2.2 Asset Transfers: SpinCo Transferring Owned Property conveyed to Parent Group. SpinCo shall convey or cause its applicable Subsidiary to convey each of the SpinCo Transferring Owned Properties (together with all improvements thereon and all rights and easements appurtenant thereto and fixtures and fittings and all personal property except any Excluded Personal Property) to Parent or its applicable Subsidiary, subject to the other provisions of this Agreement and (to the extent not inconsistent with the provisions of this Agreement) the terms of the Separation Agreement and the Ancillary Agreements. The Actual Completion Date shall be on or before the Real Estate Separation Date. Such properties will be identified on Schedule 1.01(d) of the Separation Agreement as “Parent as Grantee: Intercompany Deeds”.

Section 2.3 Lease Transfer: Parent Assigning Leased Property transferring to SpinCo Group. Parent shall assign, novate or cause its applicable Subsidiary to assign or novate, and SpinCo or its applicable Subsidiary shall accept and assume, Parent’s or its Subsidiary’s interest in the Parent Assigning Leased Properties, subject to the other provisions of this Agreement and (to the extent not inconsistent with the provisions of this Agreement) the terms of the Separation Agreement and the Ancillary Agreements. The Actual Completion Date shall be on or before the Real Estate Separation Date; provided, that if a Lease Consent is required but not obtained prior to the Real Estate Separation Date, the assignment or novation shall be completed on the earlier of (A) the tenth (10th) Business Day after the relevant Lease Consent has been granted and (B) the date agreed upon by the parties in accordance with Section 2.10. Such properties will be identified on Schedule 1.01(d) of the Separation Agreement as “SpinCo as Grantee: Lease Assignments”.

Section 2.4 Lease Transfer: SpinCo Assigning Leased Property transferring to Parent Group. SpinCo shall assign, novate or cause its applicable Subsidiary to assign or novate, and Parent or its applicable Subsidiary shall accept and assume, SpinCo’s or its Subsidiary’s interest in the SpinCo Assigning Leased Properties, subject to the other provisions of this Agreement and (to the extent not inconsistent with the provisions of this Agreement) the terms of the Separation Agreement and the Ancillary Agreements. The Actual Completion Date shall be on or before the Real Estate Separation Date; provided, that if a Lease Consent is required but not obtained prior to the Real Estate Separation Date, the assignment or novation shall be completed on the earlier of (A) the tenth (10th) Business Day after the relevant Lease Consent has been granted and (B) the date agreed upon by the parties in accordance with Section 2.10. Such properties will be identified in Schedule 1.01(d) of the Separation Agreement as “Parent as Grantee: Lease Assignments”.

Section 2.5 Colocation Sites.

(a) Colocation Sites.

(i) The Colocation Sites Schedule identifies those Properties (whether owned or leased) where members of the Parent Group and the SpinCo Group are collocated prior to and as of the date of this Agreement and will remain collocated after the Real Estate Separation Date for a specified term (such Properties, the “Colocation Sites”). The Colocation Site Schedule identifies the Property Transaction(s) applicable for each Colocation Site as agreed by the Parties in accordance with this Agreement to complete on or prior to the Real Estate Separation Date. To facilitate collocation of the Colocation Sites, the Parties agree to take the identified actions (as applicable to each Colocation Site) on or prior to the Real Estate Separation Date.

(ii) With respect to any Colocation Site that is not identified on the Exception Schedule, any lease assignment, sublease, TSA or other agreement (as applicable) that is entered into between a member of Parent Group and a member of SpinCo Group shall not exceed a term of twenty-four (24) months from the Distribution Date.

(b) Demised Property. With respect to any Colocation Site, if the Majority Occupant elects in its discretion to perform the Demising Work, the Majority Occupant shall:

(i) notify the Minority Occupant(s) of its decision to demise the Colocation Site and the form of Property Transaction agreement that will be executed by the parties, which shall be either: (A) for owned properties, a lease; (B) for leased properties, a sublease; and/or (C) the site will be included in the TSA for a specified term while the Demising Work is being completed followed by a lease or sublease (as applicable); and

(ii) perform the Demising Work for such Colocation Site and pay the Demising Costs (subject to the right for the Majority Occupant to include in the lease or sublease that a reasonable portion of the Demising Costs shall be reimbursed as “additional rent” from the Minority Occupant(s) as may be customarily charged to third party tenants); and

(iii) within a reasonable period of time after such notice (or such other period as agreed by the Parties, which shall to the extent feasible occur prior to the Real Estate Separation Date), subject to Section 2.7, the Parties will execute or agree to execute the required arm’s length agreements with commercially reasonable terms and conditions for a term that shall be less than twenty-four (24) months from the Distribution Date or such longer term as identified on the Exception Schedule.

Sections 2.5(c), (d), (e) and (f) shall apply to those Colocation Sites where the Majority Occupant has elected to perform the Demising Work and demise the Colocation Site.

(c) Parent Demisable Properties: For any Colocation Site owned or leased by a member of the Parent Group as of the Real Estate Separation Date as listed in the Colocation Sites Schedule, which Colocation Site is demised into separate areas in accordance with Section 2.5(b), Parent shall or shall cause its Subsidiary to lease or sublease to or include the site in the TSA followed by a lease or sublease (as applicable) with SpinCo or its designated Subsidiary, the demised area of such Colocation Site as identified on the Colocation Sites Schedule, and SpinCo or its Subsidiary shall accept the same. The parties shall use the Lease Form, as reasonably modified by Parent and SpinCo to account for local Law requirements and site specific issues, and consummate such agreement on or before the Real Estate Separation Date; provided if Lease Consent is required but not obtained prior to the Real Estate Separation for any sublease, the sublease shall be completed on the earlier of (i) the tenth (10th) Business Day after the relevant Lease Consent has been granted and (ii) the date agreed upon by the parties in accordance with Section 2.10. If, in connection with a Colocation Site subject to the TSA, the Demising Work is not substantially completed prior to the expiration of the TSA, then SpinCo or its Subsidiary shall have the option to terminate the TSA with respect to the applicable Colocation Site and shall no longer have the obligation to accept a lease or sublease for such Colocation Site.

(d) SpinCo Demisable Properties: For any Colocation Site owned or leased by a member of the SpinCo Group as of the Real Estate Separation Date as listed in the Colocation Sites Schedule, which Colocation Site is demised into separate areas in accordance with Section 2.5(b), SpinCo shall or shall cause its Subsidiary to lease or sublease to or include the site in the TSA followed by a lease or sublease (as applicable) with Parent or its designated Subsidiary, the demised area of such Colocation Site as identified on the Colocation Sites Schedule and Parent or its Subsidiary shall accept the same. The parties shall use the Lease Form, as reasonably modified by Parent and SpinCo to account for local Law requirements and site specific issues, and consummate such agreement on or before the Real Estate Separation Date; provided if Lease Consent is required but not obtained prior to the Real Estate Separation Date for any sublease, the sublease shall be completed on the earlier of (i) the tenth (10th) Business Day after the relevant Lease Consent has been granted and (ii) the date agreed upon by the parties in accordance with Section 2.10. If, in connection with a Colocation Site subject to the TSA, the Demising Work is not substantially completed prior to the expiration of the TSA, then Parent or its Subsidiary shall have the option to terminate the TSA with respect to the applicable Colocation Site and shall no longer have the obligation to accept a lease or sublease for such Colocation Site.

(e) Parent Split Lease Properties: On or prior to the Real Estate Separation Date with respect to each Parent Split-Lease Property, in each case subject to obtaining any required Landlord Consent, (i) Parent shall terminate or cause its applicable Subsidiary to terminate each applicable Pre-Split Lease on or prior to the Real Estate Separation Date, (ii) contemporaneously with the termination described in the foregoing clause (i), Parent (or its Subsidiary) shall enter into a new lease for a portion of each Split Lease Property on terms mutually agreed between Parent (or such Subsidiary) and the applicable Landlord demising to Parent or its Subsidiary the portion of the Split Lease Property agreed to among Parent, SpinCo and each applicable Landlord (provided, that, for the avoidance of doubt, such demised portion shall in no event include all or any portion of the Split Lease Property demised to SpinCo (or its Subsidiary) pursuant to the following clause (iii)), and (iii) contemporaneously with the termination described in the foregoing clause (i), SpinCo (or its Subsidiary) shall enter into a new lease for a portion of each Split Lease Property on terms mutually agreed upon between SpinCo (or such Subsidiary) and the applicable Landlord demising to SpinCo or its Subsidiary the portion of the Split Lease Property agreed to among Parent, SpinCo and each applicable Landlord.

(f) SpinCo Split Lease Properties: On or prior to the Real Estate Separation Date, with respect to each SpinCo Split-Lease Property, in each case subject to obtaining any required Landlord Consent, (i) SpinCo shall terminate or cause its applicable Subsidiary to terminate each applicable Pre-Split Lease on or prior to the Real Estate Separation Date, (ii) contemporaneously with the termination described in the foregoing clause (i), SpinCo (or its Subsidiary) shall enter into a new lease for a portion of each Split Lease Property on terms mutually agreed upon between SpinCo (or such Subsidiary) and the applicable Landlord demising to SpinCo or its Subsidiary the portion of the Split Lease Property agreed to among Parent, SpinCo and each applicable Landlord (provided, that, for the avoidance of doubt, such demised portion shall in no event include all or any portion of the Split Lease Property demised to Parent (or its Subsidiary) pursuant to the following clause (iii)), and (iii) contemporaneously with the termination described in the foregoing clause (i), Parent (or its Subsidiaries) shall enter into a new lease for a portion of each Split Lease Property on terms mutually agreed upon between Parent (or such Subsidiary) and the applicable Landlord demising to Parent of its Subsidiary the portion of the Split Lease Property agreed to among Parent, SpinCo and each applicable Landlord.

(g) Non-Demised Properties. With respect to any Colocation Site, if the Majority Occupant, in its sole discretion, elects not to perform the Demising Work, the Majority Occupant shall notify the Minority Occupant(s) of its election, and if both of Parent and SpinCo intend to continue occupying such Colocation Site, the parties shall include the Colocation Site in the TSA for a maximum of twenty-four (24) months from the Distribution or such longer term as may be identified on the Exception Schedule.

(h) Waiver by Minority Occupant. Notwithstanding the foregoing provisions of this Section 2.5, the Minority Occupant(s) at any Colocation Site may elect on or before the Real Estate Separation Date to waive its right to occupy and enter into a Property Transaction agreement or TSA with respect to such Colocation Site, in which event the Minority Occupant(s) shall pay to the Majority Occupant a fee equal to the lump sum amount that the Minority Occupant would have incurred in rent, fees and reimbursements for the applicable term if it had elected to enter into the Property Transaction agreement or TSA, and such electing Minority Occupant and its employees will no longer have access to the applicable Colocation Site.



Section 2.6 Allocation of Liabilities.

(a) Subject to Section 2.6(c) and except as expressly provided the Separation Agreement, this Agreement or the other Ancillary Agreements, the Parties agree that each Property Transaction shall be on an “as is, where is” basis with no representation and warranties.

(b) In furtherance of Article VI of the Separation Agreement, and for the avoidance of doubt, subject to Section 2.6(c), the Parties agree that the Properties are being accepted by the Receiving Party in the condition as of the Actual Completion Date and with the acceptance by the Receiving Party of the following benefits and assumption by the Receiving Party of the following Liabilities from and after the Actual Completion Date:

- (i) All fixed assets, improvements, fixtures and fittings appurtenant to or located on such Property;
- (ii) Liabilities for payment of taxes, rent, outgoings, utilities, insurance and any other costs associated with the Property or the Lease (as applicable);
- (iii) All benefits (including rental income) and obligations with respect to any leases, subleases and sub-tenants of such Property;
- (iv) Liabilities associated with vacancy or underutilized space existing as of or arising after Actual Completion Date;
- (v) The rights to any security deposits held under a Lease shall be transferred to the applicable Receiving Party (and any security deposit held under a lease or sublease to a third party shall be transferred and turned over to such Receiving Party);
- (vi) The rights to transfer of any Reserves; and
- (vii) Costs associated with early termination of any Lease in the event early termination occurs.

(c) Notwithstanding Section 2.6(a) and (b) above and anything to the contrary provided in the Separation Agreement, the Parties agree that for sites identified as Known Environmental Liabilities (as defined in the Supplemental Environmental Agreement), the Supplemental Environmental Agreement shall exclusively govern and control in all respects.

(d) Each Party shall promptly provide to the other Party copies of all invoices, demands, notices and other communications received by the Party or its or its applicable Subsidiaries or agents in connection with any of the matters for which the other Party may be liable to make any payment or perform any obligation pursuant to this Section 2.6, and the Parties shall work cooperatively in connection with any such matters.

Section 2.7 Obtaining the Landlord Consents and Other Landlord Cooperation.

(a) Parent and SpinCo confirm that with respect to all Property Transactions, to the extent there is a Required Consent Lease, one or more applications or requests have been made or will be made (prior to the Real Estate Separation Date or Distribution Date, as applicable) to the applicable Landlord for the Landlord Consents. Parent and SpinCo shall cooperate to determine which Party will be primarily responsible for requesting, negotiating and obtaining each Lease Consent, provided, however, that Parent shall be responsible for all actual out-of-pocket costs incurred in connection with negotiating and obtaining such Lease Consents as and to the extent provided in accordance with Section 2.14 of this Agreement.

(b) Parent and SpinCo shall use commercially reasonable efforts to obtain the Landlord Consents, but Parent and SpinCo (and such Party's applicable Subsidiary) shall not be required to commence judicial proceedings for a declaration that a Lease Consent has been unreasonably withheld, conditioned or delayed or that the applicable Head Lease has otherwise been breached, nor shall any Party be required to pay any consideration in excess of its share of fees as set forth in Section 2.14 (including administrative and/or review fees, reimbursement of expenses required by the Required Consent Lease to obtain the relevant Lease Consent and other commercially reasonable amounts).

(c) Parent and SpinCo (or such Party's applicable Subsidiary) will promptly satisfy the lawful requirements of the Landlord, and Parent and SpinCo (or such Party's applicable Subsidiary) will take all reasonable steps to assist the other in obtaining the Landlord Consents and other cooperation reasonably required from any Landlord, including, without limitation:

(i) if reasonably required by the Landlord, entering into an agreement with the relevant Landlord to observe and perform the tenant's obligations contained in the applicable Head Lease from and after the Actual Completion Date throughout the remainder of the term of such Head Lease, subject to any statutory limitations of such Liability, provided, however, that in no event shall Parent or SpinCo (or such Party's applicable Subsidiary) be required to enter into any such an agreement for any extension of the then current term of such Head Lease;

(ii) if reasonably required by the Landlord, providing a commercially reasonable guarantee, surety or other commercially reasonable security (including, without limitation, a security deposit or letter of credit) for the obligations of SpinCo or Parent (or such Party's applicable Subsidiary), accruing under the applicable Head Lease from and after the Actual Completion Date throughout the remainder of the then current term of such Head Lease, and otherwise taking all actions reasonably necessary and which it is capable of performing to meet the lawful requirements of the Landlord so as to ensure that the Landlord Consents (and any other reasonably required Landlord cooperation) are obtained, provided, however, that in no event shall Parent or SpinCo (or such Party's applicable Subsidiary) be required to provide any such security for any extension of the then current term of the applicable Head Lease. For the avoidance of any doubt, the actions contemplated by this Section 2.7(c)(ii) shall only be required if such action is consistent with the intention expressed in the Separation Agreement that the Spin-Off qualify as tax-free for U.S. federal income tax purposes under Sections 368(a)(1)(D), 355 and 361(c) of the Internal Revenue Code.

(iii) using commercially reasonable efforts to assist Parent and SpinCo (and their respective Subsidiaries) as applicable, with obtaining the Landlord's consent to the release of any guarantee, surety or other security which such previous guarantor may have previously provided to the Landlord, and (if applicable) the release of such previous guarantor from any assignor or secondary liability with respect to the assignee's failure to perform under the applicable Head Lease;

(iv) providing (promptly once available) financial statements and other reasonable evidence of net worth, liquidity and/or financial capability to fulfill the obligations of a tenant under the applicable Head Lease to any Landlord reasonably requesting same in connection with the Landlord Consent; and

(v) If, with respect to any leased or subleased properties, the applicable lease or sublease requires a new guarantee, surety or other security, then the parties shall cooperate (reasonably and in good faith) to meet the requirements of the applicable Head Lease; provided that if the applicable Head Lease requires a new guarantee, surety or security, then the parties shall use commercially reasonable efforts prior to and after the Real Estate Separation Date to obtain a new guarantee, surety or other security. Further, if, with respect to any leased or subleased properties, Parent and SpinCo are unable to obtain a release by the Landlord of any guarantee, surety or other security which Parent or SpinCo (or their respective Affiliate) has previously provided to the Landlord, SpinCo or Parent, as applicable, shall indemnify, defend, protect and hold harmless the other Party and its Subsidiaries and the guarantor/indemnifying Party against all Liabilities accruing against and incurred by the all such parties, in accordance with Article VI of the Separation Agreement.

(d) Notwithstanding the foregoing provision of this Section 2.7, the Parties may mutually agree to keep in place an existing guarantee and not deliver a new guarantee, subject to the Parties' reliance on the indemnity described in Section 2.7(c) above.

(e) The provisions of this Section 2.7 are intended to supersede in their entirety the provisions of Sections 3.01 and 3.02 of the Separation Agreement but shall in all events be subordinate and subject to the provisions of Article VI of the Separation Agreement.

Section 2.8 Occupancy by SpinCo. For any Property Transaction whereby a member of the SpinCo Group is the Receiving Party, in the event that the Actual Completion Date does not occur on or before the Real Estate Separation Date, SpinCo (or its Subsidiary) shall, commencing as of the Real Estate Separation Date, be entitled to occupy and use the relevant Parent Property (or demised part thereof) upon the terms and conditions contained in the TSA until such time the Property Transaction can be completed, but in no event for a term greater than twenty-four (24) months, unless such property is identified on the Exception Schedule.

Section 2.9 Occupancy by Parent. For any Property Transaction whereby a member of the Parent Group is the Receiving Party, in the event that the Actual Completion Date does not occur on or before the Real Estate Separation Date, Parent (or its Subsidiary) shall, commencing as of the Real Estate Separation Date, be entitled to occupy and use the relevant SpinCo Property (or demised part thereof) upon the terms and conditions contained in the TSA until such time the Property Transaction is completed, but in no event for a term greater than twenty-four (24) months, unless such property is identified on the Exception Schedule.

Section 2.10 Lease Consents. If, with respect to any Property Transaction, at any time the relevant Lease Consent is lawfully, formally and unconditionally refused in writing by the Landlord or the Landlord does not respond to the request for such Lease Consent, Parent and SpinCo shall cooperate in good faith and use commercially reasonable efforts to determine (i) whether to continue to proceed with the Property Transaction; or (ii) how to allocate the applicable Property, based on the relative importance of the applicable Property to the operations of each Party, the size of the applicable Property, the number of employees of each Party at the applicable Property, the value of assets associated with each business, the cost to relocate, and the potential risk and liability to each Party in the event any enforcement action is brought by the applicable Landlord. Such commercially reasonable efforts shall include consideration of alternate structures to accommodate the needs of each Party and the allocation of the costs thereof, including entering into amendments of the size, term or other terms of the Required Consent Lease, restructuring a proposed lease assignment to be a sublease and relocating one Party or entering the TSA. If the parties cannot agree in good faith as to the allocation of the applicable Property, such dispute shall be resolved in accordance with Article XI, Section 11.02 (Dispute Resolution) of the Separation Agreement.

Section 2.11 Form of Transfer. The conveyance to SpinCo or its Subsidiary of each relevant Parent Transferring Owned Property shall be in the form of a special or limited warranty deed, or its equivalent, in statutory form as required by Law. The conveyance to Parent or its Subsidiary of each relevant SpinCo Transferring Owned Property shall be in the form of a special or limited warranty deed, or its equivalent, in statutory form as required by Law.

Section 2.12 Casualty; Lease Termination.

(a) If, prior to the Actual Completion Date (but not after the Distribution Date), any property (or any part thereof) owned, leased or subleased by a member of Parent Group, and for which a Property Transaction is contemplated by this Agreement, shall be damaged or destroyed by a fire or other casualty (a "Casualty," and any property subject to such Casualty, a "Damaged Property"), then, in any such event but subject to Section 2.12(c) below, Parent shall promptly notify SpinCo, and Parent shall (or shall cause its Subsidiary to) proceed to effectuate the transfer of the Damaged Property under all the terms of this Agreement; subject, however, to the following: (1) unless Parent chooses to repair the Damaged Property pursuant to clause (2) below, SpinCo (or its applicable Subsidiary) shall accept such Damaged Property subject to the damage or destruction in question; (2) prior to the Actual Completion Date, Parent shall have the right (but not the obligation) to repair or restore any such damage or destruction at Parent's (or its Subsidiary's) sole cost and expense, subject to the terms and provisions of any applicable Head Lease, and (3) if Parent chooses not to repair or restore any such damage or destruction, Parent (or its applicable Subsidiary) shall (x) assign all of its rights and promptly make available to SpinCo all insurance proceeds due or received by Parent (or such Subsidiary) in connection with the Casualty and (y) pay to SpinCo the amount of the deductible under the applicable insurance policy.

(b) If, prior to the Actual Completion Date (but not after the Distribution Date) any property (or any part thereof) owned, leased or subleased by a member of SpinCo Group, and for which a Property Transaction is contemplated by this Agreement, shall be damaged or destroyed by Casualty, then, in any such event but subject to Section 2.12(c) below, SpinCo shall promptly notify Parent, and SpinCo shall (or shall cause its Subsidiary to) proceed to effectuate the transfer of the Damaged Property under all the terms of this Agreement; subject, however, to the following: (1) unless SpinCo chooses to repair the Damaged Property pursuant to clause (2) below, Parent (or its applicable Subsidiary) shall accept such Damaged Property subject to the damage or destruction in question; (2) prior to the Actual Completion Date, SpinCo shall have the right (but not the obligation) to repair or restore any such damage or destruction at SpinCo's (or its Subsidiary's) sole cost and expense, subject to the terms and provisions of any applicable Head Lease, and (3) if SpinCo chooses not to repair or restore any such damage or destruction, SpinCo (or such Subsidiary) shall (x) assign all of its rights and promptly make available to Parent all insurance proceeds due or received by SpinCo in connection with the Casualty and (y) pay to Parent the amount of the deductible under the applicable insurance policy.

(c) In addition, in the event that a Head Lease is terminated prior to the Real Estate Separation Date, (i) Parent and SpinCo, respectively (or their applicable Subsidiary), shall not be required to assign, sublease or share such Property, (ii) SpinCo and Parent, respectively (or their applicable Subsidiary), shall not be required to accept an assignment, sublease or sharing of such Property and (iii) neither Party shall have any further liability with respect to such Property under this Agreement.

Section 2.13 Fixtures and Fittings. All Property Transactions under this Agreement shall include any right, title and interest of the transferring Party in and to all equipment, office equipment, trade fixtures, furniture and any other personal property located within the demised or transferred portion of the applicable Property (excluding any equipment, office equipment, trade fixtures, furniture and any other personal property owned by third parties), except for the applicable scheduled Excluded Personal Property.

Section 2.14 Costs. Parent (or its Subsidiary) shall pay (i) all actual costs and expenses incurred in connection with obtaining the Landlord Consents, including, without limitation, Landlord's consent fees and attorneys' fees and any costs and expenses relating to renegotiation of any Head Leases, and Split Leases, as applicable, and (ii) all actual costs and expenses in connection with the transfer of any Property pursuant to this Agreement, including title insurance premiums, escrow fees, recording fees, and any transfer taxes arising as a result of such transfers; provided, that, with respect to any Split Lease or other lease agreement entered into with a third-party Landlord, the tenant thereunder shall be responsible for any recording, restriction or municipal charges or other fees associated with entering into such Split Lease or other lease agreement; provided, further that this Section 2.14 shall not apply with respect to any obligation to deliver a security deposit, letter of credit or other guaranty (which shall be governed instead by Section 2.7 of this Agreement).

Section 2.15 Signing and Ratification. Parent and SpinCo hereby ratify and authorize all signatures to any document entered into in connection with this Agreement by Parent and SpinCo, or each's respective Subsidiaries, and the parties agree that to the extent any challenges arise to the authority of any such signature from and after the date hereof, Parent and SpinCo will cooperate to ratify such signatures and prepare any corporate authorizations or resolutions necessary therefor.

Section 2.16 Insurance. Between the date of this Agreement and each applicable Real Estate Separation Date (or earlier termination of this Agreement), each of Parent, SpinCo and their respective Subsidiaries, as applicable, shall use commercially reasonable efforts to keep in full force and effect present insurance policies maintained (or renewals thereof) with respect to each Property owned, leased, subleased or otherwise occupied by such Party.

Section 2.17 Properties Outside the United States. With respect to each of the Properties located outside the United States listed on the Transferred Sites Schedule and/or the Colocation Sites Schedule, as well as any additional properties acquired by Parent, SpinCo or a Subsidiary of either prior to the Real Estate Separation Date, Parent and SpinCo will use the appropriate form document attached hereto, translated into the local language, if customary under local practice, and modified to comply with local Laws, to cause the appropriate transfers, assignments, leases, or subleases to occur. Such transfers, assignments, leases, or subleases shall, so far as the Law in the jurisdiction in which such property is located permits, be on the same terms and conditions as provided in this Article II and shall include such other deliveries (and the parties shall comply with such other

customary procedures and formalities) as may be required by the Laws of the jurisdiction in which the Property is located. In the event of a conflict between the terms of this Agreement and the terms of such local agreements, the terms of the local agreements shall prevail.

ARTICLE III  
MISCELLANEOUS

Section 3.1 Additional Provisions. Section 2.05, Article VI, Article VII, Article IX, Article X and Article XI of the Separation Agreement are hereby incorporated into this Agreement *mutatis mutandis*.

Section 3.2 Performance. Parent will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the Parent Group. SpinCo will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the SpinCo Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Section 3.2 to all of the other members of its Group, and (b) cause all of the other members of its Group not to take any action inconsistent with such Party's obligations under this Agreement.

Section 3.3 Environmental Liabilities. In the case of any conflict between the terms of this Agreement or any deed, lease, lease assignment, sublease or sublease assignment executed pursuant to the terms of this Agreement, on the one hand, and any provision of the Separation Agreement or the Supplemental Environmental Agreement, on the other hand, with respect to Environmental Liabilities (each as defined in the Separation Agreement or the Supplemental Environmental Agreement), the provisions of the Separation Agreement or the Supplemental Environmental Agreement (as applicable) shall govern and control in all respects.

Section 3.4 Cooperation. The Parties shall, and shall cause each member of their respective Groups to, cooperate in good faith to effectuate each Property Transaction and otherwise in connection with the matters covered by this Agreement, which cooperation shall include, without limitation, using its reasonable best efforts to promptly take any and all actions reasonably necessary, customary or advisable to effectuate the Property Transaction and to otherwise perform its obligations under this Agreement.

Section 3.5 Shared Services Cooperation. With respect to any Colocation Sites: Each Party that is the owner or lessee (under a Head Lease) of a Colocation Site shall, to the extent not directly provided by the Landlord or other third party, provide or procure all services presently enjoyed by and/or reasonably necessary for the use of the Colocation Site and which are used in common with other premises in the Colocation Site. The foregoing obligations of such Party shall continue in effect until the earlier of (i) the applicable Colocation Site being included in the TSA, and (ii) the date that the Landlord or other third party (including, without limitation, any management company) has taken over responsibility for provision of such services to the Colocation Site. In the event the Landlord or other third party provides any of such services, the Party that is the owner or lessee of such Colocation Site shall pay the cost of such services to the third party, and the other Party shall reimburse the paying Party for a portion of such costs reasonably allocable to the reimbursing Party. Each of Parent and SpinCo (and their respective Affiliates) shall permit the other Party access to all portions of the Colocation Site in such Party's control that are reasonably necessary in connection with providing or maintaining any shared services or for the other Party to benefit from such shared services. In the event of a change of provider of such services, each of Parent and SpinCo (and their respective Affiliates) shall work together to ensure any interruption to the shared services is minimized as far as possible.

Section 3.6 Allocation of Properties. To the extent that the Transferred Sites Schedule and the Colocation Sites Schedule require amendments made (i) in accordance with the Allocation Principle in all material respects following the date hereof, or (ii) as a result of changes to allocations made in accordance with Section 2.10, SpinCo or Parent shall provide written notice to the other Party prior to amending the Transferred Sites Schedule or the Colocation Sites Schedule. If the Party that receives such written notice disputes in good faith the application of the Allocation Principle with respect to any such amendment, such dispute shall be resolved in accordance with Article XI, Section 11.02 (*Dispute Resolution*) of the Separation Agreement.

*[The remainder of this page is intentionally left blank.]*

IN WITNESS WHEREOF, each of the parties hereto has caused this Real Estate Matters Agreement to be executed on its behalf by its officers thereunto duly authorized on the day and year first above written.

GENERAL ELECTRIC COMPANY, a New York corporation

By: \_\_\_\_\_  
Name:  
Title:

GE HEALTHCARE TECHNOLOGIES INC., a Delaware corporation

By: \_\_\_\_\_  
Name:  
Title:

*[Signature Page to Real Estate Matters Agreement]*

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS STOCKHOLDER AND REGISTRATION RIGHTS AGREEMENT HAS BEEN OMITTED BY MEANS OF REDACTING A PORTION OF THE TEXT AND REPLACING IT WITH [\*\*\*], PURSUANT TO REGULATION S-K ITEM 601(B) OF THE SECURITIES ACT OF 1933, AS AMENDED. CERTAIN CONFIDENTIAL INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS: (i) NOT MATERIAL AND (ii) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

### STOCKHOLDER AND REGISTRATION RIGHTS AGREEMENT

This STOCKHOLDER AND REGISTRATION RIGHTS AGREEMENT, dated as of [•], 202[•] (this “Agreement”), is by and between General Electric Company, a New York corporation (“GE”), and GE HealthCare Technologies, Inc., a Delaware corporation (“HealthCare”).

WHEREAS, GE currently owns all of the issued and outstanding shares of common stock, par value \$0.01 per share, of HealthCare (“HealthCare Common Stock”);

WHEREAS, pursuant to the Separation and Distribution Agreement, dated as of [•], 2022, by and between GE and HealthCare (the “Separation and Distribution Agreement”), GE will distribute 80.1% of the issued and outstanding shares of HealthCare Common Stock to holders of shares of GE common stock on the applicable record date, on a pro rata basis (the “Distribution”);

WHEREAS, in connection with the Distribution, HealthCare will register shares of HealthCare Common Stock under the Exchange Act (as defined below) on a registration statement on Form 10;

WHEREAS, following the Distribution, GE may effect distributions of any shares of HealthCare Common Stock that are not distributed in the Distribution (such shares not distributed in the Distribution, the “Retained Shares”) to GE stockholders as dividends or in exchange for outstanding shares of GE common stock or through one or more subsequent exchanges of HealthCare Common Stock for GE debt held by GE creditors, including pursuant to one or more transactions Registered under the Securities Act (as such terms are defined below);

WHEREAS, following the Distribution, GE may from time to time Sell any Retained Shares pursuant to one or more transactions, including transactions Registered under the Securities Act;

WHEREAS, HealthCare desires to grant to GE the Registration Rights (as defined below) for the Registrable Securities (as defined below), on the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, GE desires to grant to HealthCare a proxy to vote the Retained Shares in proportion to the votes cast by HealthCare’s other stockholders, on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and agreements of the parties hereto, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:



## ARTICLE I

### DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

“AAA” has the meaning set forth in Section 4.4(c).

“Action” means any claim, complaint, petition, hearing, charge, demand, action, suit, countersuit, arbitration, inquiry, audit, assessment, proceeding or investigation by or before any Governmental Authority, including any Government Investigation.

“Affiliate” of any Person means a Person that controls, is controlled by or is under common control with such Person. As used herein, “control” of any entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity, whether through ownership of voting securities or other interests, by Contract or otherwise; provided, however, that (i) HealthCare and the other members of the HealthCare Group shall not be considered Affiliates of GE or any of the other members of the GE Group and (ii) GE and the other members of the GE Group shall not be considered Affiliates of HealthCare or any of the other members of the HealthCare Group.

“Agreement” has the meaning set forth in the preamble to this Agreement.

“Ancillary Filings” has the meaning set forth in Section 2.4(a)(i).

“Arbitral Tribunal” has the meaning set forth in Section 4.4(c)(ii).

“Block Trade” means an Underwritten Offering not involving any “road show” which is commonly known as a “block trade.”

“Contract” means any oral or written contract, agreement or other legally binding instrument, including any note, bond, mortgage, deed, indenture, commitment, lease, sublease, license, sublicense or joint venture agreement.

“Chosen Court Claim” has the meaning set forth in Section 4.6.

“Chosen Courts” has the meaning set forth in Section 4.6.

“Convertible or Exchange Registration” has the meaning set forth in Section 2.7.

“Debt” means any indebtedness of any member of the GE Group, including debt securities, notes, credit facilities, credit agreements and other debt instruments, including, in each case, any amounts due thereunder.

“Demand Registration” has the meaning set forth in Section 2.1(a).

“Decision on Interim Relief” has the meaning set forth in Section 4.4(c)(v).

“Dispute” or “Disputes” has the meaning set forth in Section 4.4(b).

“Dispute Notice” has the meaning set forth in Section 4.4(b).

“Distribution” has the meaning set forth in the recitals to this Agreement.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

“Exchange Offer” means an exchange offer of Registrable Securities for outstanding securities of a Holder.

“Exchanges” means one or more Public Exchanges or Private Exchanges.

“GE” has the meaning set forth in the preamble to this Agreement and shall include its successors, by merger, acquisition, reorganization or otherwise.

“GE Group” means GE and each Person that is a direct or indirect Subsidiary of GE as of immediately following the Distribution, and each Person that becomes a Subsidiary of GE after the Distribution (in each case other than any member of the HealthCare Group); provided that any Person shall cease to be a member of the GE Group upon ceasing to be a direct or indirect Subsidiary of GE.

“Governmental Approvals” means any notices, reports or other filings given to or made with, or any Consents, registrations or permits obtained from, any Governmental Authority.

“Governmental Authority” means any federal, state, local, foreign, international or multinational government, political subdivision, governmental, quasi-governmental authority of any nature (including any department, commission, board, bureau, agency, court, tribunal) or other body exercising legislative, judicial, regulatory, administrative or taxing authority, arbitral body or official of any of the foregoing.

“Government Investigation” means any inquiry, investigation, probe, audit or inspection conducted by a Governmental Authority.

“Holder” means GE or any of its Subsidiaries, so long as such Person holds any Registrable Securities, and any Person owning Registrable Securities who is a Permitted Transferee of rights under Section 4.3.

“HealthCare” has the meaning set forth in the preamble to this Agreement and shall include its successors, by merger, acquisition, reorganization or otherwise.

“HealthCare Common Stock” has the meaning set forth in the recitals to this Agreement.

“HealthCare Group” means (i) HealthCare and (ii) each Person that will be a direct or indirect Subsidiary of HealthCare immediately prior to the Distribution, and (iii) each Person that becomes a Subsidiary of HealthCare after the Distribution (in each case other than any member of the GE Group).

“HealthCare Notice” has the meaning set forth in Section 2.1(a).

“HealthCare Public Sale” has the meaning set forth in Section 2.2(a).

“HealthCare Takedown Notice” has the meaning set forth in Section 2.1(f).

“Initiating Holder” has the meaning set forth in Section 2.1(a).

“Interim Relief” has the meaning set forth in Section 4.4(c)(v).

“Law” means any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, Governmental Approval, concession, grant, franchise, license, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and, in each case, as amended.

“Loss” or “Losses” has the meaning set forth in Section 2.9(a).

“Negotiation Period” has the meaning set forth in Section 4.4(b).

“Participating Banks” means such investment banks or other Persons that are not part of the GE Group that engage, directly or indirectly, in any Exchange with one or more members of the GE Group.

“Permitted Transferee” means any Transferee and any Subsequent Transferee.

“Person” means an individual, a general or limited partnership, a corporation, an association, a trust, a joint venture, an unincorporated organization, a limited liability company, any other entity or any Governmental Authority.

“Piggyback Registration” has the meaning set forth in Section 2.2(a).

“Private Exchange” means a private exchange pursuant to which one or more members of the GE Group shall Sell some or all of their Registrable Securities to one or more Participating Banks in exchange, directly or indirectly, for any equity interest of GE or the satisfaction of Debt, in a transaction or series of transactions not required to be Registered under the Securities Act.

“Prospectus” means the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including post-effective amendments, and all other material incorporated by reference in such prospectus.

“Public Exchange” means a public exchange pursuant to which one or more members of the GE Group shall Sell some or all of their Registrable Securities to one or more Participating Banks in exchange, directly or indirectly, for any equity interest of GE or the satisfaction of Debt, in a transaction or series of transactions Registered under the Securities Act.

“Registrable Securities” means any Retained Shares and any securities issued or issuable directly or indirectly with respect to, in exchange for, upon the conversion of or in replacement of the Retained Shares, whether by way of a dividend or distribution or stock split or in connection with a combination of shares, recapitalization, merger, consolidation, exchange or other reorganization. The term “Registrable Securities” excludes any security (i) the offering and Sale of which has been effectively Registered under the Securities Act and which has been Sold in accordance with a Registration Statement, (ii) that has been Sold pursuant to Rule 144 under the Securities Act, (iii) that (A) may be Sold pursuant to Rule 144 under the Securities Act without being subject to the volume limitations in subsection (e) of such rule and (B) is held by a Holder of less than 1% of the then-issued and outstanding shares of HealthCare Common Stock (determined, in the case of GE or any of its direct or indirect Subsidiaries, as applicable, as the aggregate number of Registrable Securities held by all members of the GE Group) or (iv) that has been sold by a Holder in a transaction in which such Holder’s rights under this Agreement are not, or cannot be, assigned.

“Registration” means a registration with the SEC of the offer and Sale to the public of any HealthCare Common Stock under a Registration Statement. The terms “Register,” “Registered” and “Registering” shall have a correlative meaning.

“Registration Expenses” means all expenses incident to HealthCare’s performance of or compliance with this Agreement, including all (i) registration, qualification and filing fees, (ii) expenses incurred in connection with the preparation, printing and filing under the Securities Act of the Registration Statement, any Prospectus and any issuer free writing prospectus and the distribution thereof, (iii) the fees and expenses of HealthCare’s counsel and independent accountants (including the expenses of any comfort letters or costs associated with the delivery by HealthCare Group members’ independent certified public accountants of comfort letters customarily requested by underwriters), (iv) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Shares under the state or foreign securities or blue sky laws and the preparation, printing and distribution of a Blue Sky Memorandum (including the related reasonable fees and expenses of counsel), (v) the costs and charges of any transfer agent and any registrar, (vi) all expenses and application fees incurred in connection with any filing with, and clearance of an offering by, Financial Industry Regulatory Authority, Inc., (vii) printing expenses, messenger, telephone and delivery expenses, (viii) internal expenses of HealthCare (including all salaries and expenses of employees of HealthCare performing legal or accounting duties), (ix) fees and expenses of listing any Registrable Securities on any securities exchange on which shares of HealthCare Common Stock are then listed, and (x) the reasonable fees and expenses of one legal counsel chosen by GE or the Holders of a majority of the Registrable Securities included in a Demand Registration, Piggyback Registration or Shelf Registration (including Block Trades), as applicable; but excluding any underwriting discounts or commissions attributable to the Sale of any Registrable Securities, any fees and expenses of any other counsel, accountants or other persons retained or employed by any Holder, any fees and expenses of any counsel to the underwriters or dealer managers and any stock transfer taxes.

“Registration Period” has the meaning set forth in Section 2.1(c).

“Registration Rights” means the rights of the Holders to cause HealthCare to Register Registrable Securities pursuant to this Agreement.

“Registration Statement” means any registration statement of HealthCare filed with, or to be filed with, the SEC under the rules and regulations promulgated under the Securities Act, including the related Prospectus, amendments and supplements to such registration statement, including post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

“Retained Shares” has the meaning set forth in the recitals to this Agreement.

“Rules” has the meaning set forth in Section 4.4(c).

“Sale” means the direct or indirect transfer, sale, assignment or other disposition of a security. The terms “Sell” and “Sold” have correlative meanings.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the U.S. Securities Act of 1933, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

“Shares” means all shares of HealthCare Common Stock that are beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by GE or any Permitted Transferee from time to time, whether or not held immediately following the Distribution.

“Shelf Registration” means a Registration Statement of HealthCare for an offering to be made on a delayed or continuous basis of HealthCare Common Stock pursuant to Rule 415 under the Securities Act.

“Subsequent Transferee” has the meaning set forth in Section 4.3(b).

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (i) beneficially owns (within the meaning of Rule 13d-3 under the Exchange Act), either directly or indirectly, more than fifty percent (50%) of (A) the total combined voting power of all classes of voting securities of such Person, (B) the total combined equity interests or (C) the capital or profit interests, in the case of a partnership, or (ii) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“Takedown Notice” has the meaning set forth in Section 2.1(f).

“Transferee” has the meaning set forth in Section 4.3(b).

“Underwritten Offering” means a Registration in which securities of HealthCare are Sold to an underwriter or underwriters on a firm commitment basis for reoffering to the public.

1.2 General Interpretive Principles. Whenever used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires, any noun or pronoun shall be deemed to include the plural as well as the singular and to cover all genders. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” Unless otherwise specified, the terms “hereof,” “herein,” “hereunder” and similar terms refer to this Agreement as a whole (including the exhibits hereto), and references herein to Articles, Sections and Exhibits refer to Articles, Sections and Exhibits of this Agreement. The word “or” shall have the inclusive meaning represented by the phrase “and/or.” The word “receipt” shall mean actual receipt or deemed duly given pursuant to Section 4.2. The reference to any form under the Securities Act or the Exchange Act shall include a reference to any successor to such form. The reference to any rule under the Securities Act or the Exchange Act shall include a reference to any successor provision to such rule. Except as otherwise indicated, all periods of time referred to herein shall include all Saturdays, Sundays and holidays; provided, however, that if the date to perform the act or give any notice with respect to this Agreement shall fall on a day other than a business day, such act or notice may be performed or given timely if performed or given on the next succeeding business day. References to a Person are also to its successors and permitted assigns. The titles to Articles and headings of Sections contained in this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of or to affect the meaning or interpretation of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

## ARTICLE II

### REGISTRATION RIGHTS

#### 2.1 Registration.

(a) Request. Any Holder(s) of Registrable Securities (collectively, the “Initiating Holder”) shall have the right (including, for the avoidance of doubt, in connection with its rights pursuant to Section 2.7) to request that HealthCare file a Registration Statement with the SEC on the appropriate registration form for all or part of the Registrable Securities held by such Initiating Holder by delivering a written request to HealthCare specifying the aggregate number of shares of Registrable Securities such Initiating Holder wishes to Register (a “Demand Registration”). HealthCare shall (i) within five (5) days of the receipt of such request, give written notice of such Demand Registration to all Holders of Registrable Securities (the “HealthCare Notice”), (ii) use its reasonable best efforts to prepare and file a Registration Statement as expeditiously as possible in respect of such Demand Registration and in any event within thirty (30) days of receipt of such request, and (iii) use its reasonable best efforts to cause such Registration Statement to become effective as expeditiously as possible. HealthCare shall include in such Registration all Registrable Securities that the Holders request to be included within the ten (10) days following their receipt of the HealthCare Notice.

(b) Limitations of Demand Registrations. There shall be no limitation on the number of Demand Registrations pursuant to Section 2.1(a); provided, however, that the Holder(s) may not require HealthCare to effect a Demand Registration within sixty (60) days after the effective date of a previous registration by HealthCare, other than a Shelf Registration, effected pursuant to this Section 2.1. In the event that any Person shall have received rights to Demand Registrations pursuant to Section 2.7 or Section 4.3, and such Person shall have made a Demand Registration request, such request shall be treated as having been made by the Holder(s). The Registrable Securities requested to be Registered pursuant to Section 2.1(a) must represent (i) an aggregate offering price of Registrable Securities that is reasonably expected to equal at least \$100,000,000 (or its equivalent if the Registrable Securities are to be offered in an Exchange Offer) or (ii) all of the remaining Registrable Securities owned by the requesting Holder and its Affiliates.

(c) Effective Registration. HealthCare shall be deemed to have effected a Registration for purposes of Section 2.1(a) if the Registration Statement is declared effective by the SEC or becomes effective upon filing with the SEC, and remains effective until the earlier of (i) the date when all Registrable Securities thereunder have been Sold and (ii) (x) in case of a Registration Statement that is not a Shelf Registration Statement, 60 days from the effective date of the Registration Statement or (y) 12 months from the effective date of the Shelf Registration Statement (such period, as applicable, the "Registration Period"). No Registration shall be deemed to have been effective if the conditions to closing specified in the underwriting agreement or dealer-manager agreement, if any, entered into in connection with such Registration are not satisfied by reason of any member of the HealthCare Group. If, during the Registration Period, such Registration is interfered with by any stop order, injunction or other order or requirement of the SEC or other Governmental Authority or the need to update or supplement the Registration Statement, the Registration Period shall be extended on a day-for-day basis for any period the Holder is unable to complete an offering as a result of such stop order, injunction or other order or requirement of the SEC or other Governmental Authority.

(d) Underwritten Offering; Exchange Offer. If the Initiating Holder so indicates at the time of its request pursuant to Section 2.1(a), such offering of Registrable Securities shall be in the form of an Underwritten Offering or an Exchange Offer and HealthCare shall include such information in the HealthCare Notice. In the event that the Initiating Holder intends to Sell the Registrable Securities by means of an Underwritten Offering or Exchange Offer, the right of any Holder to include Registrable Securities in such Registration shall be conditioned upon such Holder's participation in such Underwritten Offering or Exchange Offer and the inclusion of such Holder's Registrable Securities in the Underwritten Offering or Exchange Offer (provided that such Holder's Registrable Securities can only be excluded from such Underwritten Offering or Exchange Offer pursuant to the provisions of Section 2.1(e)).

(e) Priority of Securities in an Underwritten Offering. If the managing underwriter or underwriters of a proposed Underwritten Offering, including an Underwritten Offering from a Shelf Registration, pursuant to this Section 2.1 informs the Holders with Registrable Securities in the proposed Underwritten Offering in writing that, in its or their opinion, the number of Registrable Securities requested to be included in such Underwritten Offering exceeds the number that can be Sold in such Underwritten Offering without being likely to have an adverse effect on the price, timing or distribution of the Registrable Securities offered or the market for the Registrable Securities offered, then the number of Registrable Securities to be included in such Underwritten Offering shall be reduced to such number that can be Sold without such adverse effect based on the

recommendation of the managing underwriter or underwriters and the Registrable Securities to be included in such Underwritten Offering shall be: (i) first, Registrable Securities requested by all members of the GE Group to be included in such Underwritten Offering on a pro rata basis calculated based on the number of shares requested to be registered by all members of the GE Group; (ii) second, Registrable Securities requested by all other Holders to be included in such Underwritten Offering on a pro rata basis calculated based on the aggregate number of shares requested to be registered; and (iii) third, all other Registrable Securities requested and otherwise eligible to be included in such Underwritten Offering (including Registrable Securities to be Sold for the account of HealthCare) on a pro rata basis calculated based on the aggregate number of shares requested to be registered. In the event the Initiating Holder notifies HealthCare that such Registration Statement shall be abandoned or withdrawn, such Holder shall not be deemed to have requested a Demand Registration pursuant to Section 2.1(a), and HealthCare shall not be deemed to have made a Demand Registration request pursuant to Section 2.1(a) and Section 2.1(c).

(f) Shelf Registration. At any time after the date hereof when HealthCare is eligible to Register the applicable Registrable Securities on Form S-3 and Holders may request Demand Registrations, the requesting Holders may request HealthCare to effect a Demand Registration as a Shelf Registration. Any Holder of Registrable Securities included on a Shelf Registration shall have the right to request that HealthCare cooperate in a shelf takedown at any time, including an Underwritten Offering, by delivering a written request thereof to HealthCare specifying the number of shares of Registrable Securities such Holder wishes to include in the shelf takedown (each, a "Takedown Notice"). HealthCare shall (i) within five (5) days of the receipt of a Takedown Notice for an Underwritten Offering, give written notice of such Takedown Notice to all Holders of Registrable Securities included on such Shelf Registration ("HealthCare Takedown Notice"), and (ii) take all actions reasonably requested by such Holder, including the filing of a Prospectus supplement and the other actions described in Section 2.4, in accordance with the intended method of distribution set forth in the Takedown Notice, as soon as reasonably practicable. If the takedown is an Underwritten Offering, HealthCare shall use its reasonable best efforts to include in such Underwritten Offering all Registrable Securities that the Holders request to be included within the two (2) days following their receipt of the HealthCare Takedown Notice. If the takedown is an Underwritten Offering, the Registrable Securities requested to be included in a shelf takedown must represent (i) an aggregate offering price of Registrable Securities that is reasonably expected to equal at least \$100,000,000 or (ii) all of the remaining Registrable Securities owned by the requesting Holder and its Affiliates. Notwithstanding anything else to the contrary in this Agreement, the requirement to deliver a HealthCare Takedown Notice and the piggyback rights described in this Section 2.1(f) shall not apply to an Underwritten Offering that constitutes a Block Trade. There shall be no limitations on the number of Underwritten Offerings pursuant to a Shelf Registration; provided, that in no event shall HealthCare be required to effect, pursuant to this Section 2.01(f), during any 90-day period, more than (A) two Block Trades or (B) more than one Underwritten Offering that is not a Block Trade pursuant to a Takedown Notice (it being understood, for the avoidance of doubt, that a Takedown Notice shall not count as a Demand Registration request for purposes of the limit set forth in Section 2.01(b)).



(g) SEC Form. Except as set forth in the next sentence, HealthCare shall use its reasonable best efforts to cause Demand Registrations to be Registered on Form S-3, and if HealthCare is not then eligible under the Securities Act to use Form S-3, Demand Registrations shall be Registered on Form S-1 or Form S-4 (in the case of an Exchange Offer). If a Demand Registration is a Convertible or Exchange Registration, HealthCare shall effect such Registration on the appropriate Form under the Securities Act for such Registrations. HealthCare shall use its reasonable best efforts to become eligible to use Form S-3 and, after becoming eligible to use Form S-3, shall use its reasonable best efforts to remain so eligible. All Demand Registrations shall comply with applicable requirements of the Securities Act and, together with each Prospectus included, filed or otherwise furnished by HealthCare in connection therewith, shall not contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(h) With respect to any Registration Statement, whether filed or to be filed pursuant to this Agreement, if the HealthCare board of directors in good faith shall reasonably determine, upon the advice of legal counsel, that maintaining the effectiveness of such Registration Statement or filing an amendment or supplement thereto (or, if no Registration Statement has yet been filed, filing such a Registration Statement) would cause HealthCare to disclose material non-public information, which disclosure (x) would be required to be made in any Registration Statement so that such Registration Statement would not be materially misleading, (y) would not be required to be made at such time but for the filing or effectiveness of such Registration Statement and (z) would be materially detrimental to HealthCare or would materially interfere with any material financing, acquisition, corporate reorganization or merger or other similar transaction involving HealthCare or any of its subsidiaries, and that, as a result of such potential disclosure or interference, it is in the best interests of HealthCare to defer the filing or effectiveness of such Registration Statement at such time or suspend the Holders' use of any prospectus which is a part of the Registration Statement (such disclosure, the "Disadvantageous Disclosure"), and (ii) HealthCare furnishes to the Holders a certificate signed by the chief executive officer of HealthCare to that effect, HealthCare may, for the shortest period reasonably practicable, and in any event for not more than 30 consecutive calendar days (a "Blackout Period"), notify the Holders whose offers and Sales of Registrable Securities are covered (or to be covered) by such Registration Statement that such Registration Statement is unavailable for use (or will not be filed as requested) (a "Blackout Notice"). Upon the receipt of any such Blackout Notice, the Holders shall forthwith discontinue use of the Prospectus contained in any effective Registration Statement; provided that, if at the time of receipt of such Blackout Notice any Holder shall have Sold its Registrable Securities (or have signed a firm commitment underwriting agreement with respect to the purchase of such shares) and the Disadvantageous Disclosure is not of a nature that would require a post-effective amendment to the Registration Statement, then HealthCare shall use its commercially reasonable efforts to take such action as to eliminate any restriction imposed by federal securities Laws on the timely delivery of such Registrable Securities; provided, further, that, if implementation of such Blackout Period would impair the ability of GE, any member of the GE Group or any of their Transferees to Sell its Registrable Securities in accordance with its or their intended method of distribution, as determined by GE in its sole discretion, then HealthCare may not impose such Blackout Period (and any Blackout Period then in effect shall automatically expire) and HealthCare shall as soon as reasonably possible revise, amend and/or supplement the Registration Statement, as applicable, so that it does not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. When any Disadvantageous Disclosure as to which a Blackout Notice has been previously delivered shall cease to be

required, HealthCare shall as promptly as reasonably practicable notify the Holders and take such actions in respect of such Registration Statement as are otherwise required by this Agreement. The Registration Period for any Registration Statement for which HealthCare has given notice of a Blackout Period shall be increased by the length of time of such Blackout Period. HealthCare shall not impose, in any 365-day period, a Blackout Period (A) more than once and (B) lasting, in the aggregate, in excess of 60 calendar days.

## 2.2 Piggyback Registrations.

(a) Participation. If HealthCare proposes to file a Registration Statement under the Securities Act with respect to any offering of HealthCare Common Stock for its own account or for the account of any other Persons (other than a Registration (i) under Section 2.1, (ii) pursuant to a Registration Statement on Form S-8 or Form S-4 or similar form that relates to a transaction subject to Rule 145 under the Securities Act, (iii) pursuant to any form that does not include substantially the same information as would be required to be included in a Registration Statement covering the Sale of Registrable Securities, (iv) in connection with any dividend reinvestment or similar plan, (v) for the sole purpose of offering securities to another entity or its security holders in connection with the acquisition of assets or securities of such entity or any similar transaction or (vi) in which the only HealthCare Common Stock being Registered is HealthCare Common Stock issuable upon conversion of debt securities that are also being Registered) (a “HealthCare Public Sale”), then, as soon as reasonably practicable (but in no event less than fifteen (15) days prior to the proposed date of filing such Registration Statement), HealthCare shall give written notice of such proposed filing to each Holder, and such notice shall offer such Holders the opportunity to Register under such Registration Statement such number of Registrable Securities as each such Holder may request in writing (a “Piggyback Registration”). Subject to Section 2.2(a) and Section 2.2(c), HealthCare shall include in such Registration Statement all such Registrable Securities that are requested to be included therein within ten (10) days after the receipt of any such notice; provided, however, that if, at any time after giving written notice of its intention to Register any securities and prior to the effective date of the Registration Statement filed in connection with such Registration, HealthCare shall determine for any reason not to Register or to delay Registration of such securities, HealthCare may, at its election, give written notice of such determination to each such Holder and, thereupon, (i) in the case of a determination not to Register, shall be relieved of its obligation to Register any Registrable Securities in connection with such Registration, without prejudice, however, to the rights of any Holder to request that such Registration be effected as a Demand Registration under Section 2.1, and (ii) in the case of a determination to delay Registration, shall be permitted to delay Registering any Registrable Securities for the same period as the delay in Registering such other shares of HealthCare Common Stock. No Registration effected under this Section 2.2 shall relieve HealthCare of its obligation to effect any Demand Registration under Section 2.1. If the offering pursuant to a Registration Statement pursuant to this Section 2.2 is to be an Underwritten Offering, then each Holder making a request for a Piggyback Registration pursuant to this Section 2.2(a) shall, and HealthCare shall use reasonable best efforts to coordinate arrangements with the underwriters so that each such Holder may, participate in such Underwritten Offering. If the offering pursuant to such Registration Statement is to be on any other basis, then each Holder making a request for a Piggyback Registration pursuant to this Section 2.2(a) shall, and HealthCare shall use reasonable best efforts to coordinate arrangements so that each such Holder may, participate in such offering on such basis. HealthCare’s filing of a

Shelf Registration shall not be deemed to be a HealthCare Public Sale; provided, however, that the proposal to file any Prospectus supplement filed pursuant to a Shelf Registration with respect to an offering of HealthCare Common Stock for its own account or for the account of any other Persons will be a HealthCare Public Sale unless such offering qualifies for an exemption from the HealthCare Public Sale definition in this Section 2.2(a); provided, further that if HealthCare files a Shelf Registration for its own account or for the account of any other Persons, HealthCare agrees that it shall use its reasonable best efforts to include in such Registration Statement such disclosures as may be required by Rule 430B under the Securities Act in order to ensure that the Holders may be added to such Shelf Registration at a later time through the filing of a Prospectus supplement rather than a post-effective amendment.

(b) Right to Withdraw. Each Holder shall (1) have the right to withdraw such Holder's request for inclusion of its Registrable Securities in any Underwritten Offering pursuant to this Section 2.2 at any time prior to the execution of an underwriting agreement with respect thereto, and (2) be permitted to withdraw all or part of such Holder's Registrable Securities from a Piggyback Registration at any time prior to the effective date thereof, in each case by giving written notice to HealthCare of such Holder's request to withdraw.

(c) Priority of Piggyback Registration. If the managing underwriter or underwriters of any proposed Underwritten Offering of a class of Registrable Securities included in a Piggyback Registration informs HealthCare and the Holders in writing that, in its or their opinion, the number of securities of such class which such Holder and any other Persons intend to include in such Underwritten Offering exceeds the number which can be Sold in such Underwritten Offering without being likely to have an adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, then the securities to be included in such Underwritten Offering shall be reduced to such number that can be Sold without such adverse effect based on the recommendation of the managing underwriter or underwriters and the securities to be included in the Underwritten Offering shall be (i) first, all securities of HealthCare or any other Persons for whom HealthCare is effecting the Underwritten Offering, as the case may be, proposes to Sell, (ii) second, Registrable Securities requested by any member of the GE Group to be included in such Underwritten Offering on a pro rata basis calculated based on the number of shares requested to be registered by all members of the GE Group, (iii) third, Registrable Securities requested by all other Holders to be included in such Underwritten Offering on a pro rata basis calculated based on the aggregate number of shares requested to be registered, and (iv) fourth, all other securities requested and otherwise eligible to be included in such Underwritten Offering (including securities to be Sold for the account of HealthCare) on a pro rata basis calculated based on the aggregate number of shares requested to be registered.

2.3 Selection of Underwriter(s), Etc. In any Underwritten Offering or Exchange Offer pursuant to Section 2.1 or Section 2.2 that is not a HealthCare Public Sale, GE or, in the event no member of the GE Group is participating in such Underwritten Offering or Exchange Offer, the Holders of a majority of the outstanding Registrable Securities being included in the Underwritten Offering or Exchange Offer, shall select the underwriter(s), dealer-manager(s), financial printer, solicitation or exchange agent (if any) and, in consultation with GE, counsel to the Holder(s) for such Underwritten

Offering or Exchange Offer; provided, that GE, or the Holders of a majority of the outstanding Registrable Securities, as applicable, shall consult with HealthCare and consider HealthCare's suggestions, if any, in good faith in connection with such selection. In any HealthCare Public Sale, HealthCare shall select the underwriter(s), dealer-manager(s), financial printer, solicitation or exchange agent (if any) and GE or, in the event no member of the GE Group is participating in such Underwritten Offering or Exchange Offer, the Holders of a majority of the outstanding Registrable Securities being included in the HealthCare Public Sale, shall select counsel to the Holder(s).

#### 2.4 Registration Procedures.

(a) In connection with the Registration or Sale of Registrable Securities pursuant to this Agreement, through an Underwritten Offering or otherwise, HealthCare shall use reasonable best efforts to effect or cause the Registration and the Sale of such Registrable Securities in accordance with the intended methods of Sale thereof and:

(i) prepare and file the required Registration Statement including all exhibits and financial statements and, in the case of an Exchange Offer, any document required under Rule 425 or Rule 165 with respect to such Exchange Offer (collectively, the "Ancillary Filings") required under the Securities Act to be filed therewith, and before filing with the SEC a Registration Statement or Prospectus, or any amendments or supplements thereto, (A) furnish to the underwriters or dealer-managers, if any, and to the Holders, copies of all documents prepared to be filed, which documents shall be subject to the review and comment of such underwriters or dealer-managers and such Holders and their respective counsel, and provide such underwriters or dealers managers, if any, and such Holders and their respective counsel reasonable time to review and comment thereon and (B) not file with the SEC any Registration Statement or Prospectus or amendments or supplements thereto or any Ancillary Filing to which the Holders or the underwriters or dealer-managers, if any, shall reasonably object;

(ii) except in the case of a Shelf Registration or Convertible or Exchange Registration, prepare and file with the SEC such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective and to comply with the provisions of the Securities Act with respect to the Sale of all of the Shares Registered thereon until the earlier of (A) such time as all of such Shares have been Sold in accordance with the intended methods of Sale set forth in such Registration Statement or (B) the expiration of nine (9) months after such Registration Statement becomes effective;

(iii) in the case of a Shelf Registration, prepare and file with the SEC such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective and to comply with the provisions of the Securities Act with respect to the Sale of all Shares subject thereto for a period ending thirty-six (36) months after the effective date of such Registration Statement;

(iv) in the case of a Convertible or Exchange Registration, prepare and file with the SEC such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective and to comply with the provisions of the Securities Act with respect to the Sale of all of the Shares subject thereto until such time as the rules, regulations and requirements of the Securities Act and the terms of any applicable convertible securities no longer require such Shares to be Registered under the Securities Act;

(v) notify the participating Holders and the managing underwriter or underwriters or dealer-managers, if any, and (if requested) confirm such advice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by HealthCare (A) when the applicable Registration Statement or any amendment thereto has been filed or becomes effective, when the applicable Prospectus or any amendment or supplement to such Prospectus has been filed, or any Ancillary Filing has been filed, (B) of any written comments by the SEC or any request by the SEC or any other Governmental Authority for amendments or supplements to such Registration Statement or such Prospectus or any Ancillary Filing or for additional information, (C) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or any order preventing or suspending the use of any preliminary or final Prospectus or any Ancillary Filing or the initiation or threatening of any proceedings for such purposes, (D) if, at any time, the representations and warranties of HealthCare in any applicable underwriting agreement or dealer-manager agreements cease to be true and correct in all material respects, or (E) of the receipt by HealthCare of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or Sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(vi) as soon as reasonably practicable notify each selling Holder and the managing underwriter or underwriters or dealer-managers, if any, when HealthCare becomes aware of the occurrence of any event as a result of which the applicable Registration Statement or the Prospectus included in such Registration Statement (as then in effect) or any Ancillary Filing contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of such Prospectus and any preliminary Prospectus, in light of the circumstances under which they were made) not misleading or, if for any other reason it shall be necessary during such time period to amend or supplement such Registration Statement or Prospectus or any Ancillary Filing in order to comply with the Securities Act and, in either case as soon as reasonably practicable thereafter, prepare and file with the SEC, and furnish without charge to the selling Holder and the managing underwriter or underwriters or dealer-managers, if any, an amendment or supplement to such Registration Statement or Prospectus or any Ancillary Filing which will correct such statement or omission or effect such compliance;

(vii) use its reasonable best efforts to prevent or obtain the withdrawal of any stop order or other order suspending the use of any preliminary or final Prospectus;

(viii) as soon as reasonably practicable incorporate in a Prospectus supplement or post-effective amendment such information as the managing underwriters or dealer-managers, if any, and the Holders may reasonably request in order to permit the intended method of distribution of the Registrable Securities; and make all required filings of such Prospectus supplement or post-effective amendment as soon as reasonably practicable after being notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(ix) furnish to each selling Holder and each underwriter or dealer-manager, if any, without charge, as many conformed copies as such Holder or underwriter or dealer-manager may reasonably request of the applicable Registration Statement and any amendment or post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(x) deliver to each selling Holder and each underwriter or dealer-manager, if any, without charge, as many copies of the applicable Prospectus (including each preliminary Prospectus) and any amendment or supplement thereto as such Holder or underwriter or dealer-manager may reasonably request (it being understood that HealthCare consents to the use of such Prospectus or any amendment or supplement thereto by each selling Holder and the underwriters or dealer-managers, if any, in connection with the offering and Sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto) and such other documents as such selling Holder or underwriter or dealer-manager may reasonably request in order to facilitate the Sale of the Registrable Securities by such Holder or underwriter or dealer-manager;

(xi) on or prior to the date on which the applicable Registration Statement is declared effective or becomes effective, use its reasonable best efforts to register or qualify, and cooperate with each selling Holder, the managing underwriter or underwriters or dealer-managers, if any, and their respective counsel, in connection with the registration or qualification of such Registrable Securities for offer and Sale under the securities or “Blue Sky” laws of each state and other jurisdiction of the United States as any selling Holder or managing underwriter or underwriters or dealer-managers, if any, or their respective counsel reasonably request, and in any foreign jurisdiction mutually agreeable to HealthCare and the participating Holders, in writing and do any and all other acts or things reasonably necessary or advisable to keep such registration or qualification in effect for so long as such Registration Statement remains in effect and so as to permit the continuance of Sales and dealings in such jurisdictions of the United States for so long as may be necessary to complete the distribution of the Registrable Securities covered by the Registration Statement; provided that HealthCare will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to taxation or general service of process in any such jurisdiction where it is not then so subject;

(xii) in connection with any Sale of Registrable Securities that will result in such securities no longer being Registrable Securities, cooperate with each participating Holder and the managing underwriter or underwriters or dealer-managers, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be Sold and not bearing any restrictive Securities Act legends; and to register such Registrable Securities in such denominations and such names as such selling Holder or the underwriters or dealer-managers, if any, may request at least two (2) business days prior to such Sale of Registrable Securities; provided that HealthCare may satisfy its obligations hereunder without issuing physical stock certificates through the use of the Depository Trust Company’s Direct Registration System;

(xiii) cooperate and assist in any filings required to be made with the Financial Industry Regulatory Authority, Inc. and each securities exchange, if any, on which any of HealthCare's securities are then listed or quoted and on each inter-dealer quotation system on which any of HealthCare's securities are then quoted, and in the performance of any due diligence investigation by any managing underwriter or underwriter or dealer-manager (including any "qualified independent underwriter") that is required to be retained in accordance with the rules and regulations of each such exchange, and use its reasonable best efforts to cause the Registrable Securities covered by the applicable Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the managing underwriter or underwriters or dealer-managers, if any, to consummate the Sale of such Registrable Securities;

(xiv) not later than the effective date of the applicable Registration Statement, provide a CUSIP number for all Registrable Securities and provide the applicable transfer agent with printed certificates for the Registrable Securities which are in a form eligible for deposit with The Depository Trust Company; provided that HealthCare may satisfy its obligations hereunder without issuing physical stock certificates through the use of the Depository Trust Company's Direct Registration System;

(xv) obtain for delivery to and addressed to each selling Holder and to the managing underwriter or underwriters or dealer-managers, if any, opinions from outside counsel or the general counsel for HealthCare, in each case dated the effective date of the Registration Statement or, in the event of an Underwritten Offering, the date of the closing under the underwriting agreement or, in the event of an Exchange Offer, the date of the closing under the dealer-manager agreement or similar agreement or otherwise, and in each such case in customary form and content for the type of Underwritten Offering or Exchange Offer, as applicable;

(xvi) in the case of an Underwritten Offering or Exchange Offer, obtain for delivery to and addressed to HealthCare and the managing underwriter or underwriters or dealer-managers and, to the extent requested, each participating Holder, a comfort letter from HealthCare's or other applicable independent certified public accountants in customary form and content for the type of Underwritten Offering or Exchange Offer, dated the date of execution of the underwriting agreement or dealer-manager agreement, or, if none, the date of commencement of the Exchange Offer, and brought down to the closing, whether under the underwriting agreement or dealer-manager agreement, if applicable, or otherwise;

(xvii) in the case of an Exchange Offer that does not involve a dealer-manager, provide to each participating Holder such customary written representations and warranties or other covenants or agreements as may be requested by any participating Holder comparable to those that would be included in an underwriting agreement or dealer-manager agreement;

(xviii) use its reasonable best efforts to comply with all applicable rules and regulations of the SEC and make generally available to its security holders, as soon as reasonably practicable, but no later than ninety (90) days after the end of the twelve (12)-month period beginning with the first day of HealthCare's first quarter commencing after the effective date of the applicable Registration Statement, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder and covering the period of at least twelve (12) months, but not more than eighteen (18) months, beginning with the first month after the effective date of the Registration Statement;

(xix) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by the applicable Registration Statement from and after a date not later than the effective date of such Registration Statement;

(xx) cause all Registrable Securities covered by the applicable Registration Statement to be listed on each securities exchange on which any of HealthCare's securities are then listed or quoted and on each inter-dealer quotation system on which any of HealthCare's securities are then quoted;

(xxi) provide (A) each Holder participating in the Registration, (B) the underwriters (which term, for purposes of this Agreement, shall include a Person deemed to be an underwriter within the meaning of Section 2(11) of the Securities Act), if any, of the Registrable Securities to be Registered, (C) the Sale or placement agent therefor, if any, (D) the dealer-manager therefor, (E) counsel for such underwriters or agent or dealer-manager, and (F) any attorney, accountant or other agent or representative retained by such Holder or any such underwriter or dealer-manager, as selected by such Holder, the opportunity to participate in the preparation of such Registration Statement, each Prospectus included therein or filed with the SEC, and each amendment or supplement thereto, and to require the insertion therein of material, furnished to HealthCare in writing, which in the reasonable judgment of such Holder(s) and their counsel should be included; and for a reasonable period prior to the filing of such Registration Statement, upon receipt of such confidentiality agreements as HealthCare may reasonably request, make available upon reasonable notice at reasonable times and for reasonable periods for inspection by the parties referred to in (A) through (F) above, all pertinent financial and other records, pertinent corporate and other documents and properties of HealthCare that are available to HealthCare, and cause all of HealthCare's officers, directors and employees and the independent public accountants who have certified its financial statements to make themselves available at reasonable times and for reasonable periods to discuss the business of HealthCare and to supply all information available to HealthCare reasonably requested by any such Person in connection with such Registration Statement as shall be necessary to enable them to exercise their due diligence responsibility, subject to the foregoing;

(xxii) to cause the executive officers of HealthCare to participate in customary "road show" presentations that may be reasonably requested by the managing underwriter or underwriters or dealer-managers in any Underwritten Offering or Exchange Offer and otherwise to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto;



(xxiii) comply with all requirements of the Securities Act, Exchange Act and other applicable Laws, rules and regulations, as well as applicable stock exchange rules; and

(xxiv) take all other customary steps reasonably necessary to effect the Registration, offering and Sale of the Registrable Securities.

(b) As a condition precedent to any Registration hereunder, HealthCare may require each Holder as to which any Registration is being effected to furnish to HealthCare such information regarding the distribution of such securities and such other information relating to such Holder, its ownership of Registrable Securities and other matters as HealthCare may from time to time reasonably request in writing. Each such Holder agrees to furnish such information to HealthCare and to cooperate with HealthCare as reasonably necessary to enable HealthCare to comply with the provisions of this Agreement.

(c) GE agrees, and any other Holder agrees by acquisition of such Registrable Securities, that, upon receipt of any written notice from HealthCare of the occurrence of any event of the kind described in Section 2.4(a)(vi), such Holder will forthwith discontinue the Sale of Registrable Securities pursuant to such Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 2.4(a)(vi), or until such Holder is advised in writing by HealthCare that the use of the Prospectus may be resumed, and if so directed by HealthCare, such Holder will deliver to HealthCare (at HealthCare's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event HealthCare shall give any such notice, the period during which the applicable Registration Statement is required to be maintained effective shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of Registrable Securities covered by such Registration Statement either receives the copies of the supplemented or amended Prospectus contemplated by Section 2.4(a)(vi) or is advised in writing by HealthCare that the use of the Prospectus may be resumed.

2.5 Holdback Agreements. To the extent requested in writing by the managing underwriter or underwriters of any Underwritten Offering and to the extent the Initiating Holder signs a lock-up agreement, HealthCare agrees not to, and shall use reasonable best efforts to obtain agreements (in the underwriters' customary form) from its directors, executive officers and any beneficial owner or owners (within the meaning of Rule 13d-3 under the Exchange Act) of five percent (5%) or more of HealthCare Common Stock that has a representative on the board of directors of HealthCare not to, directly or indirectly offer, Sell, pledge, contract to Sell (including any short Sale), grant any option to purchase or otherwise Sell any equity securities of HealthCare or enter into any hedging transaction relating to any equity securities of HealthCare, during the ninety (90) days beginning on pricing date of such Underwritten Offering (except as part of such Underwritten Offering or any Distribution or pursuant to registrations on Form S-8 or Form S-4) unless the managing underwriter or underwriters otherwise agree to a shorter period. Each person subject to the restrictions of the preceding sentence shall receive the benefit of any shorter "lock-up" period or permitted exceptions agreed to by the managing underwriter or underwriters for any Underwritten Offering and the terms of such lock-up agreements shall govern such person in lieu of the preceding sentence.

2.6 Underwritten Offerings; Exchange Offers. If requested by the managing underwriter or underwriters of any Underwritten Offering or dealer-managers of any Exchange Offer, HealthCare shall enter into an underwriting agreement or dealer-manager agreement with such underwriters or dealer-managers for such offering; provided, however, that no Holder shall be required to make any representations or warranties to HealthCare or the underwriters or dealer-managers (other than representations and warranties regarding such Holder and such Holder's intended method of distribution) or to undertake any indemnification obligations to HealthCare or the underwriters or dealer-managers with respect thereto, except as otherwise provided in Section 2.9.

2.7 Convertible or Exchange Registration; Registration Rights with Participating Banks.

(a) If any Holder of Registrable Securities offers any options, rights, warrants or other securities issued by it or any other Person that are offered with, convertible into or exercisable or exchangeable for any Registrable Securities, the Registrable Securities underlying such options, rights, warrants or other securities shall be eligible for Registration pursuant to Section 2.1 and Section 2.2 (a "Convertible or Exchange Registration").

(b) If one or more members of the GE Group decides to engage, directly or indirectly, in an Exchange with one or more Participating Banks, HealthCare shall, upon GE's request, enter into a registration rights agreement with the Participating Banks in connection with such Exchange, as applicable, on terms and subject to conditions consistent with this Agreement (other than the voting provisions contained in Article III) and reasonably satisfactory to HealthCare and the GE Group.

2.8 Registration Expenses Paid By HealthCare. In the case of any Registration of Registrable Securities required pursuant to this Agreement (including any Registration that is delayed or withdrawn) or proposed Underwritten Offering pursuant to this Agreement, HealthCare shall pay all Registration Expenses regardless of whether the Registration Statement becomes effective or the Underwritten Offering is completed.

2.9 Indemnification.

(a) Indemnification by HealthCare. HealthCare agrees to indemnify and hold harmless, to the full extent permitted by law, each Holder, such Holder's Affiliates and their respective officers, directors, employees, advisors, and agents and each Person who controls (within the meaning of the Securities Act or the Exchange Act) such Persons from and against any and all losses, claims, damages, liabilities (or actions in respect thereof, whether or not such indemnified party is a party thereto) and expenses, joint or several (including reasonable costs of investigation and legal expenses) (each, a "Loss" and collectively "Losses") arising out of or based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement under which the Sale of such Registrable Securities was Registered under the Securities Act (including any final or preliminary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein), or any such statement made in any free writing prospectus (as defined in Rule 405 under the Securities Act) that HealthCare has filed or is required to file pursuant to Rule 433(d) under the Securities Act, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary

to make the statements therein (in the case of a Prospectus, preliminary Prospectus or free writing prospectus, in light of the circumstances under which they were made) not misleading; provided, however, that HealthCare shall not be liable to any particular indemnified party in any such case to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any such Registration Statement in reliance upon and in conformity with written information furnished to HealthCare by such indemnified party expressly for use in the preparation thereof. This indemnity shall be in addition to any liability HealthCare may otherwise have without duplication. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Holder or any indemnified party and shall survive the Sale of such securities by such Holder.

(b) Indemnification by the Selling Holder. Each selling Holder agrees (severally and not jointly) to indemnify and hold harmless, to the full extent permitted by law, HealthCare, its directors, officers, employees, advisors, and agents and each Person who controls HealthCare (within the meaning of the Securities Act and the Exchange Act) from and against any Losses arising out of or based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement under which the Sale of such Registrable Securities was Registered under the Securities Act (including any final or preliminary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein), or any such statement made in any free writing prospectus that HealthCare has filed or is required to file pursuant to Rule 433(d) under the Securities Act, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus, preliminary Prospectus or free writing prospectus, in light of the circumstances under which they were made) not misleading to the extent, but, in each case (i) or (ii), only to the extent, that such untrue statement or omission is made in reliance upon and conformity with any information furnished in writing by such selling Holder to HealthCare specifically for inclusion in such Registration Statement, Prospectus, preliminary Prospectus or free writing prospectus. In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder (or the fair value of the security received in an Exchange Offer) under the Sale of the Registrable Securities giving rise to such indemnification obligation. This indemnity shall be in addition to any liability the selling Holder may otherwise have without duplication. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of HealthCare or any indemnified party.

(c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder will (i) as soon as reasonably practicable give written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that any delay or failure to so notify the indemnifying party shall relieve the indemnifying party of its obligations hereunder only to the extent that it is materially prejudiced by reason of such delay or failure) and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided, however, that any Person entitled to indemnification hereunder shall have the right to select and employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (i) the indemnifying party has agreed in writing to pay such fees or expenses, (ii) the indemnifying party shall have failed to assume the defense of such claim

within a reasonable time after receipt of notice of such claim from the Person entitled to indemnification hereunder and employ counsel reasonably satisfactory to such Person, (iii) the indemnified party has reasonably concluded (based on advice of counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, or (iv) in the reasonable judgment of any such Person, based upon advice of its counsel, a conflict of interest may exist between such Person and the indemnifying party with respect to such claims (in which case, if the Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person). If such defense is not assumed by the indemnifying party, the indemnifying party will not be subject to any liability for any settlement made without its consent, provided that such consent may not be unreasonably withheld, conditioned or delayed. If the indemnifying party assumes the defense, the indemnifying party shall not have the right to settle such action without the consent of the indemnified party, which consent may not be unreasonably withheld, conditioned or delayed. No indemnifying party shall consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of an unconditional release from all liability in respect to such claim or litigation. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm at any one time (in addition to local counsel) from all such indemnified party or parties unless (x) the employment of more than one counsel has been authorized in writing by the indemnifying party or parties, (y) an indemnified party has reasonably concluded (based on advice of counsel) that there may be legal defenses available to it that are different from or in addition to those available to the other indemnified parties or (z) in the reasonable judgment of an indemnified party, based upon advice of its counsel, a conflict of interest may exist between such indemnified party and the other indemnified parties, in each of which cases the indemnifying party shall be obligated to pay the reasonable fees and expenses of such additional counsel or counsels.

(d) Contribution. If for any reason the indemnification provided for in Section 2.9(a) or Section 2.9(b) is unavailable to an indemnified party or insufficient to hold it harmless as contemplated by Section 2.9(a) or Section 2.9(b), then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Loss in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. Notwithstanding anything in this Section 2.9(d) to the contrary, no indemnifying party (other than HealthCare) shall be required pursuant to this Section 2.9(d) to contribute any amount in excess of the amount by which the net proceeds received by such indemnifying party from the Sale of Registrable Securities in the offering to which the Losses of the indemnified parties relate (before deducting expenses, if any) exceeds the amount of any damages which such indemnifying party has otherwise been required to pay by reason of such untrue statement or

omission. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 2.9(d) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 2.9(d). Notwithstanding the provisions of this Section 2.9(d), no selling Holder hereunder shall be required to contribute any amount in excess of the dollar amount of the net proceeds received by such Holder (or the fair value of the security received in an Exchange Offer) under the Sale of the Registrable Securities giving rise to such indemnification obligation. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The amount paid or payable by an indemnified party hereunder shall be deemed to include, for purposes of this Section 2.9(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing to defend or defending against or appearing as a third party witness in respect of, or otherwise incurred in connection with, any such loss, claim, damage, expense, liability, action, investigation or proceeding. If indemnification is available under this Section 2.9, the indemnifying parties shall indemnify each indemnified party to the full extent provided in Section 2.9(a) and Section 2.9(b) without regard to the relative fault of said indemnifying parties or indemnified party.

2.10 Reporting Requirements; Rule 144. Until the expiration or termination of this Agreement in accordance with its terms, HealthCare shall be and remain in compliance with the periodic filing requirements imposed under the SEC's rules and regulations, including the Exchange Act, and any other applicable Laws or rules, and shall timely file such information, documents and reports as the SEC may require or prescribe under Section 13 or 15(d) (whichever is applicable) of the Exchange Act. If HealthCare is not required to file such reports, it will, upon the request of any Holder, make publicly available such necessary information for so long as necessary to permit Sales pursuant to Rule 144 or Regulation S under the Securities Act, and it will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to Sell Registrable Securities without Registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 or Regulation S under the Securities Act, or (b) any rule or regulation hereafter adopted by the SEC. From and after the date hereof through the first anniversary of the date upon which no Holder owns any Registrable Securities, HealthCare shall forthwith upon request furnish any Holder (i) a written statement by HealthCare as to whether it has complied with such requirements and, if not, the specifics thereof, (ii) a copy of the most recent annual or quarterly report of HealthCare, and (iii) such other reports and documents filed by HealthCare with the SEC as such Holder may reasonably request in availing itself of an exemption for the Sale of Registrable Securities without registration under the Securities Act.

2.11 Other Registration Rights. HealthCare shall not grant to any Persons the right to request HealthCare to Register any equity securities of HealthCare, or any securities convertible into or exercisable or exchangeable for such securities, whether pursuant to "demand," "piggyback," or other rights, unless such rights are subject and subordinate to the rights of the Holders under this Agreement.

## ARTICLE III

### VOTING RESTRICTIONS

#### 3.1 Voting of HealthCare Common Stock.

(a) From the date of the Distribution until the date that the GE Group ceases to own any Retained Shares, GE shall, and shall cause each member of the GE Group to (in each case, to the extent that they own any Retained Shares), be present, in person or by proxy, at each and every HealthCare stockholder meeting, and otherwise to cause all Retained Shares owned by them to be counted as present for purposes of establishing a quorum at any such meeting, and to vote or consent on any matter (including waivers of contractual or statutory rights), or cause to be voted or consented on any such matter, all such Retained Shares in proportion to the votes cast by the other holders of HealthCare Common Stock on such matter.

(b) From the date of the Distribution until the date that the GE Group ceases to own any Retained Shares, GE hereby grants, and shall cause each member of the GE Group (in each case, to the extent that they own any Retained Shares) to grant, an irrevocable proxy, which shall be deemed coupled with an interest sufficient in law to support an irrevocable proxy to HealthCare or its designees, to vote, with respect to any matter (including waivers of contractual or statutory rights), all Retained Shares owned by them, in proportion to the votes cast by the other holders of HealthCare Common Stock on such matter; provided that (i) such proxy shall automatically be revoked as to a particular Retained Share upon any Sale of such Retained Share from a member of the GE Group to a Person other than a member of the GE Group and (ii) nothing in this Section 3.1(b) shall limit, restrict or prohibit any such Sale.

## ARTICLE IV

### MISCELLANEOUS

4.1 Term. This Agreement shall terminate upon such time as there are no Registrable Securities, except for the provisions of Section 2.8 and Section 2.9 and all of this Article IV, which shall survive any such termination.

4.2 Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given (a) when delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service, (c) upon written confirmation of receipt after transmittal by electronic mail (followed by delivery of an original via overnight courier service) or (d) upon the earlier of confirmed receipt or the fifth (5<sup>th</sup>) business day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

To GE:

General Electric Company  
5 Necco Street  
Boston, MA 02210

Attn: [\*\*\*]  
[\*\*\*]  
Email: [\*\*\*]

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019-6064  
Attn: Scott A. Barshay  
Steven J. Williams  
Email: sbarshay@paulweiss.com  
swilliams@paulweiss.com

To GE HealthCare Technologies Inc.:

GE HealthCare Technologies Inc.  
500 W. Monroe Street  
Chicago, Illinois 60661  
Attn: [\*\*\*]  
[\*\*\*]  
Email: [\*\*\*]

Either party may, by notice to the other party, change the address and identity of the Person to which such notices and copies of such notices are to be given. Each party agrees that nothing in this Agreement shall affect the other party's right to serve process in any other manner permitted by Law (including pursuant to the rules for foreign service of process authorized by the Hague Convention).

#### 4.3 Successors, Assigns and Transferees.

(a) The provisions of this Agreement and the obligations and rights hereunder shall be binding upon, inure to the benefit of and be enforceable by (and against) the parties and their respective successors and permitted assigns. HealthCare may assign this Agreement at any time in connection with a Sale or acquisition of HealthCare, whether by merger, consolidation, Sale of all or substantially all of HealthCare's assets, or similar transaction, without the consent of the Holders; provided that the successor or acquiring Person agrees in writing to assume all of HealthCare's rights and obligations under this Agreement. GE may assign this Agreement to any member of the GE Group or at any time in connection with a sale or acquisition of GE, whether by merger, consolidation, sale of all or substantially all of GE's assets, or similar transaction, without the consent of HealthCare.

(b) In connection with any Sale of Registrable Securities, GE may assign its rights and obligations under this Agreement, other than its rights and obligations contained in Article III (such assignable rights and obligations, the “Registration-Related Rights and Obligations”) relating to such Registrable Securities to the following transferees in such Sale: (i) a member of the GE Group to which Registrable Securities are Sold; (ii) one or more Participating Banks to which Registrable Securities are Sold; (iii) any other transferee to which Registrable Securities are Sold, if HealthCare provides prior written consent to the transfer of such Registration-Related Rights and Obligations along with the Sale of Registrable Securities; or (iv) any other transferee that acquires at least five percent (5%) of the outstanding shares of HealthCare Common Stock immediately following the completion of the Distribution; provided, that in the case of clauses (i), (ii), (iii) or (iv), (x) HealthCare is given written notice prior to or at the time of the completion of such Sale stating the name and address of the transferee and identifying the securities with respect to which the Registration-Related Rights and Obligations are being Sold and (y) the transferee executes a counterpart in the form attached hereto as Exhibit A and delivers the same to HealthCare (any such transferee in such Sale, a “Transferee”). In connection with the Sale of Registrable Securities, a Transferee or Subsequent Transferee (as defined below) may assign its Registration-Related Rights and Obligations under this Agreement relating to such Registrable Securities to the following subsequent transferees: (A) an Affiliate of such Transferee to which Registrable Securities are Sold, (B) any subsequent transferee to which Registrable Securities are Sold, if HealthCare provides prior written consent to the transfer of such Registration-Related Rights and Obligations along with the Sale of Registrable Securities or (C) any other subsequent transferee that acquires at least five percent (5%) of the outstanding shares of HealthCare Common Stock immediately following the completion of the Distribution; provided, that in the case of clauses (A), (B) or (C), (x) HealthCare is given written notice prior to or at the time of such Sale stating the name and address of the subsequent transferee and identifying the securities with respect to which the Registration-Related Rights and Obligations are being assigned and (y) the subsequent transferee executes a counterpart in the form attached hereto as Exhibit A and delivers the same to HealthCare (any such subsequent transferee, a “Subsequent Transferee”).

#### 4.4 GOVERNING LAW; NO JURY TRIAL.

(a) This Agreement and any disputes relating to, arising out of or resulting from this Agreement, including to its execution, performance, or enforcement, shall be governed by, and construed and enforced in accordance with, the Laws of the State of Delaware, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof.

(b) In the event of any claim, controversy, demand or request for relief of any kind arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity or breach of this Agreement or otherwise arising out of or related to this Agreement or the transactions contemplated hereby, including any Action based on contract, tort, equity, statute, regulation or constitution (collectively, “Disputes”), the party raising the Dispute shall give written notice of the Dispute (a “Dispute Notice”), and the general counsels of the parties (or such other individuals designated by the respective general counsels) or the executive officers designated by the parties shall negotiate for a reasonable period of time to settle such Dispute; provided, that such reasonable period shall not, unless otherwise agreed by the parties in writing, exceed ninety (90) days (the “Negotiation Period”) from the time of receipt of the Dispute Notice; provided, further, that in the event of any arbitration in accordance with



Section 4.4(c), the parties shall not assert the defenses of statute of limitations, laches and any other defense, in each such case based on the passage of time during the Negotiation Period, and any contractual time period or deadline under this Agreement relating to such Dispute occurring after the Dispute Notice is received shall not be deemed to have passed until such arbitration has been resolved.

(c) If the Dispute has not been resolved for any reason after the Negotiation Period, such Dispute may be submitted by either party to final and binding arbitration administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures then in effect (the “Rules”), except as provided in Section 4.5 or as otherwise modified herein.

(i) The arbitration shall, subject to the terms and conditions set forth in a schedule to the Separation and Distribution Agreement, be conducted using a single arbitrator selected from the list set forth on, and in accordance with the provisions of, such schedule.

(ii) If none of the arbitrators listed on and selected in accordance with the schedule to the Separation and Distribution Agreement referred to in Section 4.4(c)(i) is available or willing to serve, then the arbitration shall be conducted by a three-member arbitral tribunal (such three-member arbitral tribunal or single arbitrator selected pursuant to Section 4.4(c)(i), as applicable, the “Arbitral Tribunal”). In this event, the claimant shall nominate one arbitrator in accordance with the Rules, and the respondent shall nominate one arbitrator in accordance with the Rules within twenty-one (21) days after the appointment of the first arbitrator. The third arbitrator, who shall serve as chair of the Arbitral Tribunal, shall be jointly nominated by the two party-nominated arbitrators within twenty-one (21) days after the confirmation of the appointment of the second arbitrator or such additional period as may be mutually agreed. If any arbitrator is not appointed within the time limit provided herein, such arbitrator shall be appointed by JAMS in accordance with the listing, striking and ranking procedure in the Rules.

(iii) The arbitration shall be held, and the award shall be rendered, in New York, New York, in the English language.

(iv) For the avoidance of doubt, by submitting their Dispute to arbitration under the Rules, the parties expressly agree that all issues of arbitrability, including all issues concerning the propriety and timeliness of the commencement of the arbitration, the jurisdiction of the Arbitral Tribunal (including the scope of this agreement to arbitrate and the extent to which a Dispute is within that scope), and the procedural conditions for arbitration, shall be finally and solely determined by the Arbitral Tribunal.

(v) Without derogating from Section 4.4(c)(vi) below, the Arbitral Tribunal shall have the full authority to grant any pre-arbitral injunction, pre-arbitral attachment, interim or conservatory measure or other order in aid of arbitration proceedings (“Interim Relief”). The parties shall exclusively submit any application for Interim Relief to only: (A) the Arbitral Tribunal; or (B) prior to the constitution of the Arbitral Tribunal, an emergency arbitrator appointed in the manner provided for in the Rules (the “Emergency Arbitrator”). Any Interim Relief so issued shall, to the extent

permitted by applicable Law, be deemed a final arbitration award for purposes of enforceability, and, moreover, shall also be deemed a term and condition of this Agreement subject to specific performance in Section 4.5 below. The foregoing procedures shall constitute the exclusive means of seeking Interim Relief, provided, however, that (i) the Arbitral Tribunal shall have the power to continue, review, vacate or modify any Interim Relief granted by an Emergency Arbitrator; and (ii) in the event an Emergency Arbitrator or the Arbitral Tribunal issues an order granting, denying or otherwise addressing Interim Relief (a “Decision on Interim Relief”), any party may apply to enforce or require specific performance of such Decision on Interim Relief in any court of competent jurisdiction.

(vi) The Arbitral Tribunal shall have the power to grant any remedy or relief that is in accordance with the terms of this Agreement, including specific performance and temporary or final injunctive relief, provided, however, that the Arbitral Tribunal shall have no authority or power to limit, expand, alter, amend, modify, revoke or suspend any condition or provision of this Agreement, nor any right or power to award punitive, exemplary, enhanced or treble damages.

(vii) The Arbitral Tribunal shall have the power to allocate the costs and fees of the arbitration, including reasonable attorneys’ fees and expenses and costs as well as those costs and fees addressed in the Rules, between the parties in the manner it deems fit.

(viii) Arbitration under this Section 4.4 shall be the sole and exclusive remedy for any Dispute, and any award rendered thereby shall be final and binding upon the parties as from the date rendered. Judgment on the award rendered by the Arbitral Tribunal may be entered in any state or federal court within the State of Delaware (which the parties hereby agree have jurisdiction over them to enforce any such award) and any other court having jurisdiction thereof, including any court having jurisdiction over the relevant Party or its Assets.

4.5 Specific Performance. Subject to Section 4.4(b) and Section 4.4(c)), except as provided below, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the affected party shall have the right to specific performance, declaratory relief and injunctive or other equitable relief (on a permanent, emergency, temporary, preliminary or interim basis) of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The other party shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The parties agree that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is hereby waived. Any requirements for the securing or posting of any bond or similar security with such remedy are hereby waived. For the avoidance of doubt, the rights pursuant to this Section 4.5 shall be pursued in arbitration under Section 4.4(c).

4.6 Venue for Injunctive Relief and Specific Performance Claims. Notwithstanding anything to the contrary in this Agreement (including, for the avoidance of doubt, Section 4.4(b) and Section 4.4(c)), an affected party may bring any claim for specific performance, declaratory relief and injunctive or other equitable relief (on a permanent, emergency, temporary, preliminary or interim basis) under Section 4.5 of this Agreement (a “Chosen Court”

Claim”) either (a) pursuant to the procedures contained in Section 4.4(b) and Section 4.4(c); or (b) at the affected party’s sole discretion, in the Delaware Court of Chancery (or, if the Delaware Court of Chancery shall be unavailable, any Delaware State court or the federal court sitting in the State of Delaware) (the “Chosen Courts”). The parties irrevocably consent and agree, on behalf of themselves and their Affiliates, to the jurisdiction, forum and venue of the Chosen Courts for a Chosen Court Claim, and agree that they shall not assert, and shall hereby waive, any claim or right or defense that they are not subject to the jurisdiction of the Chosen Courts, that the venue is improper, that the forum is inconvenient, that the Chosen Court Claim should instead be arbitrated by their agreement or operation of law, or any similar objection, claim or argument.

4.7 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

4.8 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by an arbitrator or court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances, or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such arbitrator or court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

4.9 Amendment; Waiver.

(a) This Agreement may not be amended or modified and waivers and consents to departures from the provisions hereof may not be given, except by an instrument or instruments in writing making specific reference to this Agreement and signed by HealthCare and the Holders of a majority of the Registrable Securities; provided that if GE or any of its Affiliates owns Registrable Securities, no amendment to or waiver of any provision in this Agreement will be effected without the written consent of GE if such amendment or waiver adversely affects (in whole or in part) any rights of GE or such Affiliates of GE.

(b) No failure to exercise and no delay in exercising, on the part of any party, any right, remedy, power or privilege hereunder shall operate as a waiver hereof or thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

4.10 Registrations, Exchanges, etc. Notwithstanding anything to the contrary that may be contained in this Agreement, the provisions of this Agreement shall apply to the full extent set forth herein with respect to (a) any shares of HealthCare Common Stock, now or hereafter authorized to be issued, (b) any and all securities of HealthCare into which the shares of HealthCare Common Stock are converted, exchanged or substituted in any

recapitalization or other capital reorganization by HealthCare and (c) any and all securities of any kind whatsoever of HealthCare or any successor or permitted assign of HealthCare (whether by merger, consolidation, Sale of assets or otherwise) which may be issued on or after the date hereof in respect of, in conversion of, in exchange for or in substitution of, the shares of HealthCare Common Stock, and shall be appropriately adjusted for any stock dividends, or other distributions, stock splits or reverse stock splits, combinations, recapitalizations, mergers, consolidations, exchange offers or other reorganizations occurring after the date hereof.

4.11 Further Assurances. In addition to the actions specifically provided for elsewhere in this Agreement, but subject to the express limitations of this Agreement, each of the parties shall use reasonable best efforts, prior to, on and after the Distribution, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws and agreements to consummate, and make effective, the transactions contemplated by this Agreement.

4.12 Counterparts. This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each party and delivered to the other party. This Agreement may be executed by facsimile or PDF signature and scanned and exchanged by electronic mail, and such facsimile or PDF signature or scanned and exchanged copies shall constitute an original for all purposes.

*[The remainder of page intentionally left blank. Signature page follows.]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

**GENERAL ELECTRIC COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

**GE HEALTHCARE TECHNOLOGIES INC.**

By: \_\_\_\_\_  
Name:  
Title:

*[Signature Page to Stockholder and Registration Rights Agreement]*

## INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this “Agreement”) is entered into as of [\_\_\_\_], 2023 (the “Effective Date”) by and between GE HealthCare Technologies Inc., a Delaware corporation (the “Company”), and [\_\_\_\_] (the “Indemnitee”).

### RECITALS

WHEREAS, the Board of Directors wishes to attract and retain highly qualified persons to serve as directors of the Company;

WHEREAS, the Company has adopted provisions in its Bylaws providing for indemnification and advancement of expenses of its directors, and the Company wishes to clarify and enhance the rights and obligations of the Company and the Indemnitee with respect to indemnification and advancement of expenses;

WHEREAS, it is reasonable, prudent and in the best interests of the Company and its stockholders to enter into the following Agreement to provide for such indemnification and advancement of expenses; and

WHEREAS, the Company desires to have the Indemnitee serve or continue to serve as a director of the Company and the Indemnitee desires to serve or continue so to serve the Company, provided, and on the express condition, that he or she is furnished with the protections set forth hereinafter.

### AGREEMENT

NOW, THEREFORE, in consideration of the Indemnitee’s service or continued service as a director of the Company, the parties hereto agree as follows:

1. Definitions. For purposes of this Agreement:

(a) An “Affiliated Entity” is any corporation, limited liability company, public limited company, partnership, joint venture, trust, employee benefit plan, fund or other enterprise as to which the Company beneficially owns, directly or indirectly, at least a majority of the voting power of equity or membership interests, or in the case of employee benefit plans, is sponsored or maintained by the Company or one of the foregoing.

(b) A “Change in Control” will be deemed to have occurred if, on or after the date of this Agreement, (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, the “Act”), other than (A) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries acting in such capacity, or (B) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under such Act), directly or indirectly, of securities of the Company representing more than 20% of the total voting power

represented by the Company's then outstanding voting securities, (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of the Company and any new director whose election by the board of directors of the Company or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 80% of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of (in one transaction or a series of related transactions) all or substantially all of its assets, or (v) the Company shall file or have filed against it, and such filing shall not be dismissed, any bankruptcy, insolvency or dissolution proceedings, or a trustee, administrator or creditors committee shall be appointed to manage or supervise the affairs of the Company.

(c) "Corporate Status" describes the status of a person (i) who is or was or has agreed to become a director, officer, employee, agent, or trustee of the Company or (ii) who, while a director, officer, employee, agent, or trustee of the Company, is or was serving, has served or has agreed to serve in any capacity at any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise at the request of the Company.

(d) "Disinterested Director" means a director of the Company who is not or was not a party to the Proceeding in respect of which indemnification is being sought by the Indemnitee.

(e) "Expenses" includes, without limitation, any and all reasonable expenses incurred in connection with the defense or settlement of any action, suit, arbitration, alternative dispute resolution mechanism, inquiry, investigation, judicial, administrative, or legislative hearing, or any other threatened, pending, or completed proceeding, including any and all appeals, whether of a civil, criminal, administrative, legislative, investigative, or other nature, and including, without limitation, attorneys' fees, expert fees, witness fees and expenses, fees and expenses of accountants and other advisors, retainers and disbursements and advances thereon and all other types of expenses customarily incurred; the premium, security for, and other costs relating to any bond (including cost bonds, appraisal bonds, or their equivalents), and reasonable expenses of establishing or enforcing a right to indemnification, advancement or reimbursement under this Agreement, the Company's or any Affiliated Entity's certificate of incorporation or bylaws and any other applicable agreement, law or insurance policy related to indemnification, but shall not include the amount of judgments, fines, ERISA excise taxes, or penalties actually levied against the Indemnitee, or any amounts paid in settlement by or on behalf of the Indemnitee.

(f) “Independent Legal Counsel” means a law firm or a member of a law firm that is experienced in matters of corporation law and neither presently is nor in the past five years has been retained to represent (i) the Company or the Indemnitee in any matter material to either such party or (ii) any other party to the Proceeding giving rise to a request for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Legal Counsel” shall not include any law firm or person that under the applicable standards of professional conduct then prevailing would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee’s right to indemnification under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Legal Counsel referred to above and to indemnify such counsel fully against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement.

(g) “Proceeding” means any action, suit, arbitration, alternative dispute resolution mechanism, inquiry, investigation, judicial, administrative, or legislative hearing, or any other threatened, pending, or completed proceeding, including an action by or in the right of the Company to procure a judgment in its favor and an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which the Indemnitee is serving, has served or has agreed to serve in any capacity at the request of the Company, including any and all appeals, whether of a civil, criminal, administrative, legislative, investigative, or other nature, to which the Indemnitee is or was made or threatened to be made a party, or in which the Indemnitee is or was otherwise involved, by reason of the Indemnitee’s Corporate Status, or by reason of anything done or not done by the Indemnitee in such capacity, whether or not the Indemnitee is serving in such capacity at the time any expense, liability, or loss is incurred for which indemnification, advancement or reimbursement can be provided under this Agreement.

2. Service by the Indemnitee. The Indemnitee shall serve and/or continue to serve as a director of the Company faithfully and to the best of the Indemnitee’s ability so long as the Indemnitee is duly elected or appointed and until such time as the Indemnitee’s successor is elected and qualified or the Indemnitee is removed as permitted by applicable law or tenders a resignation in writing.

3. Indemnification and Advancement of Expenses. The Company shall indemnify and hold harmless the Indemnitee, and shall pay to the Indemnitee in advance of the final disposition of any Proceeding all Expenses incurred by the Indemnitee in defending any such Proceeding, to the fullest extent permitted by applicable law, as the same exists or may hereafter be in effect, all on the terms and conditions set forth in this Agreement. Without diminishing the scope of the rights provided by this Section, the rights of the Indemnitee to indemnification and advancement of Expenses provided hereunder shall include but shall not be limited to those rights hereinafter set forth, except that no indemnification or advancement of Expenses shall be paid to the Indemnitee:

(a) to the extent expressly prohibited by applicable law;

(b) for and to the extent that payment is actually made to the Indemnitee under a valid and collectible insurance policy created by the Company or any Affiliated Entity, or under a valid and enforceable indemnity clause, provision of the certificate of incorporation or bylaws, or agreement of the Company or any other Affiliated Entity (and the Indemnitee shall reimburse the Company for any amounts paid by the Company and subsequently so recovered by the Indemnitee); or



(c) in connection with an action, suit, or proceeding, or part thereof voluntarily initiated by the Indemnitee, except a judicial proceeding or arbitration pursuant to Section 10 to enforce rights under this Agreement, unless the action, suit, or proceeding, or part thereof, was authorized or ratified by the Board of Directors of the Company or the Board of Directors otherwise determines that indemnification or advancement of Expenses is appropriate.

4. Scope of Indemnification Rights. Except as limited by Section 3 above, the Indemnitee shall be entitled to the indemnification rights provided in this Section if the Indemnitee is or was made or threatened to be made a party to, or is or was otherwise involved in, any Proceeding by reason of the Indemnitee's Corporate Status or by reason of anything done or not done by the Indemnitee in such capacity. Pursuant to this Section, the Indemnitee shall be indemnified against all expense, liability, and loss (including judgments, fines, ERISA excise taxes, penalties, amounts paid in settlement by or on behalf of the Indemnitee, and Expenses) actually and reasonably incurred by the Indemnitee in connection with such Proceeding; provided, however, that no indemnification shall be provided to the Indemnitee if prohibited under the standard of conduct set forth in Section 145 of the Delaware General Corporation Law (the "DGCL") because a judgment or other final adjudication adverse to the Indemnitee and from which there is no further right to appeal establishes that (i) the Indemnitee did not act in good faith, (ii) the Indemnitee did not act in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, or (iii) with respect to any criminal action or proceeding, the Indemnitee had reasonable cause to believe the Indemnitee's conduct was unlawful (the "Standard of Conduct"), or any successor provision thereof.

5. Indemnification for Costs, Charges, and Expenses of Successful Party. Notwithstanding any limitations of Sections 3(c) and 4 above, to the extent that the Indemnitee has been successful, on the merits or otherwise, in whole or in part, in defense of any Proceeding, or in defense of any claim, issue, or matter therein, including, without limitation, the dismissal of any action without prejudice, or if it is ultimately determined, by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal, that the Indemnitee is otherwise entitled to be indemnified against Expenses, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee in connection therewith.

6. Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the expense, liability, and loss (including judgments, fines, ERISA excise taxes, penalties, amounts paid in settlement by or on behalf of the Indemnitee, and Expenses) actually and reasonably incurred in connection with any Proceeding, or in connection with any judicial proceeding or arbitration pursuant to Section 10 to enforce rights under this Agreement, but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion of such expense, liability, and loss actually and reasonably incurred to which the Indemnitee is entitled.

7. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law, as the same exists or may hereafter be in effect, the Indemnitee shall be entitled to indemnification against all Expenses actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf if the Indemnitee appears as a witness or otherwise incurs legal expenses as a result of or related to the Indemnitee's Corporate Status in any threatened, pending, or completed action, suit, arbitration, alternative dispute resolution mechanism,

inquiry, investigation, judicial, administrative, or legislative hearing, or any other threatened, pending, or completed proceeding, whether of a civil, criminal, administrative, legislative, investigative, or other nature, to which the Indemnitee neither is, nor is threatened to be made, a party.

8. Determination of Entitlement to Indemnification. To receive indemnification under this Agreement, the Indemnitee shall submit a written request to the Secretary of the Company. Such request shall include documentation or information that is reasonably necessary for such determination and is reasonably available to the Indemnitee. Upon receipt by the Secretary of the Company of a written request by the Indemnitee for indemnification, the entitlement of the Indemnitee to indemnification, to the extent not required pursuant to the terms of Section 5 or Section 7 of this Agreement, shall be determined by the following person or persons who shall be empowered to make such determination (as selected by the Board of Directors, except with respect to Section 8(e) below): (a) the Board of Directors of the Company, acting by a quorum consisting of Disinterested Directors, upon a finding that indemnification is proper based on the Standard of Conduct set forth in the DGCL; (b) a committee of Disinterested Directors, upon a finding that indemnification is proper based on the Standard of Conduct set forth in the DGCL; (c) if a quorum of Disinterested Directors is not obtainable, or even if obtainable, if a quorum of Disinterested Directors so directs, by the Board of Directors relying upon the opinion in writing of Independent Legal Counsel that indemnification is proper based on the Standard of Conduct set forth in the DGCL; (d) by the stockholders of the Company upon a finding that indemnification is proper based on the Standard of Conduct set forth in the DGCL; or (e) in the event that a Change in Control has occurred, by Independent Legal Counsel in an opinion in writing to the Board of Directors, a copy of which shall be delivered to the Indemnitee, finding that indemnification is proper based on the Standard of Conduct set forth in the DGCL. Such Independent Legal Counsel shall be selected by the Board of Directors and approved by the Indemnitee, except that in the event that a Change in Control has occurred, Independent Legal Counsel shall be selected by the Indemnitee. Upon failure of the Board of Directors to select such Independent Legal Counsel or upon failure of the Indemnitee to approve (or to select, in the event a Change in Control has occurred), such Independent Legal Counsel shall be selected upon application to a court of competent jurisdiction. The determination of entitlement to indemnification shall be made and, unless a contrary determination is made, such indemnification shall be paid in full by the Company not later than 90 calendar days after receipt by the Secretary of the Company of a written request for indemnification. If the person making such determination shall determine that the Indemnitee is entitled to indemnification as to part (but not all) of the application for indemnification, such person shall reasonably prorate such partial indemnification among the claims, issues, or matters at issue at the time of the determination.

9. Presumptions and Effect of Certain Proceedings. The Secretary of the Company shall, promptly upon receipt of the Indemnitee's written request for indemnification, advise in writing the Board of Directors or such other person or persons empowered to make the determination as provided in Section 8 that the Indemnitee has made such request for indemnification. Upon making such request for indemnification, the Indemnitee shall be presumed to be entitled to indemnification hereunder and the Company shall have the burden of proof in making any determination contrary to such presumption. If the person or persons so empowered to make such determination shall have failed to make the requested determination with respect to

indemnification within 90 calendar days after receipt by the Secretary of the Company of such request, a requisite determination of entitlement to indemnification shall be deemed to have been made and the Indemnitee shall be absolutely entitled to such indemnification, absent actual fraud in the request for indemnification. The termination of any Proceeding described in Section 4 by judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself (a) create a presumption that (i) the Indemnitee did not act in good faith, (ii) the Indemnitee did not act in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, or (iii) with respect to any criminal action or proceeding, the Indemnitee had reasonable cause to believe the Indemnitee's conduct was unlawful or (b) otherwise adversely affect the rights of the Indemnitee to indemnification except as may be provided herein.

10. Remedies of the Indemnitee in Cases of Determination Not to Indemnify or to Advance Expenses; Right to Bring Suit. In the event that a determination is made that the Indemnitee is not entitled to indemnification hereunder or if payment is not timely made following a determination of entitlement to indemnification pursuant to Sections 8 and 9, or if an advancement of Expenses is not timely made pursuant to Section 15, the Indemnitee may at any time thereafter bring suit in a court of competent jurisdiction against the Company seeking an adjudication of entitlement to such indemnification or advancement of Expenses. Alternatively, the Indemnitee at the Indemnitee's option may seek an award in an arbitration to be conducted by a single arbitrator in the State of Illinois pursuant to the rules of the American Arbitration Association, such award to be made within 90 calendar days following the filing of the demand for arbitration. In any suit brought by the Company to recover an advancement of Expenses pursuant to the terms of an undertaking, the Company shall be entitled to recover such Expenses upon a final adjudication adverse to the Indemnitee and from which there is no further right to appeal that the Indemnitee engaged in the conduct described in Section 4 above. Neither the failure of the Company (including the Disinterested Directors, a committee of Disinterested Directors, Independent Legal Counsel, or its stockholders) to have made a determination prior to the commencement of such suit or arbitration that indemnification of the Indemnitee is proper in the circumstances, nor an actual determination by the Company (including the Disinterested Directors, a committee of Disinterested Directors, Independent Legal Counsel, or its stockholders) that indemnification is not proper, shall create a presumption that the Indemnitee is not entitled to indemnification or, in the case of such a suit brought by the Indemnitee, be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of Expenses hereunder, or brought by the Company to recover an advancement of Expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Section 10 or otherwise shall be on the Company. If a determination is made or deemed to have been made pursuant to the terms of Section 8 or 9 that the Indemnitee is entitled to indemnification, the Company shall be bound by such determination and is precluded from asserting that such determination has not been made or that the procedure by which such determination was made is not valid, binding, and enforceable. The Company further agrees to stipulate in any court or before any arbitrator pursuant to this Section 10 that the Company is bound by all the provisions of this Agreement and is precluded from making any assertions to the contrary. If the court or arbitrator shall determine that the Indemnitee is entitled to any indemnification or advancement of Expenses hereunder, the Company shall promptly pay all Expenses actually and reasonably incurred by the Indemnitee in connection with such adjudication or

award in arbitration (including, but not limited to, any appellate proceedings) to the fullest extent permitted by applicable law, and in any suit brought by the Company to recover an advancement of Expenses pursuant to the terms of an undertaking, the Company shall pay all Expenses actually and reasonably incurred by the Indemnitee in connection with such suit to the extent the Indemnitee has been successful, on the merits or otherwise, in whole or in part, in defense of such suit, to the fullest extent permitted by applicable law.

11. Non-Exclusivity of Rights; Applicability to Other Indemnification Provisions.

(a) The rights to indemnification and to the advancement of Expenses provided by this Agreement shall not be deemed exclusive of, and shall be in addition to, any other right that the Indemnitee may now or hereafter acquire under any applicable law, agreement, vote of stockholders or Disinterested Directors, provisions of a charter or bylaws (including the Certificate of Incorporation or Bylaws of the Company), or otherwise.

(b) To the fullest extent permitted by law, the Company shall apply this Agreement in considering requests for indemnification or reimbursement or payment of Expenses under (i) its Certificate of Incorporation, Bylaws, or any other agreement or undertaking of the Company or (ii) similar constituent documents of an Affiliated Entity that provides rights to indemnification or reimbursement or payment of Expenses. Notwithstanding the foregoing or any other provision of this Agreement, in connection with any such requests under clause (ii), the applicable Affiliated Entity, unless wholly-owned by the Company, shall be the indemnitor of first resort, and the obligations of the Affiliated Entity and its directors and officers liability insurers (if different from the Company's insurers) shall be primary and any obligation of the Company or its insurers shall be secondary, unless the Indemnitee is or was made or threatened to be made a party to, or is or was otherwise involved in, any Proceeding by reason of the Indemnitee's Corporate Status as described in Section 1(c)(ii) above.

12. Enforcement; Expenses to Enforce Agreement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or to continue to serve as a director of the Company and/or to confirm to Indemnitee that after Indemnitee ceases to be a director, Indemnitee will continue to be entitled to indemnification and advancement of expenses by the Company and the Company acknowledges that Indemnitee is relying upon this Agreement in serving or continuing to serve as a director of the Company and has provided other good and valuable consideration with this Agreement, the sufficiency and receipt of which are hereby acknowledged.

(b) In the event that the Indemnitee is subject to or intervenes in any action, suit, or proceeding in which the validity or enforceability of this Agreement is at issue or seeks an adjudication or award in arbitration to enforce the Indemnitee's rights under, or to recover damages for breach of, this Agreement, the Indemnitee, if the Indemnitee prevails in whole or in part in such action, suit, or proceeding, shall be entitled to recover from the Company and shall be indemnified by the Company against any and all Expenses actually and reasonably incurred by the Indemnitee in connection therewith.

13. Continuation of Indemnity. All agreements and obligations of the Company contained herein shall continue during the period the Indemnitee is a director of the Company or while a director of the Company is or was serving, has served or has agreed to serve in any capacity at any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise at the request of the Company, and shall continue thereafter with respect to any possible claims based on the Indemnitee's Corporate Status. This Agreement shall be binding upon all successors and assigns of the Company (including any transferee of all or substantially all of its assets and any successor by merger or operation of law) and shall inure to the benefit of the Indemnitee's heirs, executors, and administrators.

14. Notification and Defense of Proceeding. Promptly after receipt by the Indemnitee of notice of any Proceeding, the Indemnitee shall, if a request for indemnification or an advancement of Expenses in respect thereof is to be made against the Company under this Agreement, notify the Company in writing of the commencement thereof; but the omission so to notify the Company shall not relieve it from any liability that it may have to the Indemnitee. Notwithstanding any other provision of this Agreement, with respect to any such Proceeding of which the Indemnitee notifies the Company:

(a) The Company shall be entitled to participate therein at its own expense;

(b) Except as otherwise provided in this Section 14(b), to the extent that it may wish, the Company, jointly with any other indemnifying party similarly notified, shall be entitled to assume the defense thereof, with counsel reasonably satisfactory to the Indemnitee. After notice from the Company to the Indemnitee of its election so to assume the defense thereof, the Company shall not be liable to the Indemnitee under this Agreement for any expenses of counsel subsequently incurred by the Indemnitee in connection with the defense thereof except as otherwise provided below. The Indemnitee shall have the right to employ the Indemnitee's own counsel in such Proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of the Indemnitee unless (i) the employment of counsel by the Indemnitee has been authorized by the Company, (ii) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of the defense of such Proceeding, or (iii) the Company shall not within 60 calendar days of receipt of notice from the Indemnitee in fact have employed counsel to assume the defense of the Proceeding, in each of which cases the fees and expenses of the Indemnitee's counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which the Indemnitee shall have made the conclusion provided for in (ii) above;

(c) The Company will not, without the prior written consent of the Indemnitee (which consent Indemnitee can withhold in its reasonable discretion), effect any settlement of any Proceeding against Indemnitee unless such settlement solely involves the obligation for payment of money by persons other than Indemnitee and includes an unconditional release of Indemnitee from all liability arising from or relating to any matters that are the subject of such Proceeding.

(d) Notwithstanding any other provision of this Agreement, the Company shall not be liable to indemnify the Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without the Company's written consent, which shall not be unreasonably withheld, or for any judicial or other award, if the Company was not given an opportunity, in accordance with this Section 14, to participate in the defense of such Proceeding.

15. Advancement of Expenses. All Expenses incurred by the Indemnitee in defending any Proceeding described in Section 4 shall be paid by the Company in advance of the final disposition of such Proceeding at the request of the Indemnitee. The Indemnitee's right to advancement shall not be subject to the satisfaction of any standard of conduct and advances shall be made without regard to the Indemnitee's ultimate entitlement to indemnification under the provisions of this Agreement or otherwise. To receive an advancement of Expenses under this Agreement, the Indemnitee shall submit a written request to the Secretary of the Company. Such request shall reasonably evidence the Expenses incurred by the Indemnitee and shall include or be accompanied by an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced if it shall ultimately be determined, by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal, that the Indemnitee is not entitled to be indemnified for such Expenses by the Company as provided by this Agreement or otherwise, or where indemnification is granted, to the extent the Expenses so advanced by the Company exceed the indemnification to which the Indemnitee is entitled. Each such advancement of Expenses shall be made within 30 calendar days after the receipt by the Secretary of the Company of such written request and shall be unsecured and interest free. The Indemnitee's entitlement to Expenses under this Agreement shall include those incurred in connection with any action, suit, or proceeding by the Indemnitee seeking an adjudication or award in arbitration pursuant to Section 10 of this Agreement (including the enforcement of this provision) to the extent the court or arbitrator shall determine that the Indemnitee is entitled to an advancement of Expenses hereunder.

16. D&O Insurance. The Company shall use commercially reasonable efforts to purchase and maintain Side A directors and officers liability insurance providing the Indemnitee with coverage for any expense, liability, or loss asserted against or incurred by the Indemnitee or on the Indemnitee's behalf, by reason of the Indemnitee's Corporate Status. To the extent that the Company maintains such insurance, the Indemnitee shall be named as an insured to the maximum extent of the coverage available and in such a manner as to provide the Indemnitee the same rights and benefits under such insurance as are accorded to the most favorably insured of the Company's directors. If, at the time of the receipt of notice of a Proceeding pursuant to the terms hereof, the Company has directors and officers' liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in their respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

17. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by applicable law (a) the validity, legality, and enforceability of such provision in any other circumstance and of the remaining provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that are not by themselves invalid, illegal, or unenforceable) and the application of such provision to other persons or entities or circumstances shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law, and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that are not themselves invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent of the parties that the Company provide protection to the Indemnitee to the fullest extent set forth in this Agreement.

18. Headings; References; Pronouns. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof. References herein to section numbers are to sections of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the singular or plural as appropriate.

19. Other Provisions.

(a) This Agreement and all disputes or controversies arising out of or related to this Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to the laws of any other jurisdiction that might be applied because of conflicts of laws principles of the State of Delaware.

(b) This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

(c) In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee (excluding insurance obtained on the Indemnitee's own behalf), and the Indemnitee shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

(d) This Agreement may not be amended, modified, or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each party. No amendment, alteration or repeal of this Agreement or any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal.

(e) No failure or delay of either party in exercising any right or remedy hereunder shall operate as a waiver thereof, and no single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, shall preclude any other or further exercise thereof or the exercise of any other right or power.

[The remainder of this page is intentionally left blank.]



IN WITNESS WHEREOF, the Company and the Indemnitee have caused this Agreement to be executed as of the date first written above.

GE HEALTHCARE TECHNOLOGIES INC.

By: \_\_\_\_\_

Name:

Title:

*[Signature Page to Indemnification Agreement]*

Significant subsidiaries

<u>Entity</u>	<u>State or Country of Incorporation or Organization</u>
GE Precision Healthcare LLC	Delaware
GE Medical Systems Global Technology Company, LLC	Delaware
GE Medical Systems Sweden AB	Sweden
GE Treasury HCS Holdings, Inc.	Delaware
Instrumentarium Holdings, Inc.	Delaware
GE Healthcare Clinical Systems Norway AS	Norway
GE Healthcare Holding Norge AS	Norway



, 2022

Dear GE Shareholders:

In November 2021, we announced our plans to transform GE by forming three independent, investment-grade industry leaders with sustainability at their core. We will spin off GE HealthCare first in early 2023; combine our renewable energy, power, and digital businesses into one business, GE Vernova, to be launched as an independent, publicly traded company in early 2024; and thereby focus on aviation as GE Aerospace. This is a defining moment for GE, one that will best position each of our businesses to realize their full potential, deliver long-term growth, and create value for all our stakeholders.

As standalone companies, GE HealthCare, GE Vernova, and GE Aerospace will benefit from greater focus and accountability to serve their customers; stronger team alignment with missions that attract and motivate dedicated employees, management teams, boards of directors, and investor bases; and enhanced capital allocation and strategic flexibility to pursue growth opportunities in their industries. All three companies will have well-capitalized balance sheets and investment-grade ratings that provide a foundation for targeted investments in growth and innovation.

The distribution to GE shareholders of shares of common stock of GE HealthCare is expected to be one of two distributions to effectuate this separation plan. The Spin-Off will provide current GE shareholders with ownership interests in, first, GE and GE HealthCare, and later, GE Vernova and GE Aerospace upon consummation of the second spin-off transaction.

GE HealthCare is an outstanding business—an established leader in large, growing markets with a global franchise enabling precision health. The team has a strong track record of innovation and accelerating growth across its businesses, having cultivated decades of innovative pipeline investment. The power behind GE HealthCare isn't just its cutting-edge technology, but also its purpose-driven, action-oriented culture. Embedded with a lean mindset, the team at GE HealthCare is committed to driving transformation, growth, and continuous improvement. As a standalone business, GE HealthCare will be well positioned to deliver even more innovative and efficient solutions for customers while helping to improve outcomes for clinicians and patients. We will have a more dynamic operating model rooted in long-term sustainable growth.

Upon the Spin-Off of GE HealthCare, GE will have strong franchises with leading positions in large and growing sectors across energy and aerospace. These franchises will continue to advance the global energy transition and shape the future of flight while delivering profitable growth over time. The team remains committed to running our businesses better for the long term by focusing on safety, quality, delivery, and cost – in that order. By continuing to use lean principles both on and off the manufacturing floor and by shifting resources and decision-making closer to our customers, we are confident we will deliver results for stockholders with sustainable financial performance and a solid balance sheet.

The GE HealthCare distribution will be in the form of a pro rata distribution to GE shareholders of 80.1% of the outstanding shares of GE HealthCare. GE will retain up to 19.9% of the shares of GE HealthCare common

stock with the intention of disposing of those shares based on market and general economic conditions and sound business judgment during the 12-month period following the distribution date. The distribution is intended to be tax-free to GE shareholders for U.S. federal income tax purposes. Shareholder approval is not required, and you do not need to take any action to receive shares of GE HealthCare to which you are entitled as a GE shareholder. You do not need to pay any consideration or surrender or exchange your shares of GE common stock to participate in the Spin-Off.

I encourage you to read the attached Information Statement carefully, which is being provided to all holders of GE shares as of the record date for the distribution of shares of GE HealthCare common stock. The Information Statement describes the separation in detail and contains important business and financial information about GE HealthCare.

This will be a pivotal time for GE HealthCare, its patients, customers, employees, and stockholders, one with unique and compelling growth opportunities. We look forward to creating an independent GE HealthCare that will take forward its mission in a more focused and empowered way to improve lives in moments that matter. We thank you for your investment in GE.

Sincerely,

H. Lawrence Culp, Jr.  
Chairman and CEO, GE  
Chairman, GE HealthCare



, 2022

Dear Future GE HealthCare Stockholders:

We look forward to welcoming you as a stockholder of GE HealthCare when we become a newly independent, publicly traded company following the completion of our planned Spin-Off from GE. We are proud of our heritage of innovation as part of GE, and as we look to this next chapter in our evolution, we intend to accelerate our growth.

We are well-positioned with leading franchises at the center of many care pathways, including cardiology, oncology, and neurology. Through our comprehensive portfolio of solutions across imaging, ultrasound, patient monitoring, and pharmaceutical diagnostics solutions, complemented by our broad service capabilities and digital solutions, we deliver precision health – highly personalized care with clinical insights driven by integrated data and devices across the patient journey. These products and services are critical to driving more efficient and effective solutions for healthcare providers, while also helping to improve outcomes for patients.

Powerful, secular global growth drivers – an aging population, the prevalence of chronic disease, rising middle classes around the world – are shaping the industry and increasing the demand for improved patient care. Advancements in medical technology are also enabling dramatic changes in personalized care, transforming how physicians can engage with and treat patients through diagnostic, therapeutic, and monitoring technology. All of this is also being driven by digitization.

As a trusted partner to our customers, we are meeting a growing demand for medical technology solutions that can be deployed in the hospital and at alternative sites of care, such as outpatient facilities, ambulatory surgical centers, physician's offices, and professional care in the home, serving an estimated \$84 billion global market.

Against this backdrop, GE HealthCare is well-positioned to grow more rapidly, building on our track record of industry-defining innovation, with a portfolio that provides a diverse set of solutions across the care continuum. GE HealthCare serves more than 1 billion patients a year, facilitating more than 2 billion procedures. Our installed base includes over 4 million pieces of equipment in our Imaging, Ultrasound, Patient Care Solutions, and Pharmaceutical Diagnostics segments, served by a global sales force of over 10,000 employees and 8,500 field service engineers.

We see significant opportunities for GE HealthCare as a stand-alone company as we execute against three strategic pillars:

- **Driving industry-leading precision innovation to deliver better outcomes** for patients and customers, with significant opportunities driven by digitizing healthcare; connecting care across diagnostics, therapy, and monitoring; and serving across care pathways and sites of care.
- **Accelerating growth through product leadership and commercial execution.** Amid strong global and end-market dynamics. GE HealthCare intends to invest in innovation, pursue a disciplined capital allocation strategy, and enhance our commercial execution to drive sustainable growth.
- **Optimizing our operating model** through a simplified, more decentralized structure—including tailoring our business model as a standalone leader in healthcare, leveraging lean principles, and continuing to foster our purpose-driven, action-oriented culture.

With our rich history of innovation, strong fundamentals, and a talented team, we have an unparalleled opportunity to make a greater impact on patients, customers, partners, and our people, driving forward our mission to improve lives in moments that matter. Our global teams are excited to embrace a culture of empowerment and accountability as we take this next step in GE HealthCare's transformation. We embrace an optimistic vision of the future with more humanity and warmth in the healthcare experience.

We plan to list on The Nasdaq Stock Market LLC under the ticker symbol "GEHC." I encourage you to learn more about GE HealthCare by reading the detail in the attached Information Statement.

Our team looks forward to earning your trust as we continue to shape the dynamic future of healthcare.

Sincerely,

Peter J. Arduini  
President and Chief Executive Officer, GE HealthCare

Information contained herein is subject to completion or amendment. A registration statement on Form 10 relating to these securities has been filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Subject to Completion—Dated October 11, 2022  
INFORMATION STATEMENT

# GE Healthcare Holding LLC

## Common Stock

(par value \$0.01 per share)

We are sending you this Information Statement in connection with the spin-off (“Spin-Off”) by General Electric Company (“GE”) of its wholly-owned subsidiary, GE Healthcare Holding LLC (“GE HealthCare,” the “Company,” “we,” “us,” or “our”), which holds GE’s healthcare business. GE Healthcare Holding LLC will convert into a corporation and will be renamed GE HealthCare Technologies Inc. prior to the completion of the Spin-Off.

To effect the Spin-Off, GE will distribute at least 80.1% of our common stock on a pro rata basis to the holders of GE common stock (the “GE stockholders”). Holders of GE preferred stock will not be entitled by virtue of their preferred stock to receive shares of our common stock in the Spin-Off.

We expect that the distribution of our common stock will be tax-free to holders of GE common stock for U.S. federal income tax purposes, except for cash that stockholders may receive (if any) in lieu of fractional shares. Immediately after the Spin-Off becomes effective, GE will own up to 19.9% of the outstanding shares of our common stock. Prior to completing the Spin-Off, GE may adjust the percentage of our common stock to be distributed to GE stockholders and retained by GE in response to market and other factors, and we will amend this Information Statement to reflect any such adjustment.

If you are a record holder of GE common stock as of the close of business on \_\_\_\_\_, 2022, which is the record date for the Spin-Off, you will be entitled to receive \_\_\_\_\_ shares of our common stock for every \_\_\_\_\_ shares of GE common stock that you hold on that date. GE will distribute its shares of our common stock in book-entry form, which means that we will not issue physical stock certificates. The distribution agent will not distribute any fractional shares of our common stock.

The Spin-Off will be effective as of \_\_\_\_\_, New York City time, on \_\_\_\_\_, 2023. Immediately after the Spin-Off becomes effective, we will be an independent, publicly traded company.

GE’s stockholders are not required to vote on or take any other action to approve the Spin-Off. We are not asking you for a proxy, and request that you do not send us a proxy. GE stockholders will not be required to pay any consideration for the shares of our common stock they receive in the Spin-Off, and they will not be required to surrender or exchange their shares of GE common stock or take any other action in connection with the Spin-Off.

No trading market for our common stock currently exists. We expect, however, that a limited trading market for our common stock, commonly known as a “when-issued” trading market, will develop as early as one trading day prior to the record date for the Spin-Off, and we expect “regular-way” trading of our common stock will begin on the first trading day after the distribution date. We have applied to list our common stock on The Nasdaq Stock Market LLC under the ticker symbol “GEHC.”

GE has also announced that it plans to combine its renewable energy, power, and digital businesses into one business, GE Vernova, and to spin-off GE Vernova in early 2024. This Information Statement only relates to the Spin-Off of GE HealthCare and does not apply to the expected spin-off of GE Vernova. This second spin-off transaction is separate from, and not conditioned on, the Spin-Off of GE HealthCare. At the appropriate time, GE intends to distribute to its stockholders a separate information statement for this second spin-off.

**In reviewing this Information Statement, you should carefully consider the matters described in the section entitled “Risk Factors” beginning on page 20 of this Information Statement.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this Information Statement is truthful or complete. Any representation to the contrary is a criminal offense.**

This Information Statement is not an offer to sell, or a solicitation of an offer to buy, any securities.

The date of this Information Statement is \_\_\_\_\_, 2022.

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## **TRADEMARKS AND COPYRIGHTS**

“GE HealthCare” and the GE Monogram Logo are trademarks of the General Electric Company. Logos, trademarks, service marks, trade names, and copyrights referred to in this Information Statement belong to us or are licensed for our use. Solely for convenience, we refer to our intellectual property assets in this Information Statement without the <sup>TM</sup>, <sup>®</sup>, and <sup>©</sup> symbols, but such references are not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights to our intellectual property assets. Other logos, trademarks, service marks, trade names, and copyrights referred to in this Information Statement are the property of their respective owners. In particular, Edison is a trademark licensed to us from the Charles Edison Fund.

## **INDUSTRY, RANKING, AND MARKET DATA**

This Information Statement contains various historical and projected information concerning our industry, the markets in which we participate, and our positions in these markets. Some of this information is from industry publications and other third-party sources, and other information is from our own analysis of data received from these third-party sources, our own internal data, and market research that our management team commissions for our own evaluations and planning, including from Signify Research. All of this information involves a variety of assumptions, limitations, and methodologies and is inherently subject to uncertainties, and therefore you are cautioned not to give undue weight to these estimates.

## **NON-GAAP FINANCIAL DATA**

All financial information presented in this Information Statement is derived from the combined financial statements of the Company included elsewhere in this Information Statement. All financial information presented in this Information Statement has been prepared in U.S. Dollars in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”), except for the presentation of the following non-GAAP financial measures: Organic revenue, Organic revenue growth rate, Adjusted EBIT, Adjusted EBIT margin, Adjusted net income, and Free cash flow.

We present Organic revenue, Organic revenue growth rate, Adjusted EBIT, Adjusted EBIT margin, Adjusted net income, and Free cash flow in this Information Statement because we believe such measures provide investors with additional information to measure our performance. Please refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for an explanation on why we use these non-GAAP financial measures, their definitions, and their limitations.

Because of their limitations, these non-GAAP financial measures are not intended as alternatives to U.S. GAAP financial measures as indicators of our operating performance and should not be considered as measures of cash available to us to invest in the growth of our business or that will be available to us to meet our obligations. We compensate for these limitations by using these non-GAAP financial measures along with other comparative tools, together with U.S. GAAP financial measures, to assist in the evaluation of operating performance.

For more information on the use of Organic revenue, Organic revenue growth rate, Adjusted EBIT, Adjusted EBIT margin, Adjusted net income, and Free cash flow and reconciliations to their nearest U.S. GAAP financial measures, see “Information Statement Summary—Summary Historical and Unaudited Pro Forma Condensed Combined Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.”

## BASIS OF PRESENTATION

Unless otherwise indicated or the context otherwise requires, references in this Information Statement to:

- (i) the “Company,” “GE HealthCare,” “we,” “us,” and “our” refer to GE Healthcare Holding LLC (a newly formed holding company) and its direct and indirect subsidiaries after giving effect to the Spin-Off. GE HealthCare will convert into a corporation and will be renamed GE HealthCare Technologies Inc. prior to the completion of the Spin-Off;
- (ii) the “Board” or “our Board” refers to the board of directors of the Company;
- (iii) the “bylaws” refers to our amended and restated bylaws that will become effective as part of the Spin-Off, the form of which is filed as an exhibit to our registration statement on Form 10 of which this Information Statement is a part;
- (iv) the “certificate of incorporation” refers to our amended and restated certificate of incorporation that will become effective as part of the Spin-Off, the form of which is filed as an exhibit to our registration statement on Form 10 of which this Information Statement is a part;
- (v) the “Spin-Off” refers to the transaction in which GE will distribute to its stockholders at least 80.1% of the shares of our common stock;
- (vi) the “Exchange” refers to The Nasdaq Stock Market LLC;
- (vii) “GE” refers to General Electric Company and its direct and indirect subsidiaries;
- (viii) the “GE Board” refers to the board of directors of GE;
- (ix) “stockholders” refers to shareholders of GE or stockholders of GE HealthCare, depending on the context;
- (x) the “Reorganization Transactions” refer to a series of internal reorganization transactions that GE will undertake prior to, at, or after the Spin-Off, pursuant to which, among other transactions, GE HealthCare will hold, through its subsidiaries, GE’s Healthcare business; and
- (xi) the “Healthcare business” refers to GE’s healthcare business.

Certain percentages and other figures provided and used in this Information Statement may not add up to 100.0% due to the rounding of individual components.

On November 9, 2021, GE announced its plans to form three industry-leading, global, investment-grade public companies from (i) GE’s aviation business (“GE Aerospace”), (ii) GE HealthCare, and (iii) GE’s combined renewable energy, power, and digital businesses (“GE Vernova”). To accomplish this, GE announced that it intends to execute tax-free spin-offs of GE HealthCare in early 2023 and of GE Vernova in early 2024. This Information Statement only relates to the Spin-Off of GE HealthCare and does not apply to the expected spin-off of GE Vernova. This second spin-off transaction is separate from, and not conditioned on, the Spin-Off of GE HealthCare. At the appropriate time, GE intends to distribute to its stockholders a separate information statement for this second spin-off.

In this Information Statement, we present estimated U.S. dollar amounts for the industries in which we operate. Such amounts are based on estimates of (1)(a) orders placed in the last fiscal year across all product categories we offer in the relevant industry or (b) for jurisdictions for which order data are not available, actual sales completed in the last fiscal year across all such products, plus (2) estimates for revenues derived from annual service and digital offerings for such products. To calculate these estimates, we rely on Signify Research for digital solutions estimates and on internal analyses, based upon import data, trade association data, and other sources, for the remaining estimates.

As of \_\_\_\_\_, 2022, GE has 5,939,875 outstanding shares of preferred stock. If you hold shares of GE preferred stock, you will not be entitled by virtue of your preferred stock to receive shares of our common stock

in the Spin-Off. Holders of GE preferred stock are not entitled to vote or take any other action to approve the Spin-Off. Following the Spin-Off, each of the issued and outstanding shares of GE preferred stock will remain issued and outstanding as preferred stock of GE. These shares of GE preferred stock shall be entitled to the same dividend and all other privileges, voting rights, relative, participating, optional, and other special rights and qualifications, limitations, and restrictions set forth in GE's public filings with the SEC.

In connection with the reverse stock split of GE's shares of common stock effective on July 30, 2021, the holders of GE share certificates were notified to surrender their GE share certificates in order to receive one post-split share of GE common stock in exchange for eight pre-split shares of GE common stock. If you continue to hold GE common stock in certificated form, you are encouraged to contact Equiniti Trust Company, GE's exchange agent for the reverse stock split, in order to exchange your GE share certificates representing pre-split shares of GE common stock for a statement indicating the number of shares of post-split GE common stock held by you electronically in book-entry form together with a check for cash in lieu of any fractional shares. If you do not exchange your GE share certificates, you will be entitled to receive shares of our common stock in the Spin-Off. However, you will not receive shares of our common stock until you exchange your GE share certificates.

## QUESTIONS AND ANSWERS ABOUT GE'S REASONS FOR THE SPIN-OFF

The following provides only a summary of certain information regarding GE's reasons for the Spin-Off. You should read this Information Statement in its entirety for a more detailed description of the matters described below.

***Q: What spin-offs has GE announced?***

A: On November 9, 2021, GE announced its plan to form three industry-leading, global, investment-grade public companies: (i) GE Aerospace, (ii) GE HealthCare, and (iii) GE Vernova. To accomplish this, GE announced that it intends to execute tax-free spin-offs of GE HealthCare in early 2023 and of GE Vernova in early 2024. The separation of the three businesses into stand-alone public companies is intended, among other things, to better position the management of each business to pursue opportunities for long-term growth and profitability unique to each company's business and to allow each business to more effectively implement its own distinct capital structure and capital allocation strategies. This Information Statement only relates to the spin-off of GE HealthCare and does not apply to the expected spin-off of GE Vernova, the latter of which is separate from, and not conditioned on, the Spin-Off of GE HealthCare. At the appropriate time, GE intends to distribute to its stockholders a separate information statement for this second spin-off.

***Q: Why I am receiving this document?***

A: GE is making this document available to you because you are a GE stockholder. If you are a holder of GE common stock as of the close of business on the Record Date (as defined below), you will be entitled to receive a distribution of \_\_\_\_\_ shares of our common stock for every \_\_\_\_\_ shares of common stock of GE that you hold on that date. This document will help you understand how the Spin-Off will result in your ownership of shares in the Company and the operations of the Company as a stand-alone entity.

***Q: What are the reasons for the Spin-Off?***

A: The GE Board believes that the separation of the Healthcare business from GE is in the best interests of GE and its stockholders and for the success of the Healthcare business for a number of reasons. See "The Spin-Off—Reasons for the Spin-Off."

***Q: Why is our separation structured as a spin-off?***

A: GE believes that a distribution of our shares that is tax-free to GE and its stockholders for U.S. federal income tax purposes is the most efficient way to separate our business from GE.

### Questions and Answers about the Spin-Off

The following provides only a summary of certain information regarding the Spin-Off. You should read this Information Statement in its entirety for a more detailed description of the matters described below.

***Q: What is the Spin-Off?***

A: The Spin-Off is the method by which we will separate from GE. In the Spin-Off, GE will distribute to its stockholders at least 80.1% of the outstanding shares of our common stock. Following the Spin-Off, we will be an independent, publicly traded company, and GE will continue to retain up to 19.9% of the outstanding shares of our common stock.

***Q: Is the completion of the Spin-Off subject to the satisfaction or waiver of any conditions?***

A: Yes, the completion of the Spin-Off is subject to the satisfaction, or the GE Board's waiver, of certain conditions. Any of these conditions may be waived by the GE Board to the extent such waiver is permitted by law. In addition, GE may at any time until the Spin-Off decide to abandon the Spin-Off or modify or change the terms of the Spin-Off. See "The Spin-Off—Conditions to the Spin-Off."

***Q: Can GE cancel the Spin-Off even if all conditions have been met?***

A: Yes. Until the Spin-Off has occurred, GE has the right to not effect the Spin-Off, even if all of the conditions are satisfied. See the section entitled "The Spin-Off—Conditions to the Spin-Off."

***Q: Will the number of GE shares I own change as a result of the Spin-Off?***

A: No, the number of shares of GE common stock you own will not change as a result of the Spin-Off.

***Q: Will the Spin-Off affect the trading price of my GE common stock?***

A: GE believes that our separation from GE offers its stockholders the greatest long-term value. There can be no assurance that, following the Spin-Off, the combined trading prices of the GE common stock and our common stock will equal or exceed what the trading price of GE common stock would have been in the absence of the Spin-Off. It is possible that after the Spin-Off, our and GE's combined equity value will be less than GE's equity value before the Spin-Off and the trading price of GE's shares of common stock will be lower than immediately prior to the Spin-Off, as they will no longer reflect the value of the Healthcare business.

***Q: What will I receive in the Spin-Off in respect of my GE common stock?***

A: As a holder of GE common stock, you will receive a distribution of \_\_\_\_\_ shares of our common stock for every \_\_\_\_\_ shares of GE common stock you hold on the Record Date. The distribution agent will distribute only whole shares of our common stock in the Spin-Off. See "The Spin-Off—Treatment of Fractional Shares" for more information on the treatment of the fractional share you might otherwise be entitled to receive in the Spin-Off. Your proportionate interest in GE will not change as a result of the Spin-Off. For a more detailed description, see "The Spin-Off."

***Q: What is being distributed in the Spin-Off?***

A: GE will distribute approximately \_\_\_\_\_ shares of our common stock in the Spin-Off, based on the approximately \_\_\_\_\_ shares of GE common stock outstanding as of \_\_\_\_\_, 2022. The actual number of shares of our common stock that GE will distribute will depend on the total number of shares of GE common stock outstanding on the Record Date. The shares of our common stock that GE distributes will constitute at least 80.1% of the issued and outstanding shares of our common stock immediately prior to the Spin-Off. For more information on the shares being distributed in the Spin-Off, see "Description of Our Capital Stock—Common Stock."

***Q: What do I have to do to participate in the Spin-Off?***

A: All holders of GE's common stock as of the Record Date will participate in the Spin-Off. You are not required to take any action in order to participate, but we urge you to read this Information

Statement carefully. Holders of GE common stock on the Record Date will not need to pay any cash or deliver any other consideration, including any shares of GE common stock, in order to receive shares of our common stock in the Spin-Off. In addition, no stockholder approval of the Spin-Off is required. We are not asking you for a vote and request that you do not send us a proxy card.

***Q: What will happen to the GE preferred stock I own as a result of the Spin-Off?***

A: If you hold shares of GE preferred stock, you will not be entitled by virtue of your preferred stock to receive shares of our common stock in the Spin-Off. Holders of GE preferred stock are not entitled to vote or take any other action to approve the Spin-Off. Following the Spin-Off, each of the issued and outstanding shares of GE preferred stock will remain issued and outstanding as preferred stock of GE. These shares of GE preferred stock shall be entitled to the same dividend and all other privileges, voting rights, relative, participating, optional, and other special rights, and qualifications, limitations, and restrictions set forth in GE's public filings with the SEC.

***Q: What will happen if I continue to hold GE share certificates?***

A: If you hold GE share certificates that have not been converted into book-entry form, you will still be entitled to receive shares of our common stock in the Spin-Off although you will not receive such shares until you exchange your GE share certificates. In connection with the reverse stock split of GE's shares of common stock effective on July 30, 2021, the holders of GE share certificates were notified to surrender their GE share certificates in order to receive one post-split share of GE common stock in exchange for eight pre-split shares of GE common stock. If you continue to hold GE common stock in certificated form, you are encouraged to contact Equiniti Trust Company, GE's exchange agent for the reverse stock split, in order to exchange your GE share certificates representing pre-split shares of GE common stock for a statement indicating the number of shares of post-split GE common stock held by you electronically in book-entry form together with a check for cash in lieu of any fractional shares. If you do not exchange your GE share certificates, you will be entitled to receive shares of our common stock in the Spin-Off. However, you will not receive shares of our common stock until you exchange your GE share certificates.

***Q: What is the record date for the Spin-Off?***

A: GE will determine record ownership as of the close of business on \_\_\_\_\_, 2022, which we refer to as the "Record Date."

***Q: When will the Spin-Off occur?***

A: The Spin-Off will be effective as of \_\_\_\_\_, New York City time, on \_\_\_\_\_, 2023, which we refer to as the "Distribution Date."

***Q: How will GE distribute shares of our common stock?***

A: On the Distribution Date, GE will release the shares of our common stock to the distribution agent to distribute to GE stockholders. The whole shares of our common stock will be credited in book-entry accounts for GE stockholders entitled to receive the shares in the Spin-Off. If you own GE common stock as of the close of business on the Record Date, the shares of our common stock that you are entitled to receive in the Spin-Off will be issued to your account as follows:

*Registered stockholders:* If you own your shares of GE common stock directly, either in book-entry form through an account at GE's transfer agent (Equiniti Trust Company) and/or if

you hold paper stock certificates, you are a registered stockholder. In this case, the distribution agent will credit the whole shares of our common stock you receive in the Spin-Off by way of direct registration in book-entry form to a new account with our transfer agent. Registration in book-entry form refers to a method of recording share ownership where no physical stock certificates are issued to stockholders, as will be the case in the Spin-Off. You will be able to access information regarding your book-entry account for shares of our common stock at \_\_\_\_\_ or by calling \_\_\_\_\_.

*“Street name” or beneficial stockholders:* If you own your shares of GE common stock beneficially through a bank, broker, or other nominee, the bank, broker, or other nominee holds the shares in “street name” and records your ownership on its books. In this case, your bank, broker, or other nominee will credit your account with the whole shares of our common stock that you receive in the Spin-Off on or shortly after the Distribution Date. We encourage you to contact your bank, broker, or other nominee if you have any questions concerning the mechanics of having shares held in “street name.”

See “The Spin-Off—When and How You Will Receive Our Shares” for a more detailed explanation.

***Q: If I sell my shares of GE common stock on or before the Distribution Date, will I still be entitled to receive shares of our common stock in the Spin-Off?***

A: If you sell your shares of GE common stock before the Record Date, you will not be entitled to receive shares of our common stock in the Spin-Off. If you hold shares of GE common stock on the Record Date and decide to sell them on or before the Distribution Date, you may have the ability to choose to sell your GE common stock with or without your entitlement to receive our common stock in the Spin-Off. You should discuss the available options in this regard with your bank, broker, or other nominee. See “The Spin-Off—Trading Prior to the Distribution Date.”

***Q: How will fractional shares be treated in the Spin-Off?***

A: The distribution agent will not distribute any fractional shares of our common stock in connection with the Spin-Off. Instead, the distribution agent will aggregate all fractional shares into whole shares and sell the whole shares in the open market at prevailing market prices on behalf of GE stockholders entitled to receive a fractional share. The distribution agent will then distribute the aggregate cash proceeds of the sales, net of brokerage fees, transfer taxes and other costs, pro rata to these holders (net of any required withholding for taxes applicable to each holder). See “The Spin-Off—Treatment of Fractional Shares” for a more detailed explanation of the treatment of fractional shares. The receipt of cash in lieu of fractional shares generally will be taxable to the recipient GE stockholders for U.S. federal income tax purposes as described in the section entitled “Material U.S. Federal Income Tax Consequences of the Spin-Off.” The distribution agent will, in its sole discretion, without any influence by GE or us, determine when, how, through which broker-dealer and at what price to sell the whole shares of our common stock. The distribution agent is not, and any broker-dealer used by the distribution agent will not be, an affiliate of either GE or us.

***Q: What are the U.S. federal income tax consequences to me of the Spin-Off?***

A: GE has applied for a private letter ruling from the Internal Revenue Service (the “IRS”) to the effect that, among other things, the Spin-Off, including the retention of up to 19.9% of the shares of our common stock, will qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the “Code”). Completion of the Spin-Off is conditioned on GE’s receipt of a separate written

opinion from each of Paul, Weiss, Rifkind, Wharton & Garrison LLP and Ernst & Young, LLP to the effect that the Spin-Off will qualify for non-recognition of gain and loss under Section 355 and related provisions of the Code. It is expected that the Spin-Off, together with certain related transactions, will qualify as a transaction that is tax-free to GE and GE stockholders, for U.S. federal income tax purposes, under Sections 368(a)(1)(D) and 355 of the Code, and thus no gain or loss will be recognized by, or be includible in the income of a U.S. Holder (as defined in “Material U.S. Federal Income Tax Consequences of the Spin-Off”) as a result of the Spin-Off, except with respect to any cash (if any) received by GE stockholders in lieu of fractional shares. After the Spin-Off, GE stockholders will allocate their basis in their GE common stock held immediately before the Spin-Off between their GE common stock and our common stock in proportion to their relative fair market values on the date of Spin-Off. GE may also waive the tax opinions as a condition to the completion of the Spin-Off. GE does not currently intend to waive this condition to the obligation to complete the Spin-Off. If GE were to waive this condition, it would communicate such waiver to GE stockholders in a manner as described in “The Spin-Off—Conditions to the Spin-Off.” See “Material U.S. Federal Income Tax Consequences of the Spin-Off” for more information regarding the potential tax consequences to you of the Spin-Off. You should consult your tax advisor as to the particular tax consequences of the Spin-Off to you.

***Q: What will the Company’s relationship be with GE following the Spin-Off?***

A: In connection with the Spin-Off, we and GE will enter into the Separation and Distribution Agreement and various other agreements, including a Transition Services Agreement, a Real Estate Matters Agreement, a Tax Matters Agreement, a Trademark License Agreement, and an Employee Matters Agreement. These agreements will provide a framework for our relationship with GE after the Spin-Off and provide for the allocation between us and GE of GE’s assets, employees, liabilities, and obligations (including its property, employee benefits, environmental liabilities, and tax liabilities) attributable to periods prior to, at, and after our Spin-Off from GE. For additional information regarding the Separation and Distribution Agreement and other transaction agreements, see “Risk Factors—Risks Relating to the Spin-Off.”

***Q: Who will manage the Company after the Spin-Off?***

A: Led by Peter J. Arduini, who will be our President and Chief Executive Officer after the Spin-Off, our executive management team possesses deep knowledge of, and extensive experience in, our industry. Our executive management team has been involved in strategic decisions with respect to the Company and in establishing a vision for the future of the Company. See “Management.”

***Q: How will GE vote any shares of our common stock it retains?***

A: GE is expected to agree to vote any shares of our common stock that it retains in proportion to the votes cast by our other stockholders and is expected to grant us a proxy with respect to such retained shares. As a result, GE will not be able to exert any control over us through the shares of our common stock it retains. For additional information on these voting arrangements, see “Certain Relationships and Related Person Transactions—Agreements with GE—Stockholder and Registration Rights Agreement.”

***Q: What does GE intend to do with any shares of our common stock it retains?***

A: We understand that GE currently intends to dispose of all of our common stock that it retains after the Spin-Off, based on market and general economic conditions and sound business judgment, (A) through one or more subsequent exchanges of our common stock for GE debt held by one or more investment banks, (B) through distributions to GE stockholders either pro rata as dividends



or in exchange for outstanding shares of GE common stock, or (C) in one or more public or private sale transactions (including potentially through secondary transactions).

***Q: Do I have appraisal rights in connection with the Spin-Off?***

A: No. Holders of GE common stock are not entitled to appraisal rights in connection with the Spin-Off.

***Q: Where can I get more information?***

A: If you have any questions relating to the mechanics of the Spin-Off, you should contact the distribution agent at:

Equiniti Trust Company  
Attn: Account Management Team  
1110 Centre Pointe Curve, Suite 101  
Mendota Heights, Minnesota 55120-4101

Before the Spin-Off, if you have any questions relating to the Spin-Off, you should contact GE at:

GE Shareowner Services  
1 River Road Building 5-3W  
Schenectady, NY 12345

After the Spin-Off, if you have any questions relating to GE HealthCare, you should contact us at:

GE Healthcare Holding LLC  
500 W. Monroe Street  
Chicago, Illinois 60661  
Attention: Investor Relations

### **Questions and Answers about GE HealthCare**

The following provides only a summary of certain information regarding GE HealthCare. You should read this Information Statement in its entirety for a more detailed description of the matters described below.

***Q: Do we intend to pay cash dividends?***

A: Once the Spin-Off is effective, we will be evaluating whether to pay cash dividends to our stockholders. The timing, declaration, amount, and payment of future dividends to stockholders, if any, will fall within the discretion of our Board. Among the items we will consider when establishing a dividend policy will be the capital needs of our business and opportunities to retain future earnings for use in the operation of our business and to fund future growth. See “Dividend Policy.”

***Q: Will we incur any debt prior to or at the time of the Spin-Off?***

A: In connection with the Spin-Off, we expect to incur indebtedness in an aggregate principal amount of approximately \$10.2 billion, consisting of senior notes and term loans. We expect that we may issue certain amounts of such indebtedness directly to GE, as partial consideration for certain assets contributed to us in connection with the Spin-Off, and that GE will exchange such indebtedness for an equivalent principal amount of GE’s indebtedness. In addition, we expect to make a cash distribution from the balance of debt issuance proceeds to GE concurrently with the

Spin-Off, with the remaining proceeds to be held by the Company in cash and cash equivalents. We expect that GE will use the proceeds of such indebtedness to pay off GE obligations, including by tendering for outstanding debt obligations issued, assumed, or guaranteed by GE. We also intend to enter into \$3.5 billion of committed credit facilities, however, the facilities are not expected to be utilized at the closing of the Spin-Off. The terms of such indebtedness are subject to change and will be finalized prior to the closing of the Spin-Off. In connection with the Spin-Off, we expect that approximately \$5.2 billion in net pension and other postretirement plan liabilities from GE sponsored plans will be transferred to us by GE; however, this amount may be different pursuant to the terms of the final agreement with GE. See “Capitalization,” “Unaudited Pro Forma Condensed Combined Financial Statements,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.” Our cash balance at the time of the Spin-Off is expected to be approximately \$1.8 billion.

***Q: How will our common stock trade?***

A: We have applied to list our common stock on The Nasdaq Stock Market LLC under the ticker symbol “GEHC.” Currently, there is no public market for our common stock. We anticipate that trading in our common stock will begin on a “when-issued” basis as early as one trading day prior to the Record Date for the Spin-Off and will continue up to and including the Distribution Date. “When-issued” trading in the context of a spin-off refers to a sale or purchase made conditionally on or before the Distribution Date because the securities of the spun-off entity have not yet been distributed. “When-issued” trades generally settle within two trading days after the Distribution Date. On the first trading day following the Distribution Date, any “when-issued” trading of our common stock will end and “regular-way” trading will begin. Regular-way trading refers to trading after the security has been distributed and typically involves a trade that settles on the second full trading day following the date of the trade. See “The Spin-Off—Trading Prior to the Distribution Date.” We cannot predict the trading prices for our common stock before, on, or after the Distribution Date.

***Q: Who is the transfer agent and registrar for our common stock?***

A: Equiniti Trust Company is the transfer agent and registrar for our common stock.

***Q: Are there risks associated with owning shares of our common stock?***

A: Yes, there are substantial risks associated with owning shares of our common stock. Accordingly, you should read carefully the information set forth under “Risk Factors” in this Information Statement.

## INFORMATION STATEMENT SUMMARY

*The following summary contains selected information about us and about the Spin-Off. It does not contain all of the information that is important to you. You should review this Information Statement in its entirety, including matters set forth under “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and the combined financial statements and the notes thereto included elsewhere in this Information Statement. Some of the statements in the following summary constitute forward-looking statements. See “Cautionary Statement Concerning Forward-Looking Statements.”*

### Introduction

GE HealthCare is a leading global medical technology, pharmaceutical diagnostics, and digital solutions innovator. We have approximately 51,000 employees dedicated to our mission to create a world where healthcare has no limits. We operate at the center of the healthcare ecosystem, enabling precision health by increasing health system capacity, enhancing productivity, digitizing healthcare delivery, and improving clinical outcomes while serving patients’ demand for greater efficiency, access, and personalized medicine. Our products, services, and solutions enable clinicians to make more informed decisions quickly and efficiently, improving patient care from diagnosis to therapy to monitoring.

We have more than 125 years of experience and one of the strongest reputations in the global healthcare industry, built from our demonstrated record of delivering industry-defining innovation and complemented by our broad service capabilities and dedication to quality and integrity with a strong operational culture, deeply embedded in lean and focused on continuous improvement. Today, the transition to a data-driven healthcare ecosystem is about improving outcomes by finding new ways to reach and treat patients, while creating capacity for providers, and making precision health a reality. Our portfolio of solutions addresses the biggest challenges facing healthcare providers and patients today and is complemented by our broad services capabilities and digital solutions. These qualities drive strong trust, loyalty, and partnership with our global customers, including healthcare systems and researchers.

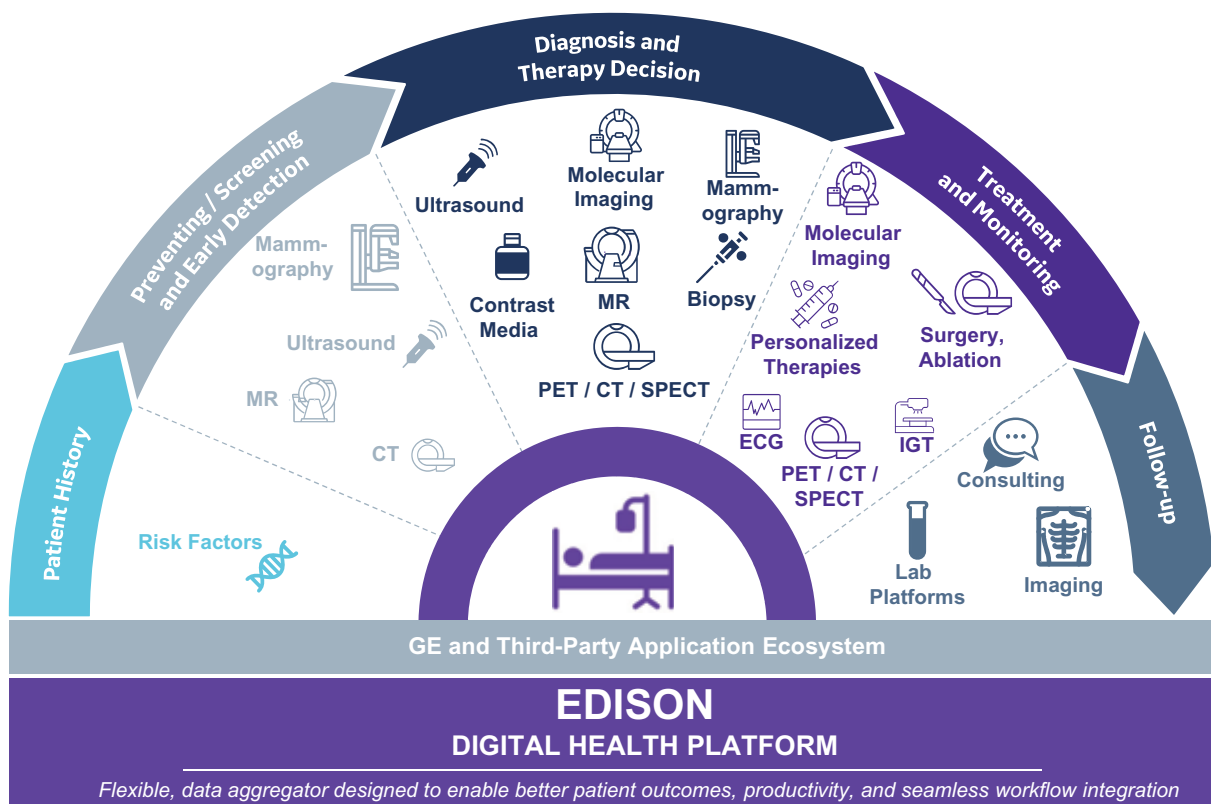
Our customers are healthcare providers and researchers, including public, private, and academic institutions, across an estimated \$84 billion global industry growing at a rate of 4-6% annually through 2025. We are organized into four business segments that are aligned with the industries we serve:

- **Imaging:** portfolio of medical imaging solutions including CT, MR, molecular imaging, X-ray, women’s health, image-guided therapies, enterprise imaging software, service capabilities, and digital solutions;
- **Ultrasound:** ultrasound consoles and probes, handheld devices, intraoperative imaging systems, visualization software, service capabilities, and digital solutions;
- **Patient Care Solutions:** monitoring, anesthesia and respiratory care, maternal infant care, and diagnostic cardiology solutions, as well as consumables, service capabilities, and digital solutions; and
- **Pharmaceutical Diagnostics:** imaging agents that include contrast media and radiopharmaceuticals that enhance diagnostic images.

GE HealthCare has extensive reach throughout the global healthcare system for medical technology, pharmaceutical diagnostics, and digital solutions, underpinned by resilient, sustainable practices and products, and a commitment to growing access to care. Our products are used in more than two billion procedures to care for more than one billion patients annually. We have a global installed base of more than four million medical devices and we delivered over 100 million doses of imaging agents used in patient procedures in 2021. We serve customers in more than 160 countries with a global team of over 10,000 sales professionals, 8,500 field service engineers, and a network of 43 manufacturing sites across 17 countries.

We generate revenue from the sale of medical devices, single-use and consumable products, service capabilities, and digital solutions. We have established leading positions in each of our business segments by developing broad portfolios of advanced medical technologies and lifecycle services. Technological innovation drives the success of our business segments. For most of our product lines, we aim to introduce a major new platform every five to seven years and release incremental innovations every 12 to 18 months, driving better products for customers, better outcomes for patients, and our continued growth. With each new platform and incremental product introduction, our goal is to improve the performance, quality, and customer experience of our offerings through:

- **Customer-Driven Innovation:** our deep understanding of customer needs is informed by our position at the center of many clinical and therapeutic care pathways, such as cardiology, oncology, and neurology, that allows us to deliver differentiated products across the large and growing industries we serve.
- **Industry-Leading Service Capabilities:** at the foundation of our strong customer relationships are our industry-leading service offerings, which include maintenance, on-site install and repair, preventative maintenance, remote monitoring and repair capabilities, equipment and software upgrades, financing solutions, end-user training, multi-vendor services, cybersecurity services, remote equipment tracking, and enterprise-wide consulting.
- **Integrated Digital Solutions:** we are a leading innovator of digital solutions, delivering clinical decision support, simplifying patient workflows, providing advanced visualization of complex anatomy, enhancing clinical collaboration, and integrating clinical insights across multiple diagnostic modalities. We have allocated significant resources to digital innovation, including artificial intelligence (“AI”) and machine learning, as we advance precision health with over 200 software applications. For example, our Edison software platform was created to efficiently aggregate and integrate clinical data to help customers deploy and scale their digital solutions across departments and health systems.



Our end markets are transforming as healthcare providers and researchers seek solutions, data, and tools to enable the delivery of precision health. More precise diagnoses and treatments can help improve patient outcomes, support management of the increasing global incidence of chronic disease, and may reduce health system cost. Precision health is expected to drive continued demand and opportunity for novel technologies and future innovation, as healthcare providers and researchers seek new solutions and tools for managing existing and new care pathways. The pursuit of precision health opportunities significantly expands our served industries to include integrated diagnostics, AI and machine learning-based clinical decision support, highly personalized therapies enabled by more precise diagnostics, and remote patient monitoring. The scale and breadth of our portfolio, combined with our innovation capabilities, position us to be a leading enabler of precision health.

In 2021, we generated Total revenues of \$17,585 million representing 2% growth as reported and 1% Organic revenue growth\* from 2020, Operating income of \$2,795 million, and Adjusted EBIT\* of \$3,172 million, representing growth of 3% and 6% from 2020, respectively. In 2021, we generated \$1,607 million in cash from operations and \$2,827 million in Free cash flow\*, representing an annual decrease of 39% and increase of 15% over the prior year, respectively. Our strong revenue visibility and attractive Free cash flow\* generation allow us to regularly invest in strategic growth initiatives and innovation. For more information on the computation of non-GAAP financial measures, see “Non-GAAP Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.” See also “Summary Historical and Unaudited Pro Forma Condensed Combined Financial Information” and “Risk Factors—Risks Relating to the Spin-Off.”

## Our Industries

The breadth of our product portfolio and global presence supports an estimated \$84 billion total addressable opportunity across the industries our four business segments serve. Our industries are experiencing macro trends that we expect to continue to drive sustainable long-term growth in the demand for medical technology, pharmaceutical diagnostics, and healthcare solutions. We expect to benefit from many of these trends as our portfolio of solutions directly addresses many of the challenges and opportunities facing our customers today. As a stand-alone company, we will accelerate investments in R&D and innovation in areas where we see the most compelling growth opportunities, enhancing our competitive advantages.

### Macro Healthcare Trends

- ***Growing adoption of precision health.*** Patients and providers are increasingly recognizing the power of precision health to improve individual outcomes while enhancing the patient experience, containing costs, customizing care, and improving provider efficiency by lowering the amount of time required to treat patients.
- ***Digitization of healthcare.*** Valuable healthcare data is increasingly being used to improve care across disease states, enhance the ability of clinicians to diagnose and treat patients, and improve clinical workflow efficiencies, often assisted by software applications that utilize AI and machine learning technologies.
- ***Increasing demand for healthcare driven by demographic trends.*** The increasing global demand for healthcare is driven by population growth, an increasing proportion of the population over the age of 65, and the increasing prevalence and treatment of chronic diseases.
- ***Improving access to healthcare in emerging markets.*** The growing middle class in many of these markets is helping to drive both government and private sector investment in healthcare systems and medical technology.

\* Non-GAAP financial measure.

- **Expansion of alternative sites of care.** The delivery of care in lower acuity settings is one of the fastest growing trends in the healthcare industry, driven by lower operating costs and expanding access to more of the population.
- **Adoption of the Quadruple Aim of healthcare.** Key tenets of the Quadruple Aim include: improving population health, reducing cost of care, enhancing the patient experience, and improving provider satisfaction.
- **Industry Headwinds.** Our business is subject to a number of headwinds or risks inherent in the industries in which we operate, including increased competition from existing and new entrants, increasing scrutiny on healthcare spending and costs, and idiosyncratic political and economic disruptions.

### Overview of Our Industries and Key Trends

The industries served by our business segments represent large and growing opportunities that in addition to macro trends listed above, are driven by the following segment-specific trends:

- Imaging business segment operates in an estimated \$44 billion global industry growing at a 4-6% CAGR from 2022 to 2025, driven by demand for increasingly high image quality, additional capabilities from leveraging AI, and advanced interventional surgical systems. For the fiscal year ended December 31, 2021, our revenue generated from the Imaging business segment was approximately \$9.4 billion.
- Ultrasound business segment operates in an estimated \$12 billion global industry growing at a 4-7% CAGR from 2022 to 2025, driven by expanded use of ultrasound in diagnostics, therapy, and monitoring across multiple care settings. For the fiscal year ended December 31, 2021, our revenue generated from the Ultrasound business segment was approximately \$3.2 billion.
- Patient Care Solutions (“PCS”) business segment operates in an estimated \$18 billion global industry growing at a 3-6% CAGR from 2022 to 2025, driven by demand for integrated solutions to enable better decision-making. For the fiscal year ended December 31, 2021, our revenue generated from the PCS business segment was approximately \$2.9 billion.
- Pharmaceutical Diagnostics (“PDx”) business segment operates in an estimated \$10 billion global industry growing at a 4-5% CAGR from 2022 to 2025, driven by demand for better visualization to enable more precise diagnoses and therapy selection for patients. For the fiscal year ended December 31, 2021, our revenue generated from the PDx business segment was approximately \$2.0 billion.

Our business segments serve customers globally with each of our key regions representing large and growing opportunities:

<i>(\$ in billions)</i>	<b>Estimated Industry Sales by Region (2021)*</b>	<b>Estimated Industry CAGR (2022-2025)*</b>
United States and Canada . . . . .	\$31	3-6%
Europe, Middle East, & Africa . . . . .	21	3-5%
China region . . . . .	15	6-8%
Rest of World . . . . .	<u>17</u>	3-5%
<b>Total Industry . . . . .</b>	<b><u>\$84</u></b>	<b>4-6%</b>

\* Based on GE HealthCare estimates and Signify Research for digital solutions. Amounts are based on estimates of (1)(a) orders placed in the last fiscal year across all product categories

we offer in the relevant industry or (b) for jurisdictions for which order data are not available, actual sales completed in the last fiscal year across all such products, plus (2) estimates for revenues derived from annual service and digital offerings from such products.

### **Investment Highlights**

GE HealthCare has numerous competitive advantages in attractive markets that we expect to continue to drive our success and reward investors over the long term, including:

- ***Established Leader in Large, Attractive, and Growing Industries.*** The industries in which we participate represent an estimated \$84 billion global opportunity that is estimated to grow at 4-6% through 2025. Sustainable long-term growth in our industries is driven by trends related to an aging population, increasing prevalence and diagnosis of chronic disease, innovation in minimally-invasive procedures that require imaging, and increasing access to healthcare. Our deep knowledge and global experience have made us a preferred and trusted partner of customers across our segments. With a portfolio of leading technologies developed in response to customer needs, we provide customers with critical instruments for precision health driven by a need for less costly and more specialized therapeutic treatments.
- ***Track Record of Industry-Defining Innovations.*** GE HealthCare has been advancing healthcare with transformational innovations since 1896, including the first enclosed X-ray source, the first routine total-body CT scanner, and the first high-field magnetic resonance imaging (“MRI”) scanner. We focus on thoroughly understanding unmet customer needs through customer surveys, sponsored research, advisory boards, pilot programs, and direct feedback through our research, sales, and service channels. This unique insight helps to prioritize our R&D efforts to best deliver improved customer outcomes. Our organic innovation efforts are complemented by strategic acquisitions, investments, and collaborations, which have transformed our product portfolios and expanded our industries served.
- ***At the Center of Digitization of Healthcare.*** GE HealthCare is at the center of the digitization of healthcare, generating and harnessing clinical data from our devices and software and those of third parties to help simplify clinical decision-making, improve the delivery of care, and drive workflow efficiency. We offer a portfolio of over 200 digital applications and software solutions that collectively generated \$1,186 million of revenue in 2021. Increasingly, hospitals and healthcare systems are demanding easier ways to deploy clinical workflow, analytics, and AI tools that improve care delivery, support efficient operations, and improve healthcare outcomes. Our Edison platform is a vendor-agnostic hosting and data aggregation platform with an integrated AI engine, reducing the IT burden that typically comes with installing and integrating applications across an enterprise. We believe that our digital solutions and deep understanding of customer needs are key competitive advantages for our business.
- ***Trusted Partner with Customers Across the Globe Supported by Industry-Leading Service.*** We have one of the strongest reputations in the global healthcare industry for service, innovation, quality, and integrity. We globally deploy a multi-channel commercial model consisting of over 10,000 sales professionals and a network of approximately 5,600 indirect third-party partners. Through our close relationships with customers, we are able to collaborate on their asset acquisition plans and clinical and business challenges and tailor our products, services, and solutions to meet their unique needs. At the foundation of our strong customer relationships is our industry-leading service offerings that extend beyond vendor-agnostic on-site repair to include remote monitoring and support of our devices enabled by connected, proactive, and predictive maintenance capabilities, lifecycle management, and asset performance management. With over 8,500 field service engineers and 46 customer service centers, we utilize our global scale and a local approach to tailor offerings to best serve individual customers around the world. In addition to strengthening our customer relationships, our service capabilities are a

key driver of our financial performance, generating \$6,420 million of revenue in 2021. Our services revenue is recurring in nature and provides strong visibility to future revenue with a \$10,028 million of Remaining Performance Obligations (“RPO”) as of year-end 2021. We serve customers in more than 160 countries aligned to four geographic regions: United States and Canada (“USCAN”); Europe, Middle East, and Africa (“EMEA”); China, Taiwan, Mongolia, and Hong Kong (collectively, “China region”); and other geographies around the world (“Rest of World”).

- ***Driving Growth Mindset Through Lean for Customers and Employees.*** We are dedicated to creating shareholder value through consistent and sustainable earnings growth. To drive that value we have adopted and deployed lean principles to execute on our short- and long-term strategies and strengthen the operating performance of our business. To accomplish these goals, we have developed and deployed lean tools, processes, and leadership development at all levels in the organization. We focus our lean work on improvement in five critical business priorities: Safety, Quality, Delivery, Cost, and Innovation (“SQDCI”). Safety, our highest and first priority, is integrated into everything we do, from manufacturing to installation, operation, and service. We continuously strive to improve the quality, delivery, and value of products, including utilizing lean throughout manufacturing, services, commercial, and R&D operations. Our SQDCI toolkit results in more value for our customers, improved margins for GE HealthCare, and reinvestment in our business for long-term sustainable growth and innovation.
- ***Attractive Financial Profile Supported by Organic Revenue Growth, Expanding Operating Margins, and Strong Balance Sheet.*** We generated Total revenues of \$17,585 million in 2021 representing 2% growth as reported and 1% Organic revenue growth\* from 2020. Approximately 50% of our total revenue in 2021 is recurring, comprised of revenue from services, single-use and consumable products, digital solutions, and value-added offerings, such as education, training, and consulting. Our innovative technologies and lean approach have served as the foundation to reduce costs across our businesses, directly translating to an increase of 1.4 points in our gross margin from 2020 to 2021. We generate significant Free cash flow\*, which supports our ability to consistently prioritize investments in strategic growth initiatives and innovation.
- ***Purpose-Driven and Action-Oriented Culture Led by an Experienced Management Team.*** Our senior leadership is a diverse team of global industry veterans with the skills and expertise required to successfully lead a stand-alone publicly-listed medical technology, pharmaceutical diagnostics, and digital solutions company. This team is leading our company through a transformational time as we execute on our next phase of growth by establishing a more decentralized organization with alignment and accountability across teams to accelerate speed in decision-making and remove complexities that will ultimately enhance our efficiency and agility. Our senior leadership team leads a purpose-driven global workforce of approximately 51,000 who have an average tenure of nine years with GE, reflecting a strong, engaged culture that centers on our purpose statement, “Create a world where healthcare has no limits.” We embrace a diverse workplace where “every voice makes a difference, and every difference builds a healthier world,” and we are committed to supporting diversity across our global teams. Our values emphasize patient and customer focus, trust, and humility with unyielding integrity, while fostering an inclusive culture.

## **Business Strategies**

We aim to grow our business by pursuing the following strategies:

- ***Deliver Industry-Leading Innovations.*** We aim to maintain and strengthen our leading global position by continuing to deliver innovative solutions that best address our customers’ needs. From 2019 to

\* Non-GAAP financial measure.



2021, we invested a cumulative \$2,459 million in R&D to drive our organic innovation efforts. We drive efficient use of our R&D budget by locating approximately 40% of our 9,700 R&D employees in lower-cost regions. We plan to further enhance our innovation efforts with inorganic investments across our business segments. Our growing track record of inorganic investment includes three acquisitions over the past two years and eight strategic collaborations since 2019. We intend to increase our investment in innovation, both to enhance our core portfolio and extend our capabilities in attractive, high-growth adjacencies, including clinical decision support and workflow tools, advanced analytics and AI, 3D visualization, lower acuity patient monitoring, clinical collaboration tools, and integrated insights across multiple diagnostic modalities. We believe we can drive even greater focus on, and capital allocation to, attractive innovation priorities as an independent company, extending our leadership position in technologies that improve outcomes.

- ***Build Integrated Solutions Along Care Pathways.*** We build integrated equipment and software solutions designed to address the needs of clinicians and patients along care pathways. Our goal is to break down data silos across devices, bespoke systems (both third-party and our own), and sites of care that often delay or even prevent patients from getting the most appropriate diagnosis and treatment. Central to this approach is our focus on developing and delivering digital solutions that seamlessly integrate across workflows and departments and increasingly reside on our Edison platform for ease of deployment and enterprise-wide integration. Our care pathway approach is well supported by the breadth and depth of our portfolio, which gives us unique visibility into customer needs in clinical care areas such as oncology, cardiology, and neurology. We believe this strategy improves the value proposition of our current offerings, expands use cases for our Edison digital platform, and creates new software-as-a-service (“SaaS”) revenue sources.
- ***Enable Digitization at a Device, Department, and Enterprise Level.*** Digital innovations are changing how healthcare is delivered and consumed around the world by improving access to advanced healthcare and by enhancing quality, safety, productivity, patient experience, and provider satisfaction. As our digital offerings encompass software solutions at a device, department, and enterprise level, we have developed distinct strategies dictated by specific customer needs. We plan to continue leveraging Edison to help deploy and scale these software solutions, while accelerating customer adoption of our digital applications. Edison enables customers to: efficiently upgrade existing devices with advanced intelligent functions, via edge or cloud technology; integrate clinical information across multiple diagnostic and therapeutic modalities, such as radiomics and genomics; and develop new applications with industry-standard capabilities built-in, such as data privacy and cybersecurity.
- ***Expand Our Business by Providing Transformational Customer Solutions.*** We plan to expand our leading global presence by continuing to deliver transformational solutions designed around specific customer needs. The growing demand for precision health is driving a greater focus among customers for solutions that provide actionable insights for clinicians and are easily deployable for the healthcare system. We believe there is significant opportunity to utilize our core competencies of innovation, service capability, and digital solutions to expand our portfolio further into integrated diagnostics, AI and machine learning-based clinical decision support, highly personalized therapies enabled by more precise diagnostics, and remote patient monitoring. As the delivery of care continues to extend outside the hospital, we plan to continue growing our presence to alternative sites of care with our clinical capabilities, enabling minimally-invasive procedures and expanding into remote monitoring and home care.
- ***Grow in Emerging Markets with a Local Strategy Tailored to Customer Needs.*** We plan to continue to invest in developing tailored clinical applications, service repair operations, training, financing, and project management to better serve customer needs in emerging markets. As localization initiatives increase in important markets such as China, India, and Brazil, the strength of our portfolio and enterprise approach is enhanced by regionally-defined commercial strategies. To address localization

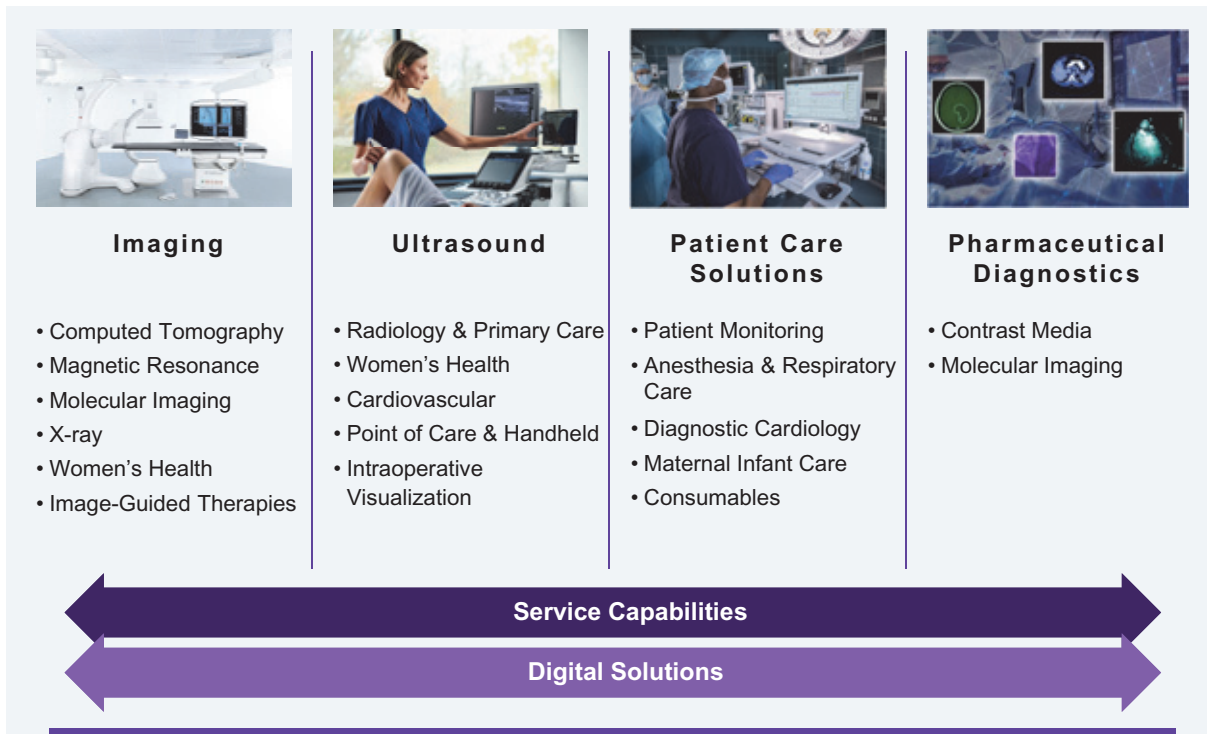
trends, we developed a comprehensive product development, production, and commercialization strategy reflecting local needs. We take a strategic approach to each emerging market, helping us match our strategies to the market opportunity and local needs.

- **Drive Growth and Continuous Improvement Through Lean.** Our focus on lean will enable us to deliver better customer outcomes while improving our operating model as a stand-alone company. We use lean to achieve reductions in product and service costs by focusing on having a diverse and qualified supplier base, enhancing logistics productivity, employing design-for-value principles, and driving digitization of our services delivery to deliver more value for customers while improving operating margins across the portfolio. We deploy lean methods for driving growth, innovation, and leadership.
- **Disciplined Focus on Strategic M&A Transactions.** We will continue to focus on disciplined and targeted inorganic growth through strategic transactions, including acquisitions, mergers, investments, joint ventures and other expansions of our operations that leverage our existing platform. Following the Spin-Off, we will have more flexibility as a standalone company to allocate our capital to successfully execute such transactions. Our focus remains on bolt-on transactions intended to accelerate our strategies, expand capabilities, and drive attractive returns, such as the recent acquisitions of BK, Zionexa, and Prismatic Sensors, as well as our recent strategic collaborations with Pulsenmore, RaySearch, SOPHiA Genetics, and AliveCor.

## Our Segments

We develop, manufacture, and market a broad portfolio of products, services, and complementary digital solutions used in the diagnosis, treatment, and monitoring of patients. We are a global leader in each of our core business segments. We have a global installed base of more than four million medical imaging, ultrasound, and patient monitoring systems.

Our business is comprised of four segments that are aligned with the industries we serve:



## **Imaging Business**

GE HealthCare is a global leader in medical imaging with a comprehensive portfolio of scanning devices, clinical applications, service capabilities, and digital solutions. We have one of the industry's largest global installed bases of medical imaging equipment with approximately 400,000 systems and have a leading position in nearly all markets where our products are sold. Our Imaging portfolio spans the care continuum and provides critical tools for physicians from initial screening and diagnosis, through therapeutic decision-making, to monitoring of patient progression. Our products are essential in the delivery of care for a broad spectrum of clinical specialties, including oncology, cardiology, neurology, nuclear medicine, orthopedics, women's health, pediatrics, and surgery.

Our Imaging portfolio is comprised of seven product lines and associated service capabilities: Computed Tomography, Magnetic Resonance, Molecular Imaging, Image-Guided Therapies, Women's Health, X-ray, and Digital Solutions. Starting with the development of the X-ray in 1896, we have been at the forefront of industry-defining innovations for over 125 years and have consistently deployed advanced, innovative technologies to develop intelligently efficient solutions to address critical needs of our customers. We supplement our imaging solutions with more than 200 digital applications and software solutions, leveraging our AI and advanced data science capabilities. We also offer specialized global service capabilities to support devices with repairs, upgrades, and lifecycle management. For each product in our portfolio, we develop and offer upgrades that expand clinical functionality throughout the product's lifecycle and extend the life of imaging devices and software for a strong return on our customers' investment.

In addition to our core products, digital solutions, and service offerings, we provide complementary enterprise solutions, such as education and training, equipment financing, and data integration services. Our broad enterprise solutions across the imaging continuum enable us to drive connectivity across healthcare systems and throughout the product lifecycle. Together, our intelligent imaging devices, digital solutions, and specialized services are designed to increase accuracy and precision of diagnostic and therapeutic efforts, improve efficiency of radiology operations and workflows, and enable precision therapy delivery.

In 2021, our Imaging business generated \$9,433 million of revenue, a 5% increase year-over-year from \$8,959 million in 2020, representing 54% of GE HealthCare's total 2021 revenue. In 2021, we generated \$1,240 million of segment EBIT compared to \$1,182 million in 2020, representing a 5% increase year-over-year.

## **Ultrasound Business**

GE HealthCare is a global leader in ultrasound medical devices and solutions. We believe we have the largest global installed base of ultrasound equipment with approximately 400,000 devices. Our broad ultrasound portfolio spans the continuum of care, including screening, diagnosis, treatment, and monitoring of certain diseases. Our Ultrasound business segment serves customers across five clinical areas: Radiology and Primary Care, Women's Health, Cardiovascular, Point of Care and Handheld, and Intraoperative Visualization. In 2021, we acquired BK, a provider of real-time surgical guidance in urology, general surgery, and neurosurgery procedures and gained entrance into the fast-growing Intraoperative Visualization adjacency. One of our key competitive advantages is the ability to consistently deliver innovative technologies alongside complementary digital solutions and service offerings designed as a seamless package that satisfies specific customer needs. We believe this advantage is critical to strong customer engagement, loyalty, and trust, and allows us to be a partner of choice.

Our Ultrasound business' customer-centric approach to continuous innovation, along with our dedicated clinical specialties, have been a key driver of growth for our Ultrasound business. We focus on designing and developing solutions that are aligned by specialties/care areas for specific clinical workflows to better serve the unique needs of our customers and improve patient outcomes, while lowering the overall cost of care. We

continue to innovate and deliver best-in-class ultrasound probes and consoles, and to develop digital solutions that increase diagnostic accuracy and simplify clinical workflows. We enhance our leading technology with leading customer service that includes customer education and technical support with the goal of improving clinical workflows and operational efficiencies. Over 75,000 customer users are registered to access our Ultrasound on-line customer communities that are dedicated to support users with training, application best practices, white papers, user guides, and clinical image galleries. The breadth of our Ultrasound technology and service offerings has resulted in close relationships with customers who trust us as a partner to help solve their most urgent and critical clinical challenges.

We have a strong track record of industry-first innovations, including developing the first 3D obstetric imaging device and the first handheld ultrasound, both of which addressed previously identified clinical challenges and provided economic value to our healthcare provider customers. We plan to continue to invest in R&D to drive innovation in our Ultrasound portfolio, specifically by improving image quality, developing advanced electronics and miniaturization capabilities, lowering costs, and advancing probe technology. Our focus areas for innovation include:

- Advancements in electronics and acoustic design, enabling image quality improvements that increase diagnostic confidence;
- Miniaturization that protects users with smaller, lighter probes that are more comfortable to scan, and technological advances that create a single probe for multiple clinical applications; and
- Use of data science and AI to improve workflows and reduce cognitive workload, as well as to enable clinical decision support for all user skill levels.

In 2021, our Ultrasound business generated \$3,172 million of revenue, a 17% increase year-over-year from \$2,703 million in 2020, representing 18% of GE HealthCare's total 2021 revenue. In 2021, we generated \$885 million of segment EBIT compared to \$640 million in 2020, representing a 38% increase year-over-year.

### **Patient Care Solutions Business**

GE HealthCare's PCS business is a leading global provider of medical devices, consumable products, services, and digital solutions that complement a care team's clinical expertise by acquiring and transforming clinical data into real-time visualization and clinical decision support. This allows care teams to more proactively adapt to changing patient needs, and improve patient care and outcomes. Our PCS portfolio also helps solve current challenges our customers face, such as increased patient demand, clinician labor shortages, and the rising cost of care, by simplifying clinical and operational workflows to create efficiencies and capacity.

Our PCS portfolio includes Patient Monitoring, Anesthesia Delivery and Respiratory Care, Maternal Infant Care, Diagnostic Cardiology, and Consumables, collectively representing an industry-leading installed base of approximately three million devices. These products, along with our digital solutions and service capabilities, form a broad and integrated portfolio of solutions that supports care teams within and beyond most acute healthcare settings, including emergency departments, surgical/operating rooms, intensive care units ("ICUs"), neonatal intensive care units ("NICU"), labor and delivery units, telemetry units, medical-surgical units/general wards, cardiology departments, and clinics.

One of PCS' key competitive advantages is our unique position at the center of care delivery, ability to acquire data, and expertise in transforming data into real-time visual and clinical decision support across acute and other care settings, allowing our customers to provide better care to patients. Customers and care teams trust that our intelligent devices, innovative tools, and digital solutions will provide precise, reliable, accurate, and actionable data at critical decision points in a patient's care journey. Our vision is to connect caregivers and patients in an ecosystem that simplifies clinical and operational workflows, creates efficiencies, delivers

personalized care that is convenient and accessible, and improves patient care and outcomes. To do so, we will continue to innovate our portfolio, build and drive adoption of digital ecosystems, and enhance product lifecycles through service and consumables.

In 2021, our PCS business generated \$2,915 million of revenue, a 21% decrease year-over-year from \$3,675 million in 2020, representing 17% of GE HealthCare's total 2021 revenue. The decline was driven by lower demand from the moderation of the COVID-19 pandemic. In 2021, we generated \$356 million of segment EBIT, compared to \$698 million in 2020, representing a 49% decrease year-over-year. The decline in profit was predominantly driven by post-COVID-19 volume decrease.

### **Pharmaceutical Diagnostics Business**

GE HealthCare's PDx business is a leading supplier of diagnostic agents to the global radiology and nuclear medicine industry. These diagnostic agents help clinicians assess patients to enable more precise diagnoses and better therapy selection. Our products were used in over 100 million patient procedures globally in 2021, equating to our contrast agents being administered to over three patients every second. We distribute products globally, providing on-time delivery of quality products that help meet patient and procedural needs across a multitude of modalities. Our diagnostic agents are complementary to our imaging and ultrasound devices, including CT, angiography and X-ray, MR, single-photon emission computed tomography ("SPECT"), positron emission tomography ("PET"), and ultrasound, and are also compatible with systems from other equipment vendors. We believe our established positions in imaging scanners, contrast media, contrast injectors, chemistry systems, radiopharmaceuticals, and cyclotrons give us unique insights into end-user needs that allow us to continuously innovate our product portfolio to offer differentiated solutions.

PDx operates within a strictly regulated industry with key sustainable competitive advantages. Diagnostic agents require a sophisticated supply chain for manufacturing, supported by a global infrastructure of commercial, marketing, medical affairs, market access, application, regulatory, and pharmacovigilance teams that help monitor products. Customers require timely and reliable supply of diagnostic agents, as shortages or delays can be highly disruptive to workflows and cause exam cancellations. These competitive advantages include:

- Our track record of on-time delivery and secure supply makes us a reliable and trusted partner to customers;
- Our vertically integrated supply chain with end-to-end manufacturing and network of diversified suppliers provides us scale advantages; and
- Our commercial and regulatory infrastructure allows us to serve more customers, maintain compliance with regulations, effectively launch new products, and be an attractive partner for early-stage innovative product developers seeking commercial channels.

In 2021, our PDx business generated \$2,018 million of revenue, a 13% increase year-over-year from \$1,780 million in 2020, representing 11% of GE HealthCare's total 2021 revenue. In 2021, we generated \$693 million of segment EBIT compared to \$504 million in 2020, representing a 38% increase year-over-year.

### **Research and Development Activities**

Our R&D efforts focus on creating new products and solutions, developing new applications for products, and enhancing our existing products to help improve outcomes for customers and their patients. We invested \$816 million in R&D in 2021, a 1% increase from 2020. We conduct global R&D efforts in 18 countries that include both developed and emerging markets. As of 2021, we employ over 9,700 engineers and scientists, including approximately 3,700 hardware and systems engineers, 4,700 software engineers, and 600 personnel focused on clinical research. We engage in and sponsor clinical research and product development through collaborations with universities, medical centers, and other organizations.

## **Service Capabilities**

Our industry-leading service offerings are a key driver of our success. Our capabilities extend beyond on-site repair to include remote monitoring, repair, and corrective maintenance capabilities. We have approximately 8,500 field service engineers, 36 global or regional repair centers, and 46 customer service centers. We utilize our local presence to provide customers with tailored commercial solutions, such as holistic infrastructure solutions, local training, equipment repair, financing programs, and other services. In 2021, we resolved over 80% of service issues on the first call and on average manage over 3,600 parts orders per day. Currently, approximately 80% of our imaging systems are connected for remote monitoring, enabling diagnostic consultations with skilled, off-site engineers, predictive maintenance, and asset management analytics. We also help customers extend the utility and value of their equipment through asset management services, clinical utilization analytics, and technology upgrades that bridge our customers to next-generation platforms. We believe our comprehensive and high-quality service offerings drive higher sales of replacement equipment to our customers.

## **Sales and Distribution Model**

GE HealthCare deploys a global multi-channel commercial model consisting of over 10,000 sales professionals and a network of approximately 5,600 indirect third-party partners. Our reach into top hospitals and health systems is evidenced by our long-standing collaborations with leading institutions around the world. Our commercial model is organized according to the needs of our customers and includes global and regional marketing; regional inside sales teams; field-based sales teams comprised of strategic account executives, account managers, and product specialists; and sales agents and distributors. Our equipment sales representatives partner closely with their service sales counterparts to position both equipment contracts and long-term maintenance agreements along with system upgrades and SaaS agreements. We complement our direct and indirect sales channels with both end-to-end virtual sales teams. Our direct and indirect channel mix helps us expand our market coverage, increase customer satisfaction, and win more business in broad geographies and emerging markets. In developed markets, we supplement our commercial model with strategic account executive and collaboration teams who bring the depth and breadth of our overall portfolio to the senior leadership of our top customers to deliver long-term commercial collaborations, which can be tied to specific outcomes.

## **Global Integrated Supply Chain, Sourcing, and Logistics**

Our sourcing, production, and distribution network is managed globally, while our products are manufactured at and distributed by facilities serving specific regions. We believe our global scale, complemented by local focus, allows us to provide our customers with improved supply chain security, reduced costs, and compliance with regional or national trade and marketing requirements. We have manufacturing, assembly, and pharmaceutical production in 43 plants across 17 countries. In 2021, we produced and delivered approximately 19,000 Imaging systems, 64,000 Ultrasound systems, 183,000 PCS products, and 100 million doses of imaging agents. We use globally managed and coordinated quality assurance programs across our manufacturing and ISO-certified distribution facilities and we regularly inspect and audit our sites. We hold our suppliers to the same rigorous operating standards.

## **Summary of Risk Factors**

An investment in our company is subject to a number of risks. These risks relate to our business, the healthcare industry, data privacy, laws and regulations, financing and capital markets activities, the Spin-Off, and our common stock, and the securities market. Any of these risks and other risks could materially and adversely affect our business, results of operations, cash flows, and financial condition and the actual outcome of matters as to which forward-looking statements are made in this Information Statement. Please read the information in the

section captioned “Risk Factors” of this Information Statement for a description of the principal risks that we face. Some of the more significant challenges and risks we face include the following:

- We operate in highly competitive markets, competition may increase in the future, and our industry may be disrupted, requiring us to lower prices or resulting in a loss of market share.
- Our business dealings involve third-party partners in various markets and the actions or inactions of these third parties could adversely affect our business.
- Our inability to complete acquisitions or to successfully integrate acquisitions could adversely affect our business.
- Our inability to manage our supply chain or obtain supplies of important components or raw materials has and may continue to restrict the manufacture of products, cause delays in delivery, or significantly increase our costs.
- Any interruption in the operations of our manufacturing facilities may impair our ability to deliver products or provide services.
- We have and will assume significant net liabilities with respect to our postretirement benefit plans, including increases in pension, healthcare, and life insurance benefits obligations, and the actual costs of these obligations could exceed current estimates, which are reliant on GE’s estimates and assumptions.
- If we are unable to attract or retain key personnel and qualified employees, or maintain relations with our employees, unions, and other employee representatives, it could adversely affect our business.
- We are exposed to risks relating to the global COVID-19 pandemic.
- We may be unable to obtain, maintain, protect, or effectively enforce our intellectual property rights.
- Increased cybersecurity requirements, vulnerabilities, threats, and more sophisticated and targeted computer crimes pose a risk to our systems, networks, products, solutions, services, and data, as well as our reputation, which could adversely affect our business.
- We are subject to stringent privacy laws and information security policies and regulations.
- Our increasing focus on and investment in cloud, edge, artificial intelligence, and software offerings presents risks to our business.
- The failure to comply with the U.S. Foreign Corrupt Practices Act (“FCPA”) and similar anti-corruption and anti-bribery laws has resulted and could continue to result in civil or criminal sanctions and adversely affect our business.
- We are subject to anti-kickback and false claims laws and failure to comply with these laws could adversely affect our business.
- If we do not successfully manage our collaboration arrangements, licensing arrangements, joint ventures, or strategic alliances with third parties, we may not realize the expected benefits from such arrangements, which could adversely affect our business.
- Efforts by public and private payers to control increases in healthcare costs may lead to lower reimbursements or increased utilization controls related to the use of our products by healthcare providers, which may affect demand for our products, services, or solutions.
- We are exposed to risks associated with product liability claims that have been and may be brought against us or as a result of the actions or inactions of our customers or third parties that are outside of our control.

- Our business operations are subject to extensive laws and regulations, and any changes thereto or violations thereof could have a material adverse effect on our business.
- Increasing attention to environmental, social, and governance (“ESG”) matters, including environmental, health, and safety (“EH&S”) matters, may impose additional costs on our business and expose us to new risks.
- We may be unable to achieve some or all of the benefits that we expect to achieve from the Spin-Off.
- We expect to incur new indebtedness concurrently with or prior to the Spin-Off, and the degree to which we will be leveraged following completion of the Spin-Off could adversely affect our business, results of operations, cash flows, and financial condition.
- No market for our common stock currently exists and an active trading market may not develop or be sustained after the Spin-Off. Following the Spin-Off, our stock price may fluctuate significantly, and there can be no assurance that the combined trading prices of our and GE’s common stock would exceed the trading price of GE common stock absent the Spin-Off.
- Substantial sales of our common stock may occur in connection with the Spin-Off, or in the future, including the disposition by GE of our shares of common stock that it will retain after the Spin-Off, either of which could cause our stock price to decline or be volatile.

### **The Spin-Off**

On November 9, 2021, GE announced plans for the complete legal and structural separation of the Healthcare business from GE, as well as the subsequent spin-off of GE Vernova. In reaching the decision to pursue the Spin-Off of the Healthcare business, GE considered a range of potential structural alternatives and concluded that the Spin-Off is the most attractive alternative for enhancing stockholder value. To effect the Spin-Off, GE will undertake the Reorganization Transactions. GE will subsequently distribute at least 80.1% of our common stock to GE’s stockholders, and following the Spin-Off, GE HealthCare, holding the Healthcare business, will become an independent, publicly traded company. GE will retain up to 19.9% of our outstanding shares following the Spin-Off. Prior to completion of the Spin-Off, we intend to enter into a separation and distribution agreement (the “Separation and Distribution Agreement”) and several other agreements with GE related to the Spin-Off. These agreements will govern our relationship with GE up to and after completion of the Spin-Off and allocate between us and GE and various assets, liabilities and obligations, including employee benefits, intellectual property, and tax-related assets and liabilities. See “Certain Relationships and Related Person Transactions.”

GE’s plan to transfer less than all of our common stock to its stockholders in the Spin-Off is motivated by its desire to establish, in an efficient and non-taxable, cost-effective manner, an appropriate capital structure for both us and GE, including by reducing, directly or indirectly, GE’s indebtedness following the Spin-Off. GE currently intends to dispose of all of our common stock that it retains after the Spin-Off, based on market and general economic conditions and sound business judgment, (A) through one or more subsequent exchanges of our common stock for GE debt held by one or more investment banks, (B) through distributions to GE stockholders either pro rata as dividends or in exchange for outstanding shares of GE common stock, or (C) in one or more public or private sale transactions (including potentially through secondary transactions).

In connection with the Spin-Off, GE will transfer to us plan assets and obligations primarily associated with our active, retired, and other former GE employees in certain jurisdictions and we will provide the benefits directly. The actual assumed net benefit plan obligations and related expenses could change significantly from our estimates. The plan assets and obligations that will transfer to us in connection with the Spin-Off will be



based on the GE Principal Pension Plans which consist of the GE Pension Plan, the GE Supplementary Pension Plan, the GE Principal Retiree Benefit Plans, and Other Pension Plans consisting of U.S. and non-U.S. pension plans.

Completion of the Spin-Off is subject to the satisfaction or waiver of a number of conditions. In addition, GE has the right not to complete the Spin-Off if, at any time, the GE Board determines, in its sole and absolute discretion, that the Spin-Off is not in the best interests of GE or its stockholders, or is otherwise not advisable. See “The Spin-Off—Conditions to the Spin-Off.”

Following the Spin-Off, we and GE will be better positioned to increase managerial focus on pursuing individual strategies to drive performance, invest more in growth opportunities, and execute strategic plans best suited to address the distinct market trends and opportunities for the respective businesses. Following the Reorganization Transactions, we will hold GE’s former Healthcare business, and we will have greater agility to deliver market-leading innovation across our products, services, and solutions. We plan to focus on further developing our expertise in Imaging and digital, Patient Care Solutions, Pharmaceutical Diagnostics, and Ultrasound. Additionally, after our separation from GE, GE intends to complete the separate spin-off of GE Vernova and to focus on GE Aerospace. Further, the Spin-Off will allow our management team to devote its time and attention to the corporate strategies and policies that are based specifically on the needs of the Healthcare business. We plan to create incentives for our management and employees that align with our business performance and the interests of our stockholders, which will help us attract, retain, and motivate highly qualified personnel. Moreover, following the Spin-Off, each company will be able to use its capital to pursue and achieve strategic objectives including effectuating acquisitions. Additionally, we and GE believe the Spin-Off will help align our stockholder base with the characteristics and risk profile of the respective businesses. See “The Spin-Off—Reasons for the Spin-Off.”

Following the Spin-Off, we expect our common stock will trade on The Nasdaq Stock Market LLC under the ticker symbol “GEHC.”

### **Our Corporate Information**

We are a wholly-owned subsidiary of GE. We were formed on May 16, 2022 to serve as a holding company for the Healthcare business. We have engaged in no business operations to date and have no assets or liabilities of any kind, other than those incidental to our formation. Our corporate headquarters will be located at 500 W. Monroe Street, Chicago, Illinois 60661, and our telephone number is 617-443-3400. Our website address is [www.gehealthcare.com](http://www.gehealthcare.com). Information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this Information Statement. We will convert into a corporation and will be renamed GE HealthCare Technologies Inc. prior to the completion of the Spin-Off.

### Summary Historical and Unaudited Pro Forma Condensed Combined Financial Information

The following summary financial data reflects the combined operations of GE HealthCare. The summary historical and unaudited pro forma condensed combined financial data shown below should be read in conjunction with the sections herein entitled “Capitalization,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Unaudited Pro Forma Condensed Combined Financial Statements,” and “Certain Relationships and Related Person Transactions” as well as our combined financial statements and the corresponding notes included elsewhere in this Information Statement. For factors that could cause actual results to differ materially from those presented in the summary historical and pro forma condensed combined financial data, see “Cautionary Statement Concerning Forward-Looking Statements” and “Risk Factors” included elsewhere in this Information Statement.

We derived the summary historical combined financial information for each of the fiscal years in the three-year period ended December 31, 2021, from our audited combined financial statements and for each of the six months ended June 30, 2022 and 2021 from our unaudited condensed combined financial statements, which are included elsewhere in this Information Statement.

The summary unaudited pro forma condensed combined financial information for the six months ended June 30, 2022, and the year ended December 31, 2021, has been derived from our unaudited pro forma condensed combined financial information, which is included elsewhere in this Information Statement.

	Pro Forma		Historical				
	Six months ended	Year ended	Six months ended		Years ended		
	June 30	December 31	June 30	2021	2021	2020	2019
<i>(\$ in millions)</i>	2022	2021	2022	2021	2021	2020	2019
Total revenues	\$8,827	\$17,585	\$8,827	\$8,692	\$ 17,585	\$ 17,164	\$ 16,633
Cost of revenues	5,353	10,411	5,353	5,146	10,411	10,397	10,085
Gross profit	3,474	7,174	3,474	3,546	7,174	6,767	6,548
Selling, general and administrative	1,869	3,725	1,839	1,739	3,563	3,237	3,591
Research and development	495	816	495	391	816	810	833
Total operating expenses	2,364	4,541	2,334	2,130	4,379	4,047	4,424
Operating income	1,110	2,633	1,140	1,416	2,795	2,720	2,124
Net income attributable to GE HealthCare	\$ 663	\$ 1,175	\$ 874	\$1,169	\$ 2,247	\$ 13,846	\$ 1,524
Cash from (used for) operating activities – continuing operations	n/a	n/a	\$ 449	\$1,040	\$ 1,607	\$ 2,618	\$ 1,838
Other data <sup>(a)</sup> :							
Organic revenue growth*	3%	1%	3%	n/a	1%	4%	n/a
Adjusted EBIT*	\$1,288	\$ 3,085	\$1,318	\$1,567	\$ 3,172	\$ 2,981	\$ 2,492
Adjusted net income*	\$ 722	\$ 1,843	\$ 961	\$1,159	\$ 2,347	\$ 2,121	\$ 1,892
Free cash flow*	n/a	n/a	\$ 293	\$1,713	\$ 2,827	\$ 2,463	\$ 1,900

(a) In addition to our operating results, as calculated in accordance with U.S. GAAP, we use, and plan to continue using non-GAAP financial measures, when monitoring and evaluating operating performance. The non-GAAP financial measures presented in this Information Statement are supplemental measures of our performance and our liquidity that we believe help investors understand our financial condition and operating results and assess our future prospects. We believe that these non-GAAP financial measures, in addition to the corresponding U.S. GAAP financial measures, are important supplemental measures which exclude non-cash or other items that may not be indicative of or are unrelated to our core operating results

\* Non-GAAP financial measure.

and the overall health of our company. For more information about our non-GAAP financial measures, see “Non-GAAP Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.”

(\$ in millions)	Pro Forma	Historical		
	As of June 30,	As of June 30,	As of December 31,	
	2022	2022	2021	2020
Cash, cash equivalents, and restricted cash . . . .	\$ 1,800	\$ 525	\$ 556	\$ 1,007
Total assets . . . . .	32,300	26,464	26,308	24,228
Due to related parties . . . . .	51	149	189	225
Long-term borrowings . . . . .	10,186	30	31	31
Compensation and benefits <sup>(a)</sup> . . . . .	6,799	682	751	805
Total liabilities . . . . .	26,044	9,190	9,412	9,254
Total equity . . . . .	5,862	17,054	16,676	14,751
Total liabilities, redeemable noncontrolling interests and equity . . . . .	32,300	26,464	26,308	24,228

(a) Includes, among other assets and obligations, pension and other employee benefit plans from GE sponsored plans that will be transferred to us in connection with the Spin-Off.

The tables below reconcile our non-GAAP financial measures to the nearest financial measure that is in accordance with U.S. GAAP for the periods presented. See “Non-GAAP Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for further information.

**Organic Revenue\***

(\$ in millions)	Historical								
	Six months ended June 30			Years ended December 31			Years ended December 31		
	2022 <sup>(c)</sup>	2021	% change	2021 <sup>(c)</sup>	2020	% change	2020	2019	% change
<b>Total revenues</b> . . . . .	<b>\$8,827</b>	<b>\$8,692</b>	<b>2%</b>	<b>\$17,585</b>	<b>\$17,164</b>	<b>2%</b>	<b>\$17,164</b>	<b>\$16,633</b>	<b>3%</b>
Less: Acquisitions <sup>(a)</sup> . . . . .	115	—		19	—		36	—	
Less: Dispositions <sup>(b)</sup> . . . . .	—	—		—	81		21	76	
Less: Foreign currency exchange . . . .	(252)	—		308	—		(36)	—	
<b>Organic revenue*</b> . . . . .	<b>\$8,964</b>	<b>\$8,692</b>	<b>3%</b>	<b>\$17,258</b>	<b>\$17,083</b>	<b>1%</b>	<b>\$17,143</b>	<b>\$16,557</b>	<b>4%</b>

- (a) Represents revenue attributable to acquisitions from the date we completed the transaction through the end of four quarters following the transaction.
- (b) Represents revenue attributable to dispositions for the four quarters preceding the disposition date.
- (c) Represents both Historical and Pro Forma financial data as no adjustments were made to Total revenues on a Pro Forma basis.

\* Non-GAAP financial measure.

**Adjusted EBIT\***

(\$ in millions)	Pro Forma		Historical				
	Six months ended June 30	Year ended December 31	Six months ended June 30		Years ended December 31		
	2022	2021	2022	2021	2021	2020	2019
<b>Net income attributable to GE</b>							
<b>HealthCare</b> .....	<b>\$ 663</b>	<b>\$1,175</b>	<b>\$ 874</b>	<b>\$1,169</b>	<b>\$2,247</b>	<b>\$13,846</b>	<b>\$1,524</b>
Add: Interest and other financial charges – net .....	299	604	16	24	40	66	88
Add: Non-operating benefit (income) costs .....	(41)	671	(3)	1	3	5	9
Less: Provision for income taxes .....	(220)	(278)	(284)	(261)	(600)	(652)	(410)
Less: Income (loss) from discontinued operations, net of taxes .....	12	18	12	7	18	11,839	(128)
Less: Net (income) loss attributable to noncontrolling interests .....	(26)	(46)	(26)	(21)	(46)	(51)	(29)
<b>EBIT*</b> .....	<b>\$1,155</b>	<b>\$2,756</b>	<b>\$1,185</b>	<b>\$1,469</b>	<b>\$2,918</b>	<b>\$ 2,781</b>	<b>\$2,188</b>
Add: Restructuring costs <sup>(a)</sup> .....	22	155	22	59	155	134	160
Add: Acquisition, disposition related charges <sup>(b)</sup> .....	29	14	29	—	14	—	—
Add: Spin-Off and separation costs <sup>(c)</sup> .....	—	75	—	—	—	2	54
Add: (Gain)/loss of business dispositions/divestments <sup>(d)</sup> .....	(3)	(2)	(3)	(4)	(2)	3	(3)
Add: Amortization of acquisition-related intangible assets .....	63	90	63	45	90	83	92
Add: Investment revaluation (gain) /loss <sup>(e)</sup> .....	22	(3)	22	(2)	(3)	(22)	1
<b>Adjusted EBIT*</b> .....	<b>\$1,288</b>	<b>\$3,085</b>	<b>\$1,318</b>	<b>\$1,567</b>	<b>\$3,172</b>	<b>\$ 2,981</b>	<b>\$2,492</b>
<b>Net income margin (U.S. GAAP)</b> .....	<b>7.5%</b>	<b>6.7%</b>	<b>9.9%</b>	<b>13.4%</b>	<b>12.8%</b>	<b>80.7%</b>	<b>9.2%</b>
<b>Adjusted EBIT margin*</b> .....	<b>14.6%</b>	<b>17.5%</b>	<b>14.9%</b>	<b>18.0%</b>	<b>18.0%</b>	<b>17.4%</b>	<b>15.0%</b>

- (a) Consists of severance, facility closures, and other charges associated with historical restructuring programs.
- (b) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.
- (c) Costs incurred in the Spin-Off and separation from GE as well as the planned IPO of GE's Healthcare business in 2019 including system implementation, audit and advisory fees, legal entity separation, and other one-time costs.
- (d) Consists of gains and losses resulting from the sale of assets and investments.
- (e) Primarily relates to valuation adjustments for equity investments.

\* Non-GAAP financial measure.

### Adjusted Net Income\*

(\$ in millions)	Pro Forma		Historical				
	Six months ended June 30	Year ended December 31	Six months ended June 30		Years ended December 31		
	2022	2021	2022	2021	2021	2020	2019
<b>Net income attributable to GE HealthCare</b>	<b>\$663</b>	<b>\$1,175</b>	<b>\$874</b>	<b>\$1,169</b>	<b>\$2,247</b>	<b>\$13,846</b>	<b>\$1,524</b>
Add: Non-operating benefit (income) costs	(41)	671	(3)	1	3	5	9
Add: Restructuring costs <sup>(a)</sup>	22	155	22	59	155	134	160
Add: Acquisition, disposition related charges <sup>(b)</sup>	29	14	29	—	14	—	—
Add: Spin-Off and separation costs <sup>(c)</sup>	—	75	—	—	—	2	54
Add: (Gain)/loss of business dispositions/divestments <sup>(d)</sup>	(3)	(2)	(3)	(4)	(2)	3	(3)
Add: Amortization of acquisition-related intangible assets	63	90	63	45	90	83	92
Add: Investment revaluation (gain) /loss <sup>(e)</sup>	22	(3)	22	(2)	(3)	(22)	1
Add: Tax effect of reconciling items	(21)	(237)	(31)	(25)	(62)	(51)	(73)
Less: Impact of tax law changes <sup>(f)</sup>	—	77	—	77	77	40	—
Less: Income (loss) from discontinued operations, net of taxes	12	18	12	7	18	11,839	(128)
<b>Adjusted net income*</b>	<b>\$722</b>	<b>\$1,843</b>	<b>\$961</b>	<b>\$1,159</b>	<b>\$2,347</b>	<b>\$ 2,121</b>	<b>\$1,892</b>

(a) Consists of severance, facility closures, and other charges associated with historical restructuring programs.

(b) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.

(c) Costs incurred in the Spin-Off and separation from GE as well as the planned IPO of GE's Healthcare business in 2019 including system implementation, audit and advisory fees, legal entity separation, and other one-time costs.

(d) Consists of gains and losses resulting from the sale of assets and investments.

(e) Primarily relates to valuation adjustments for equity investments.

(f) Consists of benefit from U.K. tax rate change.

### Free Cash Flow\*

(\$ in millions)	Historical				
	Six months ended June 30		Years ended December 31		
	2022	2021	2021	2020	2019
<b>Cash from (used for) operating activities – continuing operations</b>	<b>\$ 449</b>	<b>\$1,040</b>	<b>\$1,607</b>	<b>\$2,618</b>	<b>\$1,838</b>
Add: Additions to PP&E and internal-use software	(159)	(115)	(248)	(259)	(331)
Add: Dispositions of PP&E	3	12	15	16	52
Add: Impact of factoring programs <sup>(a)</sup>	—	776	1,453	88	341
<b>Free cash flow*</b>	<b>\$ 293</b>	<b>\$1,713</b>	<b>\$2,827</b>	<b>\$2,463</b>	<b>\$1,900</b>

(a) Adjustment to present net cash flows from operating activities from continuing operations had we not factored receivables with GE's Working Capital Solutions ("WCS"). By the end of 2021, factoring of receivables with WCS was discontinued.

\* Non-GAAP financial measure.

## RISK FACTORS

*You should carefully consider the following risks and other information in this Information Statement in evaluating GE HealthCare and GE HealthCare's common stock. Any of the following risks could materially and adversely affect GE HealthCare's business, financial condition, or results of operations.*

### **Risks Relating to Our Business and Our Industry**

#### *Risks Relating to Our Operations*

***We operate in highly competitive markets, competition may increase in the future, and our industry may be disrupted, requiring us to lower prices or resulting in a loss of market share.***

Healthcare markets are characterized by rapidly evolving technology, frequent introduction of new products, intense competition, and pricing pressure. We face substantial competition from international and domestic companies of all sizes; these competitors often differ across our businesses. Competition is primarily focused on cost effectiveness, price, service, product performance, and technological innovation. Our ability to compete successfully may be adversely affected by factors such as:

- the introduction of new or more affordable products or product enhancements by competitors, including products that could substitute for our products;
- the development of new technology, the application of known or unknown technology, advances in medicine, or new developments in the treatment or diagnosis of disease that transform our industry or render a product line obsolete;
- competitors responding more quickly or effectively to new technology or changes in customer requirements and industry trends;
- a failure to satisfy local market conditions, such as mandatory intellectual property transfers, protectionist measures, and other government policies supporting increased local competition;
- the application of new or innovative business models to our industry;
- the emergence of new market entrants, including those with innovative technology or substantial financial resources, such as startups or established technology companies;
- a failure to maintain or expand relationships with existing customers or attract new customers;
- cost of production or delivery, whether due to geographic location, currency fluctuations, taxes, duties, or otherwise, which may enable our competitors to offer greater discounts or lower prices;
- the perception of our brand and image in the market;
- the strengthening of independent service organizations and companies specializing in one or more of our operating segments or offerings;
- a failure to successfully enter new geographic or adjacent product markets;
- a failure to acquire or effectively integrate businesses and technologies that complement or expand our existing businesses;
- changing regulatory standards, legal requirements, or enforcement rigor; or
- consolidation among customers, suppliers, channel partners, or competitors.

The implementation of localization requirements and other government policies, driven by support of local industry, security of supply, and incentives for technological breakthroughs, could negatively affect our market share, business results, cash flows, and financial condition. In particular, we expect our Chinese competitors to continue to gain market share supported by Chinese government policies favorable to locally-based manufacturers.

Our industry-leading service organization allows us to deliver service offerings through an extensive network of field service engineers, global repair, and customer service centers. Increased competition from independent service organizations (“ISOs”), third-party entities that specialize in the repair and maintenance of medical devices produced by original equipment manufacturers (“OEMs”), including us, and evolving regulatory and legislative policies could adversely impact our business and results of operations by driving down quality and price levels for services and repairs. In the United States and Europe, ISOs have been increasing pressure for greater access to OEM service tools, parts, documents, software updates, and training.

Our inability to obtain and maintain regulatory authorizations for and supply commercial quantities of our offerings as quickly and effectively as our competitors could limit market acceptance. Furthermore, our markets are continually evolving and thus revenues and income are difficult to forecast. Any of these competitive factors could adversely affect our pricing, margins, and market share and have a material adverse effect on our business, cash flows, financial condition, results of operations, or prospects.

***Our business dealings involve third-party partners in various markets, and the actions or inactions of these third parties could adversely affect our business.***

Our business dealings involve third-party partners such as distributors, dealers, wholesalers, packagers, resellers, agents, and others. In turn, these parties may use sub-parties. Such dealings expose us to known and unknown risks, including risks related to economic, political, and regulatory environments; performance and quality control; business continuity in the event of termination; conflicts of interest; and legal and regulatory violations committed by these third parties or their sub-parties, which may not be subject to our control. These third parties may suffer or cause us to suffer commercial, financial, or reputational harm or violate local laws or regulations, each of which may be outside of our control and could jeopardize our ability to continue doing business in these markets or cause our relationships to deteriorate. Any of the foregoing could have a material adverse effect on our business results, cash flows, financial condition, or reputation.

***Our inability to complete acquisitions or to successfully integrate acquisitions could adversely affect our business.***

Our business strategy includes the acquisition of technologies and businesses that expand or complement our existing business. Successful growth through acquisitions depends upon our ability to identify suitable acquisition targets or assets, conduct due diligence, negotiate transactions on favorable terms, and ultimately complete such transactions and integrate the acquired target or asset successfully, and will be subject, in certain circumstances, to the consent of GE under the Tax Matters Agreement, as discussed in “—Risks Relating to the Spin-Off.”

Acquisitions may expose us to significant risks and uncertainties, including:

- competition for acquisition targets and assets, which may lead to substantial increases in purchase price or terms that are less attractive to us, including the use of our shares for payment of the purchase price;
- dependence on external sources of capital, in particular to finance the purchase price of acquisitions;
- rulings by certain antitrust or other regulatory bodies;
- acquired companies’ previous failure to comply with applicable regulatory requirements;
- failure to timely integrate acquired companies’ strategies, functions, and products into our own;
- inability to produce products at increased scale or loss of previously available distribution channels;
- heightened external scrutiny on acquired intellectual property rights, regulatory exclusivity periods, and confidentiality agreements, or lack of intellectual property rights for the acquired portfolio;
- diversion of our management’s attention from existing operations to the acquisition and integration process;

- a failure to accurately predict or to realize expected growth opportunities, cost savings, synergies, and market acceptance of acquired companies' products;
- a failure to identify significant non-compliant behaviors or practices by, or liabilities relating to, the acquisition target (or its agents) prior to acquisition;
- successor liability imposed by regulators for actions by the target (or its agents) prior to acquisition;
- expenses, delays, and difficulties in integrating acquired businesses into our existing businesses; and
- difficulties in retaining key customers and personnel.

Various other assessments and assumptions regarding acquisition targets may prove to be incorrect, and actual developments may differ significantly from our expectations. The occurrence of any of the above in connection with any acquisition could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***Our inability to manage our supply chain or obtain supplies of important components or raw materials has and could continue to restrict the manufacture of products, cause delays in delivery, or significantly increase our costs.***

We rely on the timely supply of components, products, services, and solutions. If suppliers fail to meet their delivery obligations, raise prices, or cease to supply to us, it may continue to cause delays in delivery or significantly increase our costs. If we lose suppliers, if their operations are substantially interrupted, if their prices continue to increase significantly due to inflationary pressures, or if any of them fail to meet performance or quality specifications, we may be required to identify and qualify one or more replacement suppliers. This also may require us to redesign or modify our products to incorporate new components and obtain regulatory authorization, qualification or certification of these redesigned or modified products. The COVID-19 pandemic has resulted, and may continue to result, in the inability of many of our suppliers to deliver components or raw materials on a timely basis. We anticipate these, and other supply chain pressures across our business, will continue to adversely affect our operations and financial performance for some period of time. Further, while we make efforts to diversify our suppliers, in many instances there may be a single source or sole supplier with no alternatives yet identified. Our dependence on such single or sole source suppliers subjects us to possible risks of shortages, interruptions, and price fluctuations.

Disruptions or loss of any of our single, or sole-sourced suppliers or capacity limitations of the suppliers for components could increase our costs, curtail growth opportunities, cause material delays, and adversely impact our business, financial results, and customer relationships. Supply chain interruptions or price increases in certain key countries, including China, could have a similar adverse effect on our business.

We rely upon supplies of certain raw materials, including helium, iodine, and rare earth minerals. Worldwide demand, availability, and pricing of these raw materials have been volatile, and we expect that to continue in the future. If supply of these materials is restricted or if prices increase, this could constrain our manufacturing of affected products, reduce our profit margins, or otherwise adversely affect our business results, cash flows, and financial condition.

The risks of disruption described above, including war, natural disasters, climate change-related physical and transitional risks, actual or threatened public health emergencies, or other business continuity events, could adversely affect our operations and limit our ability to meet our commitments to customers or significantly impact our financial results and condition.

We have replaced certain internal capabilities with outsourced products, services, or solutions. These processes may result in increased dependency on external suppliers. Failure of third-party suppliers to establish and comply with required quality management systems may also lead to withdrawals of our certifications or



authorizations required for market access in certain jurisdictions. Such supplier failures may prevent us from meeting customer requirements in a timely manner, which could result in damages or other claims, order cancellations, loss of market share, and damage to our reputation. Shortages or delays could adversely affect our business. A general shortage of materials or components also poses the risk of unforeseeable fluctuations in prices and demand. Any of the above factors could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***Any interruption in the operations of our manufacturing facilities may impair our ability to deliver products or provide services.***

We are dependent on our global production and operating network to develop, manufacture, assemble, supply, and service our offerings. A work stoppage, labor shortage, or other production limitation, including import or export restrictions and transportation issues, among others, could occur at our manufacturing facilities and negatively impact our reputation and market position for several reasons, including as a result of regulatory enforcement actions, tight credit markets, or other financial distress, production constraints or difficulties, unscheduled downtimes, war, severe weather and natural disasters, fires and explosions, accidents, mechanical failures, unscheduled downtimes, pandemics, civil unrest, strikes, unpermitted releases of toxic or hazardous substances, other EH&S risks, sabotage, cybersecurity attacks, riots, or terrorist attacks.

Any significant event affecting one of our production or operating facilities may result in a disruption to our ability to supply customers, and standby capacity necessary for the reliable operation of the facility may not be sufficiently available. The impact of these risks is heightened if our production capacity is at or near full utilization (or if we lack alternative manufacturing sites) and could result in our inability to accept orders or deliver products in a timely manner. Additionally, significant capital investment to increase manufacturing capacity may be required to expand our business or meet increased demand for our products in the future. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***We rely on third parties to perform logistics and transportation functions on our behalf, and disruptions at our logistics providers could adversely affect our business.***

Third-party logistics providers perform our logistics, shipping, and transportation functions. If any of our logistics providers fails to honor a contractual relationship with us, suffers a business interruption, or experiences delays, disruptions, or quality control problems in its operations, including due to pandemics, regional conflicts, natural disasters, or extreme weather events, or if we have to change and qualify alternative logistics providers for our products, shipments to our customers may be delayed. Increased costs and delays, including as a result of disruptions in transportation lines, international air freight capacity limitations, driver and truck capacity limitations in certain markets, airport and port congestion, and delays in customs processes, could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***We have and will assume significant net liabilities with respect to our postretirement benefit plans, including increases in pension, healthcare, and life insurance benefits obligations, and the actual costs of these obligations could exceed current estimates, which are reliant on GE's estimates and assumptions.***

After the Spin-Off, we expect that our total postretirement benefit plans' net liabilities for our employees, our former employees and certain legacy former employees unrelated to our core business and allocated to us by GE will be approximately \$5.2 billion. These net liabilities arise under multiple benefit plans and statutory obligations in various countries. Increases in pension, healthcare, and life insurance benefits obligations and costs can adversely affect our earnings, cash flows, and financial condition. In addition, there may be upward pressure on the cost of providing healthcare benefits to current and future retirees and there can be no assurance that the measures we have taken to control increases in these costs will succeed and this could have a material adverse effect on our business results, cash flows, and financial condition. Most of the liabilities arise under pension plans, including defined benefit pension plans, either funded (or partly funded) with plan assets or unfunded.

Our results of operations may be positively or negatively affected by the amount of income or expense we record for our defined benefit pension plans. U.S. GAAP requires that we calculate income or expense for the plans using actuarial valuations, which reflect assumptions about financial markets, interest rates, discount rate, and the expected long-term rate of return on plan assets. We are also required to make an annual measurement of plan assets and liabilities, which may result in a significant reduction or increase in equity. The factors that impact our pension calculations are subject to changes in key economic indicators, and future decreases in the discount rate or low returns on plan assets can increase our funding obligations and adversely impact our financial results and financial conditions. In addition, although U.S. GAAP expense and pension funding contributions are not directly related, key economic factors that affect U.S. GAAP expense would also likely affect the amount of cash we would be required to contribute to pension plans under ERISA. Failure to achieve expected returns on plan assets driven by various factors, including sustained market volatility, could also result in an increase in the amount of cash we would be required to contribute to pension plans.

The defined benefit obligation is determined by actuarial assumptions such as the rate of compensation increase or pension progression rate and biometric factors (such as participant mortality), as well as the discount rate applied. The basis for determining the discount rate is in principle the yield on high-quality corporate bonds. A change of the discount rate and changes of the assessments of market yields used, respectively, may result in significant changes to the defined benefit obligation. Differences between actual experience and the predicted actuarial assumptions, discount rates, and investment performance on plan assets can affect defined benefit plan liabilities.

We will assume certain liabilities from GE in connection with the Spin-Off, including some liabilities unrelated to our core business. For example, we will retain and assume responsibility for certain liabilities for pension, healthcare, and life insurance benefits previously granted to GE employees, including our employees, our former employees, and certain other legacy former employees unrelated to our core business and allocated to us by GE. We currently rely on estimates and assumptions made by GE with respect to the scope, probability, and magnitude of these liabilities. Such estimates and assumptions involve complex judgments which are difficult to make. Actual developments may differ from estimates and assumptions, thereby resulting in an increase or decrease in our actual obligations for these liabilities. Changes in economic conditions, financial markets, investment performance, or legal conditions governing these liabilities can result in significant increases or decreases in the size of our actual obligations over time. Any of these factors and developments could have a material adverse effect on our business results, cash flows, financial condition, or prospects. Furthermore, accounting standards and legal conditions governing our pension obligations are subject to changes in applicable legislation, regulations, or case law. We cannot provide any assurance that we will not incur new or more extensive pension obligations in the future due to such changes.

Any of these factors and developments could have a material adverse effect on our business results, cash flows, financial condition, or prospects. For a discussion regarding how our financial statements have been and can be affected by our pension and healthcare benefit obligations, see Note 10, "Postretirement Benefit Plans" to the audited combined financial statements included elsewhere in this Information Statement.

***If we are unable to attract or retain key personnel and qualified employees, or maintain relations with our employees, unions, and other employee representatives, it could adversely affect our business.***

There is substantial competition for key personnel, senior management, and qualified employees in the healthcare industry and we may face increased competition for such a highly qualified scientific, technical, clinical, and management workforce in a highly competitive environment. There can be no assurance that we will be successful in retaining existing personnel or recruiting new personnel.

Certain of our employees in the United States and elsewhere are covered by collective bargaining agreements. These agreements typically contain provisions regarding the general working conditions of our employees, including provisions that could affect our ability to restructure our operations, close facilities, or

reduce our number of employees. We may not be able to extend existing collective bargaining agreements or, upon the expiration of such agreements, negotiate such agreements in a favorable and timely manner or without work stoppages, strikes or similar actions.

The loss of one or more key employees, our inability to attract or develop additional qualified employees, any delay in hiring key personnel, any deterioration of the relationships with our employees, unions, and other employee representatives, or any material work stoppage, strike, or similar action could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***The global COVID-19 pandemic has had and may continue to have a material adverse impact on our business, as well as on the operations and financial performance of some of the customers and suppliers in industries that we serve.***

Some of our operations and financial performance since early 2020 have been negatively impacted by the COVID-19 pandemic that has caused, and may continue to cause, a slowdown of economic activity (including volatility in demand for our products, services, and solutions), disruptions in global supply chains, and significant volatility in financial markets. As the COVID-19 pandemic continues to affect economic activity globally or in various regions, the extent to which this will adversely impact our future operations and financial performance is uncertain. Across all of our businesses, we have experienced and expect to continue to experience operational challenges from the need to protect employee health and safety, site shutdowns, workplace disruptions, and restrictions on the movement of people, raw materials, and goods (both at our own facilities and at those of our customers and suppliers), global supply chain disruptions, and price inflation. We also have experienced, and may continue to experience, unpredictable demand for our products, services, and solutions, customer requests for potential payment deferrals or other contract modifications, supply chain under-liquidation, delays of deliveries and the achievement of other billing milestones, delays or cancellations of new projects and related down payments, and other factors related, directly and indirectly, to the COVID-19 pandemic's effects on our customers that adversely impact our businesses.

The ultimate impact of the COVID-19 pandemic on our operations and financial performance depends on many factors that are not within our control, including, but not limited to: the severity and duration of the pandemic; the impact of coronavirus variants and resurgences; governmental, business, and individuals' actions in response to the pandemic; the impact of the pandemic on global and regional economies, travel, and economic activity; the development, availability, and public acceptance of effective treatments or vaccines; our employees' compliance with vaccine mandates that may apply in various jurisdictions; the availability of federal, state, local, or non-U.S. funding programs; global economic conditions and levels of economic growth; and the pace and extent of the ultimate recovery from the COVID-19 pandemic. A number of accounting estimates that we make have been and will continue to be affected by the COVID-19 pandemic and uncertainties related to these and other factors, and our accounting estimates and assumptions may change over time in response to COVID-19 (see Note 2, "Summary of Significant Accounting Policies" to the audited combined financial statements included elsewhere in this Information Statement). As the COVID-19 pandemic continues to adversely affect our operating and financial results, it may also have the effect of heightening many of the other risk factors described below.

#### *Risks Relating to Technology and Intellectual Property*

***Our research and development efforts may not succeed in developing commercially successful products and technologies, which could adversely affect our business.***

To remain competitive, we must continue to launch new products, services, and solutions, requiring substantial investment in research and development. If we cannot successfully introduce new offerings that address the needs of our customers, our offerings may become obsolete, and business results, cash flows, and financial condition could suffer.

Many of our offerings have lengthy development and commercialization cycles. Promising new products, services, and solutions may fail to reach the market or may only have limited commercial success because of safety or efficacy concerns, failure to achieve positive outcomes, inability to obtain necessary regulatory authorizations, or third-party reimbursement decisions. Additionally, new offerings may be quickly rendered obsolete by changing customer preferences, changing industry standards, or competitors' innovations or reverse engineering efforts. It is uncertain when or whether our products, services, or solutions currently under development will be launched or will be commercially successful. Any of these developments may have a material adverse effect on our business results, cash flows, financial condition, and prospects.

***We may be unable to obtain, maintain, protect, or effectively enforce our intellectual property rights.***

We place considerable emphasis on obtaining, maintaining, and using our intellectual property to support our business strategy. We pursue intellectual property protection in key jurisdictions to protect our R&D investment and limit the risk of infringing third-party intellectual property rights. However, we cannot assure that our means of obtaining, maintaining, and enforcing our intellectual property rights will be adequate to maintain a competitive advantage.

The laws of many jurisdictions may not protect our intellectual property rights or provide an adequate forum to effectively address situations where our intellectual property rights have been compromised. Furthermore, protecting against the unauthorized use of proprietary technology is difficult and expensive and we may need to litigate with third parties to enforce or defend patents issued to us or to determine the enforceability and validity of our proprietary rights or those of others. Determining whether an offering infringes, misappropriates, or otherwise violates a third party's intellectual property rights involves complex legal and factual issues, and the outcome of this type of litigation is often uncertain and inconsistent. An adverse determination in any such litigation could materially impair our intellectual property rights and may harm our business.

From time to time, we receive notices from third parties asserting infringement, misappropriation, or violation of their intellectual property rights. We are also subject to lawsuits alleging infringement, misappropriation, or other violation of third-party intellectual property rights. When such claims are asserted against us (or to avoid such claims), we may seek to license the third party's intellectual property rights, which may be costly. We may be unable to obtain necessary licenses on satisfactory terms, if at all. If we are unable to obtain an adequate license, we may be subject to lawsuits seeking damages or an injunction against the manufacture, import, marketing, sale, or operation of our offerings or against the operation of our business as presently conducted. We do not maintain insurance for claims or litigation involving the infringement, misappropriation, or other violation of intellectual property rights. Regardless of the merits or outcome, the resolution of any intellectual property dispute could require significant financial and management resources.

Adverse judicial rulings or our entry into any license or settlement agreement in connection with third-party claims could affect our ability to compete and have a material adverse effect on our business results, cash flows, financial condition, or prospects. Our agreements with our customers and other third parties typically include indemnification or other provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred as a result of intellectual property claims. We may not always be successful in limiting our liability with respect to such obligations and could become subject to large indemnity payments or damages claims from contractual breach, which could harm our business results, cash flows, financial condition, or prospects.

Furthermore, protecting confidential information and trade secrets can be difficult and, even if a successful enforcement action is brought, such action may not be effective in protecting our intellectual property rights. Additionally, the increased sharing of our data with third parties as a result of right to repair legislation could increase the risk of loss or damage to our intellectual property. If we cannot adequately obtain, maintain, protect, or enforce our intellectual property rights, our competitors may be able to compete more successfully against us, which could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We may not receive protection for pending or future applications relating to intellectual property rights owned by or licensed to us and the claims allowed under any issued intellectual property rights may not be sufficiently broad to protect our products, services, solutions, and any associated trademarks. Products sold by our competitors may infringe, misappropriate, or otherwise violate intellectual property rights owned or licensed by us. Any issued intellectual property rights owned by or licensed to us may be challenged, invalidated, held unenforceable, or circumvented in litigation or other proceedings, and these limited intellectual property rights may not provide us with effective competitive advantages. Intellectual property rights may also be unavailable, limited, unenforceable, or practically unenforceable in some countries, and some governments may require us to transfer our intellectual property rights to local entities to do business in the jurisdiction, either of which could make it easier for competitors to capture increased market position and compete with us. We may also incur substantial costs to protect ourselves in litigation or other proceedings involving the validity and enforceability of our intellectual property rights. If claims against us are successful, we could lose valuable intellectual property rights. An unfavorable outcome in any such litigation could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We do not own the GE trademark or logo and will enter into a Trademark License Agreement with GE as of or prior to the date of the completion of the Spin-Off, pursuant to which GE will grant us a license to use specified trademarks, which will include the GE Monogram and the “GE HealthCare” word mark for use in connection with certain of our products, services, and solutions, as well as the right to use the GE brand in connection with certain legal entity names within our corporate structure. GE owns and controls the GE brand, and the integrity and strength of the GE brand will depend in large part on the efforts and businesses of GE and other licensees of the GE brand and how the brand is used, promoted, and protected by them, which will be outside of our control. Furthermore, there are certain circumstances under which the Trademark License Agreement may be terminated. Termination of the Trademark License Agreement would eliminate our rights to use the specified trademarks granted to us under this agreement and may result in our having to negotiate a new or reinstated agreement with less favorable terms or cause us to lose our rights under the Trademark License Agreement, which would require us to change our corporate name and undergo significant rebranding efforts. These rebranding efforts may require significant resources and expenses and may affect our ability to attract and retain customers, all of which could have an adverse effect on our business results, cash flows, financial condition, or prospects.

***Increased cybersecurity requirements, vulnerabilities, threats, and more sophisticated and targeted computer crimes pose a risk to our systems, networks, products, solutions, services, and data, as well as our reputation, which could adversely affect our business.***

We manufacture and sell products that rely upon software and computer systems to operate properly and process and store confidential information. Our products often are connected to, and reside within, our customers’ information technology (“IT”) infrastructures. In some jurisdictions, we are expected to design our products to include appropriate cybersecurity protections, and regulatory authorities review such protections when granting marketing authorizations. While we seek to protect our products and IT systems from unauthorized access, these measures may not be effective, particularly because techniques used to obtain unauthorized access or to sabotage systems change frequently, increase in sophistication, and often are not recognized until launched against a target. These risks apply to our installed base of products, products we currently sell, new products we will introduce in the future, and older technology that we no longer sell or service but remains in use by customers. Additionally, we offer software, cloud, and edge products that are developed by, reside with, or are hosted by third-party providers. A cybersecurity breach of our systems or products, our customers’ or service providers’ network security and systems, or of other third-party services could disrupt treatment being delivered to patients or interfere with our customers’ operations, and could lead to the loss of, damage to, or public disclosure of our employees’ and customers’ stored information, including personal data. Such an event could have serious negative consequences, including alleged customer or patient harm, obligations to notify enforcement authorities or users of our products, voluntary or forced recalls of or modifications to our products, regulatory actions, fines, penalties and damages, reduced demand for or use of our offerings by

customers, harm to our reputation, and time-consuming and expensive litigation, any of which could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

IT helps us operate efficiently, support our customers, maintain financial accuracy, and produce our financial statements. There are increasingly large volumes of information, including patient data, being generated that need to be securely processed and stored by healthcare organizations. However, like most multinational corporations, our IT systems have been subject to computer viruses, malicious code, unauthorized access, and other cyber-attacks. There has been an increase in the frequency and sophistication of the data security threats we and our service providers face. We may also be exposed to a more significant risk if such actions are taken by state or state-affiliated actors. The objectives of these cyber-attacks vary widely and may include, among other things, unauthorized access to personal, customer, or third-party information, disruptions of operations and the provision of services to customers, or theft of intellectual property or other sensitive assets or information belonging to us, our business partners, or customers. As such attacks become more effective, the risks in this area continue to grow. Although we have back-up systems in place, they may not be adequate in the event of a failure or interruption. We could suffer significant business disruption, including transaction errors, supply chain or manufacturing interruptions, processing inefficiencies, data loss, loss of customers, reputational damage, or the loss of or damage to intellectual property or other proprietary information, litigation, investigation and possible liability to employees, customers, suppliers, patients, and regulatory authorities as a result of a successful cyber-attack. Further, our ability to effectively plan, forecast, and execute our business plan and comply with applicable laws and regulations may be impaired by such cyber-attacks. Any of the above could have a material adverse effect on our business results, cash flows, financial condition, or prospects, and the timeliness of reporting our operating results.

We rely on software, hardware, and other material components from a number of third parties to manufacture our products. If a material cyber incident impacting a supplier were to result in its prolonged inability to manufacture and/or ship such components, this could impact our ability to manufacture our products. In addition, third-party sourced software components, malicious code, or a critical vulnerability emerging within such software could expose our customers to increased cyber risk. From a cybersecurity perspective, for the former, we address these risks through our robust supplier cybersecurity assessment process through which suppliers are classified by risk, assessed and approved prior to onboarding (per standards including ISO 27001 and NIST 800-53) and, for critical suppliers, continuously monitored through the use of third-party services to identify fluctuations in security posture. For the latter, we address potential software vulnerability risks through robust pre-market verification, validation, and security testing (including both internal and industry-leading third-party security testing) and our post-market vulnerability management program with response service level agreements and safety risk integration, continuous vulnerability intake, and assessment from relevant sources, coordinated vulnerability disclosure program, and customer security portal for vulnerability communication and related information. While we have undertaken these efforts to mitigate cybersecurity risks, these efforts may not prevent all incidents.

If we were to experience a significant cybersecurity breach of our information systems or data, the costs associated with the investigation, remediation, and potential notification of the breach to customers, regulators, and counterparties could be material. In addition, our remediation efforts may not be successful. We currently maintain data privacy and IT security insurance; however, such coverage may be inadequate. In addition, the market for such insurance continues to evolve and, in the future, our data privacy and IT security insurance coverage may be prohibitively expensive or not available on acceptable terms or in sufficient amounts, or at all.

***We are subject to stringent privacy laws and information security policies and regulations.***

Our products and systems receive, generate, and store significant volumes of sensitive information, such as employee, customer, patient, and other personal data. Moreover, our digital ecosystem, which is intended to provide our customers with greater access to a broad array of personal and sensitive information to improve delivery of care to their patients, heightens our risks associated with the protection of such information. We have

legal and contractual obligations regarding the protection of confidential and personal information and the appropriate collection, use, retention, protection, disclosure, transfer, and other processing of such data. We are subject to various privacy law regimes in the different jurisdictions in which we operate, including comprehensive regulatory systems in Europe, Latin America, and Asia Pacific and sector-specific requirements in the United States. Certain international jurisdictions have enacted or are enacting data localization laws mandating that certain types of data collected in a particular jurisdiction be physically stored within that jurisdiction.

There are numerous U.S. federal and state laws and regulations related to the privacy and security of personal information. In particular, regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 as amended by the Health Information and Technology for Economic and Clinical Health Act (collectively, “HIPAA”) establish privacy and security standards that limit the use and disclosure of individually identifiable health information (“protected health information” or “PHI”), require the implementation of safeguards to protect the privacy and security of PHI and ensure the confidentiality, integrity, and availability of electronic PHI, and require the provision of notice in the event of a breach of PHI. If we are unable to properly protect the privacy and security of PHI, we could face liability for breach of our contracts with our customers. Further, if we fail to comply with applicable HIPAA privacy and security standards, we could face civil and criminal penalties. In addition, there are also various state-level laws (e.g., the California Consumer Privacy Act), both enacted and proposed, that we must monitor for applicability and impact to our business and implement necessary controls and other requirements (if applicable).

In addition, we are subject to the laws and regulations of foreign jurisdictions including, without limitation, the General Data Protection Regulation (Regulation (EU) 2016/679) (the “GDPR”) in the European Union (the “EU”) and the United Kingdom (“U.K.”) data protection legislation (including the GDPR, as it forms part of the law of the U.K. by virtue of the European Union (Withdrawal) Act 2018 (the “U.K. GDPR”) and the U.K. Data Protection Act 2018 (the “U.K. Data Protection Act”). The GDPR contains robust, direct obligations on data processors in addition to data controllers, heavier documentation requirements for company data protection compliance programs, and a prohibition on the transfer of personal data from the EU to other countries whose laws do not protect personal data to an adequate level of privacy or security (unless you maintain an approved cross-border transfer mechanism, such as the binding corporate rules for personal data transfers). Data protection authorities have the power to impose substantial administrative fines for violations of the GDPR and the U.K. GDPR. Such penalties are in addition to any civil litigation or damages from claims by data controllers, customers, and data subjects. If we fail to comply with the GDPR, the U.K. GDPR, and the U.K. Data Protection Act, we could face fines and penalties.

In China, we are subject to laws and regulations governing both the use and disclosure of confidential patient medical information that may become more restrictive in the future, including restrictions on transfer of healthcare data (e.g., China Personal Information Protection Law). In China, we are also subject to the Cyber Security Law of China and accompanying regulations (collectively, the “CS Law”), which designates healthcare as a priority area that is part of critical information infrastructure and has recently increased privacy protections. Some of our products may be required to comply with detailed standards or guidance documents on cybersecurity and privacy issued by various regulatory authorities. Should the privacy or cybersecurity regime in China become more stringent, we could be required to implement additional safeguards and systems, which could be costly and cause disruption to our business in China.

In addition, privacy laws and regulations in other regions of the world, such as Asia and Latin America, are becoming stricter and may potentially impose additional requirements on our business (e.g., Brazil’s General Data Protection Law (Lei Geral de Proteção de Dados Pessoais)), and certain jurisdictions have implemented data localization laws which can be costly and operationally difficult to satisfy. We cannot be sure how these laws and regulations will be interpreted, enforced, or applied to our operations. In addition to the risks associated with enforcement activities and potential contractual liabilities, our ongoing efforts to comply with evolving laws and regulations may be costly and require ongoing modifications to our policies, procedures, and systems. If we

or third parties fail to adequately safeguard confidential personal data, or if such information or data are wrongfully used by us or third parties or disclosed to unauthorized persons or entities, such an event could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***Our increasing focus on and investment in cloud, edge, artificial intelligence, and software offerings presents risks to our business. We may not be successful in driving the successful global deployment and customer adoption of digital offerings.***

A growing part of our business involves cloud, edge, and software solutions, and we are devoting significant resources to develop and deploy such strategies. Our success with these solutions will depend on the level of adoption of our offerings. We incur costs to develop cloud, edge, and software solutions and to build and maintain infrastructure to support cloud and edge computing offerings. Success with these solutions depends on execution in many areas, including:

- establishing and maintaining the utility, compatibility, and performance of our cloud, edge, and software solutions (including, the reliability of our third-party software vendors, network, and cloud providers) on a growing array of medical devices, software, and equipment;
- continuing to enhance the attractiveness of our solutions to our customers, while ensuring these solutions meet their reliability and security expectations; and
- ensuring these solutions meet regulatory requirements, including obtaining marketing authorizations when required.

It is uncertain whether our strategies will attract customers or generate revenue required to succeed in this highly competitive and rapidly changing market. We commit substantial efforts, funds, and other resources to R&D and IT infrastructure for our digital offerings, and the risk of failure is inherent. Even where our digital offerings satisfy applicable regulations and reimbursement policies, customers may not adopt them due to concerns about the security of personal data or the absence of digital infrastructure to support and effectively use the offerings, a hesitancy to embrace new technology, or for other reasons. We also may not effectively execute organizational and technical changes to accelerate innovation and execution. In a number of countries, certain cloud, edge, and software solutions are restricted areas of foreign investment. Collaborating with a domestic qualified third party will increase the costs and may create uncertainties in such jurisdictions. The legality or validity of any collaboration may be challenged or subjected to scrutiny in such jurisdictions and the relevant governmental authorities have broad discretion in addressing such arrangements. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Cloud, edge, and software solutions in healthcare must comply with stringent regulations, including certification requirements, in many of the countries in which our customers are located, particularly in relation to obtaining, using, storing, and transferring personal data. Our software solutions must be compliant with applicable regulations in the country in question before we can launch our offerings. In some jurisdictions, we must obtain marketing authorizations before commercializing software solutions. Ensuring such regulatory compliance may take longer or cost more than expected or require that design changes be incorporated into our offerings. In addition, changes to reimbursement policies for digital healthcare offerings could potentially lead to delays and additional expense. The inability of customers to obtain adequate reimbursement from private and governmental third-party payers could adversely affect purchasing decisions and prices and cause our revenue and profitability to suffer.

We are building AI into many of our digital offerings, which presents risks and challenges that could affect its acceptance, including flawed AI algorithms, insufficient or biased datasets, unauthorized access to personal data, lack of acceptance from our customers, or failure to deliver positive outcomes. These deficiencies could undermine the decisions, predictions, or analysis AI applications produce, as well as their adoption, subjecting us to competitive harm, legal liability, regulatory actions, and reputational harm. In addition, some AI scenarios



present ethical, privacy, or other social issues, risking reputational harm. We have safeguards designed to promote the ethical implementation of AI but these safeguards may not be sufficient to protect us against negative outcomes. The occurrence of any of the above could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

## **Legal Risks**

***The failure to comply with the FCPA and similar anti-corruption and anti-bribery laws globally has resulted and could continue to result in civil or criminal sanctions and adversely affect our business.***

The FCPA, the U.K. Bribery Act of 2010 (“UKBA”), and similar anti-corruption and anti-bribery laws in other jurisdictions generally prohibit companies from offering and making corrupt payments to or otherwise engaging in bribery of government officials. We operate in many parts of the world that have experienced elevated levels of public sector corruption. Because of the predominance of government-sponsored healthcare systems around the world, many of our customer relationships outside of the United States are with governmental entities, the employees of which may be considered government officials under such laws. Many anti-corruption laws, such as the UKBA, also prohibit bribery of private sector individuals, and thus extend far beyond interactions with government officials. We also are subject to the FCPA’s accounting provisions, which require us to keep accurate books and records and to maintain an adequate system of internal accounting controls sufficient to provide reasonable assurances of management’s control, authority, and responsibility over our assets. Non-U.S. companies, including some of our competitors, may not be subject to the provisions of the FCPA. If these competitors engage in corrupt practices, they may gain a business advantage.

Global enforcement of anti-corruption laws has increased substantially in recent years, with more frequent voluntary self-disclosure by companies, aggressive investigations (including coordinated investigations across countries and governmental authorities) and enforcement proceedings by U.S. and non-U.S. governmental agencies, and assessment of significant civil and criminal fines, penalties, and other sanctions against companies and individuals. Companies in the healthcare sector have been a particular focus of government enforcement in recent years. We also face the risk of unauthorized payments, offers of payments or requests for payments being made by our employees, intermediaries, channel partners and their sub-parties, customers or customer representatives, consultants, or other representatives. We may face liability under anti-corruption laws based upon the actions or inactions of these parties even when they are not subject to our control and/or are not contractually bound to us. We may also face liability from employee misconduct, such as fraud, which cannot always be deterred or prevented. Enforcement of anti-corruption laws in the healthcare industry in recent years has focused on international operations, particularly in countries such as China, Brazil, Mexico, and Russia. China’s anti-corruption agency, the National Supervisory Commission, has the power to investigate government officials and individuals employed by state-owned entities and public institutions and to collect evidence (including from private companies and individuals), seize assets, and recommend cases for prosecution. In recent years, the Chinese judicial branch has publicly disclosed an increasing number of judgments against government officials and others found to have engaged in corruption and other misconduct across many industries; certain of these judgments contain references that identify some of our products, employees, and channel partners. We review these judgments and other concerns we identify and conduct internal inquiries where appropriate. Additionally, 2018 amendments to China’s Anti-Unfair Competition Law revised the definition of commercial bribery to include conduct “seeking transaction opportunities or competitive advantage.” Consequences for violations include civil, administrative, and criminal penalties for businesses that commit acts of unfair competition (including commercial bribery).

It is our policy to develop and implement safeguards and to educate our employees and certain third parties concerning these legal requirements and to prohibit improper practices. However, our existing safeguards and any future improvements may not always be effective, and employees or certain third parties may engage in conduct for which we may be held responsible or suffer reputational harm.

Any alleged or actual violations of these laws or regulations may subject us to government scrutiny, criminal, civil or administrative sanctions, stockholder lawsuits, reputational damage, and other liabilities. In some instances, we make self-disclosures to relevant authorities who may pursue or decline to pursue enforcement proceedings against us. A violation of certain anti-corruption laws could result in exclusion from government healthcare programs. In addition, governmental entities may seek to hold us liable for violations committed by any companies in which we invest or that we may acquire. The costs associated with the investigation, remediation, and potential notification of any violation to customers, regulators, and counterparties could be material. Any of the foregoing could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***We are subject to anti-kickback and false claims laws and failure to comply with these laws could adversely affect our business.***

The commercial practices of companies selling medical devices, pharmaceutical products, and related services and other arrangements with customers are generally subject to various U.S. federal, U.S. state, and foreign healthcare laws intended to prevent fraud and abuse in the healthcare industry and protect the integrity of government healthcare programs. These laws include anti-kickback laws and false claims laws. Anti-kickback laws, such as the U.S. Anti-Kickback Statute (“AKS”), generally prohibit anyone from soliciting, offering, receiving, or paying any remuneration to generate or reward business, including the purchase of a particular product or service for which payment may be made under a federal healthcare program. The U.S. Department of Justice has interpreted the AKS to cover any arrangement where one purpose of the remuneration is to induce or reward referrals of products or services reimbursable under U.S. federal healthcare programs. False claims laws generally prohibit anyone from knowingly presenting, or causing to be presented, any claims for payment for goods or services to third-party payers that are false or fraudulent. Claims generated as a result of kickbacks may be treated as false or fraudulent. In the U.S., the False Claims Act (“FCA”) imposes civil liability on any person or entity that submits, or causes the submission of, a false or fraudulent claim to the U.S. government. The FCA also allows a private individual or entity with knowledge of past or present fraud against the federal government to sue on behalf of the government to recover civil penalties and treble damages. In certain cases, manufacturers have entered criminal and civil settlements with the federal government under which they entered into plea agreements, paid substantial monetary amounts, and entered into corporate integrity agreements that require, among other things, substantial ongoing reporting, monitoring, and other remedial actions.

We often enter complex contractual research agreements, collaborations, and similar arrangements with our customers and other healthcare professionals. These arrangements may result in transfers of value from us to our customers and other healthcare professionals (and vice versa), which require appropriate implementation to ensure compliance with anti-kickback and false claims laws and regulations. While we have policies and procedures in place to comply with these laws and regulations, a failure by any of our employees or agents to abide by such policies and procedures could result in potential criminal or civil penalties and damages against us, which may include treble damages, fines, or penalties under the FCA. Addressing such claims could generate significant expenses and take up significant management time, even if such claims are without merit.

If we are not successful in defending ourselves, violations of fraud and abuse laws could have a significant impact on our business, including the potential imposition of civil, criminal, and administrative penalties, damages, disgorgement, monetary fines, individual imprisonment, possible exclusion from participation in certain government healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment or restructuring of our operations. The U.S. federal government, various states, and certain foreign governments have also enacted other laws to regulate the sales and marketing practices of companies selling medical devices, pharmaceutical products, and related services. These laws and regulations generally define permissible and impermissible financial interactions between manufacturers or service providers and healthcare providers, require disclosure to the government and public of such interactions, and require the adoption of compliance standards or programs. Individual U.S. states have become active in seeking to regulate the marketing of medical devices, pharmaceutical products, and related services under state consumer protection

and false advertising laws. Other laws require disclosure of certain interactions with, or payments to, healthcare providers (e.g., U.S. Physician Payments Sunshine Act (“Sunshine Act”). Given the evolving nature of these laws, their implementation, and increasing enforcement activity, compliance efforts can be resource-intensive and costly, and we could be subject to penalties and damages if the government finds deficiencies. The costs associated with the investigation, remediation, and potential notification of any violation to customers, regulators, and counterparties could be material. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***We are subject to antitrust and competition laws that can result in sanctions and conditions on the way we conduct our business.***

We are subject to antitrust and competition laws, which generally prohibit certain types of conduct deemed to be anti-competitive, including price fixing, bid rigging, cartel activities, price discrimination, market monopolization, tying arrangements, acquisitions of competitors, and other practices that have, or may have, an adverse effect on competition. Regulatory authorities may have authority to impose fines and sanctions or to require changes or impose conditions on the way we conduct business in connection with alleged non-compliance with applicable law. Under certain circumstances, violations of antitrust laws could result in suspension or debarment of our ability to contract with certain parties or complete certain transactions. In addition, an increasing number of jurisdictions also provide private rights of action for competitors or consumers to seek damages asserting claims of anti-competitive conduct. Increased government scrutiny of our actions or enforcement or private rights of action could adversely affect our business or damage our reputation. Conducting internal investigations or responding to audits or investigations by government agencies could be costly and time-consuming. An adverse outcome under any such investigation or audit could subject us to fines or criminal or other penalties, which could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***If we do not successfully manage our collaboration arrangements, licensing arrangements, joint ventures, or strategic alliances with third parties, we may not realize the expected benefits from such arrangements, which could adversely affect our business.***

From time to time, we enter into collaborations, licensing arrangements, joint ventures, or strategic alliances with third parties to complement or augment our capabilities, including in research and development, product development, manufacturing, and marketing. Evaluating, appropriately structuring, negotiating, and implementing such arrangements may be a lengthy and complex process and must meet with applicable business, legal, and compliance requirements. Other companies may compete with us for these opportunities. As a result, we may not identify, secure, or complete such arrangements in a timely manner, on a cost-effective basis or on otherwise favorable terms, if at all.

We may not realize the expected benefits from these arrangements. We may not be able to exercise sole decision-making authority regarding any such collaboration, licensing arrangement, joint venture, or strategic alliance. This could create the risk of impasses on decisions, given that our partners in these arrangements may have economic or business interests that diverge from our interests. Conflicts may arise in these arrangements concerning the achievement of performance milestones or the interpretation of significant terms under any agreement (including financial obligations), termination rights, or the ownership or control of intellectual property developed during the arrangement. Our partners may suffer adverse commercial, financial, or legal circumstances that are outside of our control and may jeopardize their success, our partners may terminate their relationships with us, or breakdowns in these relationships may give rise to disputes. Given the potentially different interests of the parties involved, we could suffer delays in product development or other operational difficulties.

These arrangements may require us to incur non-recurring and other charges, increase expenditures, or disrupt our ordinary business activities. These arrangements may expose us to known and unknown risks,

including unique risks with respect to the economic, political, and regulatory environment of any foreign entities with which we partner, quality control, and legal and regulatory violations committed by partners whose actions are outside of our control. See “—Risks Relating to Quality, Regulation, and Compliance.” Any of the foregoing could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***We are subject to laws and regulations governing government contracts, public procurement, and government reimbursements in many jurisdictions, as to which the failure to comply could adversely affect our business.***

We have agreements relating to the sale of our offerings to government entities around the world. Additionally, we are directly or indirectly subject to government policies governing reimbursement for healthcare procedures and services. As a result, we are subject to various statutes and regulations in a variety of jurisdictions that apply to companies doing business with the government. The laws governing government contracts can differ from the laws governing private contracts and government contracts may contain terms and conditions that are not applicable to private contracts or that expose us to higher levels of risk and potential liability than non-government contracts. Similarly, most jurisdictions have public procurement laws and reimbursement policies that set out rules and regulations for purchases and reimbursements by governmental entities. These jurisdictions may modify their laws, policies, rules, or regulations, or impose new requirements that could adversely affect our business. We are subject to investigation for non-compliance with the regulations governing government contracts, public procurement, and government reimbursements. A failure to comply with these regulations could result in suspension of these contracts, delayed or reduced payment, criminal, civil, or administrative penalties, contract termination, reputational harm that diminishes our ability to successfully compete for new government work, or debarment.

For contracts with the U.S. federal government, with certain exceptions, we must comply with the Federal Acquisition Regulation and applicable agency rules, the Procurement Integrity Act, the Buy American Act, and/or the Trade Agreements Act. Because the use of our products, services, and solutions is often reimbursed by the U.S. federal government through Medicare and Medicaid, we must comply with the AKS, the Sunshine Act, and the FCA. See “—We are subject to anti-kickback and false claims laws and failure to comply with these laws could adversely affect our business.” We must also comply with various other domestic and foreign government regulations and requirements as well as various statutes related to employment and labor practices, supply chain requirements, reporting and disclosure obligations, EH&S matters, recordkeeping, and accounting. Certain countries impose additional requirements on government suppliers as a prerequisite to doing business in the country. These can include, among other things, local headcount requirements, local manufacturing and supplier requirements, and technology or intellectual property transfers.

China has a government-run procurement system for public hospitals to obtain medical devices and drugs. The system for reimbursing the costs of these medical devices and drugs for patients is also set by the central and local governments. Medical device and drug distribution chains may be restricted in certain provinces by a policy that requires that at most two tax invoices may be issued throughout the distribution chain, which effectively prohibits sale of products through multi-layer distributors (even between wholly owned subsidiaries). The continued existence, and any expansion and tightening, of this policy, could present significant challenges for our products to reach a larger geographic area in China. Failure to comply with this policy may preclude us from participating in the government-run procurement processes with public hospitals or result in our disqualification from engaging in medical device or product sales to public hospitals in a certain locality. These regulations and requirements affect how we transact business with our clients and, in some instances, impose additional costs and risks on our business operations.

Additionally, some governmental entities, including the U.S. federal government, can terminate contracts for their convenience or for our default. These governmental entities may also be subject to continued legislative funding approval. Early termination for convenience of one or more of our contracts, or a change in a government customer’s funding levels, could impact our expected revenues. See “—Demand for some of our products depends on capital spending policies of our customers and on government funding policies.” A

termination for default of one or more of our contracts could subject us to penalties and damages resulting from the default, including costs for the governmental entity to reprocur the items under contract, in addition to other penalties previously listed.

The U.S. federal government could also invoke the Defense Production Act (“DPA”), requiring that we accept and prioritize contracts for materials deemed necessary for national defense, regardless of loss in revenue incurred on such contracts. In such circumstances, we may be required to reallocate time and resources away from our customers to fulfill U.S. federal government requests under the DPA. This could cause us to be unable to fulfill contractual obligations to non-U.S. federal government customers and harm long-term business relationships with our customers, suppliers, and channel partners, which could adversely affect our business.

We are also subject to government audits, investigations, and oversight proceedings. Efforts to ensure our business arrangements comply with applicable laws involve substantial costs. It is possible that governmental and enforcement authorities will conclude that our business practices do not comply with current or future laws and regulations. If any such actions are instituted against us, defense can be costly, time-consuming, and may require significant financial and personnel resources. If we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal, and administrative penalties, damages, disgorgement, monetary fines, individual imprisonment, possible exclusion from participation in certain government healthcare programs (including Medicare and Medicaid in the United States), contractual damages, reputational harm, diminished profits and future earnings, and curtailment or restructuring of our operations. In addition, any of our government contracts could be terminated or we could be suspended or debarred from all government contract work. Any of these risks could have a material adverse effect on our business, cash flows, financial condition, results of operations, or prospects.

***Efforts by public and private payers to control the growth of healthcare costs may lead to lower reimbursements or increased utilization controls related to the use of our products by healthcare providers, which may affect demand for our products, services, or solutions.***

Sales of many of our offerings directly or indirectly depend on the availability of reimbursement and the amount of reimbursement that our customers may seek from various third-party payers, including government programs, authorities, or agencies (e.g., Medicare and Medicaid in the United States), and private health plans. In general, employers and third-party payers, particularly in the United States, have become increasingly cost-conscious, with higher deductibles imposed in many medical plans. The imposition of higher deductibles tends to inhibit individuals from seeking the same level of medical treatments as they might seek if the costs were lower, particularly in the medical diagnostic portion of our business. Third-party payers have also increased utilization controls related to the use of our offerings by healthcare providers.

Without adequate support from third-party payers, the market for our offerings may be limited and adversely impacted. Governments and other payers may institute changes in healthcare delivery systems that reduce funding for services or encourage greater scrutiny of healthcare costs. The ability of customers to obtain appropriate reimbursement for our offerings from third-party payers is critical to the success of medical technology companies because it affects which offerings customers purchase and the prices they are willing to pay. Some countries impose drug price controls or reimbursement limitations for pharmaceutical products. Even if we develop promising new offerings, we may find limited demand for the offerings unless reimbursement approval is obtained from third-party payers. Further legislative or administrative reforms that impact reimbursements or pricing could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

In the United States, private third-party payers, although independent from Medicare, sometimes use portions of Medicare reimbursement policies and payment amounts in making their own reimbursement decisions. As a result, decisions by the Centers for Medicare and Medicaid Services (“CMS”) to reimburse for a diagnosis or treatment, or changes to Medicare’s reimbursement policies or reductions in payment amounts with

respect to a diagnosis or treatment, sometimes extend to U.S. third-party payers' reimbursement policies and amounts for that diagnosis or treatment. Decision-making by our U.S. customers is complicated by the uncertainty surrounding Medicare reimbursement rates for certain procedures. From time to time, CMS and third-party payers may review and modify the factors upon which they rely to determine appropriate levels of reimbursement for certain diagnosis or treatments. In China, government authorities control the inclusion or removal of drugs from the Essential Drug List and the National Reimbursement Drug List, which govern reimbursement under state-sponsored health plans. The removal or reclassification of our products on Chinese national or provincial lists can affect the reimbursement or reimbursement rate of our products in China. Any significant cuts in reimbursement rates or changes in reimbursement methodology or administration for procedures that use our offerings, or concerns or proposals regarding further cuts or changes in methodology or administration, could further increase uncertainty, adversely affect our customers' decisions, reduce demand for our offerings, cause customers to cancel orders, and could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***We are exposed to risks associated with product liability claims that have been and may be brought against us or as a result of the actions or inactions of our customers or third parties that are outside of our control.***

We design, manufacture, sell, install, and service a wide range of products, including products and related services that are at the cutting edge of existing technologies and medical advances. Our products are used by healthcare providers to diagnose, monitor, and treat a wide range of medical conditions. We are required to comply with the highest quality standards in product manufacturing and quality management plays an essential role in determining and meeting customer requirements, preventing defects, improving our offerings, and assuring the safety and efficacy of our products. As a result, our business exposes us to potential product liability claims. Customers or their patients may bring product liability claims if our products fail, or allegedly fail, to perform as expected or show a failure rate that is higher than expected, or the use of our products results, or is alleged to result, in bodily injury, death, or property damage. Claims may allege that our products cause or result in alleged new disease states. Even if these or similar claims are without merit, they can result in costly and time-consuming litigation. We may also be exposed to claims or regulatory action if our products do not conform or are alleged not to conform to applicable product or design specifications, labeling, or manufacturing requirements. Quality issues could result in warranty, guarantee, or other claims, including with respect to performance guarantees under service contracts. Even if such non-conformance has no actual impact on the quality of our products, we may be exposed to claims, regulatory actions, or negative press reports, or may be required to modify our products or their labeling, conduct a recall or take other actions, any of which could adversely affect our reputation or our relationships with customers and users of our products.

Because some of our products are involved in the intentional delivery of radiation to the human body and other situations where people may be exposed to radiation, including X-rays, the possibility for significant bodily injury or death exists for the intended or unintended recipient of the delivery. Our products are used to diagnose and treat acutely ill patients and at critical moments in the patient care continuum, and the failure (or alleged failure) of our products to perform as expected in such moments could compromise patient treatment, which, depending on the circumstances, could be life-threatening to patients.

Product and other liability actions, claims or injunctions are subject to significant uncertainty and may be expensive, time-consuming, and disruptive to our operations. For these and other reasons, we may choose to settle product liability claims and other liability actions against us, regardless of their actual merit. If such action or injunction were finally determined adversely to us, it could result in significant damages and reputational harm, including the possibility of punitive damages, and our financial position could be adversely affected. Adverse publicity regarding patient outcomes, accidents, failure rates, misdiagnoses and resulting mistreatments, even ones that do not involve our products, could result in additional regulation of our products or the healthcare industry in general, cause reputational harm and adversely affect our ability to promote, manufacture and sell our products, even if the claims against us are later shown to be unfounded or unsubstantiated.

Moreover, if our products gain a reputation for being unreliable, unsafe, or ineffective, our relationships with governmental authorities may be adversely affected, which could result in increased scrutiny by regulatory authorities. In addition, if one of our products is determined to be defective (whether due to design, labeling, or manufacturing defects or other reasons) or found to be so by a regulatory authority, we may be liable for damages or fines or be required to correct, remove, or recall the product or notify competent regulatory authorities. See “—Risks Relating to Quality, Regulation, and Compliance.” The adverse publicity resulting from a recall could damage our reputation and cause customers to review and possibly terminate their relationships with us, potentially beyond the product that was the subject of the action. A correction, removal, or recall could consume management and employee time and adverse publicity, harm to our reputation, or increased regulatory scrutiny could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We maintain product liability insurance coverage, among other liability insurance coverage, which includes deductible amounts and self-insured retentions. Our insurance coverage may prove to be inadequate and future policies may not be available on acceptable terms or in sufficient amounts, if at all. If a material claim is successfully brought against us relating to a self-insured liability or a liability that is in excess of our insurance coverage, or for which insurance coverage is denied or limited, we could be required to pay substantial damages, which could have a material adverse effect on our business results, financial position, or prospects. Any litigation, investigation, or complaint and any adverse publicity surrounding such allegations or actions could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Moreover, we may face substantial liability to patients, customers, and others for damages resulting from the faulty, or allegedly faulty, design, manufacture, installation, servicing, support, testing, or interoperability of our products with other products, or their misuse or failure. Our products generally operate within our customers’ facilities and network systems. Human and other errors or accidents may occur during the operation of our products in complex environments, particularly where our products are used in conjunction with products from other vendors, where interoperability or data sharing protocols may result in unsatisfactory performance even though the equipment operates according to specifications. In addition, independent service organizations could fail to adequately perform their obligations or to properly service our products, which could subject us to further liability. We may also be subject to claims for property damage, economic loss, or bodily injury or death related to or resulting from the installation, servicing, and support of our products. Any accident, mistreatment, or related injury or death could cause us to incur legal costs, subject us to litigation, recall, or regulatory enforcement actions, or generate negative publicity and cause damage to our reputation, whether or not we or our products were at fault and could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***We may become involved in litigation, arbitration, and governmental proceedings, including those stemming from third-party conduct beyond our control.***

We are involved in, or threatened with, legal, arbitration, and governmental proceedings or investigations from time to time in the ordinary course of our business and heightened scrutiny in the healthcare industry, including disputes with employees, competitors, customers, suppliers, competition authorities, regulators and other authorities, purported whistle-blowers, or regulatory agencies concerning allegations of, among other things, breaches of contract, product liability, product defects, intellectual property infringement, logistics or manufacturing related topics, quality regulations, EH&S or employment issues, termination of business relationship, or alleged or suspected violations of applicable laws in various jurisdictions. The outcome of pending or potential future legal, arbitration, and governmental proceedings is difficult to predict, and excessive verdicts do occur. If such proceedings are determined adversely to us, we may be required to change our business practices or we may incur fines, penalties, or monetary losses, some of which may be significant or could disrupt the operation of our business. Exposure to litigation or other government action, whether directed at us, our customers, suppliers, or channel partners, or our or their respective business partners, could also result in the distraction of management resources and adversely affect our reputation, which could have a material adverse

effect on our business results, cash flows, financial condition, or prospects. Like other companies in our industry, we are subject to investigations and extensive regulation by government agencies around the world. As a result, we have interactions with government agencies on an ongoing basis. Criminal charges and substantial fines or civil penalties, as well as limitations on our ability to conduct business in applicable jurisdictions, could result from government investigations. See Note 14, “Commitments, Guarantees, Product Warranties, and Other Loss Contingencies—Legal Matters” to the audited combined financial statements included elsewhere in this Information Statement.

## **General Risks**

### ***Global geopolitical and economic instability as well as continuing uncertainties and challenging conditions in regional economies could adversely affect our business.***

We generate the majority of our revenue outside the United States and our business is sensitive to global economic conditions. Slower global economic growth, actual or anticipated default on sovereign debt, volatility in the currency and credit markets, high levels of unemployment or underemployment, reduced levels of capital expenditures, changes or anticipation of potential changes in government fiscal, tax, import and export, and monetary policies, changes in capital requirements for financial institutions, government deficit reduction and budget negotiation dynamics, sequestration, austerity measures, and other challenges that affect the global economy could adversely affect us and our customers, suppliers, and channel partners. Economic instability could also cause renewed uncertainty in global markets and the investment climate to deteriorate.

Our business is affected by global geopolitical conditions. Future geopolitical factors that have the effect of reducing capital expenditures generally, and for healthcare products, services, or solutions may negatively impact sales of our offerings and, as a result, make it more difficult for us to attract new customers, retain existing customers, or maintain sales at existing levels. In particular, the imposition of import and export restrictions and trade tariff developments have contributed to increased global economic uncertainty. In addition, the rise of economic nationalism could make it more difficult for us to attract new customers, retain existing customers, or maintain sales at existing levels in countries other than the U.S. Geopolitical and economic risks have increased over the past few years as a result of increasing trade tensions between the United States and China. Our operations expose us to the risk that increased trade protectionism from China or other nations may adversely affect our business. Any of these risks or the further deterioration of trade relations between countries could make our offerings more expensive or non-competitive in the affected countries. Growing tensions may also lead to a deglobalization of the world economy, a general reduction of international trade in goods and services, and a reduction in the integration of financial markets, any of which could materially and adversely affect our business results, cash flows, financial condition, or prospects.

Further risks stem from geopolitical tensions (such as in Cuba, Iran, Syria, Russia, and North Korea), the conflicts that may potentially arise, and economic sanctions imposed relating to such regions and persons included on sanctioned party lists. In particular, the conflict between Ukraine and Russia may negatively impact our revenue to the extent the conflict and the sanctions significantly impact our ability to sell products or services to customers in the affected regions or collect receivables from such customers. Given the nature of our products, we do not believe that the current sanctions and other measures imposed by the United States and other countries preclude us from conducting business in the region. However, if the sanctions and other retaliatory measures imposed by the global community change, we may be required to cease or suspend our operations in the region or we may voluntarily elect to do so. We are continuously monitoring economic, political, and geopolitical developments to assess any potential future impact that may arise.

The impact of geopolitical and economic developments globally will depend on a number of factors, including the effectiveness of measures by central banks and financial authorities. Such developments may also result in or coincide with reduced budgets for capital equipment and services, particularly if it becomes more difficult for our customers to accurately forecast and plan future business activities. This, in turn, may cause our



customers to reduce, delay, or abandon purchases of our offerings. An uncertain economic environment may also adversely affect our customers' budgets and may result in pricing pressure, requests for extended warranty provisions, cancellation of service contracts, and could make it more difficult for us to collect outstanding receivables, especially in emerging markets. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***Increasing attention to ESG matters, including EH&S matters, may impose additional costs on our business and expose us to new risks.***

Companies across all industries are facing increasing scrutiny from investors, regulators, and other stakeholders related to their ESG commitments, performance, and disclosures, including related to climate change, diversity and inclusion, and governance standards. Investor advocacy groups, certain institutional investors, lenders, investment funds, and other influential investors are increasingly focused on companies' ESG commitments, performance, and disclosures, and in recent years have placed increasing importance on social costs and related implications of their investments. Furthermore, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their respective approaches to ESG matters. Unfavorable ESG ratings may be used by investors, lenders, and customers to inform their investment, financing or purchasing decisions, which could have a negative impact on our business.

There is also increased legal and regulatory focus on ESG commitments, performance, and disclosures both in the United States and around the world. Continuing political and social attention to these issues, particularly climate change, has resulted in both existing and pending international agreements and national, regional, or local legislation and regulatory requirements specific to ESG matters. We expect regulatory requirements related to ESG matters to continue to expand globally, particularly in the United States and the European Union. A failure to adequately meet regulatory or stakeholder expectations may result in non-compliance, the loss of business, reputational impacts, diluted market valuation, an inability to attract customers, and an inability to attract and retain top talent. In addition, meeting the requirements of future regulatory requirements or our adoption of certain voluntary or other ESG-related standards could necessitate additional investments that could impact our profitability.

We are also subject to international, national, state, and local laws, regulations, and industry and customer standards, including licensing and authorization requirements, related to EH&S matters. These EH&S laws, regulations, and standards apply to a broad range of activities across our whole product lifecycle and our entire global organization, including those related to (i) protection of the environment, protected species, and use of natural resources; (ii) occupational health, safety, and well-being; (iii) the use, handling, management, release, storage, transportation, remediation and disposal of, and exposure to, hazardous waste (including biohazardous waste), radiochemical materials, and other hazardous or toxic materials; (iv) our products, including the use of certain chemicals in our products and production processes; (v) emissions to air and water; and (vi) climate change and greenhouse gas emissions. EH&S laws, regulations, and standards vary by jurisdiction and have become increasingly stringent over time. These requirements impose certain responsibilities on our business, including the obligation to install pollution control technologies and obtain and maintain various environmental permits, the cost of which may be substantial. They can also impose cleanup liabilities, including with respect to discontinued or predecessor operations or third-party waste disposal sites. In some jurisdictions we may increasingly be subject to climate change mitigation and adaptation regulation, tax, disclosure, and reporting requirements. If we fail to comply with these requirements, or fail to obtain or maintain a required permit, we could be subject to administrative, civil or criminal fines and penalties, remediation costs, enforcement actions, the suspension or termination of our permits, licenses, and authorizations or operations, third-party claims or other sanctions. In addition, private parties, including current or former employees, could bring personal injury or other claims against us due to the presence of, or exposure to, hazardous substances used, stored, or disposed of by us or contained in our products. Strict, as well as joint and several, liability may be imposed on us under EH&S laws, which could render us liable for the conduct of others or for consequences of our own actions that

were compliant with all applicable laws at the time those actions were taken. Insurance coverage from which we benefit as a named insured only covers a limited scope of potential liability under EH&S laws and regulations in the United States and Canada. In connection with certain acquisitions, we could acquire, or be required to provide indemnification against, EH&S liabilities that could expose us to material losses. The occurrence of any of the foregoing could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Our products and operations utilizing radioactive material are subject to varying foreign, federal, state, and local regulation and must be conducted in accordance with a number of licenses and certifications. The handling and disposal of radioactive materials and wastes may impose significant requirements and costs, including with respect to the decommissioning of facilities handling radioactive materials. Disposal sites for the lawful disposal of materials or wastes associated with our products may be limited or non-existent, may no longer accept these materials in the future, or may accept them on unfavorable terms, which could adversely impact our operations.

The implementation of new or existing EH&S laws, regulations, and industry and customer standards, and any changes to them, which we cannot predict and which have historically become more stringent over time, could increase our costs. Administrative decisions, legal developments, or other governmental or judicial actions may influence the interpretation or enforcement of EH&S laws, regulations, and industry standards, and may thereby increase compliance or other costs. In addition, EH&S laws, regulations, and standards may also have an adverse impact on our ability to develop our products and to maintain our access to certain markets. EH&S laws and regulations enacted world-wide may require us to re-design products or production processes, or cease using certain substances, leading to detrimental operational impacts and an increase in operating costs. Any of these risks or costs, and any future violations or liabilities under existing or future EH&S laws or regulations, could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***Future material impairments in the value of our long-lived assets, including goodwill, could adversely affect our business.***

We review our long-lived assets, including identifiable intangible assets, goodwill, and property, plant, and equipment (“PP&E”), for impairment at least annually. All long-lived assets are reviewed when there is an indication that impairment may have occurred. Changes in market conditions or other changes in the outlook of value may lead to impairment charges in the future. In addition, we may sell assets that we determine are not critical to our strategy. Future events or decisions may lead to asset impairments or related charges. Certain non-cash impairments may result from a change in our strategic goals, business direction, or other factors relating to the overall business environment. Material impairment charges could negatively affect our results of operations.

***Changes in foreign currency exchange rates and interest rates could adversely affect our business.***

We generate the majority of our revenue outside of the United States. As a result, our financial results may be adversely affected by fluctuations in foreign currency exchange rates. We cannot predict with any certainty changes in foreign currency exchange rates or our ability to mitigate these risks. We may experience additional volatility because of increasing inflationary pressures and other macroeconomic factors, including in emerging market countries. High inflation rates could have an adverse effect on economic growth and the business climate and could dampen consumer purchasing power. We are also exposed to changes in interest rates and our ability to access money markets and capital markets could be impeded if adverse liquidity market conditions occur. In addition, we may be unable to hedge the effects of foreign exchange rate and interest rate changes in a cost-effective manner. A discussion of the ways and extent to which we attempt to mitigate the impact of foreign exchange risk is contained in Note 13, “Derivatives and Hedging” to the audited combined financial statements included elsewhere in this Information Statement. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***We may not be able to access the capital and credit markets on terms that are favorable to us, or at all.***

The capital and credit markets may experience extreme volatility or disruptions that may lead to uncertainty and liquidity issues for both borrowers and investors. We expect to access the capital markets to supplement our existing funds and cash generated from operations to satisfy our needs for working capital, to meet capital expenditure and debt service requirements, and for other business initiatives, including acquisitions and licensing activities. In the event of adverse capital and credit market conditions, we may be unable to obtain capital market financing on favorable terms, or at all, and changes in credit ratings issued by nationally recognized credit-rating agencies could adversely affect our ability to obtain capital market financing and the cost of such financing. Additionally, a large portion of our total consolidated cash will be held overseas and may not be efficiently accessible to fund our third-party debt and other financial obligations, which are expected to be primarily held in the United States. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, prospects, and the market price of our securities.

***Changes in accounting standards and subjective assumptions, estimates, and judgments by management related to complex accounting matters could significantly affect our financial results or financial condition.***

Generally accepted accounting principles and related accounting pronouncements, implementation guidelines, and interpretations regarding a wide range of matters relevant to our business, such as revenue recognition, asset impairment and fair value determinations, inventories, business combinations and intangible asset valuations, leases, and litigation, are highly complex and involve many subjective assumptions, estimates, and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates, or judgments could significantly change our reported or expected financial performance or financial condition.

#### **Risks Relating to Taxation**

***Changes in applicable tax laws and regulations could adversely affect our business.***

We are subject to income and other taxes (including sales, excise, and value-added) in the United States and foreign jurisdictions. Thus, the tax treatment of our company is subject to changes in tax laws or regulations, tax treaties, or positions by the relevant authority regarding the application, administration, or interpretation of these tax laws and regulations. These factors, together with the ambiguity of tax laws and regulations, the subjectivity of factual interpretations, and uncertainties regarding the geographic mix of earnings in any period, can affect our estimates of our effective tax rate and income tax assets and liabilities, result in changes in our estimates and accruals, and have a material adverse effect on our business results, cash flows, or financial condition. We are unable to predict what tax reforms may be proposed or enacted in the future or what effect such changes would have on our business, but such changes could potentially result in higher tax expense and payments, along with increasing the complexity, burden, and cost of compliance.

***Our tax burden could increase as a result of ongoing or future tax audits.***

We are subject to periodic tax audits by tax authorities. Tax authorities may not agree with our interpretation of applicable tax laws and regulations. As a result, such tax authorities may assess additional tax, interest, and penalties. We regularly assess the likely outcomes of these audits and other tax disputes to determine the appropriateness of our tax provision and establish reserves for material, known tax exposures. However, the calculation of such tax exposures involves the application of complex tax laws and regulations in many jurisdictions. Therefore, there can be no assurance that we will accurately predict the outcomes of any tax audit or other tax dispute or that issues raised by tax authorities will be resolved at a financial cost that does not exceed our related reserves. As such, the actual outcomes of these disputes and other tax audits could have a material impact on our business results or financial position.

***Our ability to use deferred tax assets may be subject to limitation.***

We have deferred tax assets in certain countries and our ability to use such assets will depend on taxable income generation in the relevant countries. Further, while the majority of these assets either do not currently

have an expiration date or have an expiration date that is later than when we expect to use such assets, subsequent changes to applicable tax laws in these jurisdictions could impact our ability to fully benefit from the deferred tax assets.

### **Risks Relating to Quality, Regulation, and Compliance**

***Our business operations are subject to extensive laws and regulations, and any changes thereto or violations thereof could have a material adverse effect on our business.***

Our business operations are subject to various national, regional, and local laws and regulations relating to healthcare, medical devices, pharmaceutical products, consumer protection, privacy and security, employment, accounting, EH&S, import and export, product promotion, tax, antitrust, anti-corruption, anti-bribery, financing, and competition matters.

In particular, the sale, manufacturing, distribution, servicing, and marketing of many of our offerings are highly regulated and we are subject to heightened scrutiny by regulators and other authorities. Regulatory scrutiny may increase in the future and could require us to change the way we operate, including the way in which we offer certain services. These laws and regulations are complex, change frequently, are subject to changes in interpretation and enforcement, and have tended to become more stringent over time. Moreover, certain fields, such as cloud, clinical decision support software and AI, are new fields for which it remains unclear how they will be regulated in the future.

Furthermore, regulatory, and legislative changes, such as the adoption of right to repair laws in the United States, could further strengthen the ability of ISOs to obtain valuable service contracts and directly compete with us in the services area. Right to repair legislation may require us to provide ISOs with increased access to our service tools, parts, documents, software updates, and training. ISOs have also brought lawsuits against original equipment manufacturers in the United States requesting such access. In Europe, ISOs have supported investigations by competition authorities into alleged anti-competitive conduct by OEMs. If ISOs succeed in implementing legislative and/or regulatory reforms such as right to repair laws, prevail in lawsuits against OEMs, or if competition authorities confirm ISO claims, our service business could be adversely affected. The activities of ISOs could expose us to a number of risks, including (i) loss or damage to our intellectual property; (ii) fines, penalties, and injunctive relief; (iii) costly, time-consuming litigation or other enforcement actions; (iv) reputational harm from adverse publicity concerning product safety or reliability issues; and (v) heightened risk of a cyber-attack from increased access to our products, service tools, and software updates. The strengthening of ISOs and enactment of right to repair legislation could increase compliance costs, require changes to our business practices, or otherwise impact our ability to compete in the services and repairs area. Our ability to effectively compete with an increased number of ISOs and the continued momentum surrounding right to repair legislation (and similar campaigns) could adversely affect our business results, cash flows, financial condition, or prospects.

The need to comply with regulations is a substantial controlling, operational, and reputational risk. A failure to comply with applicable laws and regulations could result in governmental investigations, fines, and other sanctions, the temporary or permanent shutdown of production facilities, recalls of products, product withdrawals, revocation of marketing authorizations, disqualification from participation in healthcare activities, third-party and purported whistleblower claims, import detentions, and negative publicity, which could have adverse consequences on our business results, cash flows, financial condition, or prospects. Any new legislation or regulation or any changes in the interpretation or enforcement of existing legislation or regulation may impose significant and costly new obligations on us, which may interrupt our supply of products, delay launch of new offerings, or negatively affect our cost of doing business. Given all of the foregoing, future costs and liabilities relating to compliance with applicable laws and regulations could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***We operate in a strictly regulated industry, and changes in regulations or the implementation or enforcement of existing regulations could adversely affect our business.***

We are subject to rigorous regulation governing the protection of the health and safety of patients and users of our products, as well as development, product testing (including clinical evaluations or clinical investigations), manufacturing, labeling, safety, storage, marketing clearance or approval, advertising and promotion, import and export, sales and distribution, and performance and effectiveness. Certain laws and regulations may also affect the purchasing decisions of our customers. For example, policies in countries such as China and Russia that require purchase of locally manufactured products may affect customer purchasing decisions.

Additionally, our Equipment Finance business is subject to various laws, rules, and regulations administered by authorities in jurisdictions where it does business, including the United States, Canada, China, France, Germany, the United Kingdom, and certain countries in Latin America. Our business may also be affected by new laws and regulations, in particular laws and regulations that may govern innovative offerings and business activities, including digital offerings, such as cloud and edge computing, software, mobile medical applications, and AI.

The U.S. FDA, the various competent authorities of the European Union member states or other European countries that enforce the EU's Medical Device Regulation, and the National Medical Products Administration ("NMPA") in China are the regulatory authorities affecting us most prominently with respect to the commercialization of our medical device products, services, and solutions. There are numerous other regulatory schemes at the international, national, and sub-national levels. Regulations pertaining to our offerings are increasing in previously unregulated countries and are becoming more stringent in already regulated countries. Regulatory premarket clearance, approval, or conformity assessment requirements may affect or delay our ability to market new offerings.

The same oversight is reflected for our pharmaceutical products with stringent regulatory requirements to demonstrate safety, efficacy, and quality. For these products, we must conduct clinical trials on humans before we commercialize certain products. Delays and complications in planned clinical trials can result in increased development costs and delays in regulatory authorizations and products reaching the market. These regulations can be burdensome and subject to change, exposing us to the risk of increased costs and business disruption.

Both before and after an offering is commercially distributed, we have ongoing responsibilities under various laws and regulations, including the monitoring of product safety throughout the lifecycle, taking corrective and preventive actions to assure product quality, and reporting certain events and actions to regulatory authorities. For both medical devices and pharmaceutical products, if a regulatory authority concludes that we are not in compliance with applicable laws or regulations, or that any of our offerings are defective, ineffective, or pose an unreasonable risk for patients, users, or others, the authority may ban such offerings, detain or seize adulterated or misbranded products, order a recall, repair, replacement, or refund of such products, or require us to notify healthcare professionals and others that the offerings present unreasonable risks of substantial harm to public health. A regulatory authority may impose operating restrictions or enjoin certain violations of applicable law pertaining to medical devices or pharmaceutical products and assess civil or criminal penalties against us. The regulatory authority may also recommend prosecution by law enforcement agencies. Any governmental law or regulation, whether now existing or imposed in the future, or enforcement action taken could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***The U.S. FDA and other regulatory agencies actively enforce the laws and regulations governing the development, approval or clearance, and commercialization of medical devices and pharmaceutical products.***

Our activities related to the development, manufacture, marketing, servicing, and sale of medical devices and pharmaceuticals are subject to extensive federal and state government laws and regulations in the U.S. Compliance with these laws and regulations is expensive and time consuming. Failure to comply could adversely affect our business results, cash flows, financial condition, or prospects.

Before we can market a new medical device, make substantial changes to a previously cleared or approved device, we must receive either FDA clearance under Section 510(k) of the Federal Food, Drug, and Cosmetic Act (“FDCA”) or FDA approval of a Premarket Approval Application (“PMA”), unless an exemption applies. To obtain 510(k) clearance, the FDA must conclude that the device is “substantially equivalent” to a legally marketed predicate device, which generally refers to a device that itself has already received 510(k) clearance. To obtain PMA approval, we must provide FDA with valid scientific evidence demonstrating that there is a reasonable assurance of the safety and effectiveness of the device for its intended uses. Clinical development of a new investigational device or an existing device for a new intended use may require FDA approval of an Investigational Device Exemption (“IDE”), if the device at issue meets the criteria for a “significant risk” device. Even if FDA approval of an IDE is not required, clinical studies of non-significant risk devices are still subject to significant regulation and oversight, including requirements for monitoring, recordkeeping, reporting, obtaining informed consent, and institutional review board approval. A similar set of requirements governs FDA approval of pharmaceuticals. Development of new pharmaceuticals, such as imaging agents, typically begins with extensive pre-clinical R&D, followed by approval of an Investigational New Drug Application (“IND”), and then, upon successful completion of several phases of rigorous clinical trials, the filing and request for FDA approval of a New Drug Application (“NDA”). The FDA premarket review process is rigorous and not always predictable. FDA can delay, limit, or deny clearance or approval of a product, which could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

Once a medical device or pharmaceutical is cleared or approved, a manufacturer must notify FDA of certain changes to the product. In the case of 510(k) medical devices, FDA requires a device manufacturer to document its determination of whether or not a modification requires a new clearance. FDA can review a manufacturer’s decision not to file and may disagree and require a 510(k) submission or take other regulatory actions or enforcement. Modifications to a PMA approved device may require either submission of a PMA supplement for review and approval by FDA prior to implementing the modification or a notification in an annual report. For pharmaceuticals, FDA approval is required before making changes to the product’s formulation, dosage, or strength, and we must submit an IND if we intend to market an approved pharmaceutical product for a new use or in a new form. We may not be able to obtain additional FDA clearance or approval for new products or for modifications to, or additional indications for, already approved or cleared products in a timely fashion, or at all. Delays in obtaining required future clearances or approvals could harm our financial performance and future growth. If we make additional modifications in the future that we believe do not or will not require additional clearances or approvals and FDA disagrees and requires a submission, we may be required to recall or to stop selling our products as modified, which could impact our reputation, harm our operating results, or require us to redesign our products. In these circumstances, we may also be subject to legal or regulatory actions.

FDA and the Federal Trade Commission (“FTC”) also regulate the advertising and promotion of our offerings to ensure that our claims are consistent with our regulatory clearances and approvals, that there is data to substantiate the claims, and that our materials are not false or misleading. If we or any of our suppliers, channel partners, or agents fail to comply with FDA, FTC, and other applicable U.S. regulatory requirements or any such promotional labeling and advertising is perceived to potentially be false, misleading, or otherwise not permissible, we may face legal or regulatory actions.

As a device manufacturer, we are required to report to the FDA within specific timelines when any of our devices may have caused or contributed to death or serious injury, or when any of our devices has malfunctioned and it would be likely to cause or contribute to a death or serious injury if the malfunction were to recur. We are also required to report adverse drug events associated with use of our pharmaceutical products. If these reports are not filed in a timely manner, regulators may impose sanctions impacting product sales, and we may be subject to product liability or regulatory enforcement actions, all of which would harm our business.

We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad, particularly with respect to emerging technologies. Failure to comply with new requirements or otherwise maintain regulatory compliance

could limit or delay regulatory authorization of our products and adversely affect our business results, cash flows, financial condition, or prospects.

***In the United States, the FDA actively enforces laws and regulations governing the manufacture of medical devices and pharmaceutical products, and failure to comply with applicable laws and regulations could adversely affect our business.***

Following FDA clearance or approval of a medical device or pharmaceutical product, our activities are subject to ongoing FDA regulation and monitoring. We are subject to FDA's requirements for registration and listing, as well as current Good Manufacturing Practices ("cGMPs"), which are intended to ensure that our products are safe and consistently meet applicable requirements and specifications. FDA's cGMPs (referred to in the medical device context as the medical device Quality System Regulation ("QSR")) set forth minimum requirements for the methods, facilities and controls used in the design, testing, production, control, quality assurance, inspection, complaint handling, recordkeeping, management review, adverse event reporting, labeling, packaging, sterilization, storage, and shipping of our medical devices and pharmaceutical products. We are also required to comply with other federal and state regulations for medical devices, radiation-emitting products and pharmaceutical products. In addition, we must engage in extensive recordkeeping and reporting and must make available our manufacturing facilities and records for periodic announced or unannounced inspections by the FDA to determine compliance with QSR, cGMPs and similar regulatory requirements. In connection with these inspections, if the FDA believes a manufacturer has failed to comply with applicable regulations or procedures, it may issue observations through a "Form 483." If these observations are not addressed sufficiently or in a timely manner and to the FDA's satisfaction, the FDA may issue a Warning Letter or proceed directly to other forms of enforcement. If a Warning Letter is issued, prompt corrective action is required to come into compliance. Failure to respond timely to Form 483 observations, a Warning Letter or other notice of non-compliance and to promptly come into compliance could result in the FDA bringing enforcement action against us, which could include the partial or total shutdown of our affected production facilities, denial of importation into the United States for products manufactured in affected non-U.S. locations, adverse publicity, and criminal and civil fines. The FDA also may request that we enter into a consent decree imposing substantial fines or permanent injunction under which our activities are substantially curtailed or subject to rigorous ongoing regulatory scrutiny. A failure to enter into or comply with a consent decree with the FDA or similar agreements with governmental entities could result in enforcement actions by the FDA or other governmental entities, liquidated damages, fines, penalties, civil or criminal liability, and other interruptions to, or expenses for, our business.

We also participate in the Medical Device Single Audit Program ("MDSAP"), which is recognized by regulators in Australia, Brazil, Canada, Japan, and the United States. Audits are conducted by a third-party audit organization that has been approved by the MDSAP consortium and include audits against ISO 13485, a standard issued by the International Organization for Standardization ("ISO 13485") and the specific regulatory requirements of the five participating countries. We are participating in MDSAP across all of our relevant medical device manufacturing sites. A satisfactory audit with no significant findings will result in acceptance of the audit results by all five regulators and will be in lieu of a routine audit by each of these regulators. However, an audit that results in significant non-conformances will highlight the relevant issues to all five regulators and will likely result in follow-up inspections by one or more of these regulators. In addition, participating regulators reserve the right to conduct directed inspections if any other items rise to their attention, such as product recalls or other post-market issues. We are MDSAP-certified at all of our relevant sites; further, MDSAP certification is mandatory in Canada as of January 1, 2019 in order to maintain regulatory licenses and to sell products in Canada. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***Compliance with laws and regulations applicable to the manufacture and distribution of our products outside the United States may be costly, and failure to comply may result in significant penalties.***

In general, outside the United States, our products are regulated as medical devices or pharmaceuticals by foreign governmental agencies similar to FDA, but regulatory requirements affecting our operations and sales

vary from country to country. To market our products internationally in compliance with applicable medical device and pharmaceutical regulations, we must obtain approvals for products and product modifications. These processes can be time-consuming, expensive, and uncertain, which can delay our ability to market products in those countries. Delays or failure to receive regulatory approvals, the inclusion of significant limitations on the indicated uses of a product, the loss of previously obtained approvals, or failure to comply with existing or future regulations could restrict or prevent us from doing business in a country or subject us to enforcement actions and civil or criminal penalties, which would adversely affect our business.

Failure to obtain premarket regulatory approval of medical devices or pharmaceutical products will impact our ability to sell products in those jurisdictions. Regulatory requirements and interpretations change frequently, leading to increased scrutiny and uncertainty. As a result, market access may be delayed and additional investment may be needed. In addition to health authorities, other related healthcare, quality, consumer protection, and advertising regulators have become increasingly active in the enforcement of laws and regulations governing our products. This trend in increased enforcement could result in civil or criminal penalties, which could adversely affect our business.

In the European Economic Area (“EEA”), if we cannot support our performance claims and demonstrate compliance with the applicable regulations, we would lose our right to affix a European marking of conformity that indicates that the device meets the essential requirements of the Medical Device Regulations (a “CE marking”) to our devices, which would prevent us from selling our devices in countries that recognize the CE marking. We must also comply with post-market surveillance requirements and requirements applicable to economic operators. Globally, we are required to file various reports with regulatory authorities, including reports for adverse events associated with our products.

Some of our products are also regulated under other product-specific laws and regulations. Any efforts to send direct marketing to potential consumers of our products would need to comply with EU rules regulating such marketing, including the e-Privacy Directive 2002/58 and member state laws transposing that Directive. There are, additionally, EU laws regulating e-commerce activities more generally. Failure to comply with any such applicable laws, rules or regulations could have a material adverse effect on our business and results of operations.

In addition to the above, the U.S. Department of the Treasury’s Office of Foreign Assets Control administers laws and regulations that restrict U.S. persons and, in some instances, non-U.S. persons, in conducting activities, transacting business with, or making investments in certain countries or with governments, entities, and individuals subject to U.S. economic sanctions. Furthermore, the U.S. Department of Commerce Bureau of Industry and Security administers export controls that apply to products, software, and technology. Due to our international operations, we are subject to such laws and regulations, which are complex, restrict our business dealings with certain countries and individuals, and are constantly changing. There can be no guarantee that policies and procedures we have that are designed to assist us in complying will be effective in preventing us from a violation of these laws and regulations. Such a violation could result in potential civil penalties or criminal fines or imprisonment and have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***The misuse or off-label use of our products may harm our reputation or, if we are deemed to have engaged in the promotion of these uses, result in costly investigations, fines, or sanctions by regulatory bodies.***

Regulatory authorities, including the FDA, strictly regulate the indications for use and associated promotional safety and effectiveness claims that may be made about medical devices and pharmaceuticals. In general, we are prohibited from promoting our medical devices or pharmaceutical products for uses that are not consistent with each product’s labeling. For any products we may develop, we receive marketing approval or clearance for specific uses. Physicians may nevertheless lawfully choose to use such products on their patients in a manner that is inconsistent with the label (“off-label use”), as the FDA, for example, does not restrict or regulate a physician’s choice of treatment within the practice of medicine.



However, if regulatory authorities determine that our external-facing materials, oral statements, or physician training constitute promotion of an off-label use, such authorities could request that we modify our training, promotional, or other external-facing materials or subject us to enforcement action, including the issuance of warning or untitled letters, fines, penalties, or seizures. If we are found to have promoted such off-label uses, we may become subject to significant liability. Regulatory authorities may also request that companies enter into consent decrees of permanent injunctions under which specified promotional conduct is changed, curtailed, or prohibited. If we cannot successfully manage our external-facing materials or the advertising and promotion of and training for our products, we could become subject to significant liability and restrictions, which could harm our reputation and adversely affect our business. Additionally, the intentional misuse of our products, whether by customers or third parties, for non-medical purposes could result in allegations of product liability or otherwise harm our reputation. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

We face similar risks in China. Medical device and pharmaceutical product labels and advertising and promotion materials must be in accordance with the approval from the NMPA. The Advertisement Law of the People's Republic of China, the Anti-Unfair Competition Law and related medical device and pharmaceutical regulations require government approval of advertising and prohibit the advertisement of medical devices and pharmaceutical products for off-label uses. The failure to follow these rules could lead to government investigations, significant fines, seizures of advertising material, and disqualification from participation in medical device and pharmaceutical product activities, among other penalties. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***Developments following regulatory authorization, including results in post-approval device or pharmaceutical Phase 4 trials or other studies, could adversely affect sales or decrease demand for our medical devices or pharmaceutical products.***

As a condition to granting marketing authorization of a medical device or pharmaceutical product, FDA may require a company to conduct additional clinical trials or surveillance studies. Outcome of these post-market trials could result in the loss of marketing authorization, changes in product labeling, or new or increased concerns about the safety or efficacy of a product. Regulatory agencies in countries outside the United States often have similar authority and may impose comparable requirements. Post-marketing studies, whether conducted by us or by others and whether mandated by regulatory agencies or voluntary, and other emerging data about marketed products, such as adverse event reports, may also adversely affect the availability or commercial potential of our products. Further, the discovery of significant problems with a product similar to one of our products that implicate (or are perceived to implicate) an entire class of products could have an adverse effect on the availability or commercial potential of the affected products. Accordingly, new data about our products, or products similar to our products, could negatively impact demand for our products due to real or perceived safety issues or uncertainty regarding efficacy and, in some cases, could result in updated labeling, restrictions on use, product withdrawal, or recall. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***Demand for some of our products depends on capital spending policies of our customers and on government funding policies.***

Our customers include hospitals, universities, healthcare providers, government agencies, and public and private research institutions. Many factors, including public policy spending priorities, available resources, and product and economic cycles, have a significant impact on the capital spending policies of these entities. Impasses in national, regional, or local government budgeting decisions could lead to substantial delays or reductions in governmental spending.

Many of our products have lengthy sales and purchase order cycles or are subject to competitive bidding or public tender processes. As a result, customers may delay or accelerate system purchases in conjunction with

timing of their capital budget timelines or be unable to complete such purchases at all. Any of these risks could have a material adverse effect on our business results, cash flows, financial condition, or prospects.

***Consolidation in the U.S. healthcare industry and other changes to the U.S. healthcare environment may adversely affect our business.***

In recent years, U.S. healthcare industry participants, including distributors, manufacturers, suppliers, healthcare providers, insurers, and pharmacy chains, have consolidated or formed strategic alliances. Consolidations create larger enterprises with greater negotiating power and may result in the loss of a customer where the combined enterprise selects one distributor from two incumbents. If consolidation trends continue, it could adversely affect our business results, cash flows, financial condition, or prospects.

Additionally, the U.S. healthcare industry has undergone significant changes designed to increase access to medical care, improve safety and patient outcomes, contain costs, and increase efficiencies. These changes include a general decline and/or changes in public and private insurer reimbursement levels and payment models and the industry shifting away from traditional healthcare venues like hospitals and into clinics, physician offices, and patients' homes. We expect the U.S. healthcare industry to continue to change in the future, which may adversely affect our business results, cash flows, financial condition, or prospects.

**Risks Relating to the Spin-Off**

***The Spin-Off could result in significant tax liability to GE and its stockholders if it is determined to be a taxable transaction.***

GE has applied for a private letter ruling from the IRS to the effect that, among other things, the Spin-Off, including the retention of up to 19.9% of the shares of our common stock, will qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. Completion of the Spin-Off is conditioned on GE's receipt of a written opinion from each of Paul, Weiss, Rifkind, Wharton & Garrison LLP and Ernst & Young, LLP to the effect that the Spin-Off will qualify for non-recognition of gain and loss under Section 355 and related provisions of the Code. GE can waive receipt of the tax opinions as a condition to the completion of the Spin-Off.

The opinion of counsel and the opinion of Ernst & Young, LLP will not address any U.S. state or local or foreign tax consequences of the Spin-Off. Each opinion assumes that the Spin-Off will be completed according to the terms of the Separation and Distribution Agreement and relies on the facts as stated in the Separation and Distribution Agreement, the Tax Matters Agreement, the other ancillary agreements, this Information Statement and a number of other documents.

In addition, the opinion of counsel, the opinion of Ernst & Young, LLP, and the private letter ruling rely on certain facts, assumptions, representations, and undertakings from GE and us regarding the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations, or undertakings are incorrect or not otherwise satisfied, GE and its stockholders may not be able to rely on the opinion of counsel, the opinion of Ernst & Young, LLP, or the private letter ruling and could be subject to significant tax liabilities.

The opinion of counsel and the opinion of Ernst & Young, LLP will not be binding on the IRS or the courts, and there can be no assurance that the IRS or a court will not take a contrary position. Notwithstanding the opinion of counsel, the opinion of Ernst & Young, LLP, or the private letter ruling, the IRS could determine on audit that the Spin-Off or any of certain related transactions is taxable if it determines that any of these facts, assumptions, representations, or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinion that are not covered by the private letter ruling, or for other reasons, including as a result of certain significant changes in the stock ownership of GE or us after the Spin-Off. If the conclusions

expressed in the opinion of counsel or the opinion of Ernst & Young, LLP are challenged by the IRS, and if the IRS prevails in such challenge, the tax consequences of the Spin-Off (including the tax consequences to GE and the U.S. Holders (as defined herein)) could be materially less favorable.

If the Spin-Off were determined not to qualify for non-recognition of gain or loss under Section 355 and related provisions of the Code, each U.S. Holder who receives our common stock in the Spin-Off would generally be treated as receiving a distribution in an amount equal to the fair market value of our common stock received, which would generally result in: (i) a taxable dividend to the U.S. Holder to the extent of that U.S. Holder's pro rata share of GE's current or accumulated earnings and profits; (ii) a reduction in the U.S. Holder's basis (but not below zero) in GE common stock to the extent the amount received exceeds the stockholder's share of GE's earnings and profits; and (iii) taxable gain from the exchange of GE common stock to the extent the amount received exceeds the sum of the U.S. Holder's share of GE's earnings and profits and the U.S. Holder's basis in its GE common stock. See below and "Material U.S. Federal Income Tax Consequences of the Spin-Off."

***If the Spin-Off were determined not to qualify as tax-free for U.S. federal income tax purposes, we could have an indemnification obligation to GE, which could adversely affect our business, financial condition, cash flows, and results of operations.***

If, as a result of any of our representations being untrue or our covenants being breached, the Spin-Off were determined not to qualify for non-recognition of gain or loss under Section 355 and related provisions of the Code, we could be required by the Tax Matters Agreement to indemnify GE for the resulting taxes and related expenses. Those amounts could be material. Any such indemnification obligation could adversely affect our business, financial condition, cash flows, and results of operations.

For example, if we or our stockholders were to engage in transactions that resulted in a 50% or greater change by vote or value in the ownership of our stock during the four-year period beginning on the date that begins two years before the date of the Spin-Off, the Spin-Off would generally be taxable to GE, but not to GE stockholders, under Section 355(e), unless it were established that such transactions and the Spin-Off were not part of a plan or series of related transactions. If the Spin-Off were taxable to GE due to such a 50% or greater change by vote or value in the ownership of our stock, GE would recognize gain equal to the excess of the fair market value on the Distribution Date of our common stock distributed to GE stockholders over GE's tax basis in our common stock, and we generally would be required to indemnify GE for the tax on such gain and related expenses. Those amounts could be material. Any such indemnification obligation could adversely affect our business, financial condition, cash flows, and results of operations. See "Certain Relationships and Related Person Transactions—Agreements with GE—Tax Matters Agreement."

***We intend to agree to numerous restrictions to preserve the non-recognition tax treatment of the Spin-Off, which may reduce our strategic and operating flexibility.***

To preserve the tax-free nature of the Spin-Off and related transactions, we intend to agree in the Tax Matters Agreement to covenants and indemnification obligations that address compliance with Section 355 and related provisions of the Code, as well as state, local and foreign tax law. These covenants will include certain restrictions on our activity for a period of two years following the Spin-Off. Specifically, we will be subject to certain restrictions on our ability to enter into acquisition, merger, liquidation, sale and stock redemption transactions with respect to our stock or assets and we may be required to indemnify GE against any resulting tax liabilities even if we do not participate in or otherwise facilitate the acquisition. Furthermore, we will be subject to specific restrictions on discontinuing the active conduct of our trade or business, the issuance or sale of stock or other securities (including securities convertible into our stock but excluding certain compensatory arrangements), and sales of assets outside the ordinary course of business. These covenants and indemnification obligations may limit our ability to pursue strategic transactions or engage in new businesses or other transactions that may maximize the value of our business, and might discourage or delay a strategic transaction

that our stockholders may consider favorable. See “Certain Relationships and Related Person Transactions—Agreements with GE—Tax Matters Agreement.”

***We may be unable to achieve some or all of the benefits that we expect to achieve from the Spin-Off.***

We may be unable to achieve the full strategic and financial benefits expected to result from the separation and distribution, or such benefits may be delayed or not occur at all. We believe that, as an independent, publicly traded company, we will be able to, among other things, more effectively focus on our own distinct operating priorities and strategies, enhance our ability to better address specific market dynamics and target innovation, create incentives for our management and employees that align more closely with our business performance and the interests of our stockholders, and allow us to articulate a clear investment proposition and tailored capital allocation policy to attract a long-term investor base best suited to our business needs. We may be unable to achieve some or all of the benefits that we expect to achieve as an independent company in the time we expect, if at all, for a variety of reasons, including: (i) the completion of the Spin-Off and compliance with the requirements of being an independent, publicly traded company will require significant amounts of our management’s time and effort, which may divert management’s attention from operating and growing our business; (ii) following the Spin-Off, we may be more susceptible to market fluctuations and other adverse events than if we were still a part of GE; (iii) following the Spin-Off, our businesses will be less diversified than GE’s businesses prior to the separation; (iv) the other actions required to separate GE’s and our respective businesses could disrupt our operations; and (v) under the terms of the Tax Matters Agreement, we will be restricted from taking certain actions that could cause the Spin-Off to fail to qualify as a tax-free transaction and these restrictions may limit us for a period of time from pursuing strategic transactions and equity issuances or engaging in other transactions that may increase the value of our business. If we fail to achieve some or all of the benefits that we expect to achieve as an independent company, or do not achieve them in the time we expect, our business, financial condition, cash flows, and results of operations could be adversely affected.

***The terms we will receive in our agreements with GE could be less beneficial than the terms we may have otherwise received from unaffiliated third parties.***

The agreements we will enter into with GE in connection with the separation will be negotiated prior to the Spin-Off, at a time when our business will still be operated by GE. Many aspects of the agreements will be entered into on arms-length terms similar to those that would be agreed with an unaffiliated third party such as a buyer in a sale transaction, but we will not have an independent board of directors or a management team independent of GE representing our interests while the agreements are being negotiated. In addition, until the Spin-Off occurs, we will continue to be a wholly owned subsidiary of GE and, accordingly, GE will still have the discretion to determine and change the terms of the separation until the Distribution Date. As a result of these factors, some of the terms of those agreements may not reflect terms that would have resulted from arm’s-length negotiations between unaffiliated third parties, and it is possible that we might have been able to achieve more favorable terms if the circumstances differed. See “Certain Relationships and Related Person Transactions.”

***Following the Spin-Off, we could incur substantial additional costs and experience temporary business interruptions, and we may not be adequately prepared to meet the requirements of an independent, publicly traded company on a timely or cost-effective basis.***

We have historically operated as part of GE, and GE has provided us with various corporate functions. Following the Spin-Off, GE will not provide us with assistance other than the transition and other services described under “Certain Relationships and Related Person Transactions.” These services do not include every service that we have received from GE in the past, and GE is only obligated to provide the transition services for limited periods following completion of the Spin-Off. Following the Spin-Off and the cessation of any transition services agreements, we will need to provide internally or obtain from unaffiliated third parties the services we will no longer receive from GE. We may be unable to replace these services in a timely manner or on terms and conditions as favorable as those we receive from GE.

In connection with the Spin-Off, we have been installing and implementing information technology infrastructure to support certain of our business functions, including accounting and financial reporting, human resources, legal and compliance, communications, and indirect sourcing. We may incur substantially higher costs than currently anticipated as we transition from the existing transactional and operational systems and data centers we currently use as part of GE. If we are unable to transition effectively, we may incur temporary interruptions in business operations. Any delay in implementing, or operational interruptions suffered while implementing, our new information technology infrastructure could disrupt our business and have a material adverse effect on our results of operations.

In addition, in connection with the Spin-Off, we will be directly subject to reporting and other obligations under the U.S. Securities and Exchange Act of 1934, as amended (the “Exchange Act”). The Exchange Act requires that we file annual, quarterly, and current reports with respect to our business and financial condition. Beginning with our second required Annual Report on Form 10-K, we intend to comply with Section 404 of the Sarbanes Oxley Act of 2002, as amended (the “Sarbanes Oxley Act”), which will require annual management assessments of the effectiveness of our internal control over financial reporting and a report by our independent registered public accounting firm on the effectiveness of internal control over financial reporting. Under the Sarbanes Oxley Act, we are also required to maintain effective disclosure controls and procedures. To comply with these requirements, we may need to upgrade our systems, implement additional financial and management controls, reporting systems, and procedures and hire additional accounting and finance staff. These reporting and other obligations may place significant demands on management, administrative, and operational resources, including accounting systems and resources. If we are unable to upgrade our financial and management controls, reporting systems, information technology systems, and procedures in a timely and effective fashion, our ability to comply with financial reporting requirements and other rules that apply to reporting companies under the Exchange Act could be impaired, and we may be unable to conclude that our internal control over financial reporting is effective. If we are not able to comply with the requirements of Section 404 of the Sarbanes Oxley Act in a timely manner, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of shares of our common stock could decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources.

Moreover, we cannot be certain that these measures would ensure that we implement and maintain adequate controls over our financial processes and reporting in the future. Even if we were to conclude, and our auditors were to concur, that our internal control over financial reporting provided reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP, because of its inherent limitations, internal control over financial reporting might not prevent or detect fraud or misstatements. This, in turn, could have an adverse impact on trading prices for shares of our common stock, and could adversely affect our ability to access the capital markets.

***As an independent, publicly traded company, we may not enjoy the same benefits that we did as a part of GE.***

There is a risk that, by separating from GE, we may become more susceptible to market fluctuations and other adverse events than we would have been if we were still a part of the current GE organizational structure. As part of GE, we have been able to enjoy certain benefits from GE’s operating diversity, size, purchasing power, cost of capital, and opportunities to pursue integrated strategies with GE’s other businesses. As an independent, publicly traded company, we will not have the same benefits. Additionally, as part of GE, we have been able to leverage GE’s historical reputation, performance, and brand identity to recruit and retain key personnel to run and operate our business. As an independent, publicly traded company, we will need to develop new strategies, and it may be more difficult for us to recruit or retain such key personnel.

***We have no operating history as an independent, publicly traded company, and our historical combined financial information is not necessarily representative of the results we would have achieved as an independent, publicly traded company and may not be a reliable indicator of our future results.***

We derived the historical combined financial information included in this Information Statement from GE's consolidated financial statements, and this information does not necessarily reflect the results of operations and financial position we would have achieved as an independent, publicly traded company during the periods presented, or those that we will achieve in the future. This is primarily because of the following factors:

- Prior to the Spin-Off, we operated as part of GE, and GE performed various corporate functions for us. Our historical combined financial information reflects allocations of corporate expenses from GE for these functions. These allocations may not reflect the costs we will incur for similar services in the future as an independent, publicly traded company.
- We will enter into transactions with GE that did not exist prior to the Spin-Off, such as GE's provision of transition and other services, and undertake indemnification obligations, which will cause us to incur new costs. See "Certain Relationships and Related Person Transactions—Agreements with GE."
- Our historical combined financial information does not reflect changes that we expect to experience in the future as a result of our separation from GE, including changes in the financing, cash management, operations, cost structure, and personnel needs of our business. As part of GE, we enjoyed certain benefits from GE's operating diversity, reputation, size, purchasing power, ability to borrow, and available capital for investments, and we will lose these benefits after the Spin-Off. As an independent entity, we may be unable to purchase goods, services, and technologies, obtain insurance and health care benefits, computer software licenses, or other services or licenses, or access capital markets, on terms as favorable to us as those we obtained as part of GE prior to the Spin-Off, and our results of operations may be adversely affected. In addition, our historical combined financial data do not include an allocation of interest expense comparable to the interest expense we will incur as a result of the Reorganization Transactions and the Spin-Off, including interest expense in connection with our incurrence of indebtedness.

Following the Spin-Off, we will also face additional costs and demands on management's time associated with being an independent, publicly traded company, including costs and demands related to corporate governance, investor and public relations, and public financial reporting. For additional information about our past financial performance and the basis of presentation of our combined financial statements, see "Unaudited Pro Forma Condensed Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our historical combined financial statements and the notes thereto included elsewhere in this Information Statement.

***We expect to incur new indebtedness concurrently with or prior to the Spin-Off, and the degree to which we will be leveraged following completion of the Spin-Off could adversely affect our business, results of operations, cash flows, and financial condition.***

In connection with the Spin-Off, we expect to incur indebtedness in an aggregate principal amount of approximately \$10.2 billion, consisting of senior notes and term loans. We expect that we may issue certain amounts of such indebtedness directly to GE, as partial consideration for certain assets contributed to us in connection with the Spin-Off, and that GE will exchange such indebtedness for an equivalent principal amount of GE's indebtedness. In addition, we expect to make a cash distribution from the balance of debt issuance proceeds to GE concurrently with the Spin-Off, with the remaining proceeds to be held by the Company in cash and cash equivalents. We expect that GE will use the proceeds of such indebtedness to pay off GE obligations, including by tendering for outstanding debt obligations issued, assumed, or guaranteed by GE. We also intend to enter into \$3.5 billion of committed credit facilities, however, the facilities are not expected to be utilized at the closing of the Spin-Off. The terms of such indebtedness are subject to change and will be finalized prior to the closing of

the Spin-Off. See “Capitalization,” “Unaudited Pro Forma Condensed Combined Financial Statements,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.” Our cash balance at the time of the Spin-Off is expected to be approximately \$1.8 billion.

We have historically relied upon GE to fund our working capital requirements and other cash requirements. After the Spin-Off, we will not be able to rely on the earnings, assets, or cash flow of GE, and GE will not provide funds to finance our working capital or other cash requirements. As a result, after the Spin-Off, we will be responsible for servicing our own debt and obtaining and maintaining sufficient working capital and other funds to satisfy our cash requirements. After the Spin-Off, our access to and cost of debt financing will be different from the historical access to and cost of debt financing under GE. Differences in access to and cost of debt financing may result in differences in the interest rate charged to us on financings, as well as the amount of indebtedness, types of financing structures and debt markets that may be available to us. Our ability to make payments on and to refinance our indebtedness, including the debt incurred in connection with the Spin-Off, as well as any future debt that we may incur, will depend on our ability to generate cash in the future from operations, financings, or asset sales. Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control.

***A lowering or withdrawal of the ratings, outlook, or watch assigned to our new debt by rating agencies may increase our future borrowing costs, reduce our access to capital, and adversely impact our financial performance.***

Our indebtedness is expected to have an investment-grade credit rating, and any credit rating, outlook, or watch assigned could be lowered or withdrawn entirely by a credit rating agency if, in that credit rating agency’s judgment, current or future circumstances relating to the basis of the credit rating, outlook, or watch such as adverse changes to our business, so warrant. Any future lowering of our credit ratings, outlook, or watch likely would make it more difficult or more expensive for us to obtain additional debt financing. Moreover, a reduction in our credit rating to below investment-grade could cause certain customers to reduce or cease to do business with us, which would adversely impact our financial performance.

***Following the Spin-Off, certain of our directors and employees may have actual or potential conflicts of interest because of their financial interests in GE or because of their previous or continuing positions with GE.***

Because of their current or former positions with GE, certain of our expected executive officers and directors own equity interests in both us and GE. Continuing ownership of GE shares and equity awards could create, or appear to create, potential conflicts of interest if we and GE face decisions that could have implications for both us and GE. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between us and GE regarding the terms of the agreements governing the separation and distribution and our relationship with GE following the separation and distribution. Potential conflicts of interest may also arise out of any commercial arrangements that we or GE may enter into in the future.

***We or GE may fail to perform under various transaction agreements that will be executed as part of the separation.***

In connection with the separation, and prior to the Spin-Off, we and GE will enter into various transaction agreements related to the Spin-Off. All of these agreements will also govern our relationship with GE following the Spin-Off. We will rely on GE to satisfy its performance obligations under these agreements. If we or GE are unable to satisfy our or its respective obligations under these agreements, including indemnification obligations, our business, results of operations, cash flows, and financial condition could be adversely affected. See “Certain Relationships and Related Person Transactions.”

***Certain non-U.S. entities or assets that are part of our separation from GE may not be transferred to us prior to the Spin-Off or at all.***

Certain non-U.S. entities and assets that are part of our separation from GE may not be transferred prior to the Spin-Off because the entities or assets, as applicable, are subject to foreign government or third-party approvals that we may not receive prior to the Spin-Off. Such approvals may include, but are not limited to, approvals to merge or demerge, to form new legal entities (including obtaining required registrations and/or licenses or permits), and to transfer assets and/or liabilities. It is currently anticipated that most material transfers will occur without delays beyond the Distribution Date, but we cannot offer any assurance that such transfers will ultimately occur or not be delayed for an extended period of time. To the extent such transfers do not occur prior to the Spin-Off, under the Separation and Distribution Agreement, the economic consequences of owning such assets and/or entities will, to the extent reasonably possible and permitted by applicable law, be provided to us. In the event such transfers do not occur or are significantly delayed because we do not receive the required approvals, we may not realize all of the anticipated benefits of our separation from GE and we may be dependent on GE for transition services for a longer period of time than would otherwise be the case.

***Transfer or assignment to us of some contracts and other assets will require the consent of a third party. If such consent is not given, we may not be entitled to the benefit of such contracts, investments, and other assets in the future.***

Transfer or assignment of some of the contracts and other assets in connection with the Spin-Off will require the consent of a third party to the transfer or assignment. Similarly, in some circumstances, we are joint beneficiaries of contracts, and we will need to enter into a new agreement with the third party to replicate the existing contract or assign the portion of the existing contract related to our business. While we anticipate that most of these contract assignments and new agreements will be obtained prior to the Spin-Off, we may not be able to obtain all required consents or enter into all such new agreements, as applicable, until after the Distribution Date. Some parties may use the requirement of a consent to seek more favorable contractual terms from us, which could include our having to obtain letters of credit or other forms of credit support. If we are unable to obtain such consents or such credit support on commercially reasonable and satisfactory terms, we may be unable to obtain some of the benefits, assets, and contractual commitments that are intended to be allocated to us as part of the Spin-Off. In addition, where we do not intend to obtain consent from third-party counterparties based on our belief that no consent is required, the third-party counterparties may challenge the transaction on the basis that the terms of the applicable commercial arrangements require their consent. We may incur substantial litigation and other costs in connection with any such claims and, if we do not prevail, our ability to use these assets could be adversely impacted.

We cannot provide assurance that all such required third-party consents and new agreements will be procured or put in place, as applicable, prior to the Distribution Date. Consequently, we may not realize certain of the benefits that are intended to be allocated to us as part of the Spin-Off.

### **Risks Relating to Our Common Stock and the Securities Market**

***No market for our common stock currently exists and an active trading market may not develop or be sustained after the Spin-Off. Following the Spin-Off, our stock price may fluctuate significantly, and there can be no assurance that the combined trading prices of our and GE's common stock would exceed the trading price of GE common stock absent the Spin-Off.***

There is currently no public market for our common stock. In connection with the Spin-Off, we have applied to list our common stock on The Nasdaq Stock Market LLC. We anticipate that before the Distribution Date, trading of shares of our common stock will begin on a "when-issued" basis and this trading will continue through the Distribution Date. However, an active trading market for our common stock may not develop as a result of the Spin-Off or may not be sustained in the future. The lack of an active market may make it more difficult for stockholders to sell our shares and could lead to our share price being depressed or volatile.



We cannot predict the prices at which our common stock may trade after the Spin-Off or whether the combined trading prices of a share of our common stock and a share of GE's common stock will be less than, equal to, or greater than the trading price of a share of GE common stock prior to the Spin-Off. The market price of our common stock may fluctuate widely depending on many factors, some of which may be beyond our control.

Furthermore, our business profile and market capitalization may not fit the investment objectives of some GE stockholders and, as a result, these GE stockholders may sell their shares of our common stock after the Spin-Off. See “—Substantial sales of our common stock may occur in connection with the Spin-Off, or in the future, including the disposition by GE of shares of our common stock that it may retain after the Spin-Off, either of which could cause our stock price to decline or be volatile.” Low trading volume for our stock, which may occur if an active trading market does not develop, among other reasons, would amplify the effect of the above factors on our stock price volatility. Should the market price of our shares drop significantly, stockholders may institute securities class action lawsuits against us. A lawsuit against us could cause us to incur substantial costs and could divert the time and attention of our management and other resources.

***Substantial sales of our common stock may occur in connection with the Spin-Off, or in the future, including the disposition by GE of shares of our common stock that it may retain after the Spin-Off, either of which could cause our stock price to decline or be volatile.***

Immediately following the Spin-Off, GE will own up to 19.9% of the economic interest and voting power of our outstanding common stock. We understand that GE currently intends to dispose of all of our common stock that it retains after the Spin-Off, based on market and general economic conditions and sound business judgment, (A) through one or more subsequent exchanges of our common stock for GE debt held by one or more investment banks, (B) through distributions to GE stockholders either pro rata as dividends or in exchange for outstanding shares of GE common stock, or (C) in one or more public or private sale transactions (including potentially through secondary transactions). Prior to the Spin-Off, we will enter into a stockholder and registration rights agreement (the “Stockholder and Registration Rights Agreement”) under which we will agree, upon the request of GE, to use our reasonable best efforts to effect a registration under applicable federal and state securities laws of any shares of our common stock retained by GE to facilitate GE's disposition of our common stock. See “Certain Relationships and Related Person Transactions—Agreements with GE—Stockholder and Registration Rights Agreement.”

Further, GE stockholders receiving shares of our common stock in the Spin-Off generally may sell those shares immediately in the public market. It is likely that some GE stockholders, including some of its larger stockholders, will sell their shares of our common stock received in the Spin-Off if, for reasons such as our business profile or market capitalization as an independent company, we do not fit their investment objectives or, in the case of index funds, we are not a participant in the index in which they are investing. The sales of significant amounts of our common stock or the perception in the market that such sales might occur may decrease the market price of our common stock.

***We will evaluate whether to pay cash dividends on shares of our common stock in the future, and the terms of our indebtedness may limit our ability to pay dividends on shares of our common stock.***

As an independent, publicly traded company, we will be evaluating whether to pay cash dividends to our stockholders. The timing, declaration, amount, and payment of future dividends to stockholders, if any, will fall within the discretion of our Board. Our Board's decisions regarding the payment of dividends will depend on consideration of many factors, such as our financial condition, earnings, sufficiency of distributable reserves, opportunities to retain future earnings for use in the operation of our business and to fund future growth, capital requirements, debt service obligations, legal requirements, regulatory constraints, and other factors that our Board deems relevant. For more information, See “Dividend Policy.”

There can be no assurance that we will pay a dividend in the future or continue to pay any dividend if we do commence paying dividends.

***Holders of our common stock may be diluted due to equity issuances.***

In the future, holders of our common stock may be diluted because of equity issuances for acquisitions, capital market transactions, or otherwise, including any equity awards that we will grant to our directors, officers, and employees. Our employees will have stock-based awards that correspond to shares of our common stock after the Spin-Off as a result of the conversion of and/or adjustments to their GE stock-based awards. Such awards will have a dilutive effect on our earnings per share, which could adversely affect the market price of our common stock. We also plan to issue additional stock-based awards, including annual awards, new hire awards, and periodic retention awards, as applicable, to our directors, officers, and other employees under our employee benefits plans as part of our ongoing equity compensation program.

***The rights associated with our common stock will differ from the rights associated with GE common stock.***

Upon completion of the Spin-Off, the rights of GE stockholders who become our stockholders will be governed by our certificate of incorporation, bylaws, and Delaware law. The rights associated with GE shares are different from the rights associated with our shares. In addition, the rights of GE stockholders are governed by New York law, while the rights of our stockholders will be governed by Delaware law. Material differences between the rights of stockholders of GE and the rights of our stockholders include differences with respect to, among other things, anti-takeover measures. See “Description of Our Capital Stock—Certain Provisions of Delaware Law, Our Certificate of Incorporation, and Bylaws.”

***Certain provisions in our certificate of incorporation, bylaws, and Delaware law may discourage takeovers and limit the power of our stockholders.***

Several provisions of our certificate of incorporation, bylaws, and Delaware law may discourage, delay, or prevent a merger or acquisition. These include, among others, provisions that (i) establish advance notice requirements for stockholder nominations and proposals; (ii) limit the ability of stockholders to call special meetings or act by written consent; (iii) provide the Board the right to issue shares of preferred stock without stockholder approval; and (iv) provide for the ability of our directors, and not stockholders, to fill vacancies on the Board (including those resulting from an enlargement of the Board). In addition, we are subject to Section 203 of the Delaware General Corporation Law (“DGCL”), which could have the effect of delaying or preventing a change of control that you may favor. See “Description of Our Capital Stock.”

These and other provisions of our certificate of incorporation, bylaws, and Delaware law, as well as the restrictions in our Tax Matters Agreement (see “Certain Relationships and Related Person Transactions—Agreements with GE—Tax Matters Agreement”), may discourage, delay, or prevent certain types of transactions involving an actual or a threatened acquisition or change in control of GE HealthCare, including unsolicited takeover attempts, even though the transaction may offer our stockholders the opportunity to sell their shares of our common stock at a price above the prevailing market price. Our Board believes these provisions will protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with the Board and by providing the Board with more time to assess any acquisition proposal. These provisions will apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that the Board determines is not in our and our stockholders’ best interests. See “Description of Our Capital Stock.”

***Our certificate of incorporation will provide that certain courts in the State of Delaware or the federal district courts of the United States will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.***

Our certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery located within the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee, agent, or stockholder to us or our stockholders, any action asserting a claim arising pursuant to the DGCL, the certificate of incorporation or the bylaws, or any action asserting a claim governed by the internal affairs doctrine. However, if the Court of Chancery within the State of Delaware lacks jurisdiction over such action, the action may be brought in another court of the State of Delaware or, if no court of the State of Delaware has jurisdiction, then in the United States District Court for the District of Delaware. Additionally, our certificate of incorporation will state that the foregoing provision will not apply to claims arising under the Securities Act. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. The exclusive forum provisions will be applicable to the fullest extent permitted by applicable law, subject to certain exceptions. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provisions will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. There is, however, uncertainty as to whether a court would enforce the exclusive forum provisions, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for state and federal courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and, to the fullest extent permitted by law, to have consented to the provisions of our certificate of incorporation described above. The choice of forum provision may result in increased costs for investors to bring a claim. Further, the choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, other employees, or stockholders, which may discourage such lawsuits against us and our directors, officers, other employees, or stockholders. However, the enforceability of similar forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings. If a court were to find the exclusive choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

## CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Information Statement may constitute “forward-looking statements” that involve risks and uncertainties. Forward-looking statements are based on our current assumptions regarding future business and financial performance. These statements by their nature address matters that are uncertain to different degrees. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Words such as “anticipates,” “believes,” “expects,” “estimates,” “intends,” “plans,” “projects,” and similar expressions, may identify such forward-looking statements. Any forward-looking statement in this Information Statement speaks only as of the date on which it is made. Although we believe that the forward-looking statements contained in this Information Statement are based on reasonable assumptions, you should be aware that many factors could affect our actual financial results, cash flows, or results of operations and could cause actual results to differ materially from those in such forward-looking statements, including but not limited to:

- the competitive environment in which we operate;
- our strategy, outcomes, and growth prospects;
- general economic trends and trends in the industry and markets in which we operate;
- our business dealings involving third-party partners in various markets;
- the risks from acquisitions, collaborations, and dispositions;
- our ability to obtain components or raw materials supplied by third parties and other manufacturing and related supply chain difficulties, interruptions, and delays;
- interruptions in the operations of our manufacturing facilities;
- damage to our reputation;
- our ability to comply with complex and increasing legal and regulatory requirements;
- risks relating to the global COVID-19 pandemic;
- the failure to protect our intellectual property or allegations that we have infringed the intellectual property of others;
- cybersecurity and privacy considerations;
- risks associated with our focus on and investment in cloud, edge, artificial intelligence, and software offerings;
- civil or criminal sanctions resulting from our failure to comply with the FCPA and similar anti-corruption and anti-bribery laws;
- the failure to comply with anti-kickback and false claims laws;
- our ability to manage our third-party collaboration arrangements, licensing arrangements, joint ventures, or strategic alliances;
- legal proceedings and investigatory risks;
- extensive laws and regulations;
- environmental matters;
- tax matters;
- the impact of the commercial and credit environment on our access to capital;
- exposure to interest rate and currency risk;
- GE’s failure to complete the Spin-Off as planned or at all;

- our failure to manage the transition to a stand-alone public company; and
- certain factors discussed elsewhere in this Information Statement.

These and other factors are more fully discussed in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections and elsewhere in this Information Statement. Those cautionary statements are not exclusive and are in addition to other factors discussed elsewhere in this Information Statement. Except as required by law, we assume no obligation to update or revise any forward-looking statements.

## THE SPIN-OFF

### Background

On November 9, 2021, GE announced its plans to form three industry-leading, global investment-grade public companies: (i) GE Aerospace, (ii) GE HealthCare, and (iii) GE Vernova. To effect the separation of GE HealthCare, GE is undertaking the Reorganization Transactions and, following the Reorganization Transactions, will distribute at least 80.1% of the outstanding shares of our common stock to holders of GE's common stock on a pro rata basis. GE will retain up to 19.9% of our outstanding shares of common stock following the Spin-Off. Prior to completing the Spin-Off, GE may adjust the percentage of our common stock to be distributed to GE stockholders and retained by GE in response to market and other factors, and we will amend this Information Statement to reflect any such adjustment.

On \_\_\_\_\_, 2022, the GE Board approved the distribution of at least 80.1% of the issued and outstanding shares of our common stock, on the basis of \_\_\_\_\_ shares of our common stock for every \_\_\_\_\_ shares of GE common stock held as of the close of business on the record date of \_\_\_\_\_, 2022.

On \_\_\_\_\_, 2023, the Distribution Date, each GE stockholder will receive \_\_\_\_\_ shares of our common stock for every \_\_\_\_\_ shares of GE common stock held at close of business on the record date. Following the Spin-Off, we will operate independently from GE. No approval of GE's stockholders is required in connection with the Spin-Off, and GE's stockholders will not have any appraisal rights in connection with the Spin-Off.

Completion of the Spin-Off is subject to the satisfaction, or the GE Board's waiver, to the extent permitted by law, of a number of conditions. In addition, GE may at any time until the Spin-Off decide to abandon the Spin-Off or modify or change the terms of the Spin-Off. For a more detailed discussion, see "—Conditions to the Spin-Off."

### Reasons for the Spin-Off

In 2021, the GE Board authorized a review of GE's business portfolio and capital allocation options, with the goal of enhancing stockholder value. Due to differences in operational and strategic focus between GE's different businesses and because the healthcare industry is a highly complex and global market that would benefit from the focus and investment by an independent company, GE considered a variety of alternatives for separating the Healthcare business from GE. As part of its review process, GE evaluated a range of potential structural alternatives in addition to the Spin-Off, including potential opportunities for sales and other separation transactions. In this process, GE also evaluated potential options for maintaining its existing businesses and structure.

As part of this evaluation, the GE Board considered a number of factors, including strategic clarity and flexibility for GE and GE HealthCare after the Spin-Off, the ability of the GE Healthcare business to compete and operate efficiently in the global healthcare market (including the ability to retain and attract management talent), the financial profile of GE HealthCare, GE HealthCare's ability to optimize merger, acquisition, and other capital allocation strategies for its focus areas, the expected tax impact of each structural alternative, and the potential reaction of investors. After evaluating these and other considerations, the GE Board concluded that the other alternatives considered did not present the same advantages as the Spin-Off, that the separation of the GE Healthcare business from the remainder of GE as a stand-alone, public company is the most attractive alternative for enhancing long-term stockholder value and that proceeding with the Spin-Off would be in the best interests of GE and its stockholders.

In particular, the GE Board considered the following potential benefits in making the determination to consummate the Spin-Off:

- **Enhanced Strategic and Operational Focus:** The Spin-Off will permit both us and GE, and their respective management teams and boards of directors, to more effectively focus on pursuing distinct

operating strategies and to leverage their deep domain expertise. As a result, we will have greater agility to deliver market-leading innovation across our products, services, and solutions. This will enable each company to better serve and adapt faster to clients' changing needs. Additionally, after our separation from GE, GE intends to complete the separate spin-off of GE Vernova and to focus on GE Aerospace.

- ***Strong Financial Profile to Support Growth:*** The Spin-Off will enable each business to maintain investment-grade credit ratings and strong financial characteristics and to independently drive growth and investment to better address specific market dynamics and target innovation.
- ***More Flexible and Efficient Allocation of Capital:*** The Spin-Off is expected to allow each company to use its securities to pursue and achieve strategic objectives including evaluating and effectuating acquisitions and other growth opportunities.
- ***Alignment of Incentives with Performance:*** The Spin-Off will enable each company to create incentives for its management and employees that align more closely with business performance and the interests of their respective stockholders, which is also expected to help each company attract, retain, and motivate highly qualified personnel.
- ***Broadening of Investor Base:*** The Spin-Off allows each company to articulate a clear investment proposition and tailored capital allocation policy to attract a long-term investor base best suited to its business needs.

In determining whether to effect the Spin-Off, the GE Board considered the costs and risks associated with the transaction, including the costs associated with preparing GE HealthCare to become an independent, publicly traded company, the risk of volatility in our stock price immediately following the Spin-Off due to sales by GE stockholders whose investment objectives may no longer be met by shares of our common stock, the time it may take for us to attract our optimal stockholder base, the possibility of disruptions in our business as a result of the Spin-Off, the risk that the combined trading prices of shares of our common stock and the shares of common stock of GE after the Spin-Off may drop below the trading price of shares of common stock of GE before the Spin-Off, and the loss of synergies and scale, including the improved capital allocation from operation as one company. Notwithstanding these costs and risks, taking into account the factors discussed above, GE determined that the Spin-Off provided the best opportunity to achieve the above benefits and enhance long-term stockholder value. Please refer to the "Risk Factors—Risks Relating to the Spin-Off" elsewhere in this Information Statement for additional considerations.

### **GE's Retention of Shares of Our Common Stock**

GE's plan to transfer less than all of our common stock to its stockholders in the Spin-Off is motivated by its desire to establish, in an efficient and non-taxable, cost-effective manner, an appropriate capital structure for each of us and GE, including by reducing, directly or indirectly, GE's indebtedness following the Spin-Off. We understand that GE currently intends to dispose of all of our common stock that it retains after the Spin-Off, based on market and general economic conditions and sound business judgment, (A) through one or more subsequent exchanges of our common stock for GE debt held by one or more investment banks, (B) through distributions to GE stockholders either pro rata as dividends or in exchange for outstanding shares of GE common stock, or (C) in one or more public or private sale transactions (including potentially through secondary transactions).

### **When and How You Will Receive Our Shares**

GE will distribute to its stockholders, as a pro rata distribution, \_\_\_\_\_ shares of our common stock for every \_\_\_\_\_ shares of GE common stock outstanding as of \_\_\_\_\_, 2022, the Record Date of the Spin-Off.

Prior to the Spin-Off, GE will deliver at least 80.1% of the issued and outstanding shares of our common stock to the distribution agent. Equiniti Trust Company will serve as distribution agent in connection with the Spin-Off and as transfer agent and registrar for our common stock.

If you own GE common stock as of the close of business on the Record Date, the shares of our common stock that you are entitled to receive in the Spin-Off will be issued to your account as follows:

- **Registered stockholders.** If you own your shares of GE common stock directly through GE’s transfer agent, you are a registered stockholder. In this case, the distribution agent will credit the whole shares of our common stock you receive in the Spin-Off by way of direct registration in book-entry form to a new account with our transfer agent. Registration in book-entry form refers to a method of recording share ownership where no physical stock certificates are issued to stockholders, as is the case in the Spin-Off. You will be able to access information regarding your book-entry account for our shares at \_\_\_\_\_ or by calling \_\_\_\_\_.

Commencing on or shortly after the Distribution Date, the distribution agent will mail you an account statement that indicates the number of whole shares of our common stock that have been registered in book-entry form in your name. We expect it will take the distribution agent up to two weeks after the Distribution Date to complete the distribution of the shares of our common stock and mail statements of holding to all registered stockholders.

- **“Street name” or beneficial stockholders.** If you own your shares of GE common stock beneficially through a bank, broker, or other nominee, the bank, broker, or other nominee holds the shares in “street name” and records your ownership on its books. In this case, your bank, broker, or other nominee will credit your account with the whole shares of our common stock that you receive in the Spin-Off on or shortly after the Distribution Date. We encourage you to contact your bank, broker, or other nominee if you have any questions concerning the mechanics of having shares held in “street name.”

If you sell any of your shares of GE common stock on or before the Distribution Date, the buyer of those shares may in some circumstances be entitled to receive the shares of our common stock to be distributed in respect of the GE shares you sold. See “—Trading Prior to the Distribution Date.”

We are not asking GE stockholders to take any action in connection with the Spin-Off. We are not asking you for a proxy and request that you not send us a proxy. We are also not asking you to make any payment or surrender or exchange any of your shares of GE common stock for shares of our common stock. The number of outstanding shares of GE common stock will not change as a result of the Spin-Off.

If you hold shares of GE preferred stock, you will not be entitled to receive shares of our common stock in the Spin-Off. Holders of GE preferred stock are not entitled to vote or take any other action to approve the Spin-Off. Following the Spin-Off, each of the issued and outstanding shares of GE preferred stock will remain issued and outstanding as preferred stock of GE. These shares of GE preferred stock shall be entitled to the same dividend and all other privileges, voting rights, relative, participating, optional, and other special rights, and qualifications, limitations, and restrictions set forth in GE’s public filings with the SEC.

### **Number of Shares You Will Receive**

On the Distribution Date, you will be entitled to receive \_\_\_\_\_ shares of our common stock for every \_\_\_\_\_ shares of GE common stock that you hold on the record date.

### **Treatment of Fractional Shares**

The distribution agent will not distribute any fractional shares of our common stock in connection with the Spin-Off. Instead, the distribution agent will aggregate all fractional shares into whole shares and sell the whole shares in the open market at prevailing market prices on behalf of GE stockholders entitled to receive a fractional share. The distribution agent will then distribute the aggregate cash proceeds of the sales, net of brokerage fees, transfer taxes, and other costs, pro rata to these holders (net of any required withholding for taxes applicable to each holder). The distribution agent will, in its sole discretion, without any influence by GE or us, determine when, how, through which broker-dealer, and at what price to sell the whole shares. The distribution agent is not, and any broker-dealer used by the distribution agent will not be, an affiliate of either GE or us.



The distribution agent will send to each registered holder of GE common stock entitled to a fractional share a check in the cash amount deliverable in lieu of that holder's fractional share as soon as practicable following the Distribution Date. We expect the distribution agent to take about two weeks after the Distribution Date to complete the distribution of cash in lieu of fractional shares to GE stockholders. If you hold your shares through a bank, broker, or other nominee, your bank, broker, or nominee will receive, on your behalf, your pro rata share of the aggregate net cash proceeds of the sales. No interest will be paid on any cash you receive in lieu of a fractional share. The cash you receive in lieu of a fractional share will generally be taxable to you for U.S. federal income tax purposes. See "Material U.S. Federal Income Tax Consequences of the Spin-Off."

### **Incurance of Debt**

In connection with the Spin-Off, we expect to incur indebtedness in an aggregate principal amount of approximately \$10.2 billion, consisting of senior notes and term loans. We expect that we may issue certain amounts of such indebtedness directly to GE, as partial consideration for certain assets contributed to us in connection with the Spin-Off, and that GE will exchange such indebtedness for an equivalent principal amount of GE's indebtedness. In addition, we expect to make a cash distribution from the balance of debt issuance proceeds to GE concurrently with the Spin-Off, with the remaining proceeds to be held by the Company in cash and cash equivalents. We expect that GE will use the proceeds of such indebtedness to pay off GE obligations, including by tendering for outstanding debt obligations issued, assumed, or guaranteed by GE. We also intend to enter into \$3.5 billion of committed credit facilities, however, the facilities are not expected to be utilized at the closing of the Spin-Off. The terms of such indebtedness are subject to change and will be finalized prior to the closing of the Spin-Off. See "Capitalization," "Unaudited Pro Forma Condensed Combined Financial Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." Our cash balance at the time of the Spin-Off is expected to be approximately \$1.8 billion.

### **Treatment of Equity Awards**

GE equity awards outstanding as of the Distribution Date that are expected to be converted, in whole or in part, into GE HealthCare equity awards, are described below.

#### ***Stock Option and Restricted Stock Unit Awards Held by GE HealthCare Employees and Restricted Stock Unit Awards Held by GE Corporate Employees and GE Former Employees***

As of the Distribution Date, (i) each outstanding GE stock option and restricted stock unit award (including any performance stock unit award) that is held immediately prior to the Spin-Off by an employee of GE HealthCare or one of its subsidiaries and (ii) a portion of each outstanding GE restricted stock unit award (including any performance stock unit award) held immediately prior to the Spin-Off by a corporate employee or former employee of GE or one of its subsidiaries who is not subject to China State Administration of Foreign Exchange requirements or a resident of Vietnam, as determined by GE, in each case, will be converted into a respective stock option or restricted stock unit award denominated in shares of our common stock. Each of our converted awards will generally be subject to the same terms, vesting conditions and other restrictions that applied to the original GE award immediately before the Spin-Off, except that performance-vesting conditions, as applicable, will be adjusted to reflect the Spin-Off.

#### ***Director Deferred Stock Units***

As of the Distribution Date, a portion of each outstanding GE deferred stock unit held by a current or former director of GE will be converted into a deferred stock unit relating to shares of our common stock. GE will retain the liability for our deferred stock units held by each current and former director of GE. Our deferred stock units will generally be subject to the same terms, payment timing rules and other restrictions that applied to the original GE deferred stock units immediately before the Spin-Off.

## **Results of the Spin-Off**

After the Spin-Off, we will be an independent, publicly traded company. Immediately following the Spin-Off, we expect to have approximately \_\_\_\_\_ shares of our common stock outstanding, based on the number of GE shares of common stock outstanding on \_\_\_\_\_, 2022 and the number of shares to be retained by GE as described above. The actual number of shares of our common stock GE will distribute in the Spin-Off will depend on the actual number of shares of GE common stock outstanding on the Record Date, which will reflect any issuance of new shares, vesting of equity awards, or exercises of outstanding options pursuant to GE's equity plans, and any repurchase of GE shares by GE under its common stock repurchase program, on or prior to the Record Date. Shares of GE common stock held by GE as treasury shares will not be considered outstanding for purposes of, and will not be entitled to participate in, the Spin-Off. The Spin-Off will not affect the number of outstanding shares of GE common stock or any rights of GE stockholders. However, following the Spin-Off, the equity value of GE will no longer reflect the value of the GE Healthcare business (except to the extent of the shares of our common stock retained by GE as described above). Although GE believes that our separation from GE offers its stockholders the greatest long-term value, there can be no assurance that the combined trading prices of the GE common stock and our common stock will equal or exceed what the trading price of GE common stock would have been in absence of the Spin-Off.

Before our separation from GE, we intend to enter into the Separation and Distribution Agreement and several other agreements with GE related to the Spin-Off. These agreements will govern the relationship between us and GE up to and after completion of the Spin-Off and allocate between us and GE various assets, liabilities, rights and obligations, including employee benefits, environmental, intellectual property, and tax-related assets and liabilities. We describe these arrangements in greater detail under "Certain Relationships And Related Person Transactions—Agreements with GE."

## **Listing and Trading of Our Common Stock**

As of the date of this Information Statement, we are a wholly owned subsidiary of GE. Accordingly, no public market for our common stock currently exists, although a "when-issued" market in our common stock may develop prior to the Spin-Off. See "—Trading Prior to the Distribution Date" below for an explanation of a "when-issued" market. We have applied to list our shares of common stock on The Nasdaq Stock Market LLC under the ticker symbol "GEHC." Following the Spin-Off, GE common stock will continue to trade on the New York Stock Exchange under the ticker symbol "GE."

Although GE believes that our separation from GE offers its stockholders the greatest long-term value, neither we nor GE can assure you as to the trading price of GE common stock or our common stock after the Spin-Off, or as to whether the combined trading prices of our common stock and the GE common stock after the Spin-Off will equal or exceed the trading prices of GE common stock prior to the Spin-Off. The trading price of our common stock may fluctuate significantly following the Spin-Off.

The shares of our common stock distributed to GE stockholders will be freely transferable, except for shares received by individuals who are our affiliates. Individuals who may be considered our affiliates after the Spin-Off include individuals who control, are controlled by, or are under common control with us, as those terms generally are interpreted for federal securities law purposes. These individuals may include some or all of our directors and executive officers. Individuals who are our affiliates will be permitted to sell their shares of our common stock only pursuant to an effective registration statement under the Securities Act of 1933, or the "Securities Act," or an exemption from the registration requirements of the Securities Act, such as those afforded by Section 4(a)(1) of the Securities Act or Rule 144 thereunder.

## **Trading Prior to the Distribution Date**

We expect a "when-issued" market in our common stock to develop as early as one trading day prior to the Record Date for the Spin-Off and continue up to and including the Distribution Date. "When-issued" trading

refers to a sale or purchase made conditionally on or before the Distribution Date because the securities of the spun-off entity have not yet been distributed. If you own shares of GE common stock at the close of business on the Record Date, you will be entitled to receive shares of our common stock in the Spin-Off. You may trade this entitlement to receive shares of our common stock, without the shares of GE common stock you own, on the “when-issued” market. We expect “when-issued” trades of our common stock to settle within two trading days after the Distribution Date. On the first trading day following the Distribution Date, we expect that “when-issued” trading of our common stock will end and “regular-way” trading will begin.

We also anticipate that, as early as one trading day prior to the Record Date and continuing up to and including the Distribution Date, there will be two markets in GE common stock: a “regular-way” market and an “ex-distribution” market. Shares of GE common stock that trade on the regular-way market will trade with an entitlement to receive shares of our common stock in the Spin-Off. Shares that trade on the ex-distribution market will trade without an entitlement to receive shares of our common stock in the Spin-Off. Therefore, if you sell shares of GE common stock in the regular-way market up to and including the Distribution Date, you will be selling your right to receive shares of our common stock in the Spin-Off. However, if you own shares of GE common stock at the close of business on the Record Date and sell those shares on the ex-distribution market up to and including the Distribution Date, you will still receive the shares of our common stock that you would otherwise be entitled to receive in the Spin-Off.

If “when-issued” trading occurs, the listing for our common stock is expected to be under a trading symbol different from our regular-way trading symbol. We will announce our “when-issued” trading symbol when and if it becomes available. If the Spin-Off does not occur, all “when-issued” trading will be null and void.

### **Conditions to the Spin-Off**

We expect that the Spin-Off will be effective on the Distribution Date, provided that the following conditions shall have been satisfied or waived by GE:

- the GE Board shall have approved the Spin-Off and not withdrawn such approval, and shall have declared the dividend of our common stock to GE stockholders;
- the Separation and Distribution Agreement, as well as the ancillary agreements contemplated by the Separation and Distribution Agreement, shall have been executed by each party to those agreements;
- the SEC shall have declared effective our Registration Statement on Form 10, of which this Information Statement is a part, under the Exchange Act, and no stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for that purpose shall be pending before or threatened by the SEC;
- our common stock shall have been accepted for listing on a national securities exchange approved by GE, subject to official notice of issuance;
- GE HealthCare shall have incurred indebtedness in an aggregate principal amount of approximately \$10.2 billion, consisting of senior notes and term loans, of which we expect to make a distribution from the balance of debt issuance proceeds to GE concurrently with the Spin-Off, with the remaining proceeds to be held in cash and cash equivalents;
- GE shall have received the written opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP, which shall remain in full force and effect, regarding the intended tax treatment of the Spin-Off under the Code;
- GE shall have received the written opinion of Ernst & Young, LLP, which shall remain in full force and effect, regarding the intended tax treatment of the Spin-Off under the Code;
- the Reorganization Transactions shall have been completed (other than those steps that are expressly contemplated to occur at or after the Spin-Off);

- no order, injunction, or decree issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Spin-Off shall be in effect, and no other event outside the control of GE shall have occurred or failed to occur that prevents the consummation of the Spin-Off;
- no other events or developments shall have occurred prior to the Spin-Off that, in the judgment of the GE Board, would result in the Spin-Off having a material adverse effect on GE or its stockholders;
- prior to the Distribution Date, the Notice of Internet Availability of this Information Statement or this Information Statement shall have been mailed to the holders of GE common stock as of the Record Date; and
- certain other conditions set forth in the Separation and Distribution Agreement.

Any of the above conditions may be waived by the GE Board to the extent such waiver is permitted by law. If the GE Board waives any condition prior to the effectiveness of the Registration Statement on Form 10, of which this Information Statement forms a part, or change the terms of the Spin-Off, and the result of such waiver or change is material to GE stockholders, we will file an amendment to the Registration Statement on Form 10, of which this Information Statement forms a part, to revise the disclosure in the Information Statement accordingly. In the event that GE waives a condition or changes the terms of the Spin-Off after this Registration Statement on Form 10 becomes effective and such waiver or change is material to GE stockholders, we would communicate such waiver or change to GE's stockholders by filing a Form 8-K describing the waiver or change.

The fulfillment of the above conditions will not create any obligation on GE's part to complete the Spin-Off. We are not aware of any material federal, foreign, or state regulatory requirements with which we must comply, other than SEC rules and regulations, or any material approvals that we must obtain, other than the approval for listing of our common stock and the SEC's declaration of the effectiveness of the Registration Statement, in connection with the Spin-Off. GE may at any time until the Spin-Off decide to abandon the Spin-Off or modify or change the terms of the Spin-Off.

### **Reasons for Furnishing This Information Statement**

We are furnishing this Information Statement solely to provide information to GE's stockholders who will receive shares of our common stock in the Spin-Off. You should not construe this Information Statement as an inducement or encouragement to buy, hold, or sell any of our securities or any securities of GE. We believe that the information contained in this Information Statement is accurate as of the date set forth on the cover. Changes to the information contained in this Information Statement may occur after that date, and neither we nor GE undertakes any obligation to update the information except in the normal course of our and GE's public disclosure obligations and practices.

## **DIVIDEND POLICY**

As an independent, publicly traded company, we will be evaluating whether to pay cash dividends to our stockholders. The timing, declaration, amount, and payment of future dividends to stockholders, if any, will fall within the discretion of our Board. Among the items we will consider when establishing a dividend policy will be the capital needs of GE HealthCare and opportunities to retain future earnings for use in the operation of our business and to fund future growth. There can be no assurance that we will pay a dividend in the future or continue to pay any dividend if we do commence the payment of dividends.

## CAPITALIZATION

The following table sets forth our Cash, cash equivalents, and restricted cash and capitalization as of June 30, 2022, on a historical basis and on an as adjusted basis to give effect to the Spin-Off and the transactions related to the Spin-Off, as if they occurred on June 30, 2022. You should review the following table in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” our unaudited condensed combined financial statements and the notes thereto, and our unaudited pro forma condensed combined financial statements and the notes thereto included elsewhere in this Information Statement.

<i>(\$ in millions)</i>	<b>As of June 30, 2022</b>	
	<b>Historical</b>	<b>Pro Forma</b>
<b>Assets</b>		
Cash, cash equivalents, and restricted cash <sup>(1)</sup> . . . . .	\$ 525	\$ 1,800
<b>Liabilities</b>		
Total debt <sup>(1)</sup> . . . . .	36	10,192
Redeemable noncontrolling interests <sup>(2)</sup> . . . . .	220	394
<b>Stockholders’ equity</b>		
Net parent investment . . . . .	18,680	6,349
Common stock . . . . .	—	[●]
Additional paid-in-capital . . . . .	—	[●]
Accumulated deficit . . . . .	—	[●]
Accumulated other comprehensive loss . . . . .	(1,649)	(510)
Total capitalization . . . . .	\$17,287	\$16,425

- (1) In connection with the Spin-Off, we expect to incur indebtedness in an aggregate principal amount of approximately \$10.2 billion, consisting of senior notes and term loans. We expect that we may issue certain amounts of such indebtedness directly to GE, as partial consideration for certain assets contributed to us in connection with the Spin-Off, and that GE will exchange such indebtedness for an equivalent principal amount of GE’s indebtedness. In addition, we expect to make a cash distribution from the balance of debt issuance proceeds to GE concurrently with the Spin-Off, with the remaining proceeds to be held by the Company in cash and cash equivalents. We expect that GE will use the proceeds of such indebtedness to pay off GE obligations. We also intend to enter into \$3.5 billion of committed credit facilities, however, the facilities are not expected to be utilized at the closing of the Spin-Off. The terms of such indebtedness are subject to change and will be finalized prior to the closing of the Spin-Off. See “Unaudited Pro Forma Condensed Combined Financial Statements,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.” Our cash balance at the time of the Spin-Off is expected to be approximately \$1.8 billion.
- (2) Reflects an adjustment to Redeemable noncontrolling interest of \$174 million as of June 30, 2022 to record certain redeemable noncontrolling interest at current redemption value due to redemption provisions that are triggered upon a change of control, which is assumed to be probable at the time of Spin-Off. See “Unaudited Pro Forma Condensed Combined Financial Statements.”

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements consist of the unaudited pro forma condensed combined statement of financial position as of June 30, 2022 and the unaudited pro forma condensed combined statements of income for the six months ended June 30, 2022 and the year ended December 31, 2021.

The unaudited pro forma condensed combined financial statements reflect adjustments to our historical unaudited condensed combined statement of financial position as of June 30, 2022, our historical unaudited condensed combined statement of income for the six months ended June 30, 2022, and our historical audited combined statement of income for the year ended December 31, 2021.

The unaudited pro forma condensed combined statement of financial position gives effect to the Spin-Off and related transactions, described below, as if they occurred as of June 30, 2022, our latest statement of financial position date. The unaudited pro forma condensed combined statements of income give effect to the Spin-Off and related transactions as if they had occurred on January 1, 2021, the beginning of our most recently completed fiscal year.

The unaudited pro forma condensed combined financial statements have been prepared to reflect transaction accounting and autonomous entity adjustments to present the financial condition and results of operations as if we were a separate stand-alone entity. In addition, we have provided a presentation of management adjustments that management believes are necessary to enhance an understanding of the pro forma effects of the transaction. The unaudited pro forma condensed combined financial statements have been adjusted to give effect to the following (collectively, the “Pro Forma Transactions”):

- the contribution of assets and liabilities that comprise our business by GE pursuant to the Separation and Distribution Agreement;
- the expected transfer to us, prior to or concurrent with the Spin-Off of various GE assets and liabilities not included in our historical condensed combined statements of financial position (including the transfer of certain pension and employee benefit obligations, net of any related assets, associated with our active, retired, and other former employees from GE);
- the anticipated post-Spin-Off capital structure, including; (i) the issuance of approximately shares of our common stock to holders of GE common stock in connection with the Spin-Off and (ii) the expected issuance of approximately \$10.2 billion of debt securities at an estimated weighted-average interest rate of 5.40%, additional details on debt issuance can be found in note (a);
- the impact of the Tax Matters Agreement to be entered into with GE in connection with the Spin-Off;
- the impact of the Transition Services Agreement and other commercial agreements to be entered into with GE in connection with the Spin-Off (see “Certain Relationships and Related Person Transactions”);
- transaction and incremental income and costs expected to be incurred as an autonomous entity and specifically related to the Spin-Off;
- other adjustments described in the notes to the unaudited pro forma condensed combined financial statements; and
- management adjustments which consist of reasonably estimated transaction effects expected to occur.

The unaudited pro forma condensed combined financial statements were prepared in accordance with Article 11 of Regulation S-X. In May 2020, the SEC adopted Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses” (the “Final Rule”). The Final Rule became effective on

January 1, 2021 and the unaudited pro forma condensed combined financial statements herein are presented in accordance therewith. The unaudited pro forma condensed combined financial statements are presented for informational purposes only and do not purport to represent what our financial position and results of operations actually would have been had the Pro Forma Transactions occurred on the dates indicated, or to project our financial performance for any future period. The unaudited pro forma condensed combined financial statements are based on information and assumptions, which are described in the accompanying notes.

Our historical combined financial statements, which were the basis for the unaudited pro forma condensed combined financial statements, were prepared on a carve-out basis as we did not operate as a stand-alone entity for the periods presented. Accordingly, such financial information reflects an allocation of certain corporate costs, such as finance, supply chain, human resources, information technology, insurance, employee benefits, and other expenses that are either specifically identifiable or clearly applicable to GE HealthCare. See Note 1, “Description of the Business and Basis of Presentation”, Note 17, “Related Parties” to the audited combined financial statements, and Note 16, “Related Parties” to the unaudited condensed combined financial statements included elsewhere in this Information Statement for further information on the allocation of corporate costs.

The unaudited pro forma condensed combined financial statements have been prepared to include transaction accounting (including the impact of changes to our legal entity structure in anticipation of the Spin-Off), autonomous entity and management adjustments to reflect the financial condition and results of operations as if we were a stand-alone entity. Transaction adjustments have been presented to show the impact and associated cost as a result of the legal separation from GE, including the incurrence of indebtedness, transfer of additional pension and employee benefit assets and liabilities, and the Tax Matters Agreement. Autonomous entity adjustments have been presented to show the impact of items such as the Transition Services Agreement, lease arrangements with third parties and GE, and incremental costs expected to be incurred as an autonomous entity. In addition, we have provided a presentation of management adjustments that management believes are necessary to enhance an understanding of the pro forma effects of the transaction. Actual future costs incurred may differ from these estimates.

The unaudited pro forma condensed combined financial statements shown below should be read in conjunction with the sections herein entitled “Capitalization,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Certain Relationships and Related Person Transactions” as well as the audited combined financial statements, unaudited condensed combined financial statements and the corresponding notes included elsewhere in this Information Statement. For factors that could cause actual results to differ materially from those presented in the unaudited pro forma condensed combined financial statements, see “Cautionary Statement Concerning Forward-Looking Statements” and “Risk Factors” included elsewhere in this Information Statement.



**Unaudited Pro Forma Condensed Combined Statement of Income**  
**For the Six Months Ended June 30, 2022**

<i>(\$ in millions except per share amounts)</i>	<b>Historical</b>	<b>Transaction Accounting Adjustments</b>	<b>Autonomous Entity Adjustments</b>	<b>Pro Forma</b>
Sales of products . . . . .	\$ 5,690	\$ —	\$ —	\$ 5,690
Sales of services . . . . .	3,137	—	—	3,137
<b>Total revenues</b> . . . . .	<b>8,827</b>	<b>—</b>	<b>—</b>	<b>8,827</b>
Cost of products . . . . .	3,829	—	—	3,829
Cost of services . . . . .	1,524	—	—	1,524
<b>Gross profit</b> . . . . .	<b>3,474</b>	<b>—</b>	<b>—</b>	<b>3,474</b>
Selling, general and administrative . . . . .	1,839	12 <sup>(g)</sup>	18 <sup>(o),(q)</sup>	1,869
Research and development . . . . .	495	—	—	495
<b>Total operating expenses</b> . . . . .	<b>2,334</b>	<b>12</b>	<b>18</b>	<b>2,364</b>
<b>Operating income</b> . . . . .	<b>1,140</b>	<b>(12)</b>	<b>(18)</b>	<b>1,110</b>
Interest and other financial charges – net . . . . .	16	283 <sup>(h)</sup>	—	299
Non-operating benefit (income) costs . . . . .	(3)	(38) <sup>(f)</sup>	—	(41)
Other (income) expense – net . . . . .	(45)	—	—	(45)
<b>Income from continuing operations before income taxes</b> . . . . .	<b>1,172</b>	<b>(257)</b>	<b>(18)</b>	<b>897</b>
Provision for income taxes . . . . .	(284)	60 <sup>(d)</sup>	4 <sup>(p)</sup>	(220)
<b>Net income from continuing operations</b> . . . . .	<b>888</b>	<b>(197)</b>	<b>(14)</b>	<b>677</b>
Income (loss) from discontinued operations, net of taxes . . .	12	—	—	12
<b>Net income</b> . . . . .	<b>900</b>	<b>(197)</b>	<b>(14)</b>	<b>689</b>
Net (income) loss attributable to noncontrolling interests . . .	(26)	—	—	(26)
<b>Net income attributable to GE HealthCare</b> . . . . .	<b>\$ 874</b>	<b>\$(197)</b>	<b>\$(14)</b>	<b>\$ 663</b>
<b>Earnings per share of common stock</b> . . . . .				
Basic . . . . .			(m)	\$ —
Diluted . . . . .			(n)	\$ —
<b>Weighted-average number of common shares outstanding</b> . . . . .				
Basic . . . . .			(m)	
Diluted . . . . .			(n)	

See accompanying notes to the unaudited pro forma condensed combined financial statements.

**Unaudited Pro Forma Condensed Combined Statement of Income**  
**For the Year Ended December 31, 2021**

<i>(\$ in millions except per share amounts)</i>	<b>Historical</b>	<b>Transaction Accounting Adjustments</b>	<b>Autonomous Entity Adjustments</b>	<b>Pro Forma</b>
Sales of products .....	\$11,165	\$ —	\$ —	\$ 11,165
Sales of services .....	6,420	—	—	6,420
<b>Total revenues</b> .....	<b>17,585</b>	<b>—</b>	<b>—</b>	<b>17,585</b>
Cost of products .....	7,196	—	—	7,196
Cost of services .....	3,215	—	—	3,215
<b>Gross profit</b> .....	<b>7,174</b>	<b>—</b>	<b>—</b>	<b>7,174</b>
Selling, general and administrative .....	3,563	28 <sup>(g)</sup>	134 <sup>(o),(q),(r)</sup>	3,725
Research and development .....	816	—	—	816
<b>Total operating expenses</b> .....	<b>4,379</b>	<b>28</b>	<b>134</b>	<b>4,541</b>
<b>Operating income</b> .....	<b>2,795</b>	<b>(28)</b>	<b>(134)</b>	<b>2,633</b>
Interest and other financial charges – net .....	40	564 <sup>(h)</sup>	—	604
Non-operating benefit (income) costs .....	3	668 <sup>(f)</sup>	—	671
Other (income) expense – net .....	(123)	—	—	(123)
<b>Income from continuing operations before income taxes</b> .....	<b>2,875</b>	<b>(1,260)</b>	<b>(134)</b>	<b>1,481</b>
Provision for income taxes .....	(600)	290 <sup>(c),(d)</sup>	32 <sup>(p)</sup>	(278)
<b>Net income from continuing operations</b> .....	<b>2,275</b>	<b>(970)</b>	<b>(102)</b>	<b>1,203</b>
Income (loss) from discontinued operations, net of taxes ...	18	—	—	18
<b>Net income</b> .....	<b>2,293</b>	<b>(970)</b>	<b>(102)</b>	<b>1,221</b>
Net (income) loss attributable to noncontrolling interests ...	(46)	—	—	(46)
<b>Net income attributable to GE HealthCare</b> .....	<b>\$ 2,247</b>	<b>\$ (970)</b>	<b>\$(102)</b>	<b>\$ 1,175</b>
<b>Earnings per share of common stock</b> .....				
Basic .....			(m)	\$ —
Diluted .....			(n)	\$ —
<b>Weighted-average number of common shares outstanding</b> .....				
Basic .....			(m)	
Diluted .....			(n)	

See accompanying notes to the unaudited pro forma condensed combined financial statements.

**Unaudited Pro Forma Condensed Combined Statement of Financial Position**  
As of June 30, 2022

<i>(\$ in millions except per share amounts)</i>	<b>Historical</b>	<b>Transaction Accounting Adjustments</b>	<b>Autonomous Entity Adjustments</b>	<b>Pro Forma</b>
Cash, cash equivalents, and restricted cash . . . . .	\$ 525	\$ 1,275 <sup>(a)</sup>	\$ —	\$ 1,800
Receivables—net of allowances of \$108 . . . . .	3,253	—	—	3,253
Due from related parties . . . . .	22	—	—	22
Inventories . . . . .	2,237	—	—	2,237
Contract and other deferred assets . . . . .	866	—	—	866
All other current assets . . . . .	505	13 <sup>(b),(j)</sup>	75 <sup>(r)</sup>	593
<b>Current assets</b> . . . . .	<b>7,408</b>	<b>1,288</b>	<b>75</b>	<b>8,771</b>
Property, plant, and equipment - net . . . . .	2,161	61 <sup>(b)</sup>	42 <sup>(o)</sup>	2,264
Goodwill . . . . .	12,819	—	—	12,819
Other intangible assets - net . . . . .	1,701	1 <sup>(b)</sup>	—	1,702
Deferred income taxes . . . . .	1,344	3,453 <sup>(c),(d),(e)</sup>	(14) <sup>(p)</sup>	4,783
All other assets . . . . .	1,031	930 <sup>(a),(c),(e),(f),(j)</sup>	—	1,961
<b>Total assets</b> . . . . .	<b>\$ 26,464</b>	<b>\$ 5,733</b>	<b>\$103</b>	<b>\$ 32,300</b>
Short-term borrowings . . . . .	6	—	—	6
Accounts payable . . . . .	2,702	12 <sup>(k)</sup>	—	2,714
Due to related parties . . . . .	149	(98) <sup>(k)</sup>	—	51
Contract liabilities . . . . .	1,881	—	—	1,881
All other current liabilities . . . . .	1,955	507 <sup>(b),(f),(g),(j),(k)</sup>	7 <sup>(o)</sup>	2,469
<b>Current liabilities</b> . . . . .	<b>6,693</b>	<b>421</b>	<b>7</b>	<b>7,121</b>
Long-term borrowings . . . . .	30	10,156 <sup>(a)</sup>	—	10,186
Compensation and benefits . . . . .	682	6,117 <sup>(f),(g),(k)</sup>	—	6,799
Deferred income taxes . . . . .	375	3 <sup>(d)</sup>	—	378
All other liabilities . . . . .	1,410	101 <sup>(b),(c),(e),(j)</sup>	49 <sup>(o)</sup>	1,560
<b>Total liabilities</b> . . . . .	<b>9,190</b>	<b>16,798</b>	<b>56</b>	<b>26,044</b>
<b>Redeemable noncontrolling interests</b>	<b>220</b>	<b>174<sup>(l)</sup></b>	<b>—</b>	<b>394</b>
Net parent investment . . . . .	18,680	(12,378) <sup>(a) - (g),(i),(l)</sup>	47 <sup>(o),(p),(r)</sup>	6,349
Common stock, \$0.01 par value . . . . .	—	[●] <sup>(i)</sup>	—	—
Additional paid-in capital . . . . .	—	[●] <sup>(i)</sup>	—	—
Accumulated other comprehensive income (loss)—net . . . . .	(1,649)	1,139 <sup>(f)</sup>	—	(510)
<b>Total equity attributable to GE HealthCare</b> . . . . .	<b>17,031</b>	<b>(11,239)</b>	<b>47</b>	<b>5,839</b>
Noncontrolling interests . . . . .	23	—	—	23
<b>Total equity</b> . . . . .	<b>17,054</b>	<b>(11,239)</b>	<b>47</b>	<b>5,862</b>
<b>Total liabilities, redeemable noncontrolling interests and equity</b> . . . . .	<b>\$ 26,464</b>	<b>\$ 5,733</b>	<b>\$103</b>	<b>\$ 32,300</b>

See accompanying notes to the unaudited pro forma condensed combined financial statements.

## Notes to the Unaudited Pro Forma Condensed Combined Financial Statements

The unaudited pro forma condensed combined statement of financial position as of June 30, 2022 and the unaudited pro forma condensed combined statement of income for the six months ended June 30, 2022 and the unaudited pro forma condensed combined statement of income for the year ended December 31, 2021 include the following adjustments:

### Transaction Accounting Adjustments:

- (a) This adjustment reflects the incurrence of indebtedness of approximately \$10.2 billion, consisting of term loans and senior notes, expected to be issued in connection with the Spin-Off. The debt maturities being considered range from two years to forty years with an estimated weighted average interest rate of approximately 5.40%. Total deferred debt issuance costs associated with such indebtedness are estimated at \$64 million, which will be amortized to Interest and other financial charges - net over the terms of the respective instruments and are reflected as a reduction to Long-term borrowings. We expect that we may issue certain amounts of such indebtedness directly to GE, as partial consideration for certain assets contributed to us in connection with the Spin-Off, and that GE will exchange such indebtedness for an equivalent principal amount of GE's indebtedness. In addition, we expect to make a cash distribution from the balance of debt issuance proceeds to GE concurrently with the Spin-Off, with the remaining proceeds to be held by us in Cash, cash equivalents, and restricted cash. We expect that GE will use the proceeds of such indebtedness to pay off GE obligations. The value and terms of such indebtedness and related capital structure remain under review and will be finalized prior to the Spin-Off.

We also intend to enter into \$3.5 billion of committed credit facilities, however, the facilities are not expected to be utilized at the closing of the Spin-Off. The associated issuance costs of \$3 million are recorded in All other assets and amortized to Interest and other financial charges - net over the term of the credit facility.

- (b) This adjustment reflects assets and liabilities related to certain legal entities that will be transferred from GE to GE HealthCare in connection with the Spin-Off in the unaudited pro forma condensed combined statement of financial position as of June 30, 2022. See Note 1, "Description of the Business and Basis of Presentation" of our audited combined financial statements for further discussion of the Company's attribution of assets and liabilities. Refer to the below table for further details on specific adjustments. Excluded from note (b) are certain environmental obligations related to the transferred entities. See note (j) for further details on environmental obligations transferring to GE HealthCare.

<i>(\$ in millions)</i>	<u>As of June 30, 2022</u>
All other current assets . . . . .	\$ 3
Property, plant and equipment – net . . . . .	\$ 61
Other intangible assets – net.. . . . .	\$ 1
All other current liabilities . . . . .	\$ 5
All other liabilities . . . . .	\$ 8
Net parent investment . . . . .	\$ 52

- (c) This adjustment reflects an increase to income tax expense of \$8 million for the year ended December 31, 2021, and related tax assets and liabilities as of June 30, 2022 that are expected to be transferred to us as a result of the Spin-Off as follows:

<i>(\$ in millions)</i>	<u>As of June 30, 2022</u>
<b>Assets</b>	
Deferred income taxes . . . . .	\$2,129
All other assets . . . . .	\$ 29
<b>Liabilities</b>	
All other liabilities . . . . .	\$ 57

These amounts are an estimate, and the final assets and liabilities are likely to be different.

- (d) Reflects the tax effects of the transaction pro forma adjustments at the applicable statutory tax rates and the expected effects of the Separation and Distribution Agreement, changes to our legal entity structure in anticipation of the Spin-Off and stand-alone effects within the respective jurisdictions. This adjustment was determined by applying the respective statutory tax rates to pre-tax pro forma adjustments in jurisdictions where valuation allowances were not required. The applicable tax rates could be impacted (either higher or lower) depending on many factors subsequent to the Spin-Off including the profitability in local jurisdictions and the legal entity structure implemented subsequent to the Spin-Off and may be materially different from the pro forma results.
- (e) This adjustment reflects the establishment of indemnification assets and liabilities of \$44 million and \$24 million, respectively, to be established by GE HealthCare and a reduction to existing deferred tax assets of \$17 million pursuant to the Tax Matters Agreement. The amount of such indemnifications is still preliminary and will be finalized prior to the Spin-Off.
- (f) We have accounted for our participation in the GE sponsored pension and other postretirement plans as participation in a multi-employer plan and as such the liability for these plans is not included in our audited combined financial statements and unaudited condensed combined financial statements. Under this method of accounting, we recognized our allocated portion of net periodic benefit costs within our audited combined financial statements and unaudited condensed combined financial statements. Under the multi-employer approach, only service costs for these plans were allocated based primarily on our participation in the plans. Additionally, retirees and other former GE employees participate in the pension and postretirement benefit plans offered by GE.

In connection with the Spin-Off, GE will transfer to us plan assets and obligations primarily associated with our active, retired, and other former GE employees in certain jurisdictions and we will provide the benefits directly. The actual assumed net benefit plan obligations and related expenses could change significantly from our estimates.

The pro forma adjustment related to our pension and postretirement benefit plans is reflected in the unaudited pro forma condensed combined statement of financial position as of June 30, 2022 as follows:

<i>(\$ in millions)</i>	
All other assets . . . . .	\$ 842
All other current liabilities . . . . .	\$ 312
Compensation and benefits . . . . .	\$ 5,745
Net parent investment . . . . .	\$ (6,354)
Accumulated other comprehensive income (loss) – net . . . . .	\$ 1,139

The plan assets and obligations that will transfer to us in connection with the Spin-Off will be based on the GE Principal Pension Plans which consists of the GE Pension Plan and GE Supplementary Pension Plan, the GE Principal Retiree Benefit Plans and Other Pension Plans consisting of U.S. and non-U.S. pension plans. The amounts below include plans with pension assets or obligations greater than \$50 million. See table below for associated balances as of June 30, 2022:

<b>GE Plans</b> <i>(\$ in millions)</i>	<b>Deficit/ (Surplus)</b>	<b>Accumulated other comprehensive income (loss)–net</b>
GE Principal Pension Plans . . . . .	\$4,024	\$ 911
GE Principal Retiree Benefits Plans . . . . .	1,436	822
Other Pension Plans . . . . .	(245)	(594)
<b>Total . . . . .</b>	<b><u>\$5,215</u></b>	<b><u>\$1,139</u></b>

We have also recognized incremental pro forma non-operating benefit (income) costs of \$(38) million and \$668 million for the six months ended June 30, 2022 and the year ended December 31, 2021, respectively, related to the pension and postretirement benefit plans transferred to GE HealthCare.

- (g) Reflects \$95 million in All other current liabilities and \$371 million in Compensation and benefits with respect to additional employee-related obligations of active and former employees expected to be transferred from GE to GE HealthCare prior to Spin-Off. These liabilities were excluded from the audited combined and unaudited condensed combined statements of financial position as the related employees were not fully dedicated to GE HealthCare. Expenses associated with these additional employee-related obligations included \$12 million and \$28 million for the six months ended June 30, 2022 and the year ended December 31, 2021, respectively.
- (h) Reflects the addition of estimated interest expense related to the debt issuances described in note (a) above and amortization of deferred debt issuance costs. Interest expense was calculated assuming constant debt levels throughout the periods. While the current weighted average interest rate is estimated at 5.40%, market conditions could ultimately result in an interest rate between 5% and 6% at the time of issuance. A 0.125 point change to the annual interest rate would change interest expense by approximately \$6 million and \$13 million for the six months ended June 30, 2022 and the year ended December 31, 2021, respectively. Refer to the below table for further details on specific adjustments:

<i>(\$ in millions)</i>	<u>Six months ended June 30, 2022</u>	<u>Year ended December 31, 2021</u>
Interest expense on debt . . . . .	\$ 278	\$ 555
Amortization of debt issuance costs . . . . .	<u>5</u>	<u>9</u>
<b>Total Interest and other financial charges – net . . . .</b>	<u>\$ 283</u>	<u>\$ 564</u>

- (i) Reflects the reclassification of GE’s net investment in our Company, as well as the issuance of \_\_\_\_\_ shares of our common stock with a par value of \$ 0.01 per share pursuant to the Separation and Distribution Agreement. We have assumed the number of outstanding shares of our common stock based on \_\_\_\_\_ shares of GE common stock outstanding on June 30, 2022, and assuming a distribution of 80.1% of the outstanding shares of our common stock to GE’s stockholders, on the basis of \_\_\_\_\_ shares of our common stock for every share of GE common stock. The actual number of shares issued will not be known until the record date for the distribution. We expect 19.9% of our common stock will continue to be owned by GE.
- (j) GE has obligations for ongoing and future environmental remediation activities, some of which are the legal responsibilities of entities that will transfer to GE HealthCare, as referred to in note (b). This adjustment reflects the transfer of \$22 million of accrued environmental remediation liabilities from GE to GE HealthCare. These liabilities were excluded from the audited combined and unaudited condensed combined statements of financial position as the environmental liabilities were unrelated to historical GE HealthCare business activity. The environmental remediation liabilities include estimates of the costs for investigation, remediation and operation and maintenance of clean-up sites. This adjustment also reflects indemnification assets to be established by GE HealthCare to reflect an indemnification agreement between GE and GE HealthCare whereby GE will indemnify GE HealthCare for all current and future costs incurred related to these transferred environmental remediation obligations. Refer to the below table for further details on specific adjustments:

<i>(\$ in millions)</i>	<u>As of June 30, 2022</u>	
All other current assets . . . . .	\$	10
All other assets . . . . .	\$	12
All other current liabilities . . . . .	\$	10
All other liabilities . . . . .	\$	12

- (k) Reflects the reclassification of certain transactions historically included in related parties accounts to the appropriate third-party or employee related accounts based on the nature of the transaction, as of June 30, 2022.

<i>(\$ in millions)</i>	<u>As of June 30, 2022</u>
Accounts payable . . . . .	\$ 12
Due to related parties . . . . .	\$ (98)
All other current liabilities . . . . .	\$ 85
Compensation and benefits . . . . .	\$ 1

- (l) Reflects an adjustment to Redeemable noncontrolling interest of \$174 million as of June 30, 2022 to record certain redeemable noncontrolling interest at current redemption value due to redemption provisions that are triggered upon a change of control, which is assumed to be probable at the time of Spin-Off.
- (m) The weighted-average number of shares used to compute pro forma basic earnings per share for the six months ended June 30, 2022 and the year ended December 31, 2021 is \_\_\_\_\_ and \_\_\_\_\_, respectively, on the basis of \_\_\_\_\_ shares of our common stock for every share of GE common stock held as of the close of business on the record date and the 19.9% interest in the outstanding shares of our common stock that we expect will be retained by GE.
- (n) The weighted-average number of shares used to compute pro forma diluted earnings per share for the six months ended June 30, 2022 and the year ended December 31, 2021 is \_\_\_\_\_ and \_\_\_\_\_, respectively, which represents the number of shares we expect to be outstanding in connection with the Spin-Off, adjusted for the dilutive impact of shares granted under our Employee Matters Agreement for estimated GE stock-based compensation awards that will be converted into our stock-based awards in connection with the Spin-Off. The actual dilutive effect following the completion of the Spin-Off will depend on various factors, including employees who may change employment between GE and our Company and the impact of equity-based compensation arrangements. We cannot fully estimate the dilutive effects at this time.

**Autonomous Entity Adjustments:**

- (o) Reflects the net impact of lease arrangements with third parties and sublease arrangements with GE for facilities that have been entered into or will be entered into prior to the Spin-Off. These adjustments record the operating right-of-use assets and related operating lease liabilities based on the estimated present value of the lease payments over the lease term. The pro forma adjustment related to our leases is reflected in the unaudited pro forma condensed combined statement of financial position as of June 30, 2022, as follows:

<i>(\$ in millions)</i>	<u>Property, plant, and equipment – net</u>	<u>All other current liabilities</u>	<u>All other liabilities</u>
Operating leases and sub-leases . . . . .	\$ 42	\$ 7	\$ 49

As a result of the Spin-Off, we will begin recognizing incremental sublease income net of expenses from GE and third parties of \$1 million for both the six months ended June 30, 2022 and year ended December 31, 2021, and will present net sublease income in Selling, general and administrative.

- (p) Reflects the tax effects of the autonomous entity pro forma adjustments at the applicable statutory tax rates and the expected effects of the Separation and Distribution Agreement and the Tax Matters Agreement, or stand-alone effects within the respective jurisdictions. This adjustment was determined by applying the respective statutory tax rates to pre-tax pro forma adjustments in jurisdictions where valuation allowances were not required. The applicable tax rates could be impacted (either higher or

lower) depending on many factors subsequent to the Spin-Off including, but not limited to, the profitability in local jurisdictions and the legal entity structure implemented subsequent to the Spin-Off and may be materially different from the pro forma results.

- (q) Pursuant to the Transition Services Agreement and the Trademark License Agreement we intend to enter into with GE, we will incur incremental expenses above the previous allocation of GE corporate costs, primarily related to certain digital technology services, people operations support, and trademark license costs of \$19 million for the six months ended June 30, 2022 and \$60 million for the year ended December 31, 2021.
- (r) As part of the Spin-Off, GE will incur additional one-time costs for the development of technological infrastructure on behalf of GE HealthCare. These costs are expected to be incurred within one year of the Spin-Off. Upon the Spin-Off, we will record a prepaid asset of \$75 million representing the value to be received from such development activities necessary for separation. The related non-cash one-time expense of \$75 million will be recorded in Selling, general and administrative for the year ended December 31, 2021.

### **Management Adjustments:**

We have elected to present management adjustments to the pro forma financial information and included all adjustments necessary for a fair statement of such information. Following the Spin-Off, we expect to incur incremental costs as a stand-alone entity in certain of our corporate support functions (e.g., finance, accounting, tax, treasury, IT, HR, and legal, among others). We received the benefit of economies of scale as a business unit within GE's overall centralized model; however, in establishing these independent support functions, the expenses will be higher than the prior shared allocation.

As a stand-alone public company, we expect to incur certain costs in addition to those incurred pursuant to the Transition Services Agreement as described in note (q) and other transaction and autonomous entity adjustments noted above, including costs resulting from:

- One-time and non-recurring expenses associated with Spin-Off and stand-up of functions required to operate as a stand-alone public entity. These non-recurring costs primarily relate to system implementation costs, business and facilities separation, applicable employee related costs, development of our brand, and other matters; and
- Recurring and ongoing costs required to operate new functions required for a public company such as external reporting, internal audit, treasury, investor relations, board of directors and officers, stock administration, and expanding the services of existing functions such as information technology, finance, supply chain, human resources, legal, tax, facilities, branding, security, government relations, community outreach, and insurance.

We expect to incur these costs beginning at Spin-Off, with one-time costs expected to be incurred over a period of twelve to twenty-four months post Spin.

We estimated that we would incur approximately \$114 million of total expenses (including one-time expenses of approximately \$44 million and estimated recurring expenses of \$70 million) for the six months ended June 30, 2022 and \$341 million of total expenses (including one-time expenses of approximately \$228 million and estimated recurring expenses of \$113 million) for the year ended December 31, 2021.

We estimated these additional expenses by assessing the resources and associated one-time and recurring costs each function (e.g., finance, IT, HR, etc.) will require to stand up and operate GE HealthCare as a stand-alone public company. We expect to fill any shortfalls to the estimated required resources in addition to the services provided by GE under the Transition Services Agreement through additional hiring or incremental vendor and other third-party spend.



The additional expenses have been estimated based on assumptions that our management believes are reasonable. However, actual additional costs that will be incurred could be different from the estimates and would depend on several factors, including the economic environment, results of contractual negotiations with third party vendors, ability to execute on proposed separation plans, and strategic decisions made in areas such as manufacturing, selling and marketing, research and development, information technology, and infrastructures. In addition, adverse effects and limitations including those discussed in the section entitled “Risk Factors” to this document may impact actual costs incurred. We may also decide to increase or reduce resources or invest more heavily in certain areas in the future, which may differentiate the management adjustments even further from actual costs incurred in the future.

These management adjustments include forward-looking information that is subject to the safe harbor protections of the Exchange Act. The tax effect has been determined by applying the respective statutory tax rates to the aforementioned adjustments in jurisdictions where valuation allowances were not required.

***For the six months ended June 30, 2022***

Unaudited pro forma condensed combined net income attributable to GE HealthCare*	\$ 663
Management’s adjustments	\$(114)
Provision for income taxes	<u>\$ 27</u>
Unaudited pro forma condensed combined net income attributable to GE HealthCare after management’s adjustments	<u>\$ 576</u>
Basic earnings per share of common stock after management’s adjustments	\$
Diluted earnings per share of common stock after management’s adjustments	\$

\* As shown in the Unaudited Pro Forma Condensed Combined Statement of Income

***For the year ended December 31, 2021***

Unaudited pro forma condensed combined net income attributable to GE HealthCare*	\$1,175
Management’s adjustments	\$ (341)
Provision for income taxes	<u>\$ 81</u>
Unaudited pro forma condensed combined net income attributable to GE HealthCare after management’s adjustments	<u>\$ 915</u>
Basic earnings per share of common stock after management’s adjustments	\$
Diluted earnings per share of common stock after management’s adjustments	\$

\* As shown in the Unaudited Pro Forma Condensed Combined Statement of Income

## OUR INDUSTRIES

### Introduction

GE HealthCare is a leading global medical technology, pharmaceutical diagnostics, and digital solutions innovator. We have approximately 51,000 employees dedicated to our mission to “create a world where healthcare has no limits.” We operate at the center of the healthcare ecosystem, enabling precision health by increasing health system capacity, enhancing productivity, digitizing healthcare delivery, and improving clinical outcomes while serving patients’ demand for greater access, efficiency, and personalized medicine. Our products, services, and solutions enable clinicians to make more informed decisions quickly and efficiently, improving patient care from diagnosis to therapy to monitoring.

We have more than 125 years of experience and one of the strongest reputations in the global healthcare industry, built from our demonstrated record of delivering industry-defining innovation and complemented by our broad service capabilities and dedication to quality and integrity with a strong operational culture, deeply embedded in lean and focused on continuous improvement. Today, the transition to a data-driven healthcare ecosystem is about improving outcomes by finding new ways to reach and treat patients, while creating capacity for providers, and making precision health a reality. Our portfolio of solutions addresses the biggest challenges facing healthcare providers and patients today and is complemented by our broad services capabilities and digital solutions. These qualities drive strong trust, loyalty, and partnership with our global customers, including healthcare systems and researchers.

GE HealthCare has extensive reach throughout the global healthcare system for medical technology, pharmaceutical diagnostics, and digital solutions, underpinned by resilient, sustainable practices and products, and a commitment to growing access to care. Our products are used in more than two billion procedures to care for more than one billion patients annually. We have a global installed base of more than four million medical devices and delivered over 100 million doses of imaging agents used in patient procedures in 2021. We serve customers in more than 160 countries with a global team of over 10,000 sales professionals, 8,500 field service engineers, and a network of 43 manufacturing sites across 17 countries.

GE HealthCare is driven by our focus on people, patients, and customers to enable delivery of care that is simpler, connected, and more precise. We embrace an optimistic vision of the future with more humanity and warmth in the healthcare experience.

### Our Industries

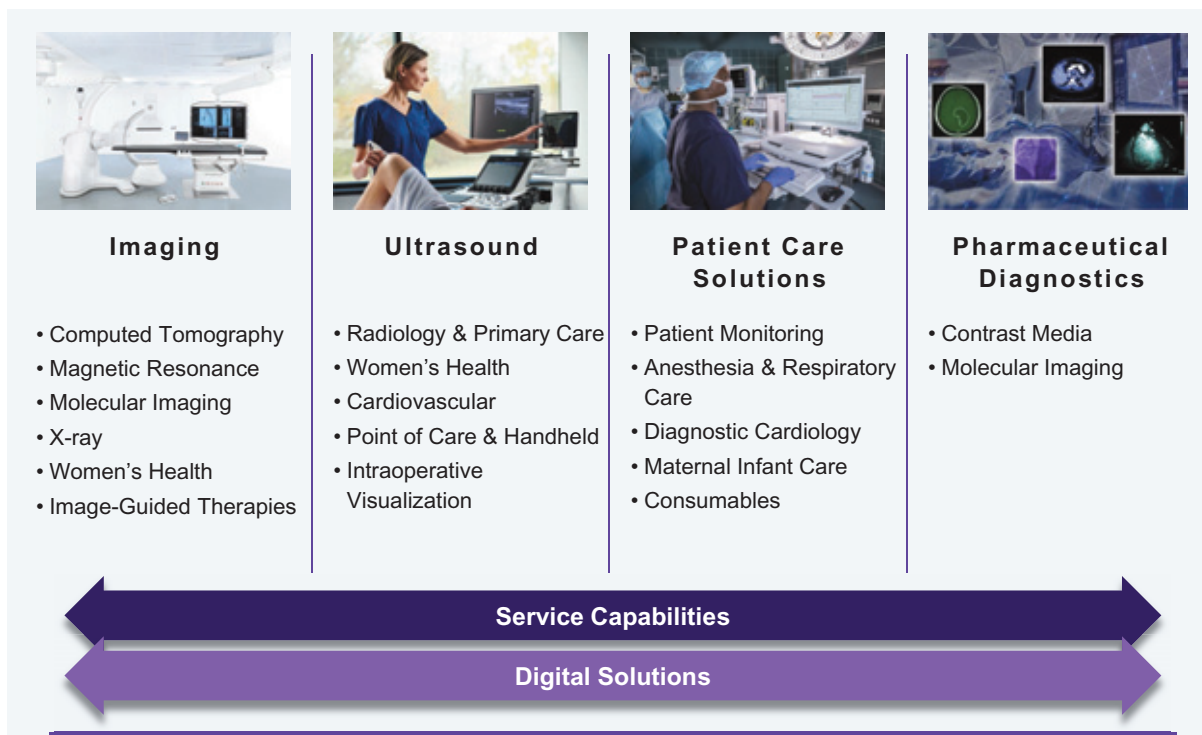
The breadth of our product portfolio and global presence supports an estimated \$84 billion total addressable opportunity across the industries our four business segments serve: Imaging, Ultrasound, PCS, and PDx. Within our segments, we offer products, service capabilities, and digital solutions that are utilized by customers to improve workflows, enhance the patient and clinician experience, deliver care more efficiently at a lower cost, and improve clinical outcomes.

The table below provides a summary of the industries in which we participate:

<i>(Sin billions)</i>	<b>Estimated Industry Size (2021)*</b>	<b>Estimated Industry CAGR (2022-2025)*</b>
Imaging .....	\$44	4-6%
Ultrasound .....	12	4-7%
PCS .....	18	3-6%
PDx .....	10	4-5%
<b>Total Industry</b> .....	<b><u>\$84</u></b>	<b><u>4-6%</u></b>

\* Based on GE HealthCare estimates and Signify Research for digital solutions.

## GE Business Overview



Our business segments serve customers globally, with each of our key regions representing large and growing opportunities:

(\$ in billions)	Estimated Industry Sales by Region (2021)*	Estimated Industry CAGR (2022-2025)*
United States and Canada . . . . .	\$31	3-6%
Europe, Middle East, & Africa . . . . .	21	3-5%
China region . . . . .	15	6-8%
Rest of World . . . . .	17	3-5%
<b>Total Industry . . . . .</b>	<b>\$84</b>	<b>4-6%</b>

\* Based on GE HealthCare estimates and Signify Research for digital solutions. Amounts are based on estimates of (1)(a) orders placed in the last fiscal year across all product categories we offer in the relevant industry or (b) for jurisdictions for which order data are not available, actual sales completed in the last fiscal year across all such products, plus (2) estimates for revenues derived from annual service and digital offerings from such products.

Our industries are impacted by macro trends that we expect to continue to drive sustainable long-term growth in the demand for medical technology, pharmaceutical diagnostics, and healthcare solutions. We expect to benefit from many of these trends as our portfolio of solutions directly addresses many of the challenges and opportunities facing our customers today. As a stand-alone company, we will accelerate investments in R&D and innovation in areas where we see the most compelling growth opportunities, enhancing our competitive advantages.

## Macro Healthcare Trends

*Growing adoption of precision health:* Patients and providers are increasingly focused on improving individual outcomes while enhancing the patient experience, containing costs, customizing care, and improving provider efficiency by lowering the amount of time required to treat patients. Innovation in diagnostics, therapies, and patient monitoring is leading to the accelerated development of more precise and personalized care. Examples include imaging tools used to guide targeted treatments, advanced molecular tracers that help to identify disease more precisely, and integrated insights across diagnostic modalities that more accurately determine the treatment pathway. Health systems recognize the power of precision health to deliver faster recoveries while avoiding costly complications.

*Digitization of healthcare:* In 2018, approximately 30% of the world's data volume was generated by the healthcare industry and this data is expected to grow at a 36% CAGR through 2025. We believe such data generation has materially increased with the onset of the COVID-19 pandemic and will continue with the increase in healthcare technology innovation. This valuable data is increasingly being used to improve care across disease states, enhance the ability of clinicians to diagnose disease and treat patients, and improve clinical workflow efficiencies, often assisted by software applications that utilize AI and machine learning technologies. These solutions often integrate insights across multiple data sources, such as diagnostic modalities, patient monitoring, electronic medical records, and labs to more efficiently and effectively treat patients.

*Increasing demand for healthcare driven by demographic trends:* The increasing global demand for healthcare is driven by population growth, an increasing proportion of the population over the age of 65, and the increasing prevalence and treatment of chronic diseases. These trends are resulting in a growing number of patients requiring both a higher amount of care and more complex care as they age. As demand on the healthcare system grows, staffing shortages for critical roles, such as nurses and doctors, is increasingly a challenge driving a need for more sustainable and efficient delivery of healthcare services.

*Improving access to healthcare in emerging markets:* To date, healthcare spend in emerging markets has been disproportionately low relative to the population of these markets. The growing middle class in many of these markets is helping to drive both government and private sector investment in healthcare systems and medical technology. By 2040, emerging market countries on average are projected to increase healthcare spending as a percent of GDP by 24.4%.

*Expansion of alternative sites of care:* The delivery of care in lower acuity settings is one of the fastest growing trends in the healthcare industry, driven by a lower operating cost model and expanding access to more of the population. While these alternative settings cannot fully replace care delivery at the hospital for higher acuity patients, both government and private sector policies increasingly support directing care to ambulatory settings to improve cost and access, thereby better addressing health inequity. The result is a growing demand for medical technology solutions that can be deployed at alternative sites of care, such as outpatient facilities, ambulatory surgical centers, physician's offices, and professional care in the home, including telehealth.

*Adoption of the Quadruple Aim of healthcare:* The Quadruple Aim is a framework for healthcare providers to optimize outcomes for stakeholders. Its key tenets include: improving population health, reducing cost of care, enhancing the patient experience, and improving provider satisfaction. This model is now widely accepted by public and private health organizations and often involves investment in medical device and digital innovations as a means for optimizing health system performance. Hospital systems require greater efficiencies and need to create more capacity in their existing labor force to meet growing demand. As a result, there is an increasing need for solutions at a medical device, department, and enterprise level that are faster, have a lower cost to operate, and drive better clinical outcomes.

*Industry headwinds:* Beyond the growth drivers above, our business is subject to a number of headwinds or risks inherent in the industries in which we operate. The regions and the industries we serve are competitive and highly regulated. We compete with a wide range of companies, including those that are large and diversified with

broad geographic footprints as well as those that are smaller and more specialized, potentially with local expertise. New entrants in our industries further increase competition. Our industries are generally experiencing increased scrutiny on overall healthcare spending, resulting in pressure on GE HealthCare to lower prices. Lastly, our operations in emerging markets expose us to occasional political and economic instability.

Overall, the industries served by our business segments represent large and growing opportunities that, in addition to macro trends listed above, are driven by segment specific trends.

## Imaging

GE HealthCare’s Imaging business segment operates in an estimated \$44 billion global industry growing at a 4-6% CAGR from 2022 to 2025, driven by macro trends, demand for increasingly high image quality, additional capabilities from leveraging AI, and advanced interventional surgical systems. Imaging is a critical component of patient care, providing necessary information for the accurate diagnosis and ongoing treatment of patients. Our Imaging business develops, manufactures, and markets a comprehensive portfolio of imaging devices, services, and digital solutions used in the screening, diagnosis, treatment, and monitoring of patients. Our Imaging business segment participates in the following areas:

<i>(\$ in billions)</i>	<b>Estimated Industry Size (2021)*</b>	<b>Estimated Industry CAGR (2022-2025)*</b>
Magnetic Resonance . . . . .	\$ 6	5-7%
Molecular Imaging and Computed Tomography . .	8	3-5%
X-ray and Women’s Health . . . . .	4	1-3%
Image-Guided Therapies . . . . .	4	4-6%
Service Capabilities . . . . .	16	2-4%
Digital Solutions . . . . .	5	7-10%
<b>Total Industry . . . . .</b>	<b><u>\$44</u></b>	<b><u>4-6%</u></b>

\* Based on GE HealthCare estimates and Signify Research for digital solutions.

Our Imaging business customers are predominantly radiology departments of hospitals, health systems, outpatient centers, specialty hospitals, and ambulatory surgery centers. Our customers require devices that provide high-quality images and solutions that deliver clinical insights to enable timely and precise diagnoses as well as optimal treatment and care. Our customers value reliability, speed of care delivery, and the ability to service or upgrade their equipment throughout its lifecycle. These demands are driving innovations in the healthcare industry, including devices and solutions that increase operational efficiency, improve workflows, improve clinical collaboration through connected systems, and integrate departmental operations.

## Ultrasound

GE HealthCare’s Ultrasound business segment operates in an estimated \$12 billion global industry growing at a 4-7% CAGR from 2022 to 2025, driven by macro trends and expanded use of Ultrasound in diagnostics, therapy, and monitoring across multiple care settings. Ultrasound is an imaging modality that provides clinicians a real-time look at anatomy using sound waves. Our Ultrasound business develops, manufactures, and markets a comprehensive portfolio of products and solutions, including ultrasound consoles and probes, handheld devices, intraoperative imaging systems, visualization software, and an ecosystem of related software applications. Our Ultrasound business segment participates in the following areas:

<i>(\$ in billions)</i>	<b>Estimated Industry Size (2021)*</b>	<b>Estimated Industry CAGR (2022-2025)*</b>
Radiology <sup>(a)</sup> and Primary Care . . . . .	\$ 3	4-6%
Cardiovascular . . . . .	1	3-5%
Women’s Health . . . . .	1	3-5%
Point of Care and Handheld . . . . .	1	8-10%
Intraoperative Visualization . . . . .	1	10%
Service Capabilities <sup>(b)</sup> . . . . .	4	3-5%
Digital Solutions . . . . .	1	15-20%
<b>Total Industry . . . . .</b>	<b><u>\$12</u></b>	<b>4-7%</b>

\* Based on GE HealthCare estimates.

(a) Includes general imaging, internal medicine, urology, interventional, and musculoskeletal applications.

(b) Also includes radiology and primary care, cardiovascular, women’s health, and point of care and handheld equipment upgrades and refurbishing.

Our Ultrasound customers are predominantly hospitals, health systems, outpatient centers, specialty hospitals, and ambulatory surgery centers. Our customers require solutions that are cost-effective, safe, and deliver information on a real-time basis, allowing for immediate diagnosis and treatment. The portability, non-ionizing properties, lower cost, and real-time imaging aspects of ultrasound systems make it an appealing diagnostic and image-guided therapy tool. The addition of machine learning and AI that aid in clinical diagnosis by integrating ultrasound into health system workflows provides valuable guidance to users in image acquisition and real-time clinical decision support. Ultrasound has traditionally been used in cardiology, obstetrics/ gynecology, and radiology and is advancing into other care areas, such as surgical settings, emergency departments, ICUs, sports medicine and family practices. More recently, there has also been an increasing use of ultrasound devices in the operating room to assist clinicians and surgeons during surgical and minimally-invasive procedures.

## Patient Care Solutions

GE HealthCare's PCS business segment operates in an estimated \$18 billion global industry growing at a 3-6% CAGR from 2022 to 2025, driven by macro trends as well as demand for integrated solutions to enable better decision-making. Our PCS business develops, manufactures, and markets a broad portfolio of interconnected devices and solutions that are used in diagnostics, monitoring, anesthesia delivery, therapies, and workflows to support caregiver decision-making across various care settings. Our PCS business segment participates in the following areas:

<i>(\$ in billions)</i>	<u>Estimated Industry Size (2021)*</u>	<u>Estimated Industry CAGR (2022-2025)*</u>
Patient Monitoring .....	\$ 4	2-4%
Anesthesia and Respiratory Care .....	2	2-5%
Diagnostic Cardiology .....	1	2-4%
Maternal Infant Care .....	1	2-4%
Consumables .....	5	5-7%
Service Capabilities .....	4	4-5%
Digital Solutions .....	<u>2</u>	8-10%
<b>Total Industry</b> .....	<b><u>\$18</u></b>	<b>3-6%</b>

\* Based on GE HealthCare estimates.

Customers of our PCS business are predominantly hospitals, health systems, and office-based labs in traditional healthcare settings and, increasingly, in remote applications. Our customers seek secure, flexible, and standardized monitoring and life support solutions that enhance patient safety, workflow efficiency, and clinical collaboration and communication. Our customers also value reliability and real-time, AI-enhanced, and tailored clinical insights to improve patient outcomes and proactively enhance clinical teams' ability to deliver precise and timely clinical care across the entire health system. These demands are driving a growing need for integrated department- and enterprise-level workflow tools that improve the delivery of efficient, personalized patient care.

## Pharmaceutical Diagnostics

GE HealthCare's PDx business segment operates in an estimated \$10 billion global industry growing at a 4-5% CAGR from 2022 to 2025, driven by demand for better visualization to enable more precise diagnoses and therapy selection for patients. The PDx business supplies imaging agents, specifically contrast media and radiopharmaceuticals, that enhance diagnostic images. Contrast media is used in X-ray, CT, angiography, MR, and ultrasound. Molecular imaging agents are molecular tracers labeled with radioisotopes used in functional imaging, such as PET and SPECT procedures, to capture and form images from the emitted radiation. Our PDx business segment participates in the following areas:

<i>(\$ in billions)</i>	<u>Estimated Industry Size (2021)*</u>	<u>Estimated Industry CAGR (2022-2025)*</u>
Contrast Media .....	\$ 5	5-6%
Molecular Imaging .....	<u>5</u>	3-4%
<b>Total Industry</b> .....	<b><u>\$10</u></b>	<b>4-5%</b>

\* Based on GE HealthCare estimates.

Our PDx business customers are predominantly radiology and nuclear medicine departments of hospitals and health systems, pharmaceutical companies, and researchers who use the agents for a variety of procedures, including selecting target populations for clinical trials. Our customers expect safe and effective agents to deliver better diagnosis and therapy selection. In a regulated pharmaceutical industry where safety and efficacy are minimum requirements, industry players vie to differentiate on reliability of supply chain, workflow, and productivity for contrast media, as well as clinical evidence generation and timely delivery, specifically of rapidly decaying radioisotopes for molecular imaging agents.



## OUR BUSINESS

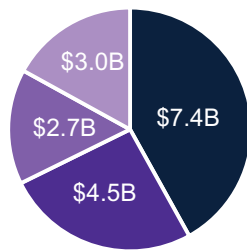
### Overview

GE HealthCare is a leading global medical technology, pharmaceutical diagnostics, and digital solutions innovator. Our products, solutions, and services span the continuum of patient care, including screening, diagnosis, treatment, and monitoring, with the goal of empowering clinicians to deliver better care at a lower cost. We have a global installed base of more than four million medical devices that enable more than two billion procedures impacting more than one billion patients each year. Our complementary pharmaceutical diagnostic agents are used in imaging procedures at the rate of approximately three patients every second.

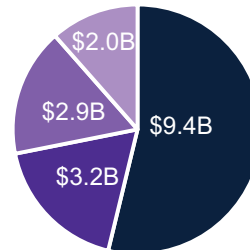
Our customers are healthcare providers and researchers, including public, private, and academic institutions, and represent an estimated \$84 billion global industry growing at a rate of 4-6% annually through 2025. We are organized into four business segments that are aligned with the industries we serve:

- **Imaging:** portfolio of medical imaging solutions including CT, MR, molecular imaging, X-ray, women’s health, image-guided therapies, enterprise imaging software, service capabilities, and digital solutions;
- **Ultrasound:** ultrasound consoles and probes, handheld devices, intraoperative imaging systems, visualization software, service capabilities, and digital solutions;
- **Patient Care Solutions:** monitoring, anesthesia and respiratory care, maternal infant care, and diagnostic cardiology solutions, as well as consumables, service capabilities, and digital solutions; and
- **Pharmaceutical Diagnostics:** imaging agents that include contrast media and radiopharmaceuticals that enhance diagnostic images.

**2021 Revenue by Geography**



**2021 Revenue by Business Segment**



■ USCAN ■ EMEA ■ China region ■ Rest of World ■ Imaging ■ Ultrasound ■ PCS ■ PDx

We generate revenue from the sale of medical devices, single-use and consumable products, service capabilities, and digital solutions. We have established leading positions in each of our business segments by developing broad portfolios of advanced medical technologies and lifecycle services. Our goal is to improve the performance, quality, and customer experience of our offerings through:

- **Customer-Driven Innovation:** our deep understanding of customer needs is informed by our position at the center of many clinical and therapeutic care pathways, such as cardiology, oncology, and neurology, that allows us to deliver differentiated products across our large and growing served industries. With our significant installed base, we have the ability to leverage customer feedback across public, private, and academic institutions that informs our product priorities and the development of leading technologies in response to customer needs. We have also expanded our technology platforms through acquisitions, growing these businesses in areas such as intraoperative surgical guidance, acute care, and imaging agents, and built these acquisitions into world-class businesses.

- **Industry-Leading Service Capabilities:** at the foundation of our strong customer relationships are our industry-leading service offerings which include preventative maintenance, on-site install and repair, remote monitoring and repair capabilities, equipment and software upgrades, financing solutions, end-user training, multi-vendor services, cybersecurity services, remote equipment tracking, and enterprise-wide consulting. We deliver our service offerings through a team of over 8,500 field service engineers, 36 global or regional repair centers, and 46 customer service centers. We believe our comprehensive service offerings drive customer satisfaction and loyalty, ultimately leading to higher sales of products, services, and solutions.
- **Integrated Digital Solutions:** we are a leading innovator of digital solutions, providing clinical decision support, simplifying patient workflows, delivering advanced visualization of complex anatomy, enhancing clinical collaboration, and integrating clinical insights across multiple diagnostic modalities. Our Edison platform was created to efficiently aggregate and integrate clinical data to help customers deploy and scale their digital solutions across departments and health systems. We employ over 4,700 software engineers supporting our installed base, new product development, and a portfolio of over 200 digital applications and software solutions that are deployed at the device, department, and enterprise level. We have allocated significant resources to digital innovation, including AI and machine learning, as we advance precision health.

Our end markets are transforming as healthcare providers and researchers seek solutions, data, and tools to enable the delivery of precision health. More precise diagnoses and treatment can help improve patient outcomes, support management of chronic disease, and reduce health system cost. Precision health is expected to drive continued demand and opportunity for novel technologies and future innovation, as healthcare providers and researchers seek new solutions and tools for managing existing and new care pathways. The pursuit of precision health opportunities significantly expands our served industries to include integrated diagnostics, AI and machine learning-based clinical decision support, highly personalized therapies enabled by more precise diagnostics, and remote patient monitoring. The scale and breadth of our portfolio, combined with our innovation capabilities, position us to be a leading enabler of precision health.

In 2021, we generated Total revenues of \$17,585 million representing 2% growth as reported and 1% Organic revenue growth\* from 2020. Operating income of \$2,795 million, and Adjusted EBIT\* of \$3,172 million, representing growth of 3% and 6% from 2020, respectively. Approximately 50% of our revenue is recurring, comprised of services, single-use and consumable products, digital solutions, and value-added offerings, such as education, training, and consulting. In 2021, we generated \$1,607 million in cash from operations and \$2,827 million in Free cash flow\*, representing an annual decrease of 39% and increase of 15% over the prior year, respectively. Our strong revenue visibility and attractive Free cash flow\* generation allow us to invest in strategic growth initiatives and innovation. For more information on the computation of non-GAAP financial measures, see “Non-GAAP Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.” See also “Summary Historical and Unaudited Pro Forma Condensed Combined Financial Information” and “Risk Factors—Risks Relating to the Spin-Off.”

### **Investment Highlights**

GE HealthCare has numerous competitive advantages in attractive markets that we expect to continue to drive our success and reward investors over the long term, including:

#### ***Established Leader in Large, Attractive, and Growing Industries***

GE HealthCare is a leading global medical technology, pharmaceutical diagnostics, and digital solutions innovator. The industries in which we participate represent an estimated \$84 billion global opportunity that is estimated to grow at 4-6% through 2025. Sustainable long-term growth in our industries is driven by trends

\* Non-GAAP financial measure.

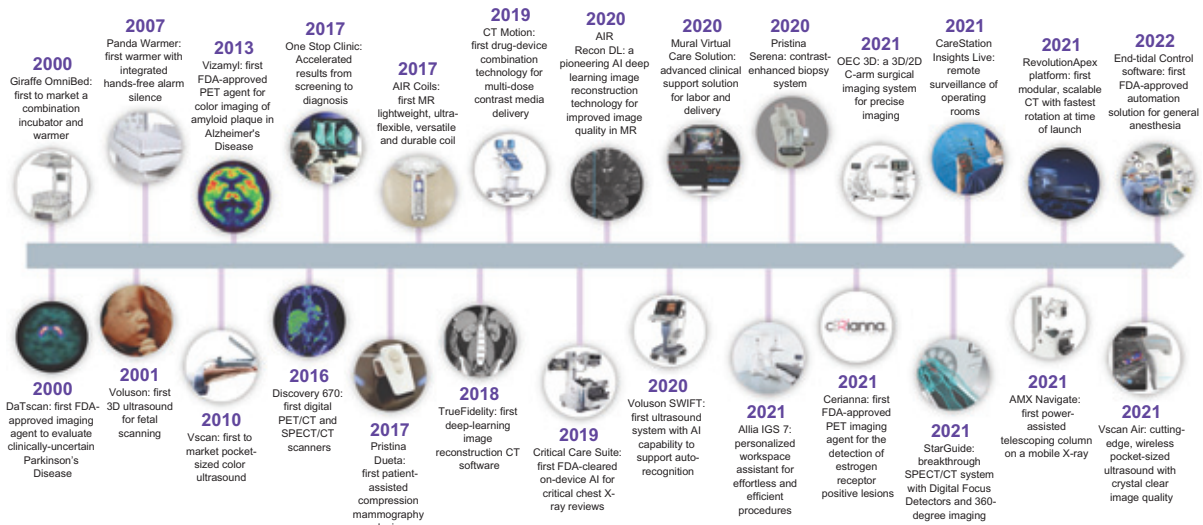
related to an aging population, increasing prevalence and diagnosis of chronic disease, innovation in minimally-invasive procedures that require imaging, and increasing access to healthcare. We also expect growth in the industry to be supported by technological innovation, including AI and machine learning, as well as expansion of care outside of the traditional hospital setting.

Our deep knowledge and global experience have made us a preferred and trusted partner of customers across our segments: Imaging, Ultrasound, Patient Care Solutions, and Pharmaceutical Diagnostics. We have more than 125 years of experience navigating the complex technical and regulatory requirements of the industry, representing key competitive advantages for GE HealthCare. We have approximately 51,000 employees, including a global sales force of over 10,000 employees, 8,500 field service engineers, and 9,700 R&D engineers and scientists, supporting an installed base of more than four million imaging, diagnostic, and monitoring units. GE HealthCare products are used to deliver care to more than one billion patients in more than two billion procedures globally each year and our complementary pharmaceutical diagnostic agents are used in imaging procedures at the rate of approximately three patients every second. We are the only imaging platform that provides customers with contrast media products that enable improved precision of diagnosis and therapy selection. With a portfolio of leading technologies developed in response to customer needs, we provide customers with critical instruments for precision health driven by a need for less costly and more specialized therapeutic treatments.

### Track Record of Industry-Defining Innovations

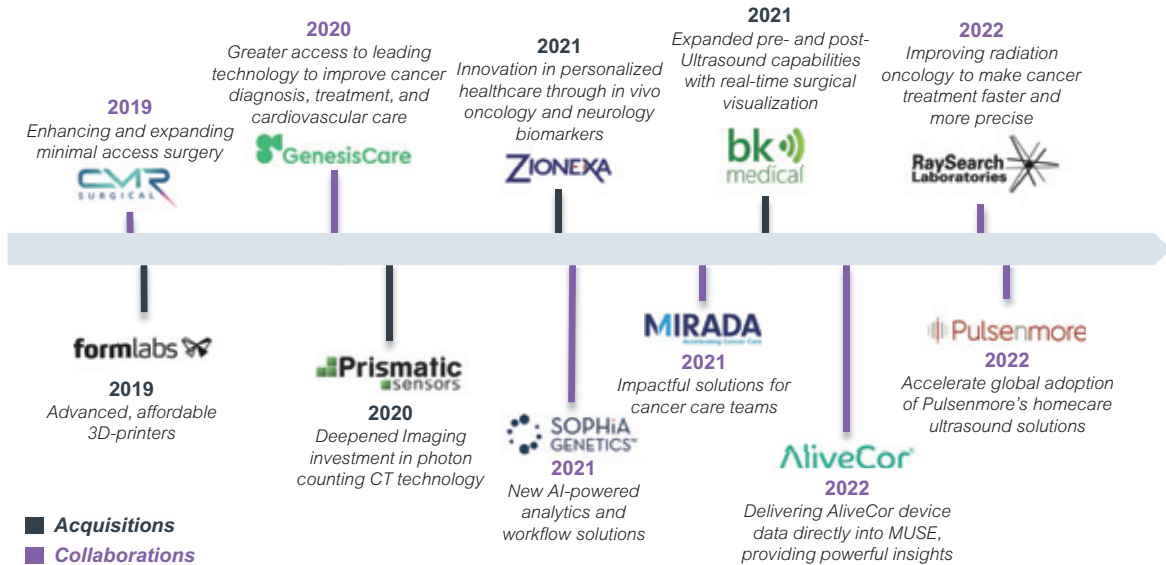
GE HealthCare has been advancing healthcare with transformational innovations since 1896, including the first enclosed X-ray source, the first routine total-body CT scanner, and the first high-field MRI scanner. Our ability to innovate through our research and development teams, augmented by strategic acquisitions and collaborations, is core to our approach of achieving and maintaining leadership positions in each of our segments by delivering differentiated solutions to address evolving customer needs. We expand and accelerate delivery of innovations through increased R&D investment, which has led to approximately \$4,100 million in orders in 2021 from products launched in the last year. We focus on thoroughly understanding unmet customer needs through customer surveys, sponsored research, advisory boards, pilot programs, and direct feedback through our research, sales, and service channels. This unique insight helps to prioritize our R&D efforts to best deliver improved customer outcomes. Examples of our industry-leading innovations since 2000 include:

### Legacy of Industry-defining Innovations for Our Customers



Our organic innovation efforts are complemented by strategic acquisitions, investments, and collaborations, which have transformed our product portfolios and expanded our industries served. We have a robust pipeline of inorganic opportunities to continue expanding our portfolio and driving incremental growth in our business. Our focus remains on bolt-on transactions intended to accelerate our strategies, expand capabilities, and drive attractive returns, such as the recent acquisitions of BK, Zionexa, and Prismatic Sensors, as well as our recent strategic collaborations with Pulsenmore, RaySearch, SOPHiA Genetics, and AliveCor.

### Recent Acquisitions and Select Collaborations



### At the Center of Digitization of Healthcare

GE HealthCare is at the center of the digitization of healthcare, generating and harnessing clinical data from our devices and software and those of third parties to help simplify clinical decision-making, improve the delivery of care, and drive workflow efficiency. Today, clinicians must interpret large amounts of data from separate and often disconnected devices and systems to make critical and urgent clinical decisions. GE HealthCare aims to solve this challenge through a portfolio of over 200 digital applications and software solutions that collectively generated \$1,186 million of revenue in 2021, including:

- Advantage Workstation applications that help clinicians simplify the practice of radiology through advanced visualization technologies;
- Centricity Picture Archiving and Communication System (“PACS”) that enhances image visualization, AI, 3D post-processing and archiving, and improves radiology workflow and clinical collaboration; and
- Command Center that helps improve enterprise operations across hospitals and health systems.

GE HealthCare is a leader in on-device AI with applications that provide advanced machine learning and AI technologies to improve device performance and care outcomes. Increasingly, hospitals and healthcare systems are demanding easier ways to deploy clinical workflow, analytics, and other digital tools that improve care delivery, support efficient operations, improve healthcare economics. Our Edison platform is a vendor-agnostic hosting and data aggregation platform with an integrated AI engine, reducing the IT burden that typically comes with installing and integrating applications across an enterprise. We believe that our digital solutions and deep understanding of customer needs are key competitive advantages of our business.

**Trusted Partner of Customers Across the Globe Supported by Industry-Leading Service**

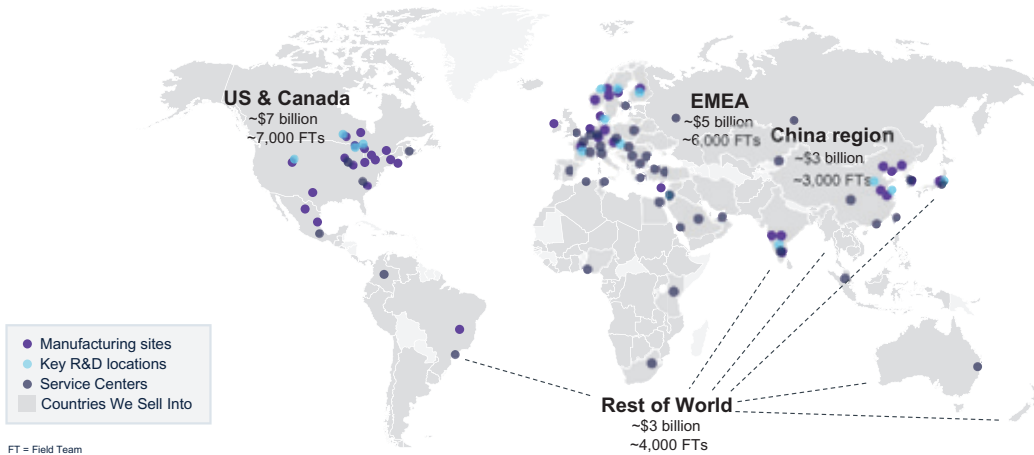
We have one of the strongest reputations in the global healthcare industry for service, innovation, quality, and integrity, resulting in long-standing customer relationships. The success of our customer-driven mission is evidenced by long-standing relationships with our top customers, many of whom we have worked with for decades. Our customer base is diverse, with our top 10 customers collectively contributing no more than 10% of revenue. We globally deploy a multi-channel commercial model consisting of over 10,000 sales professionals and a global network of approximately 5,600 indirect third-party partners supporting over 160 countries that are aligned to four geographic regions: USCAN, EMEA, China region, and Rest of World. We also leverage our HealthCare Financial Services business to deliver end-to-end solutions for our customers, including financial solutions for their needs. Through our close relationships with customers, we are able to collaborate on their asset acquisition plans and clinical and business challenges, and we are able to tailor our products, services, and solutions to meet their unique needs.

At the foundation of our strong customer relationships is our industry-leading service offerings that extend well beyond vendor-agnostic on-site repair and preventative maintenance to include remote monitoring and support of our devices enabled by connectivity, proactive, and predictive maintenance capabilities, lifecycle management, and asset performance management. In 2021, we resolved over 80% of service issues on the first call and resolved 35% of service calls through our remote connectivity and digital service infrastructure while managing an average of over 3,600 parts orders per day. Currently, approximately 80% of the imaging systems in our installed base are connected for remote monitoring, enabling diagnostic consultations with skilled, off-site engineers for preventative maintenance and asset management analytics in order to minimize down-time for our customers and improve efficiency among our service team.

With over 8,500 field service engineers and approximately 1,400 applications and training specialists, 36 global and regional repair centers, and 46 customer service centers, we utilize our global scale and a local approach to tailor offerings to best serve individual customers around the world. We have established local manufacturing, assembly, and pharmaceutical production sites across 17 countries, which improves our supply chain security and decreases costs. We utilize our local presence to provide customers with tailored commercial solutions, such as holistic infrastructure solutions, local training, equipment repair, and other services. In addition to strengthening our customer relationships, our services capabilities are a key driver of our financial performance, generating \$6,420 million of revenue in 2021. Our services revenue is recurring in nature, and provides strong visibility to future revenue with \$10,028 million of RPO as of year-end 2021.

**Trusted Partner with Strong Global Presence**

2021 GE HEALTHCARE REVENUE



### *Driving Growth Mindset Through Lean for Customers and Employees*

We are dedicated to creating shareholder value through consistent and sustainable earnings growth. To drive that value, we are using lean principles to execute on our short- and long-term strategies and strengthen our operating performance.

Lean has helped build a culture of continuous improvement where employees are empowered to problem-solve (“trystorm”), sustain solutions, and improve key performance indicators to move the needle positively for operational and financial results. We have developed and deployed lean tools, processes, and leadership at all levels in the organization. We focus our lean work on improvement in five critical business priorities: Safety, Quality, Delivery, Cost, and Innovation (“SQDCI”). For each of these priorities, we focus on strong daily management, establishing robust standard work, and applying root cause problem-solving. These practices are built into the management cadences at all levels and enable accelerated improvement.

For example, we have used lean to improve safety during the equipment installation process using better standard work and leveraging this to improve safety in manufacturing, operations, and service. Our rigorous quality management system combined with daily management and problem-solving helps us address defects at the source. We have implemented lean flow in operations, and this has enabled us also to improve on-time delivery to our customers through reduction in lead times while improving inventory levels in the supply chain. These are examples where the application of lean has both eliminated waste and risks but has also led to better customer results and safety for our employees. We have seen similar results from lean tools and processes in managing our product and service costs through a diverse and qualified supplier base; driving manufacturing and general and administrative (“G&A”) productivity and improving logistics operations; value engineering and the digitization of our services delivery and in improving commercial and R&D operations to accelerate growth and innovation.

With lean embedded at our core, we have been able to improve SQDCI results for our customers. Key examples of outcomes achieved through our lean principles include:

- Utilized lean at our PDx contrast media fill and finish manufacturing sites to remove waste between batch changes, reducing our turnaround time more than 30%. These actions have significantly expanded production capacity, allowing us to serve more customers and patients, while reducing the need to invest in new equipment;
- Transitioned from a make-to-stock to make-to-order inventory system and converted to lean replenishment value chains in our Ultrasound business, which resulted in an approximately 14% reduction of customer delivery lead time in Europe;
- Employed Hoshin Kanri, cross-functional problem solving, and kaizen to improve first pass yield by approximately 30% in our CT manufacturing operations, improving reliability and the customer experience; and
- Implemented internal efficiency initiatives that contributed to G&A optimization at a functional level to reduce costs by approximately one point on a percentage of sales basis across GE HealthCare over two years.

Going forward, lean will continue to be part of the foundation of GE HealthCare. Lean encourages cross-functional collaboration to eliminate waste, problem solve, and ultimately improve our end-to-end processes, allowing us to accelerate growth and innovation. For example, we established a dedicated advanced manufacturing engineering team to accelerate the lean transformation of our production sites, promoting supply chain efficiency and productivity. Through lean, we expect to deliver more value for our customers, improved margins for GE HealthCare, and reinvestment in our business for long-term sustainable growth and innovation.

***Attractive Financial Profile Supported by Organic Revenue Growth, Expanding Operating Margins, and Strong Balance Sheet***

We generated Total revenues of \$17,585 million in 2021, representing 2% growth as reported and 1% Organic revenue growth\* from 2020. We consider approximately 50% of our total revenue in 2021 to be recurring, comprised of revenue from services, consumable and single-use products, digital solutions, and value-added offerings, such as education, training, and consulting. We continue to maintain diversification of our revenue with no customer accounting for more than 3% of total revenue and 58% of revenue generated outside the United States and Canada.

From 2020 to 2021, we expanded our gross margin from approximately 39% to 41%. Our innovative technologies and lean approach have served as the foundation to reduce costs across our businesses, directly translating to an increase of 1.4 points in our gross margin from 2020 to 2021. During this period, we generated cash from operating activities of \$1,607 million and Free cash flow\* of \$2,827 million. Our stable growth profile coupled with our strong Free cash flow\* has afforded us the ability to consistently prioritize investments in R&D to drive innovation and fund acquisitions.

***Purpose-Driven and Action-Oriented Culture Led by an Experienced Management Team***

Our senior leadership is a diverse team of global industry veterans with the skills and expertise required to successfully lead a stand-alone publicly traded medical technology, pharmaceutical diagnostics, and digital solutions company. These leaders possess a complementary mix of experience leading teams or business units at GE HealthCare, other large medical technology companies, and/or other publicly traded companies. Our regional commercial leaders have an average of 22 years of in-region experience and are accountable for our local strategic operations. This team is leading our company through a transformational time as we execute on our next phase of growth by establishing a more decentralized organization with alignment and accountability across teams to accelerate speed in decision-making and remove complexities that will ultimately enhance our efficiency and agility.

We have a purpose-driven global workforce of approximately 51,000 who have an average tenure of nine years with GE, reflecting a strong, engaged culture that centers on our purpose statement, “Create a world where healthcare has no limits.” We embrace a diverse workplace where “Every voice makes a difference, and every difference builds a healthier world” and are committed to supporting diversity across our global teams. Our values emphasize patient and customer focus, trust, and humility with unyielding integrity, while fostering an inclusive culture. Our well-established talent management strategy allows us to attract and retain innovative leaders, which is instrumental to our long-term success.

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\* Non-GAAP financial measure.

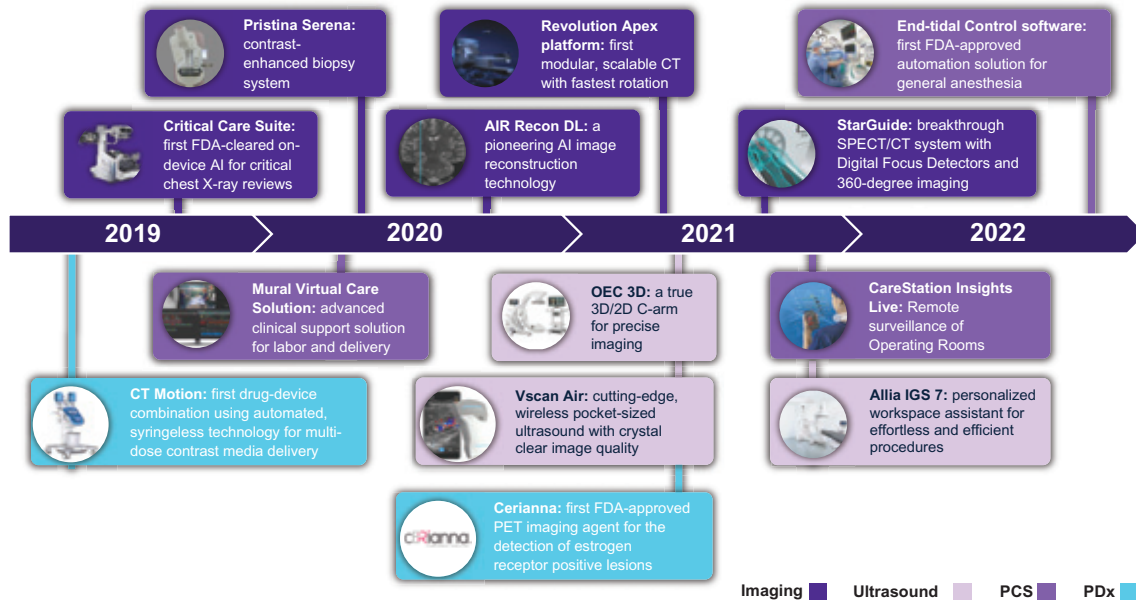
## Business Strategies

We aim to grow our business by pursuing the following strategies:

### *Deliver Industry-Leading Innovations*

We intend to maintain and strengthen our leading global position by continuing to deliver innovative solutions that best address customers' needs. Our reputation as a trusted partner to customers and close relationships with them position us to gather insights on clinical challenges and workflow inefficiencies, which we utilize to inform our next generation of product development. Recent examples include:

### Recent innovations across our businesses



From 2019 to 2021, we invested a cumulative \$2,459 million in R&D to drive our organic innovation efforts. We drive efficient use of our R&D budget by locating approximately 40% of our 9,700 R&D employees in lower-cost regions. We plan to further enhance our innovation efforts with inorganic investments across our business segments. Our growing track record of inorganic investment includes three acquisitions over the past two years, BK, Zionexa, and Prismatic Sensors, and eight strategic collaborations since 2019, including Pulsionmore, RaySearch, SOPHiA Genetics, and AliveCor.

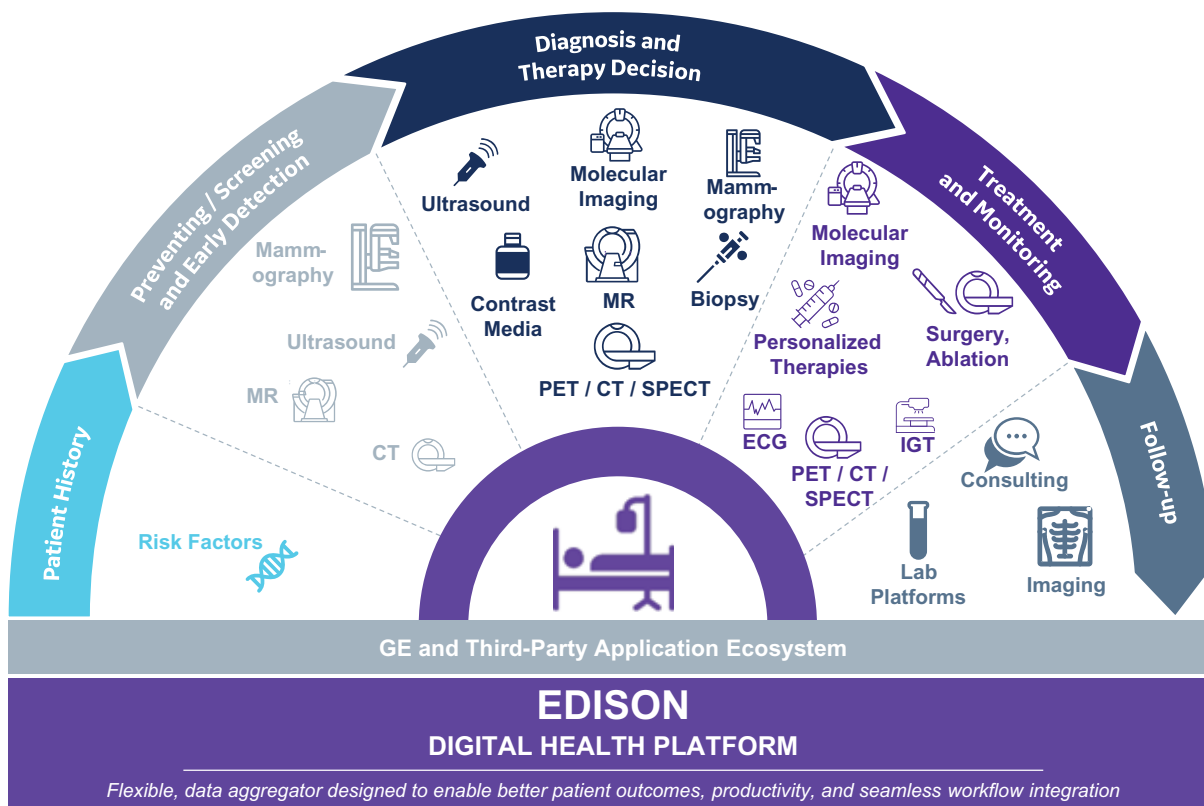
As a stand-alone entity, we have control over the allocation of our R&D budget to invest in high-return projects. We intend to increase our investment in innovation, both to enhance our core portfolio and extend our capabilities in attractive, high-growth adjacencies, including clinical decision support and workflow tools, advanced analytics and AI, 3D visualization, lower acuity patient monitoring, clinical collaboration tools, and integrated insights across multiple diagnostic modalities. We believe we can drive even greater focus on, and capital allocation to, attractive innovation priorities as an independent company, extending our leadership position in technologies that improve outcomes. As part of the Spin-Off, healthcare-related research at GE's Global Research Center ("GRC") will transition to GE HealthCare and will continue to support our innovation efforts.

### *Build Integrated Solutions Along Care Pathways*

We build integrated equipment and software solutions designed to address the needs of clinicians and patients along care pathways. Our goal is to break down data silos across devices, bespoke systems (both third-



party and our own), and sites of care that often delay or even prevent patients from getting the most appropriate treatment. Central to this approach is our focus on developing and delivering digital solutions for clinical decision support that seamlessly integrate across workflows and departments and increasingly reside on our Edison platform for ease of deployment and enterprise-wide integration.



Our care pathway approach is well supported by the breadth and depth of our portfolio, which gives us unique visibility into customer needs in clinical care areas such as oncology, cardiology, and neurology. For example, in cardiology, we are uniquely positioned across the patient workflow, from screening technologies such as electrocardiograms (PCS) to CT scans of structural heart conditions (Imaging) to interventional therapy guidance tools (Ultrasound) through post-treatment monitoring (PDx). In oncology, we currently partner with the National Health Service in the U.K. to accelerate “diagnosis to treatment” of cancer patients through deployment of Rapid Diagnostic Centers in line with the U.K.’s Long-Term Plan for Cancer introduced in 2019.

Adoption of our care pathway strategy positions GE HealthCare as a partner of choice at an enterprise level, while providing us with unique insights on critical unmet needs within specific care areas. We also believe this strategy improves the value proposition of our current offerings, expands use cases for our Edison platform, and creates new SaaS revenue streams.

***Enable Digitization at a Device, Department, and Enterprise Level***

Digital innovations are changing how healthcare is delivered and consumed around the world by improving access to advanced healthcare and by enhancing quality, safety, productivity, patient experience, and provider satisfaction. In 2021, we generated \$1,186 million in revenue from digital solutions across our Imaging, Ultrasound, PCS, and PDx segments. As our digital offerings encompass software solutions at a device, department, and enterprise level, we have developed distinct strategies dictated by specific customer needs:

- *Device:* introduce innovative applications and software tools that improve the functionality, productivity, and capability of our products, often enabled by machine learning and AI;

- *Department*: create digital solutions that enable caregiver collaboration, patient scheduling, and fleet management solutions through the integration of clinical and operational information; and
- *Enterprise*: develop scalable and integrated software solutions that enable hospital and health system-wide improvements in patient workflow, clinical insights, productivity, and patient and caregiver experience.

We plan to continue leveraging our Edison platform to deploy and scale these software solutions, and accelerate customer adoption of our digital applications. Edison enables customers to: efficiently upgrade existing devices with advanced intelligent functions, via edge or cloud technology; integrate clinical information across multiple diagnostic and therapeutic modalities, such as radiomics and genomics; and develop new applications with industry-standard capabilities built-in, such as data privacy and cybersecurity.

### ***Expand Our Business by Providing Transformational Customer Solutions***

We plan to expand our leading global presence by continuing to deliver transformational solutions designed around specific customer needs. The growing demand for precision health is driving a greater focus among customers for solutions that provide actionable insights for clinicians and are easily deployable for healthcare systems. For example, in response to the COVID-19 pandemic, we partnered with the U.K. National Health Service to design and iterate on “CT in a Box,” a mobile CT solution designed to be deployed to temporary field hospitals set up in the countryside or conference centers to address record-setting patient volumes. These non-traditional care settings needed a mobile CT solution to be placed on-site and to be operational with minimal set-up. We believe there is significant opportunity to utilize our core competencies in innovation, service capabilities, and digital solutions to expand our portfolio further into integrated diagnostics, AI and machine learning-based clinical decision support, highly personalized therapies enabled by more precise diagnostics, and remote patient monitoring.

As the delivery of care continues to extend outside the hospital, we plan to continue growing our presence to alternative sites of care with our clinical collaboration capabilities, enabling minimally-invasive procedures and expanding into remote monitoring and home care. For example, we have migrated PACS to the cloud to support broader adoption by ambulatory surgical centers and easier virtual collaboration for clinicians. Our Mural solution intelligently aggregates and organizes relevant patient monitoring data from multiple sources to deliver actionable insights that allow clinicians to prioritize and deliver better care for high-risk patients. Through our collaborations with AliveCor and Pulsenmore, we are also expanding our presence to patients’ homes through remote monitoring devices that are key enablers of precision health.

### ***Grow in Emerging Markets with a Local Strategy Tailored to Customer Needs***

We have established a strong and growing presence in emerging markets, which represent approximately 30% of our 2021 revenue, growing 11% from 2020. Increasing demand for healthcare in emerging markets, driven by macro trends, represents a significant growth opportunity for GE HealthCare. We plan to continue to invest in developing tailored clinical applications, service repair operations, training, financing, and project management to better serve customer needs in emerging markets.

As localization initiatives increase in important markets, the strength of our portfolio and enterprise approach is enhanced by regionally-defined commercial strategies. To address the increasing focus on localization in key high-growth emerging markets, such as China, India, and Brazil, we developed comprehensive product development, production, and commercialization strategies reflecting local needs. Today, GE HealthCare China has approximately 7,000 employees, four manufacturing plants, and an R&D team of approximately 1,200 engineers who work to develop and deliver innovative products and technologies not just for the China market, but also for markets across the world. Similarly, in India, the GE HealthCare R&D team of approximately 2,300 engineers develops specialized affordable care products and manufacture through four manufacturing plants for the local and global market. We take a strategic approach to each emerging market, helping us match our strategies to the market opportunity and local needs.

### ***Drive Growth and Continuous Improvement Through Lean***

GE HealthCare operates with a company-wide dedication to continuous improvement through lean tools, processes, and leadership development. We focus on our top operational priorities: Safety, Quality, Delivery, Cost, and Innovation. Through these operational disciplines we strive to deliver safe operations, customer-focused innovation, and consistent business execution, while executing on our industry-leading reputation as a trusted partner. For our customers, we utilize lean to improve customer experience, innovate our offerings, and ensure consistent and cost-effective delivery of mission critical healthcare solutions. We use lean to achieve reductions in product and service costs by focusing on having a diverse and qualified supplier base, enhancing logistics productivity, employing design-for-value principles, and driving digitization of our services delivery to enhance value for customers while improving operating margins across the portfolio. This capability is critical to managing margin pressure from recent spikes in inflation. Operationally, lean dictates a relentless focus on customer value, which helps leaders collaborate across departments to identify the root cause of problems, eliminate waste, and prioritize work. This framework helps align our activities and allocate resources, including both talent and capital, to promote growth and innovation, supply chain efficiency, and operational productivity. Our focus on lean will enable us to deliver better customer outcomes while improving our operating model as a stand-alone company.

### ***Disciplined Focus on Strategic M&A Transactions***

We will continue to focus on disciplined and targeted inorganic growth through strategic transactions, including acquisitions, mergers, investments, joint ventures and other expansions of our operations that leverage our existing platform. Following the Spin-Off, we will have more flexibility as a standalone company to allocate our capital to successfully execute such transactions. Our focus remains on bolt-on transactions intended to accelerate our strategies, expand capabilities, and drive attractive returns, such as the recent acquisitions of BK, Zionexa, and Prismatic Sensors, as well as our recent strategic collaborations with Pulsenmore, RaySearch, SOPHiA Genetics, and AliveCor.

## **Our Segments**

We develop, manufacture, and market a broad portfolio of products, services, and complementary digital solutions used in the diagnosis, treatment, and monitoring of patients. We are a global leader in each of our core business segments. We have a global installed base of more than four million medical imaging, ultrasound, and patient monitoring systems.

Our business is comprised of four segments that are aligned with the industries we serve: Imaging, Ultrasound, Patient Care Solutions, and Pharmaceutical Diagnostics. We deliver a broad portfolio of products, service capabilities, and digital solutions to our various types of customers and their unique needs.

Technological innovation is a strength of each of our segments. For most equipment product lines, we aim to launch a major new platform every five to seven years and release incremental innovations every 12 to 18 months, driving better products for customers, better outcomes for patients, and continued growth for our Company. With each new platform and incremental innovation, we aim to improve the performance, quality, customer experience, serviceability, and cost of our offerings. Our digital solutions are built from our decades of experience in the clinical specialties we serve. Many of these software offerings are built from analyzing large amounts of patient data collected by our equipment. Using proprietary algorithms, AI, and machine learning, our segments create innovative digital solutions tailored to their clinical care areas of expertise that help simplify complex data and support clinical and operational decision-making at a device, department, and enterprise level.

Our Imaging, Ultrasound, and PCS segments each benefit from our leading service capabilities. To improve ease of doing business, we offer customers single, consolidated service contracts for the equipment our customers utilize across our segments. Connectivity to the installed base is increasingly a key customer buying

factor and competitive strength for our segments. For example, approximately 80% of our imaging systems are connected for remote monitoring, enabling diagnostic consultations with skilled off-site engineers, predictive maintenance, and asset management analytics. Our remote monitoring and repair capabilities limit downtime for customers by improving speed to repair while increasing our ability to serve customers efficiently and allowing our segments to generate real-time insights into how our equipment is used in the field to improve on future offerings.

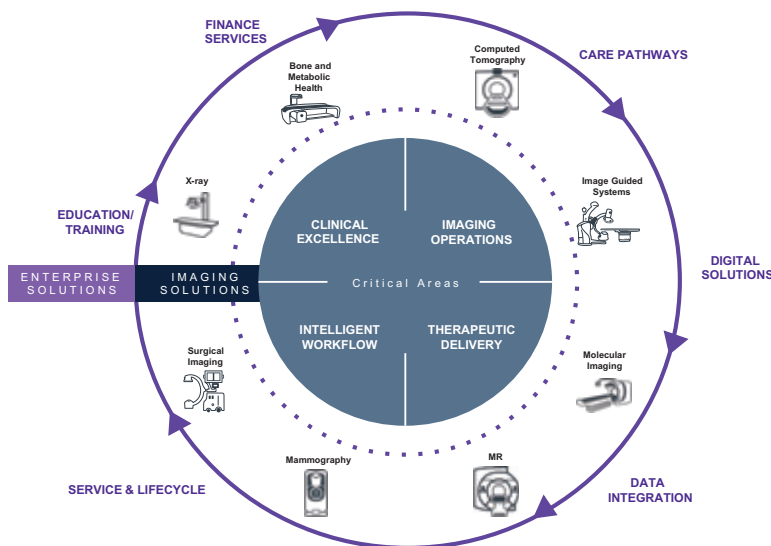
All of our segments also benefit from the breadth and capabilities of our digital solutions, including our Edison Platform and over 200 digital applications and software solutions. We focus our investments on digital innovation where we have a clear path to commercialization, including applications that stitch together clinical workflows, and a competitive advantage over independent software vendors. For example, Edison allows for ease of deployment of software applications on devices that our segments develop, reducing the burden on IT departments of hospitals and healthcare systems who often integrate bespoke software and equipment. In addition, our DaTQUANT software application provides a structured, visual, and quantitative result to support confidence in scan interpretation, driving consistency and repeatability through automated processing of scans, and simplifying communication between referring physicians.

### **Imaging Business**

GE HealthCare is a global leader in medical imaging with a comprehensive portfolio of scanning devices, clinical applications, service capabilities, and digital solutions. We have one of the industry's largest installed bases of medical imaging equipment with approximately 400,000 systems globally and have a leading position in nearly all markets where our products are sold. Our Imaging portfolio spans the care continuum and provides critical tools for physicians from initial screening and diagnosis, through therapeutic decision-making, to monitoring of patient progression. Our products are essential in the delivery of care for a broad spectrum of clinical specialties, including oncology, cardiology, neurology, nuclear medicine, orthopedics, women's health, pediatrics, and surgery.

Our Imaging portfolio is comprised of six product lines and associated service capabilities: Computed Tomography, Magnetic Resonance, Molecular Imaging, Image-Guided Therapies, Women's Health, X-ray. Starting with the development of the X-ray in 1896, we have been at the forefront of industry-defining innovations for over 125 years and have consistently deployed advanced, innovative technologies to develop intelligently efficient solutions to address critical needs of our customers. We supplement our imaging solutions with digital applications and software solutions, leveraging our AI and advanced digital capabilities. We also offer specialized global service capabilities to support devices with upgrades and lifecycle management. For each product in our portfolios, we develop and offer upgrades that expand clinical functionality throughout the product's lifecycle and extend the life of imaging devices and software for a strong return on our customers' investments.

In addition to our core products, digital solutions, and service offerings, we provide complementary enterprise solutions, such as education and training, equipment financing, and data integration services, as illustrated below. Our broad enterprise solutions across the imaging continuum enable us to drive connectivity across healthcare systems and throughout the product lifecycle. Together, our intelligent imaging devices, digital solutions, and specialized services are designed to increase accuracy and precision of diagnostic and therapeutic efforts, improve efficiency of radiology operations and workflows, and enable precision therapy delivery.



In 2021, our Imaging business generated \$9,433 million of revenue, a 5% increase year-over-year from \$8,959 million in 2020, representing 54% of GE HealthCare’s total 2021 revenue. In 2021, we generated \$1,240 million of segment EBIT compared to \$1,182 million in 2020, representing a 5% increase year-over-year.

**Our Imaging Portfolio**

*Computed Tomography*

CT scans render 3D anatomical images of structures such as bone, soft tissue, and air cavities using an X-ray tube that rotates around a patient. The images are used in a wide variety of applications, including the detection of tumors or lesions, blocked blood vessels in the brain, abnormal heart conditions, complex bone fractures, and internal injuries from trauma. CT scanners are used predominantly in hospitals’ radiology or emergency departments, as well as in outpatient centers. There were more than 500 million CT procedures worldwide in 2021. Clinicians often use CT technologies to guide their diagnostic and therapeutic decisions.



**Revolution Apex Platform**

*Best-in-class technology provides uncompromised clinical solutions across a range of care areas*



**Revolution Ascend**

*New suite of AI-based technologies that optimize dose, scan range settings, and improve image quality*



**Revolution Aspire**

*Powerful generator and tube allow to image a variety of patients with low dose scanning and higher imaging intelligence*

Our comprehensive CT portfolio includes multi-purpose and specialty scanners, such as CardioGraphe, which is a dedicated cardiac CT optimized for the heart. As a leading manufacturer of CT for the last four decades, we have launched many industry “firsts” and led innovations in the CT industry, including:

- Comprehensive cardiac exams with anatomic and functional information in just one heartbeat;
- Iterative image reconstruction technique which significantly lowers radiation dose;
- Gemstone Spectral Imaging that allows clinicians to better characterize and diagnose lesions; and
- Fastest CT scanner at 0.23 seconds per rotation.

We are actively developing the next generation of CT technology. Our photon counting technology, accelerated by the acquisition of Prismatic Sensors in 2020, has the promise to further expand the clinical capabilities of traditional CT. After many years of experimentation with cadmium-based detectors, we have chosen a silicon-detector technology that we believe will deliver both higher spatial resolution, and finer energy resolution compared to cadmium. Our expectation is that the energy resolution capability will better deliver clinical insights, such as better lesion characterization, tumor staging, atherosclerotic plaque characterization, and stroke evaluation. We also aim to continuously enhance our leading CT equipment with complementary technologies and techniques that expand the applications of CT systems while also optimizing workflow and physician experience.

### *Magnetic Resonance*

MR is a sophisticated, non-invasive imaging technology that produces detailed anatomical images of almost every internal structure in the human body, such as brain, spinal cord, heart, breast, kidneys, muscles, ligaments, and tendons. MR can also be used for functional imaging, and it is well-suited for disease detection, diagnosis, and treatment monitoring of a variety of conditions, including stroke, cancer, trauma, aneurysm, multiple sclerosis, cardiomyopathy, and congenital disorders. MR utilization is driven by an increasing number of indications, as well as by the fact that no radiation is produced during an MR exam. There were more than 190 million MR procedures worldwide in 2021. Our installed base is one of the largest with more than 20,000 installed systems globally. Our MR systems are used predominantly in radiology practices but can be tailored for use in nuclear medicine, cardiology, radiation oncology, surgery, and neurosciences. We also offer proprietary laboratory equipment used in research applications, such as the production of hyperpolarized nuclei for real-time metabolic MR imaging, which may provide significant new insights into previously inaccessible aspects of cancer biology.



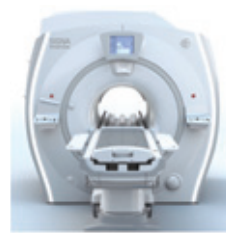
**SIGNA 7.0T**

*Unmatched 7.0 Tesla (T) image quality for higher diagnostic confidence; ~5x more powerful than most clinical systems*



**SIGNA Hero**

*New wide bore 3.0T system for exceptional image quality and End-to-End Clinical Solutions like One-Stop Liver or Prostate imaging*



**SIGNA Artist Evo**

*World's first 70 cm wide bore upgrade for a 1.5T magnet, delivering leading DL based image reconstruction*

Our MR portfolio includes scanners for a range of clinical capabilities through different bore sizes and scalable platforms. Our leading SIGNA MR franchise is trusted by customers globally due to our long-standing dedication to improve image quality, resulting in more rapid and accurate diagnoses. Our MR systems include a

common software platform with a basic set of applications that enhance image quality and a premium set of applications that address more advanced MR imaging techniques and clinical specialties. We are a leader in on-device AI, improving image quality and exam efficiency. Recent MR innovations include:

- *AIR Recon DL*: a pioneering AI deep learning-based reconstruction algorithm that improves signal-to-noise ratio and image sharpness, enabling shorter scan times;
- *AIR coil*: a flexible blanket-like coil that increases image quality across a range of anatomical structures while enhancing patient comfort during the scan; and
- *MR Continuum Upgradability*: enables the upgrade of a device near end-of-lifecycle.

We collaborate with over one hundred academic and clinical research institutions around the globe, supporting more than 500 MR research projects, aiming to advance science and medical practice. This work also involves the development and support of various research-only systems and technologies that are typically used in the world's leading neuroscience facilities.

### *Molecular Imaging*

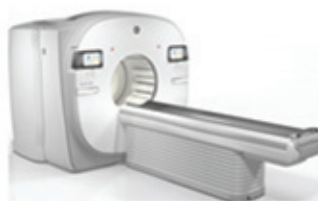
MI enables the visualization, characterization, and quantification of functional processes taking place at the cellular and subcellular levels within patients. The images produced by MI systems allow clinicians to study the cellular and molecular pathways and mechanisms of disease in patients. Before the scan, a small amount of a radiopharmaceutical agent is administered to the patient and is absorbed by targeted structures within the body. During the scan, the MI device captures the signal emitted by the radiopharmaceutical, processes the data, and produces a 3D image.

We are the only company who offers a total MI solution, including pharmaceutical diagnostics, cyclotrons, chemistry synthesis, PET/CT, PET/MR, nuclear medicine, and advanced digital solutions, complemented by our collaborations with pharmaceutical companies that are innovating new molecular tracers used for diagnostics and therapies. Our PET Radiopharmacy portfolio includes a wide array of PET tracer production technologies, delivering the only complete PET solution in the industry. Our PET/CT systems are primarily used in oncologic applications for the diagnosis, staging, treatment planning, and monitoring of cancer. In addition, there are new applications emerging for the diagnosis of specific neurological and heart conditions. Our SPECT and SPECT/CT, also known as gamma cameras, are offered both in general purpose and dedicated cardiac systems to visualize a variety of functional applications, such as cardiac, cancer progression, and certain oncologic treatments such as thyroid cancer. SPECT/CT gives the ability to simultaneously assess functional and anatomical images from the body.



**Discovery MI Gen 2**

*Reaches 30cm of coverage and allows deep learning-based image reconstruction when paired with a diagnostic CT*



**StarGuide**

*Our most advanced SPECT/CT featuring Cadmium Zinc Telluride (CZT) technology*



**PETtrace**

*Enhanced radiation safety, capacity for large-scale distribution and enables 100x more 68Ga production compared to traditional methods*

We have a strong track-record of industry ‘firsts’ and innovations in MRI including:

- First to launch SPECT/CT (1999), PET/CT (2001), multi-slice SPECT/CT (2006), and digital PET/CT (2016);
- StarGuide, a premium digital SPECT/CT technology that consistently delivers high-resolution imaging, providing clinicians with accurate clinical support to make personalized care decisions and treatment response assessments, especially in Theranostics; and
- Discovery MI and Discovery IQ PET/CT systems with the highest effective sensitivity in the industry, as defined by the National Electrical Manufacturers Association, that can also be combined with MR technology to produce images with superior soft-tissue contrast.

### *X-ray*

X-ray systems are used by clinicians to perform first-line diagnostic imaging examinations of anatomical structures in the body, such as bones, lungs, and the gastrointestinal tract. An X-ray tube emits high frequency electromagnetic waves that pass through the human body. A portion of the waves is absorbed or scattered by internal body structures, while the remaining “shadows” get transmitted to a film or digital detector to produce a radiograph, commonly called an X-ray image. There were approximately 2.5 billion X-ray procedures worldwide in 2021. X-ray systems are used predominately in radiology departments of hospitals, outpatient imaging centers, urgent care centers, and physician group practices (such as orthopedics or sports medicine practices).



**AMX Navigate**

*Premium digital mobile X-ray system featuring easy positioning with the Free Motion telescoping column, new Zero Click Exam, and AI applications*



**Definium Tempo**

*Overhead tube suspension system designed to simplify technologists’ workflow, improve diagnostic confidence, and reduce errors*



**Definium XR/f**

*Performance digital fixed X-ray floor mount system designed to help departments perform dose-efficient radiographic exams on patients*

GE HealthCare’s X-ray product portfolio includes systems for three distinct clinical situations: fixed room radiography products installed in hospitals and imaging centers; mobile radiography products used for bedside or other point-of-care imaging needs; and fluoroscopy products installed in hospitals for dynamic or “moving” X-ray imaging in applications like gastrointestinal examinations.

As a leading manufacturer of X-ray systems, we have introduced many innovations that were firsts in the industry, including:

- *X-ray Critical Care Suite*: an industry-first collection of on-device AI algorithms for pneumothorax triage and endotracheal tube positioning that integrates with existing workflows;
- *Repeat/Reject Analytics*: a digital solution that provides our customers with insight into the root causes of rejected X-ray images so they can implement targeted improvement training; and
- *Zero-Click Exams*: a solution that leverages radio frequency identification badge login, barcode patient verification, automated protocol selection, and AI processing to increase efficiency.



## Women's Health

Women's Health products use X-ray technology to help clinicians screen for and diagnose breast cancer as well as bone and metabolic diseases in women. The product portfolio includes imaging and biopsy positioning systems designed to image the breast and dual energy X-ray absorptiometry scanners designed to image bones with low mineral density. Our Women's Health products serve a wide range of customers, including radiologists, surgeons, oncologists, orthopedists, rheumatologists, geriatricians, endocrinologists, pediatricians, and sports medicine practitioners who seek to diagnose and treat breast cancer, osteoporosis, and metabolic disorders.



**Senographe Pristina**

*Delivering superior diagnostic accuracy at the lowest patient dose of all FDA-approved DBT systems*



**Pristina Serena**

*Enables a medical professional to perform a biopsy procedure in <15 minutes and offers large biopsy volume to reduce breast repositioning*



**Lunar iDXA**

*Research-grade image resolution and exacting precision enables whole body assessment of bone density, fracture risk, body composition, and pediatric development*

We continuously innovate our Women's Health mammography portfolio to enable earlier detection of cancer, improve biopsy procedure timeliness, and enhance the patient experience during screening. Our goal is to empower women to be part of their mammography exam and improve their comfort during exams through our recently developed patient-assisted compression technology. In addition, we were the first to use contrast media as an adjunct to inconclusive diagnostic exams. Recent innovations include:

- *SenoBright HD*: an exam that reduces the masking effect of breast tissue to reveal what matters to help patients avoid agonizing wait times when they get an inconclusive exam;
- *Pristina Serena*: an exam that gives healthcare providers the option of accessing the breast with a newly designed side approach, providing exceptional access to lesions; and
- *Pristina Dueta Patient-Assisted Compression*: an exam that with the guidance of a technologist, women can play an active role in determining their level of breast compression with the help of a hand-held remote.

## Image-Guided Therapies

Our Image-Guided Therapies business provides technologies that assist clinicians and surgeons during open surgeries and minimally-invasive endovascular procedures. Intraoperative imaging systems are used to visualize procedures that involve implants and devices, such as stents, balloons, pace makers, and artificial joints. Given the increasing prevalence of minimally-invasive surgery, we expect the demand for our Image-Guided Therapies business to continue to grow. With an open architecture, we are uniquely positioned to support third-party solutions to offer best of its kind innovative offerings to our customers.

We strive to innovate and expand our applications for image-guided therapies and improve workflow and integration in the interventional suite. Given the evolving dynamics of this industry, we are also innovating the

way we engage with customers with new business models across different care settings. These include out-of-hospital settings, such as office-based labs and ambulatory surgical centers.

Our Image-Guided Therapies business includes two business lines:

### Interventional systems

Our interventional systems are commercialized under the IGS brand and are comprised of a broad portfolio of products that provide real-time advanced X-ray imaging and integrate with other imaging and diagnostic technologies that support clinicians in planning, guiding, and assessing minimally-invasive procedures, such as ablation, embolization, device implantation, and structural heart procedures.



**Allia IGS 7**

*Assistant for image-guided therapies that makes performing tasks natural in a personalized workplace, enabling any surgery with a fully integrated surgical table*



**Liver ASSIST Virtual Parenchyma**

*First AI tool to support liver chemo embolization simulation and enables interventional oncologists perform pre-procedural simulation of impacted liver parenchyma*

The latest interventional products offer robotic positioning for precise procedural angulations and easy patient access, and are combined with AI-based augmented visualization to improve clinical decision-making and patient outcomes. The main customers are interventional radiologists, cardiologists, oncologists, neuroradiologists, and vascular surgeons. Moreover, our new product release enables full sterilization of the floor with full Laminar air flow operation, which supports the growing need for hybrid operating rooms to enable the evolving procedures of endovascular aneurysm repair, transcatheter aortic valve replacement, and transcatheter mitral valve repair.

Within our interventional systems portfolio we also offer invasive cardiology systems that are commercialized under the MacLab, CardioLab, and ComboLab brands. These products provide monitoring and recording solutions that measure physiological signals during minimally-invasive cardiology or EP therapies, and streamline data management, documentation, and reporting processes.

### Surgery systems

Our surgical systems are commercialized under the OEC brand and are comprised of a broad portfolio of mobile surgical C-arms that meet the varying clinical and environmental needs for surgical imaging around the world. OEC C-arms hold a global leadership position and support procedures from complex cardiac care to simple orthopedic fixation in hospitals, clinics, outpatient centers, and doctors' offices. OEC C-arms display highly detailed anatomical images with an advanced software and ergonomic feature package that brings greater efficiency to demanding surgical procedures. OEC C-arms support clinical efficacy and safety with key offerings and capabilities including:

- True 2D and 3D capability in a single system with 40% larger 3D volume images and CT-like images available intraoperatively within minutes to minimize pre- or post-operative scanning;

- Improved 1.5x image resolution with CMOS Flat Detector technology to identify defibrillator implants or identify screw and rod placements during procedures;
- Advanced software that automatically reduces imaging noise by 30% for smoother cardiovascular images;
- Radiation dose management innovations with Live View camera and Live Zoom digital processing to reduce unnecessary X-ray shots or the need for higher dose modes; and
- Time-saving mechanical innovations to achieve required positioning around the patient that automatically locks to create a stable operating environment.

Our key products include:



**OEC 3D**

*Our flagship mobile C-arm with combined 2D/3D capability and open interface to multiple intraoperative navigation/robotics systems*



**OEC Elite CFD**

*Our high-power mobile C-arms featuring CMOS detectors, available in 30+ configurations and offering versatile imaging platforms*



**OEC One CFD**

*Our cost efficient, general-purpose platform featuring CMOS detectors for orthopedic, peripheral vascular and general surgery*

### ***Digital Solutions***

To address our customers' needs around operational workflow efficiency, we offer a suite of software and applications that help radiology teams improve productivity, address staff shortages, and deliver better patient outcomes. These software solutions and applications are upgradable through the lifecycle of the equipment and are especially beneficial for multi-site, multi-disciplinary networks that have complex operations. Highlights of our imaging digital offerings include:

- *Advantage Workstation*: an imaging software suite with over 60 clinical applications that enables access to imaging results and streamlined reporting across specific clinical areas designed to accommodate a variety of workflows;
- *Enterprise Digital Solutions*: standards-based solutions that enable customers to manage, view, and share data efficiently across the diagnostic care continuum to improve efficiency and quality of patient care. Products in the portfolio include departmental solutions for radiology and cardiology, as well as enterprise PACS imaging solutions; and
- *Edison Imaging 360*: a smart, easy-to-use digital ecosystem designed to help busy imaging departments do more with less, and drive productivity and efficiency through protocol management, remote collaboration tools, scheduling software, and radiation exposure management.

With advancements in computing power, AI, machine learning, and data science, we actively invest in the integration of AI and machine learning on devices, on premises, and in the cloud to provide decision support and enhanced processing at the point of the scan. By expanding the set of offerings, applications, and vendor-agnostic solutions that are integrated into our Edison platform, we can better enable customers to increase productivity, address staff shortages, reduce variability, and ultimately deliver better patient outcomes.

### ***Service Capabilities***

We operate on a global scale and support our customers with highly trained service engineers and application specialists who provide 24-hour troubleshooting and repair, along with a strategic global network of

parts warehouses. Our service lifecycle management offering helps keep systems current with ongoing upgrades, updates, and cybersecurity protection. Our digital solutions help minimize downtime with data-driven insights to increase asset utilization, expedite repairs, and facilitate compliance.

### ***Competitors***

In the global imaging marketplace, we compete with Siemens Healthineers, Philips Healthcare, Canon, United Imaging, and Fujifilm. In X-ray, we also compete with multiple other players, including Carestream, Shimadzu, and Agfa Healthcare. In Women's Health, we compete primarily with Hologic. In Digital Solutions, we compete with Philips Healthcare, Siemens Healthineers, Fujifilm, Agfa Healthcare, and Change Healthcare.

### **Ultrasound Business**

GE HealthCare is a global leader in ultrasound medical devices and solutions. We believe we have the largest global installed base of ultrasound equipment with approximately 400,000 devices. Our broad ultrasound portfolio spans the continuum of care, including screening, diagnosis, treatment, and monitoring of certain diseases. Our Ultrasound business segment serves customers across five clinical areas: Radiology and Primary Care, Women's Health, Cardiovascular, Point of Care and Handheld, and Intraoperative Visualization. In 2021, we acquired BK, a provider of real-time surgical guidance in urology, general surgery, and neurosurgery procedures, and gained an entrance into the fast-growing Intraoperative Visualization adjacency. One of our key competitive advantages is the ability to consistently deliver innovative technologies alongside complementary digital solutions and service offerings designed as a seamless package that satisfies specific customer needs. We believe this advantage is critical to strong customer engagement, loyalty, and trust, and allows us to be a partner of choice.

The customer-centric approach to continuous innovation our Ultrasound business deploys, along with our dedicated and clinical specialties, have been a key driver of growth. We focus on designing and developing solutions that are aligned by specialties or areas for specific clinical workflows to better serve the unique needs of our customers and improve patient outcomes, while lowering overall cost of care. We continue to innovate and deliver best-in-class ultrasound probes and consoles, and to develop digital solutions that increase diagnostic accuracy and simplify clinical workflows. We enhance our leading technology with leading customer service that includes customer education and technical support with the goal of improving clinical workflows and operational efficiencies. Over 75,000 users are registered to access our Ultrasound on-line customer communities, which support users with online training, application best practices, white papers, user guides, and clinical image galleries. The breadth of our Ultrasound technology and service offerings has resulted in close relationships with customers who trust us as a partner to help solve their most urgent and critical clinical challenges.

We have a strong track record of industry first innovations, including developing the first 3D obstetric imaging device and the first handheld ultrasound, both of which addressed previously identified clinical challenges and provided economic value to our healthcare provider customers. We plan to continue to invest in R&D to drive innovation in our Ultrasound portfolio, specifically by improving image quality, developing advanced electronics and miniaturization capabilities, lowering costs, and advancing probe technology. Our focus areas for innovation include:

- Advancements in electronics and acoustic design, enabling image quality improvements that increase diagnostic confidence;
- Miniaturization that protects users with smaller, lighter probes that are more comfortable to scan, and technological advances that create a single probe for multiple clinical applications; and
- Use of AI to improve workflows and reduce cognitive workload, as well as to enable clinical decision support for all user skill levels.

In 2021, our Ultrasound business generated \$3,172 million of revenue, a 17% increase year-over-year from \$2,703 million in 2020, representing 18% of GE HealthCare’s total 2021 revenue. In 2021, we generated \$885 million of segment EBIT compared to \$640 million in 2020, representing a 38% increase year-over-year.

***Our Ultrasound Portfolio***

***Radiology and Primary Care***

Radiology and Primary Care ultrasound systems produce high-quality images to support precise diagnoses and treatment across the whole body, including liver, thyroid, renal, breast, vascular, and transcranial. Our Ultrasound systems for this clinical area combine exceptional image quality with comprehensive clinical tools, including measurement quantification, workflow automation, cross-modality networking, portability, and cloud-based technologies. These tools help clinicians improve diagnostic confidence, deliver therapies effectively, and enhance workflow productivity.

GE HealthCare’s Radiology ultrasound technology, sold under the LOGIQ brand, is used in clinics, community hospitals, and large academic hospitals around the world by radiologists, sonographers, and a wide variety of clinical specialists.

Primary Care ultrasound products, sold under the Versana brand, are designed to enable the expansion of ultrasound to a growing network of new users in the primary care and shared service medicine. Versana provides an easy to operate device allowing clinicians to limit scan time and instead focus more on the patient and overall exam.



**LOGIQ E10**

*Radiology ultrasound system that acquires and reconstructs data using suite of imaging tools and artificial intelligence*



**LOGIQ Fortis**

*Compact and lightweight ultrasound system that can fit into almost any space*



**LOGIQ P10 XDclear**

*Advanced capabilities at a budget-friendly price for private practices and clinics*



**Versana Premier**

*Provides clinical and imaging skills to patients and offers exam protocols, automated tools, and applications for diagnosis*

### ***Women’s Health Ultrasound***

Women’s Health Ultrasound is comprised of obstetrics, gynecology, assisted reproductive medicine, and supplemental breast cancer screening. These care areas require specially-designed ultrasound products that account for patient comfort and workflow constraints to enable practitioners to provide higher-quality screening, exam, and procedural care. Our Women’s Health Ultrasound portfolio, sold under the Voluson and Invenia brands, includes a range of products covering various specialties of this market.



**Expert Series**

*System that delivers images, clinical tools and workflow for gynecological and obstetric applications, used by a variety of customers*



**Voluson SWIFT**

*Ultrasound system that features industry first AI algorithms that support auto recognition and delivers image quality and efficiency improvement tools*



**Invenia ABUS 2.0**

*First FDA-approved ultrasound technology for supplemental breast cancer screening for women with dense breast tissue*

### ***Cardiovascular Ultrasound***

Cardiovascular Ultrasound is used in the diagnosis, treatment, and monitoring of patients with suspected or known heart disease. Diagnostic exams assess the structure and the function of the heart. Ultrasound is also used for guidance during interventional, electrophysiology, and surgical procedures.



**Vivid E95**

Our Cardiovascular Ultrasound portfolio, sold under the Vivid brand, is used both in complex diagnostic exams and for a range of cardiac treatment procedures. Cardiologists use our systems across clinical settings to diagnose problems and deliver treatments and procedures that reduce length of stay, morbidity, and cost of care.

Our entry-level cardiovascular products are designed for reliability and ease of use. These systems are used for diagnostic purposes in physician office settings and clinics. Our premium products have advanced quantification and 4D imaging capability as well as integrated AI for workflow automation.

Our premium portable products provide solutions for clinicians operating in busy clinical environments faced with limitations, such as system mobility and small footprint, and are used for mobile diagnostic exams, guidance for electrophysiology procedures, and monitoring in the operating room. Premium systems are used for both diagnostic purposes and for guidance of interventional, electrophysiology, and surgical procedures with transesophageal or intracardiac imaging.

### ***Point of Care and Handheld Ultrasound***

Point of Care and Handheld Ultrasound technologies are portable devices that produce high-quality images, whether in a hospital, ambulance, or remote geographic locations. Clinicians use our Point of Care and Handheld Ultrasound devices to diagnose, monitor, and treat patients' conditions throughout various care pathways to help improve outcomes while also reducing procedure time and required resources.



**Venue**

Our Point of Care cart-based systems, sold under the Venue brand, are devices developed specifically for point of care medicine. Automated and advanced clinical tools enable fast assessments, support life-saving decisions, and help monitor and treat patients, even in unpredictable and chaotic environments. AI tools help drive consistency from user to user and across different exam needs. Designed with smooth and seamless surfaces, our devices are easy to clean, supporting infection control efforts and ease of maintenance.



**Vscan Air**

Our handheld ultrasound devices, sold under the Vscan brand, are portable, wireless, and whole-body scanning devices that produce high-quality images and are used to support early patient assessments and treatment monitoring. The Vscan Air system is used by clinicians to make decisions for patients with a variety of conditions, from chronic diseases to acute illnesses in both pediatric and adult patients. Our devices are designed with industry-leading wireless, dual-probe technology that produces images for both shallow and deep scanning. Our application has an easy-to-navigate user interface that is optimized to work with a range of Android and iOS devices. Our handheld portfolio provides point of care ultrasound capabilities to a diverse range of healthcare professionals working in primary care, emergency medicine, home care, critical care, and cardiology settings.

### *Intraoperative Visualization*



Our suite of Intraoperative Visualization products that we acquired through the BK acquisition helps surgeons visualize anatomy and lesions, guide interventions, and navigate inside the human body. These systems expand the use of ultrasound beyond diagnostics and support fast-growing precision surgery techniques, such as minimally-invasive and robotic-assisted surgeries, which require visualization for safe and effective navigation. Intraoperative imaging provides real-time information throughout surgical procedures that can be used to confirm or amend surgical plans, monitor progress, and validate the execution of a procedure, all while the patient is in the operating room. With real-time critical information, surgeons can deliver faster, more personalized care and achieve better health outcomes for patients.

#### **BK Imaging Platform**

The BK Imaging Platform is comprised of an ultrasound console and a wide variety of intra-body transducers paired with software packages with procedure-specific functionality.

BK products provide leading ultrasound-guided solutions in a variety of settings including:

- *Urology*: enables urologists to access all parts of the prostate and other internal organs in real time, which improves the speed and efficacy of procedures;
- *General Surgery*: enables surgeons to detect tumors and plan and guide intervention using real-time visualization, providing a live image during surgery, including laparoscopic and robotic surgeries; and
- *Neurology*: enables neurosurgeons to make better intraoperative decisions during a wide variety of procedures, including cranial and spine tumor resections, brain tumor biopsies, and shunt placements.

### *Digital Solutions*

Our Ultrasound Digital Solutions portfolio is dedicated to helping solve the efficiency, accuracy, standardization, and accessibility challenges of ultrasound through seamlessly connected devices and workflow solutions. Our Viewpoint solution is a differentiated reporting solution for ultrasound departments and private offices that allows the user to customize reports and easily incorporate them into the exam workflow. Digital Expert is a virtual real-time collaboration tool that allows clinicians to easily communicate within their network for advice, virtual training, and connection with GE HealthCare for assistance. This ability to connect with peers immediately can have far-reaching benefits, including the ability to quickly educate their staff and accelerate the speed and quality of care delivered. We recently launched our first SaaS model application for our handheld Vscan Air, which enables users to collaborate and remotely store exams while providing customers the flexibility to choose the number of devices they want supported.

### *Service Capabilities*

Our Ultrasound business segment has a large installed base that requires ongoing service, upgrades, and updates. Seamless connection of devices, software, and services increases satisfaction and engagement of customers as they seek offerings that are optimally maintained and allow upgrades. Our service offerings are highly regionalized with local requirements, varying customer needs, and cross-modality service strategies. We offer full-service contracts providing a range of coverage, as well as parts, probe repair, and remote diagnostics. Well-managed system End of Life programs that notify customers and provide replacement incentives further contribute to retaining the GE HealthCare installed base.



### ***Competitors***

In the global ultrasound industry, GE HealthCare competes with Philips Healthcare, Canon, Mindray, Siemens Healthineers, and Butterfly Network.

### **Patient Care Solutions Business**

GE HealthCare's PCS business is a leading global provider of medical devices, consumables, services, and digital solutions that complement a care team's clinical expertise by acquiring and transforming clinical data into real-time visualization and clinical decision support. This allows care teams to more proactively adapt to changing patient needs and improve patient care and outcomes. Our PCS portfolio also helps solve current challenges our customers face, such as increased patient demand, clinician labor shortages, and the rising cost of care, by simplifying clinical and operation workflows to create efficiencies and capacity.

Our PCS portfolio includes Patient Monitoring, Anesthesia Delivery and Respiratory Care, Maternal Infant Care, Diagnostic Cardiology, and Consumables, which combined represent an industry-leading installed base of approximately three million devices. These devices, along with our digital solutions, consumables, and service capabilities, form a broad and integrated solution that supports care teams within and beyond most acute healthcare settings, including emergency departments, surgical/operating rooms, ICUs, NICUs, labor and delivery units, telemetry units, medical-surgical units/general wards, cardiology departments, and clinics.

PCS' key competitive advantages include our unique position at the center of care delivery, ability to acquire clinical data, and expertise in transforming that data into real-time visual and clinical decision support insights across acute and other care settings, allowing our customers to provide better care to patients. Customers and care teams trust that our intelligent devices, innovative tools, and digital solutions will provide precise, reliable, accurate, and actionable data at critical decision points in a patient's care journey. Our vision is to connect caregivers and patients in an ecosystem that simplifies clinical and operational workflows, creates efficiencies, delivers personalized care that is convenient and accessible, and improves patient care and outcomes. To do so, we will continue to innovate our portfolio, build and increase adoption of digital ecosystems, and enhance product lifecycles through service and consumables.

In 2021, our PCS business generated \$2,915 million of revenue, a 21% decrease year-over-year from \$3,675 million in 2020, representing 17% of GE HealthCare's total 2021 revenue. In 2021, we generated \$356 million of segment EBIT compared to \$698 million in 2020, representing a 49% decrease year-over-year. The decline in revenue and profit was predominantly driven by volume decrease resulting from COVID-19 moderation.

## ***Our PCS Portfolio***

### ***Patient Monitoring***

Our Patient Monitoring enable clinicians to care for patients across all acute care settings. This portfolio ranges from spot-check to continuous patient monitoring across acute care settings, including comprehensive multi-parameter monitors; central stations; continuous, wearable and mobile monitors; transport monitors; cardiac telemetry solutions; spot-check monitors; and visualization, alarm distribution, and care team collaboration solutions. Our Patient Monitoring business includes proprietary parameters and complementary consumables, as well as OEM parameters that are integrated into our monitoring fleet, of which a significant portion represent recurring revenue streams.



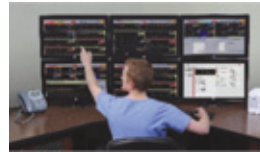
#### **CARESCAPE Platform**

*Patient monitoring ecosystem that connects caregivers and patients via bedside and transport monitors*



#### **CARESCAPE Central Station**

*Clinician-centric workstations that integrate real-time monitoring and historical patient data*



#### **Digital Centralized Monitoring Unit**

*Patient monitoring that offers event notification, mobile visualization, and care team collaboration*



#### **Portrait Mobile Wearable**

*Wireless and continuous monitoring solutions for general ward patients that encourage patient mobility*

Our Patient Monitoring strategy is to provide customers with connected, standardized, and flexible solutions that better accommodate individual patients, care settings, and hospital systems. These solutions enable our customers to better serve evolving patient needs as acuity levels change to minimize disruptions to the delivery of the highest quality care. Our Patient Monitoring can be either stand-alone products or part of an integrated monitoring system designed for hospital systems and clinics on a secure and highly reliable data platform. In addition to equipment, we develop and offer integrated solutions that improve patient outcomes and enhance clinical workflow efficiency for our customers. An example is our digital Centralized Monitoring Unit solution, which enhances traditional cardiac telemetry workflows by enabling rapid triage, oversight, and prioritization of clinical response among a distributed, and often remote, care team.

## *Anesthesia and Respiratory Care*

PCS' Anesthesia and Respiratory Care products offer life support solutions via ventilation technology. The Anesthesia portfolio of products is used by anesthesiologists to ventilate and deliver general anesthetic drugs to patients during surgeries with our products installed in many operating rooms across the world. Our Respiratory devices are designed to ventilate critically ill patients, generally in ICUs.

### *Anesthesia*



**Aisys CS<sup>2</sup>**

*Anesthesia system with ventilation, digital gas mixing, and electronic vaporization*



**Carestation 750**

*Anesthesia workstation delivering individualized therapy*

### *Respiratory*



**CARESCAPE R860**

*Intensive care ventilator with advanced ventilation capabilities*

Our Anesthesia devices are supplemented by cloud-based digital applications that process clinical and operational data generated by the devices to support clinical decision-making during and after their use, such as what post-operative interventions are needed. Additionally, our premium Anesthesia devices include End-tidal Control software automation that improves accuracy of anesthesia delivery, simplifies workflows, and offers a sustainable solution to reduce anesthesia drug waste and greenhouse gas emissions. We are the only anesthesia device manufacturer to have received U.S. FDA approval for End-tidal Control software.

Throughout the COVID-19 pandemic, PCS supported clinicians and patients with respiratory care ventilators, one of the most critical medical devices in the fight against the respiratory infection caused by COVID-19. During the 2020 peak in cases, we shipped over 17,000 CARESCAPE R860 high-acuity intensive care ventilators to approximately 100 countries. Also in 2020, we partnered with Ford Motor Company ("Ford") to develop and produce a ventilator, the pNeuton Model A-E, that could be quickly produced and delivered to hospitals in need. The collaboration combined PCS' expertise with respiratory care ventilation devices with Ford's substantial manufacturing capabilities and within four months, we shipped 50,000 pNeuton Model A-E devices to the U.S. Federal Emergency Management Agency.

## Diagnostic Cardiology

Cardiovascular disease is the #1 killer in the world, resulting in 17.9 million deaths in 2019, or 32% of all deaths. The electrocardiogram (“ECG” or “EKG”) is usually the first diagnostic tool to detect cardiovascular disease, and our Diagnostic Cardiology products focus on harnessing the power of the ECG to save lives from that disease. Our solutions are in most leading cardiology hospitals worldwide and MUSE is in 84% of the top cardiac hospitals in the United States.



### MAC Family Resting ECG Devices

*Includes **MAC VU360 ECG Workstation**, **MAC 7** and **MAC 5** devices giving HCPs flexibility to tailor their Resting ECG solutions based on their needs in hospitals and clinics*



### MUSE Software Ecosystem

*ECG management suite with the most validated algorithm in the industry, connecting patients, their ECG data, and the care teams*



### CASE Stress ECG Devices

*Solutions used globally to detect Coronary Artery Disease (CAD); global leader position in Stress Test systems and ancillary devices including for blood pressure, blood oxygen, and pulmonary conditions*

PCS’ Diagnostic Cardiology portfolio serves customers in-hospital and outside the hospital. The in-hospital segment includes Resting ECG devices, Stress ECG devices, and ECG management digital solutions, including interpretation algorithms. Our ECG ecosystem obtains, interprets, and stores ECGs captured from devices in both hospital and home settings and provides a full care continuum for cardiology. We are a global leader in the in-hospital segment with a decades-long track record of innovation. Our solutions outside the hospital in Cardiac Ambulatory Monitoring include Short Term Holter ambulatory electrocardiography devices. Our MUSE ECG management system software forms the ECG ecosystem used in-hospital to bridge care provided outside the hospital. MUSE is recognized globally by cardiologists as the leading ECG workflow solution and has strong integrations with hospital electronic health record systems, making it one of the premier ECG workflow tools for hospital systems worldwide. Our strategic collaborations with specific third parties extend ECG workflows outside the hospital yet deliver the right information to the clinicians in-hospital.

## ***Maternal Infant Care***

Our Maternal Infant Care products are used in the labor and delivery department to monitor important maternal and fetal parameters, and in neonatal intensive care to assist in critical care for newborns. Our product portfolio includes neonatal incubators, infant warmers, resuscitation devices, phototherapy equipment, maternal and fetal monitors, and digital offerings, such as maternal and fetal heart rate surveillance software. From delivery to discharge, our products are designed to address the changing and complex demands of the NICU by utilizing advanced technology to provide supportive, family-centered care solutions, consistently-controlled thermal environments, improved patient access and visibility, and reliable clinical performance. Our products have added innovation in design including integrated scales, hands-free alarm silencing, angled radiant heating, and thermoregulation. Clinicians often complement Maternal Infant Care products with our CARESCAPE Monitors to address the clinical needs of higher acuity patients.



### **Corometrics 259cx**

*Maternal/fetal monitor providing a monitoring solution for uterine and fetal activity including fetal heart rate*



### **Giraffe OmniBed Carestation**

*Hybrid incubator and radiant warmer solution that creates a controlled thermal environment for normal growth and brain development for the premature infant*



### **Panda Warmer**

*Solution for when baby cannot be with mom; family-centered infant care in a single low-to-high acuity platform*



### **Novii Wireless Patch System**

*Intrapartum maternal/fetal monitor that noninvasively measures and displays fetal & maternal heart rate and uterine activity*

## ***Consumables***

Our Consumables portfolio consists of 1,100 products that are either proprietary or associated with original equipment manufacturers and include reusable and disposable blood pressure cuffs, trunk cables, ECG lead wires, End-tidal CO<sub>2</sub>, pulse oximetry, wireless respiratory, and entropy and fetal monitoring patches, all of which complement our portfolios outlined above. Our Consumables products are used in monitoring specific patient parameters, such as blood pressure, ECG, pulse, temperature, respiratory rate, blood oxygen level, and brain activity, and are used throughout the hospital, including in ICUs, emergency departments, surgical/operating rooms, telemetry units, and medical-surgical units/general wards. These products provide a consistent, recurring revenue stream both at the point-of-sale and after-market. Our Consumables strategy includes innovating in proprietary, disposable, and wearable consumables to complement our device and digital solutions portfolio.

## **Digital Solutions**

PCS' Digital Solutions offer timely and accurate clinical decision support in acute and other care settings, simplifying clinical and operational workflows to drive efficiencies, and improving delivery of precision medicine and patient outcomes. These solutions aggregate and integrate clinical data from various devices across care settings in real time. Our digital solutions simplify visualization to guide clinical and operational decisions, enabling efficient care team collaboration virtually. These solutions are interoperable and vendor-agnostic to integrate with customer environments in a multi-vendor setting and provide a recurring revenue stream.



### **MURAL Virtual Care**

*Clinical decision support monitoring platform that prioritizes clinicians' attention to the most critical patients by digitizing hospital protocols*



### **Mural Connect**

*Integrates high-fidelity bedside medical device data and fuels development of clinical decision solutions to facilitate care collaboration across departments*



### **Centricity High Acuity**

*Critical care workflow management solution for intensive care units and operating rooms*



### **Mural Perinatal**

*Software perinatal surveillance solution focused on real-time maternal and fetal heart rate monitoring*

PCS' Digital Solutions include clinical workflow and clinical decision support applications, such as Centricity High Acuity and Mural. Centricity High Acuity digitizes critical care clinical workflows allowing hospitals and health systems to transition from paper to a digital workflow in ICUs and operating rooms. Mural Connect aggregates high-fidelity data from agnostic devices while Mural Virtual Care then utilizes this high-fidelity data to provide visualization and clinical decision support solutions that complement care teams' clinical expertise to improve patient care. Mural's first application in 2020 enabled the remote clinical surveillance of intensive care unit patients, including those on mechanical ventilation. As health systems were strained by COVID-19, Mural allowed hospitals to make more efficient use of scarce resources. We have since expanded Mural for use in labor and delivery departments. Additionally, we also offer operational applications through Command Center, which provides enterprise-wide visibility for patient flow optimization, bed management, and hospital operational capacity maximization.

## **Service Capabilities**

We have a comprehensive suite of service offerings, including parts, labor, and training, as well as emerging data, analytics, and networking solutions to aid our customers in improving uptime and efficiency of their medical technology fleets. Together, our complementary Services and Consumables offerings drive recurring revenue, provide stable cash flows, and increase customer loyalty. We provide service for our equipment and other OEMs, through our contract with Biomed. This allows us to drive interconnectivity with our competitors and have the capacity to service all of our customers' equipment.

## **Competitors**

GE HealthCare is a global leader with Philips Healthcare, Draeger, Mindray, Masimo, and Baxter as primary competitors.

## Pharmaceutical Diagnostics Business

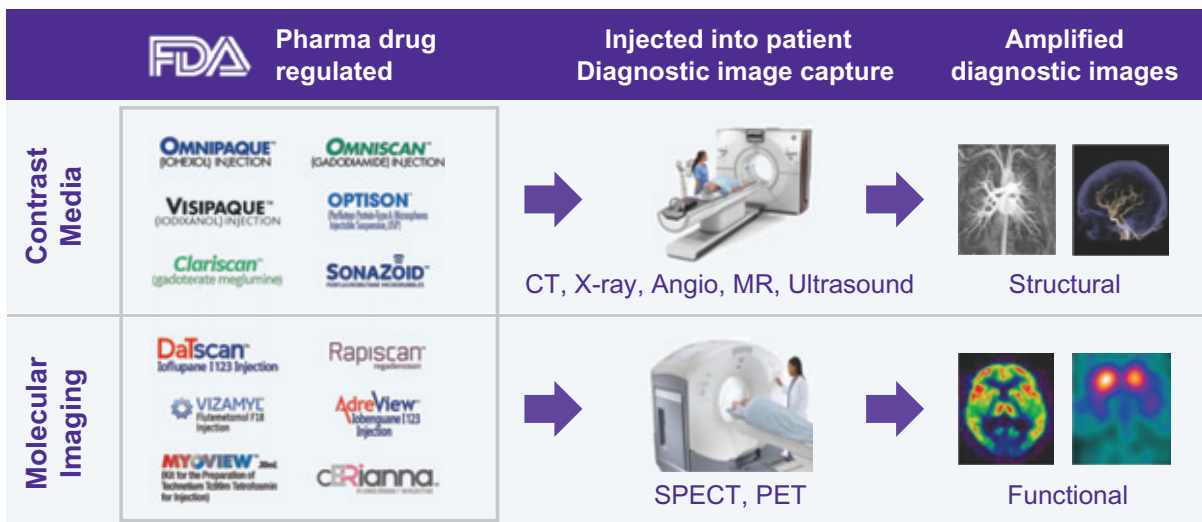
GE HealthCare’s PDx business is a leading supplier of diagnostic agents to the global radiology and nuclear medicine community. These diagnostic agents help clinicians assess patients to enable more precise diagnoses and better therapy selection. Our products were used in over 100 million patient procedures globally in 2021, equating to over three patients being injected with our products every second. We distribute globally, providing on-time delivery of quality products that help meet patient and procedural needs across a multitude of modalities. Our diagnostic agents are complementary to our imaging and ultrasound devices, including CT, angiography and X-ray, MR, SPECT, PET, and ultrasound, and are also compatible with systems from other equipment vendors. We believe our established positions in imaging scanners, contrast media, contrast injectors, chemistry systems, radiopharmaceuticals, and cyclotrons give us unique insights into end-user needs that allow us to continuously innovate our product portfolio and offer differentiated solutions.

PDx operates within a strictly regulated industry with key sustainable competitive advantages. Diagnostic agents require a sophisticated supply chain for manufacturing, supported by a global infrastructure of commercial, marketing, medical affairs, market access, application, regulatory, and pharmacovigilance teams that help monitor products. Customers require timely and reliable supply of diagnostic agents, as shortages or delays can be highly disruptive to workflows and cause exam cancellations. These competitive advantages include:

- Our track record of on-time delivery and secure supply makes us a reliable and trusted partner to customers;
- Our vertically integrated supply chain with end-to-end manufacturing and network of diversified suppliers provides us scale advantages; and
- Our commercial and regulatory infrastructure allows us to serve more customers, maintain compliance with regulations, effectively launch new products, and be an attractive partner for early-stage innovative product developers seeking commercial channels.

In 2021, our PDx business generated \$2,018 million of revenue, a 13% increase year-over-year from \$1,780 million in 2020, representing 11% of GE HealthCare’s total 2021 revenue. In 2021, we generated \$693 million of segment EBIT compared to \$504 million in 2020, representing a 38% increase year-over-year.

Our PDx business is comprised of two business lines: Contrast Media and Molecular Imaging.



## ***Our PDx Portfolio***

### ***Contrast Media***

Contrast media are pharmaceuticals that are administered to a patient prior to certain diagnostic scans in order to increase the visibility of tissues or structures during imaging exams. Contrast media increase the diagnostic value of imaging and can be critical to visualize small or nuanced areas of diagnostic interest, such as cancer lesions or vascular structures, and to plan medical interventions, such as angioplasties, biopsies, or radiation therapy. We offer contrast media to three imaging modality groups: (i) CT, angiography and X-ray, (ii) MR, and (iii) Ultrasound. We estimate that 40-50% of CT, 30-40% of MR, 1-5% of Ultrasound, and almost all of angiography procedures, such as those enabled by our image-guided therapy scanners, are performed using contrast media. Key offerings include:

- CT, angiography, and X-ray contrast are composed of elements with strong photoelectric absorption, such as Iodine, that occlude the passage of X-rays to increase image opacity;
- MR contrast is composed of paramagnetic elements that enhance signals to MR magnets; and
- Ultrasound contrast is composed of inert gas lipid shells, or “microbubbles,” that reflect soundwaves to enhance ultrasound signals.

PDx has globally-recognized contrast media brands that enjoy strong awareness and reputation. For example, our Omnipaque product was introduced in 1986 and has been approved for use in more than 100 countries. Our contrast media package sizes range from 2ml to 500ml. We believe our broad contrast media portfolio allows us to be a preferred partner for radiology contrast needs. Our customer-centric focus has led us to innovate in two main areas: (i) a research pipeline of next-generation agents that improve clinical performance or expand indications, and (ii) innovative packaging solutions, such as the shatter-resistant and more environmentally friendly +PLUSPAK bottles.

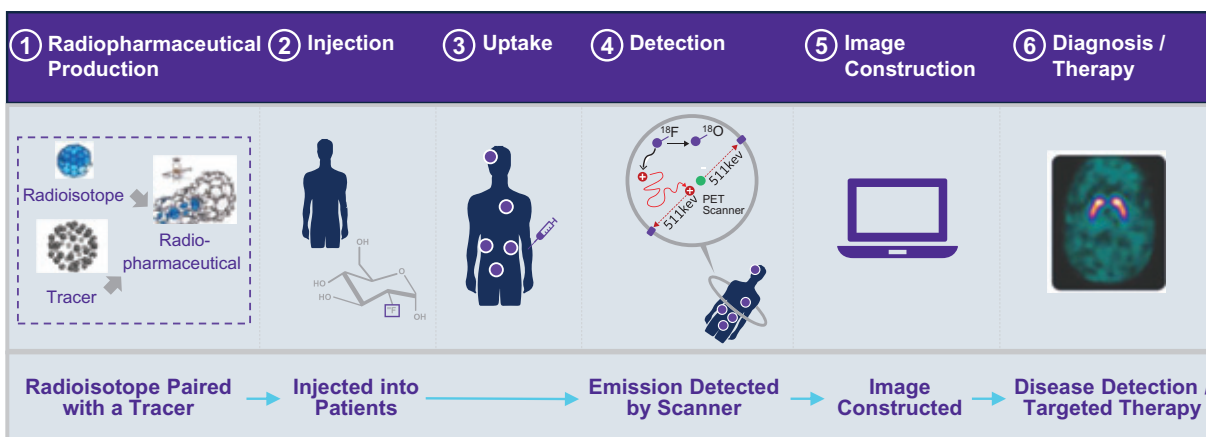
Our Contrast Media business also includes contrast injection devices through collaborations with original equipment manufacturers. Contrast injectors are automated devices that monitor and control the injection of contrast into patients and are a key productivity lever in the imaging suite. In a typical CT examination, the actual scan can be completed in less than a minute, while the injection preparation and post-scan processing can take over 10 minutes. As a result, we focus on delivering innovative solutions that enable faster workflow and less contrast media waste, while promoting the highest standards in patient safety.

### ***Molecular Imaging***

Molecular imaging agents, or radiopharmaceuticals, are molecular tracers labeled with radioisotopes that are injected into a patient prior to a diagnostic imaging scan. These agents work by accumulating in an area of diagnostic interest, such as a tumor, and emitting energy that is detected by a SPECT or PET scanner. Because they have specific molecular targets, they allow visualization and assessment of cell function, providing a more detailed dimension of biological activity. These agents have short half-lives (<48 hours) and lose potency as they decay, and therefore are made to order and formulated on customer premises or near end-users. PDx offers radiopharmaceuticals primarily to nuclear medicine departments, which use them to support diagnoses and therapy selection in various care areas, such as neurology, cardiology, and oncology. We also offer these agents to pharmaceutical companies and researchers, who utilize them to select target populations for clinical trials.



## How radiopharmaceuticals work



PDx has globally recognized radiopharmaceutical brands with broad care area coverage, including DaTscan, Vizamyil, Myoview, Rapiscan, AdreView, and Cerianna, and also offers over ten additional radiopharmaceuticals with varied applications. We supplement our neurology products with two software offerings: Cerebro, a predictive tool for Alzheimer’s Disease patient management and clinical trials, and DaTQUANT, a visual and quantitative tool for evaluation of SPECT functional dopaminergic uptake.

To assist our customers in safely preparing patient doses, PDx offers FASTLab, a chemistry platform used in the final synthesis of PET agents. The FASTLab system combines isotopes generated by cyclotrons with pre-arranged cassettes to create final PET doses ready for injection. The platform provides flexibility to customers who prefer to produce certain PET products in-house and for researchers who wish to standardize exploratory PET tracer production. Our presence across PET and SPECT scanners, cyclotrons, chemistry systems, software, and PDx molecular imaging agents makes us uniquely positioned in the field of nuclear medicine. We believe our broad portfolio gives us unique insights into end-user needs and allows us to continuously develop responsive radiopharmaceutical offerings to meet our customers’ needs.

Investing in new proprietary molecular imaging products is a key growth strategy for PDx. We seek to expand our product pipeline through a strategic mix of in-house development, licensing, and acquisition of agents. We have a development pipeline of proprietary molecular imaging agents in varied pre-clinical and clinical stages, focused in high-value diagnostics in the areas of neurology, cardiology, and oncology. In addition to the development of new products, our molecular imaging product and research teams participate in evidence generation activities that allow us to expand adoption and geographies of existing products or to add new indications to existing products.

### ***Global Supply Chain and Distribution***

PDx operates an advanced global supply chain to deliver these critical diagnostic agents to patients. Our Contrast Media business delivers over 80 million vials of contrast media products per year through our vertically integrated supply chain of four cGMP manufacturing sites covering active pharmaceutical ingredient manufacturing, fill, and finish, as well as transportation, typically by sea and ground freight. Molecular Imaging delivers more than four million radiopharmaceutical doses per year through a supply chain of four nuclear-licensed manufacturing sites. As molecular imaging agents need to be formulated on customer premises or near end-users, we complement our sites with various radiopharmacy distribution partners to synthesize final doses to end-users. For certain molecular imaging products with proprietary and intricate manufacturing processes (e.g., DaTscan), we produce final doses ourselves and ship directly to end-users.

The scale of PDx allows us to serve all major group purchasing organizations (“GPOs”) and integrated delivery networks (“IDNs”) in the United States, national procurement agencies in Europe, and provincial

tenders in China. We complement our sales channels with marketing and payer access teams, focused on promotions in congresses, multi-modal marketing, competitive intelligence, brand strategy, training, education, evidence generation, reimbursement, and payer support, among others. These numerous touchpoints allow PDx to have a holistic channel covering not only end-users but also other participants in the decision-making process, which enables more successful launches of new products. The strengths of PDx combined with our imaging, cyclotron, and advanced visualization software make us uniquely positioned to grow in existing markets as well as emerging adjacencies.

### **Competitors**

In contrast media we compete primarily with Bayer, Bracco, Guerbet, and Lantheus. In molecular imaging we compete with a number of players, the largest of them being Curium, Bracco, and Lantheus.

### **Research and Development Activities**

Our R&D efforts focus on creating new products and solutions, developing new applications for products, and enhancing our existing products to help improve outcomes for customers and their patients. Our business segments draw from a common pool of R&D capabilities that include: 1) Standardized oversight, R&D processes, quality management systems, and IT infrastructure; 2) Global Research Organization, which manages sponsored research and investigator-initiated research; 3) Global Experience Design team, which specializes in physical and software design to enhance customer experience and workflows; and 4) Talent development and rotational learning programs.

We invested \$816 million in R&D in 2021, a 1% increase from 2020. We conduct global R&D efforts in 18 countries that include both developed and emerging markets. As of 2021, we employ over 9,700 engineers and scientists, including approximately 3,700 hardware and systems engineers, 4,700 software engineers, and 600 personnel focused on clinical research. For most of our equipment product lines, we aim to introduce a major new platform every five to seven years and release incremental innovations every 12 to 18 months, driving better products for customers, better outcomes for patients, and our continued growth. As part of the Spin-Off, all healthcare-related research at GE's GRC will transition to GE HealthCare and will continue to support our innovation efforts.

We engage in and sponsor clinical research and product development through collaborations with universities, medical centers, and other organizations. Recent research collaborations include those with:

- A leading *in vitro* diagnostic company to develop software that can integrate multiple forms of diagnostic information to assist clinicians in the development of personalized and precise treatment plans for oncology patients and earlier detection of acute conditions;
- A leading medical centers and institutions to develop proprietary machine and deep learning algorithms to enhance image quality and diagnostic confidence for customers; and
- A global pharmaceutical company to develop a strategy to increase the efficacy of patient selection in Alzheimer's trials using one of our PDx imaging agents.

### **Human Capital**

We are a purpose-driven global workforce of approximately 51,000 who have an average tenure of nine years with GE, reflecting a strong, engaged culture who are passionate about serving our customers and enabling them to provide the highest quality care to their patients. Our values emphasize focus, trust, and humility with unyielding integrity, while fostering an inclusive culture and diverse team. We monitor our human capital priorities, including as a part of our monthly business operating reviews, throughout the year.

Below are the human capital priorities:

- *Protecting the health and safety of our workforce:* safety is our first priority and is integrated into everything we do, from manufacturing to installation, operation, and service. We are committed to prioritizing safety over quality, delivery, and cost. We have established and maintain effective health and safety standard protocols across our businesses that are aligned with regulatory requirements and industry values;
- *Transforming our culture:* our senior team is leading our company through a transformational time as we execute on the Spin-Off from GE and our next phase of growth. We will do so by promoting a culture of integrity through improved alignment and accountability across all levels of the organization, accelerating decision-making, and removing complexities to enhance overall operational efficiency;
- *Attracting, developing, and cultivating our talent:* GE HealthCare's approach to talent management is to cultivate strong individual and company performance. A key pillar of our talent strategy is senior management-led annual organization and talent reviews focused on critical roles, succession plans, and talent development aimed at helping our employees grow and develop; and
- *Promoting inclusion and diversity across the enterprise:* we believe in the value of each person's unique identity, background, and experiences and are committed to fostering an inclusive culture in which all employees feel empowered to do their best work because they feel accepted, respected, and that they belong.

We have approximately 16,500 employees in the United States and approximately 7,000 employees in China, our next largest geography. We have approximately 1,100 union-represented manufacturing employees in the United States, approximately 775 of whom are covered by four-year collective bargaining agreements that were ratified in 2019 and expire in June 2023. GE HealthCare's relationship with employee-representative organizations outside the United States takes many forms, including in Europe where GE engages the representative bodies for employees, such as works councils and trade unions, in accordance with local law.

We strive to unlock the ambition of all our people so they can innovate, grow, and reach their full potential. Our well-established employee development strategy allows us to attract and retain innovative leaders, which is instrumental to our long-term success.

### **Service Capabilities**

Our industry-leading service offerings are a key driver of our success. Our capabilities include on-site repair and preventative maintenance, but also extend to remote monitoring, repair, and corrective maintenance capabilities. We have approximately 8,500 field service engineers, 36 global or regional repair centers, and 46 customer service centers. We utilize our local presence to provide customers with tailored commercial solutions, such as holistic infrastructure solutions, local training, equipment repair, financing programs, and other services. Our e-commerce platform, Service Shop, gives customers without a full-service contract the flexibility to source parts, accessories, supplies, and training 24/7. In addition to strengthening our customer relationships, our service capabilities provide strong visibility to future revenue. In 2021, our services offering generated \$6,420 million of revenue, which is recurring in nature.

In 2021, we resolved over 80% of service issues on the first call and manage over 3,600 parts orders per day on average. Currently, approximately 80% of our imaging systems are connected for remote monitoring, enabling diagnostic consultations with skilled off-site engineers, predictive maintenance, and asset management analytics. In 2021, we resolved 35% of service calls through our remote service infrastructure. We also help customers extend the utility and value of their equipment through asset management services, clinical utilization analytics, and technology upgrades that bridge our customers to next-generation platforms. We believe our comprehensive and high-quality service offerings drive higher sales of replacement equipment to customers under service contracts.

Our HealthCare Financial Services (“HFS”) offering provides financing solutions to address the clinical, operational, and financial challenges facing our customers. Our capabilities address the entire asset lifecycle from equipment acquisition to disposition, with financing options that minimize cash outflow and manage the technology upgrade cycle. We provide flexible financing options tailored to our customers’ needs, including project financing and managed equipment services. HFS has a sales and underwriting team of approximately 125 employees who drive sales activity in over 50 countries.

### **Sales and Distribution Model**

In GE HealthCare, we globally deploy a multi-channel commercial model consisting of over 10,000 sales professionals and a network of approximately 5,600 indirect third-party partners. Our reach into top hospitals and health systems globally is evidenced by our long-standing collaborations with leading institutions around the world. Our sales and distribution organization supports over 160 countries that are served by teams aligned to four geographic regions: USCAN, EMEA, China region, and Rest of World. Our commercial model is segmented based on the unique needs of our customers and includes global and regional marketing; regional inside sales teams; field-based sales teams comprised of strategic account executives, account managers, and product specialists; and sales agents and distributors. Our equipment sales representatives partner closely with their service sales counterparts to position both equipment contracts and long-term maintenance agreements along with system upgrades and SaaS agreements. We complement our direct and indirect sales channels with both demand generation and end-to-end virtual sales teams. Our direct and indirect channel mix helps us expand our market coverage, increase customer satisfaction, and win more business in broad geographies and emerging markets. In developed markets, we supplement our commercial model with strategic account executive and collaboration teams who bring the depth and breadth of our overall portfolio to the senior leadership of our top customers to deliver long-term collaborations, which can be tied to specific outcomes.

### **Marketing**

Our marketing strategy consists of coordinated global upstream marketing and regional downstream marketing campaigns. Upstream marketing involves developing precise market and customer insights to define market opportunities, products, and features for new product introductions. Key marketing activities include analyzing value proposition and insights, price setting, competitive intelligence, healthcare economics and outcomes research, and reimbursement trends. Additional upstream marketing responsibilities include brand management, digital marketing, advertising, paid search, events and exhibits, and multi-channel activation. Our extensive digital and multi-channel marketing capabilities allow GE HealthCare broad reach, and we continue to invest in expanding our integrated and end-to-end marketing approach. Upstream marketing activates new products and lifecycle products and solutions through value proposition development, messaging and global collateral creation, product catalog structuring, and training.

Our downstream marketing function is responsible for identifying local market needs and building customized solutions for regional segments and customer types by leveraging shared global content. Regional marketing also enables our commercial teams to more precisely target customers, execute digital and multi-channel marketing campaigns, manage industry trade shows and events, and build and deliver customized content. We continue to refine our channel approach, integrating data from different platforms to optimize customer interactions and customer experience across physical, remote, and digital channels.

### **Global Integrated Supply Chain, Sourcing, and Logistics**

Our sourcing, production, and distribution network is managed globally while our products are manufactured at and distributed by facilities serving specific regions. We believe our global scale, complemented by our local focus, allows us to provide our customers with improved supply chain security, reduced costs, and compliance with regional or national trade and marketing requirements. We have manufacturing, assembly, and pharmaceutical production in 43 plants across 17 countries. In 2021, we produced and delivered approximately

19,000 Imaging systems, 64,000 Ultrasound systems, 183,000 PCS products, and 100 million doses of PDx imaging agents. We use globally managed and coordinated quality assurance programs across our manufacturing and ISO-certified distribution facilities and we regularly inspect and audit our sites. We hold our suppliers to the same rigorous operating standards.

We purchase raw materials and components used in the production of our products from over 3,300 third-party suppliers globally. We intend to continue improving the efficiency, quality, security, and localization of our global supply chain. We believe the global nature of our supply chain helps us respond quickly and effectively to geographic changes in capacity, tariffs, and trade policies.

### **Environmental, Social, and Governance**

GE HealthCare is committed to delivering sustainable products and solutions that build a healthier and more sustainable world for this and future generations. We have an ESG program and internal governance structure that we will adapt and expand as determined through our business operating reviews. Our ESG program and governance structure are aligned with our business strategy, the priorities of our stakeholders, our commitments and aims, and our need to adapt to changes in societal, environmental, and regulatory expectations. Our Enterprise Sustainability Committee, which is a committee of our management team, works in partnership with all functions to facilitate alignment with ongoing ESG efforts, which will include gathering input from internal and external stakeholders to help inform our ESG strategy and focus areas.

Our current ESG focus areas include:

- Expanding access to healthcare: We aim to expand access to healthcare for underserved populations around the world. Our technology enables caregivers to bring advanced diagnostics and treatments to remote parts of the world where access to hospitals and medical equipment is limited.
- Promoting inclusion and diversity across the enterprise: We are committed to building a more inclusive workplace and diverse workforce. We believe in the value of each person's unique identity, background, and experiences, and we are committed to fostering an inclusive culture in which all employees feel empowered to do their best work because they feel accepted, respected, and that they belong.
- Mitigating our climate impact and improving resiliency: We are working to reduce our greenhouse gas emissions and have set goals to reduce our absolute Scope 1 and Scope 2 emissions by 50% by 2030 and achieve net zero by 2050. In alignment with this goal, we have signed up to the Science Based Targets initiative and are part of the UN-backed "Race to Zero," which commits us to reducing emissions in line with the Paris Agreement, which was adopted under the UN Framework Convention on Climate Change.
- Advancing the circular economy and environmental design: We seek to support the transition to a more circular economy. For more than 20 years, GE HealthCare's GoldSeal program has reduced medical imaging equipment waste by promoting and enabling the reuse of equipment and parts from de-installed imaging and ultrasound systems. Machines are refurbished or dismantled, harvested, and recycled, reducing waste and contributing to a circular economy. Of the equipment recovered, approximately 95% of the materials are reused or recycled.
- Protecting patient data and cybersecurity: We provide state-of-the-art cybersecurity products, solutions, and services. Cybersecurity is embedded within the GE HealthCare culture, and we are committed to protecting our business and customers by: safeguarding a secure enterprise and continuously advancing our internal cybersecurity capabilities; ensuring secure products and solutions through design, development, and the product lifecycle; providing secure service delivery with industry-leading technology, processes, and risk mitigation approaches; and providing a portfolio of cyber-managed services to assist health delivery organizations with securing their operations.

Our focus on these five areas builds upon our long-standing commitments to innovation, product quality, and integrity. As we embark on a new chapter in our history to become an independent company, we are integrating ESG more deeply into the core of business strategy and culture.

### **Intellectual Property**

We have a substantial portfolio of intellectual property (“IP”). As of December 31, 2021, we owned more than 11,800 granted patents and 3,300 pending patent applications filed in more than 60 countries. We own approximately 2,700 product-specific registered trademarks and approximately 150 product-specific trademark applications in over 130 countries. To protect our IP, we rely on a combination of patent, design, utility model, trademark, copyright, and trade secret protections as well as regulatory exclusivity periods and confidentiality agreements. Our IP team collaborates with our R&D and product teams to develop product line focused IP strategies and secure IP rights as appropriate. We generally file patent applications in the United States and foreign countries that have strong technology patent protections. We also license from third parties a variety of IP that complements our internal R&D efforts and our product offerings. While, in aggregate, our patents and other IP are vital to our operations, we do not consider any single IP asset or group of assets to be of material importance to any segment or to the business as a whole; rather, we believe understanding our customers’ needs, technology expertise, and manufacturing know-how are critical for our business.

We rely on confidentiality agreements with employees, contractors, consultants, and third parties to help protect our trade secrets, proprietary technology, and other confidential information. We also monitor development and commercialization activities of third parties so our IP rights are not infringed upon. In addition, we make infrastructure investments to secure our IP assets and conduct audits to assess the effectiveness of our IP protection efforts.

We own or have secured licenses to all IP material to our business. GE has or will transfer to GE HealthCare certain IP specific to our business. GE has granted or will grant to us a license to use other IP that is used in our business but which GE will retain ownership of, including a trademark license to the GE Monogram Logo and the “GE Healthcare” word mark. See, “Certain Relationships and Related Person Transactions—Agreements with GE—Agreements Governing Intellectual Property.”

### **Environmental, Health, and Safety Matters**

We are subject to international, national, state, and local laws, regulations, and industry and customer standards, including licensing and authorization requirements, related to EH&S matters. These EH&S laws, regulations, and standards apply to a broad range of activities across our whole product lifecycle and our entire global organization, including those related to (i) protection of the environment, protected species, and use of natural resources; (ii) occupational health, safety, and well-being; (iii) the use, handling, management, release, storage, transportation, remediation and disposal of, and exposure to, hazardous waste, radiochemical materials, and other hazardous or toxic materials; (iv) our products, including the use of certain chemicals in our products and production processes; (v) emissions to air and water; and (vi) climate change and greenhouse gas emissions. EH&S laws, regulations, and standards vary by jurisdiction and have become increasingly stringent over time. These requirements impose certain responsibilities on our business, including the obligation to install pollution control technologies and obtain and maintain various environmental permits, the cost of which may be substantial. If we fail to comply with these requirements, or fail to obtain or maintain a required permit, we could be subject to civil or criminal fines and penalties; remediation costs; enforcement actions; the suspension or termination of our permits, licenses and authorizations, or operations; third-party claims; or other sanctions.

### **Properties**

GE HealthCare is a global organization with major centers in or near Chicago, Milwaukee, Paris, Bangalore, and Shanghai, and is headquartered in Chicago, Illinois. As of the date of this Information Statement, we own or

lease a total of 338 facilities around the world excluding third-party logistics sites. We have 43 manufacturing facilities, of which 31 are owned, 12 are leased, and one is part-owned, part-leased. We have 17 manufacturing facilities located in the United States and 26 located outside of the United States, including in China, India, Israel, Mexico, Brazil, Austria, Denmark, France, Germany, Ireland, The Netherlands, Norway, Sweden, Finland, South Korea, and Japan. Many of these facilities serve more than one business line and may be used for multiple purposes, such as administration, sales, research, manufacturing, warehousing, service, and distribution. We consider our facilities suitable and adequate for the purposes for which they are used and do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities.

### **Legal Proceedings**

Information on material pending legal proceedings is incorporated herein by reference to the information set forth in note 14, “Commitments, Guarantees, Product Warranties, and Other Loss Contingencies” to the audited combined financial statements included elsewhere in this Information Statement.

We are reporting the following environmental matter in compliance with SEC requirements to disclose environmental proceedings where a governmental authority is a party and that involve potential monetary sanctions of \$300,000 or greater.

In July 2022, GE’s Healthcare business received a notice of intention to impose an administrative fine of approximately \$0.6 million related to a December 2019 liquid hazardous waste event at our Rehovot, Israel site. The event involved clean room waste that spilled onto an unsealed floor, leading to an escape of a small amount of liquid to a third-party facility on a lower floor. The Israeli Ministry of Environmental Protection (“MEP”) concluded that the incident breached the site’s toxins permit. In accordance with local law, GE’s Healthcare business has responded to MEP’s notice of fine challenging both the basis for, and level of, the fine. A decision from MEP is pending.

### **Regulation**

The development, manufacture, marketing, sale, promotion, and distribution of medical devices and pharmaceutical products are subject to stringent government regulation globally. We commit extensive resources to maintain compliance with these regulations.

The United States, European Union, and China are our most significant regions based on revenue and the regulatory landscape within these regions is discussed below. Sales of medical devices and pharmaceuticals outside of these regions are subject to requirements that vary from country to country. Our ability to market and sell our products globally depends upon our compliance with the laws and regulations in each jurisdiction. This requires, among other things, receiving specific marketing authorization from the appropriate regulatory authorities, maintaining our Quality Management System, which is compliant with the applicable local regulatory requirements, and ISO 13485 certification that is recognized by many regulators. Complying with requirements imposed on our products and business is an ongoing process as we introduce additional products and/or product modifications and seek to comply with changing legal and regulatory requirements. The time required to obtain authorization to market and sell products varies by country. The ability to comply with global post-market requirements requires extensive and ongoing resources.

The International Medical Device Regulators Forum, which includes a number of country regulators, has implemented a global approach to auditing medical device manufacturers. The MDSAP provides for a single annual audit of a medical device manufacturer by a MDSAP-recognized auditing organization to satisfy the requirements of ISO 13485 and the regulatory requirements of the authorities that participate in MDSAP (currently the U.S., Canada, Australia, Brazil, and Japan). While the U.S. FDA accepts MDSAP audit reports as a substitute for routine agency inspections, it considers the following types of inspections to fall outside the scope of MDSAP: for-cause or compliance follow-up inspections, pre-approval or post-approval inspections, and inspections to assess compliance with Electronic Product Radiation Control regulations, which apply to Molecular Imaging, X-ray, Women’s Health, Interventional, and Surgery products.

For additional information regarding the regulatory landscape in which we operate, see “Risk Factors—Risks Relating to Quality, Regulation, and Compliance.”

#### *United States of America*

*Food and Drug Law.* Under the FDCA, we must comply with regulations governing the design, development, testing, manufacturing, packaging, labeling, distribution, import/export, sale, servicing, and marketing of medical products, including medical devices and pharmaceuticals. U.S. FDA product approvals and clearances may be withdrawn or suspended if compliance with regulations is not maintained or if product issues are discovered. Some of our products are also subject to the Radiation Control for Health and Safety Act and the Electronic Product and Radiation Control Regulations, administered by the FDA, which imposes performance standards, record keeping, reporting, product testing, and product labeling requirements on radiation-emitting electronic products, such as X-ray devices. We must also comply with the Mammography Quality Standards Act for our mammography products. Further, clinical studies of medical devices and pharmaceuticals are subject to regulation and inspection. In addition, we are subject to applicable laws and regulations of state and local authorities.

*Devices.* The FDCA classifies medical devices into three classes based on risk, including Class I (lowest risk), Class II (moderate risk), and Class III (highest risk), with more stringent regulatory requirements applicable to higher risk devices. Commercial sales of our Class II (except for Class II exempt devices) and Class III medical devices in the U.S. must be preceded by either a pre-market notification filing pursuant to Section 510(k) of the FDCA for Class II or the granting of a PMA for Class III. The development of a medical device typically requires extensive non-clinical testing and, for some of our devices, clinical testing involving human subjects.

For all our medical devices, we must comply with FDA’s requirements governing, among other things, device site registration and listing, labeling, post-market record keeping and reporting, and the Quality System Regulation. These requirements are detailed, comprehensive, and require extensive investment and resources to comply with the legal and regulatory requirements.

*Pharmaceutical Products.* Our pharmaceutical products are subject to FDA’s pre-market approval process. The pharmaceutical product development and approval process typically begins with extensive pre-clinical R&D, followed by approval of an IND, and then, upon successful completion of several phases of clinical trials, the filing and request for FDA approval of a NDA. We also are subject to FDA’s requirements, including drug establishment registration and listing, labeling and advertising, and cGMP regulations, which set forth minimum requirements for the methods, facilities, and controls used in manufacturing, processing, and packing pharmaceutical products. Post-approval, we must maintain and submit to the FDA reports of product quality defects and adverse events. FDA’s generic drug program requires filing of an Abbreviated New Drug Application for a generic drug application that does not include preclinical or clinical data to establish safety and effectiveness, but must demonstrate equivalency to the innovator drug.

#### *European Union*

*Devices.* There is no pre-market approval of medical devices in the EU. All medical devices placed on the market or put into service in the EU must be compliant with and meet the requirements of the Medical Device Regulation, which was implemented on May 26, 2021. Devices that conform to these requirements can be affixed with a CE marking and commercialized throughout the EEA and in Switzerland. Prior to affixing a CE marking, manufacturers must demonstrate that their products comply with minimum standards of performance, safety, and quality, through a conformity assessment procedure that depends on the product’s classification. The classification of a medical device is determined by its intended purpose. Devices are classified from lowest to highest, as either Class I, IIa, IIb, or III. Classification is dependent on a variety of factors, including duration of use, whether the device is invasive or non-invasive, and whether the device is considered “active.” The competent authorities of the EU countries are responsible for regulating clinical investigations of medical devices and post-market surveillance of devices once they are placed on the market.



*Pharmaceutical Products.* Our pharmaceutical products are regulated by the European Medicines Agency (“EMA”), or the national competent authorities of the EU/EEA countries where our products are marketed. The EMA, acting through the Committee for Medicinal Products for Human Use (“CHMP”), is responsible for the scientific evaluation of pharmaceutical products developed by pharmaceutical companies for use in the EU and submitted for assessment through the EU centralized procedure. If the CHMP concludes that all requirements for quality, safety, and efficacy are met, it issues a positive opinion that the EMA forwards to the European Commission, which takes the final decision on the granting of a marketing authorization.

### *China*

We must comply with medical device and pharmaceutical product laws and regulations and standards governing the design, development, testing, manufacturing, packaging, labeling, distribution, import/export, sale, servicing, and advertising and promotion of our products in China. The chief pharmaceutical product and medical device regulator is the National Medical Products Administration (“NMPA”), which enforces these laws and has the power to issue fines, seize products, withdraw or suspend an approval or a registration for serious non-compliances, and refer cases for criminal prosecution. These national laws and regulations are also supplemented by provincial and other local-level rules and enforcement policies.

*Devices.* Medical devices are strictly regulated by the NMPA and various provincial, city, and county regulators and are classified into three risk-based classes from lowest to highest, Class I, II, and III. Approved products are subject to post-market requirements for reporting adverse events and recalls, as well as regular risk assessments of devices and potentially re-evaluation reports of the safety and effectiveness of the device based on more significant safety signals.

In addition to product licenses, manufacturing and distribution facilities that handle Class II and III devices require licenses or notifications and must comply with cGMP requirements and good supply practices. The NMPA regularly conducts inspections of manufacturing facilities in China (as part of a pre-market submission review, routine or for-cause inspections, or unannounced inspections) as well as periodic inspections of overseas manufacturers for compliance with China medical device cGMP requirements. The NMPA inspects distributors and user facilities and conducts annual national and provincial sampling inspections and testing to ensure compliance with labeling, licensing, mandatory standards, and other related requirements. In addition, the NMPA conducts regular and for-cause good clinical practice audits of clinical sites that provide data and clinical trial reports for product registration.

*Pharmaceutical Products.* Our pharmaceutical products are strictly regulated by the NMPA and various provincial, city, and county regulators. Significant changes were recently made to the China Drug Administration Law with more to follow regarding new regulatory requirements and technical guidelines. All our pharmaceutical products require pre-market approval from the NMPA before they can be marketed in China, and those marketing applications must be supported by clinical data, which typically comes from a multi-phase study in China or by relying on clinical data generated abroad that meets the NMPA’s requirements.

### ***Data Privacy Laws***

We are also subject to extensive laws and regulations protecting the privacy, security, and integrity of patient medical information that we receive, including the U.S. Health Insurance Portability and Accountability Act of 1996, as amended by HIPAA. In the EU, data protection legislation is comprehensive and complex, including the GDPR (Regulation (EU) 2016/679). Given that it has only recently come into force and member states have only recently put into effect corresponding national-level laws, there remains uncertainty as to how its provisions will be interpreted and enforced by national data protection authorities and courts. The GDPR introduced substantial changes to the EU data protection regime and imposes a substantially higher compliance burden on in-scope organizations. Failure to comply with the GDPR may lead to a variety of sanctions, including administrative fines for the most serious compliance failures of the greater of EUR 20 million or 4% of total

annual revenue of the preceding fiscal year. Similarly, the U.K. data protection legislation (including the GDPR, as it forms part of the law of the U.K. by virtue of the European Union (Withdrawal) Act of 2018) (the “U.K. GDPR”) currently imposes the same obligations as the GDPR in most material respects and provides for fines of up to £17.5 million or 4% of total annual revenue of the preceding fiscal year. Fully understanding and implementing the GDPR may be costly and timely.

In China, the CS Law went into effect in 2017. The CS Law applies to network operators and businesses in critical sectors, providing important rules for network security and protection of personal and other important data. While the CS Law is evolving and being further clarified, it has posed continuing challenges and uncertainties for national and international enterprises, especially with respect to data collection, storage, use, and cross-border transmission.

Data privacy laws and regulations and their enforcement are constantly evolving, and we cannot predict what effect, if any, changes to these laws and regulations may have on our business.

### ***Regulation on Advertising, Marketing, and Promotion***

The advertising, marketing, and promotion of our products must be truthful and non-misleading, consistent with our regulatory clearances and approvals, and supported by adequate and reasonable scientific data. We may not promote or advertise our products for uses not within the scope of our intended use statement in our regulatory clearances or approvals or make unsupported safety and effectiveness claims. With limited exceptions, we may not market, promote, or sell regulated products prior to health authority clearance or approval. For our pharmaceutical products, health authorities regulate labeling and advertising. For our device products, health authorities regulate the labeling and, for certain devices, regulate advertising in coordination with other enforcement agencies. A failure to comply with these regulations could expose the company to legal liability, such as enforcement actions, investigations by a governmental authority, civil fines or criminal actions, lawsuits brought by competitors or company whistleblowers, or other actions. We must also comply with advertising, marketing, and promotion rules in all countries in which we market our products.

### ***Global Healthcare Compliance***

The marketing, promotion, and sale of medical devices, drugs, and services is regulated by the U.S. Department of Health and Human Services and comparable U.S. state and non-U.S. agencies responsible for reimbursement and regulation of the delivery of healthcare items and services, representing government’s interest in regulating the quality and cost of healthcare. Similar regulations are imposed in many global markets in which we do business. Industry trade associations (such as AdvaMed and MedTech) increasingly provide guidance on, and compliance with, applicable laws and regulations.

U.S. federal healthcare laws apply when we or our customers submit claims for items or services that are reimbursed under Medicare, Medicaid, or other federally funded healthcare programs, including laws related to kickbacks, false claims, self-referrals, and healthcare fraud and abuse. Similar state false claims, anti-kickback, anti-self-referral, and insurance laws also apply to state-funded Medicaid and other healthcare programs and private third-party payers. Any failure to comply with these laws and regulations could subject us or our officers and employees to criminal and civil financial penalties and expose us to civil liability and risk of further enforcement action under the AKS, the FCA, or other healthcare fraud and abuse laws. In addition, as a manufacturer of U.S. FDA-cleared and -approved devices and drugs reimbursable by federal healthcare programs, we are subject to the U.S. federal Physician Payments Sunshine Act, which requires us to annually track and report to the federal government certain payments and other transfers of value we make to U.S.-licensed physicians and other healthcare professionals or U.S. teaching hospitals.

The U.S. FCPA, the U.K. Bribery Act of 2010, and similar anti-corruption and anti-bribery laws in other jurisdictions generally prohibit companies from making corrupt payments to or otherwise engaging in bribery of governmental officials. These laws apply to many of our customer interactions, as healthcare professionals in

other countries are often considered government officials, and in some cases lay out requirements of how to operationalize compliance with the legal requirements. Failure to comply with these laws may expose us to criminal and civil enforcement actions, monetary fines and penalties, and reputational harm.

Implementation of further legislative or administrative reforms to reimbursement systems, or adverse decisions relating to coverage or reimbursement amounts for our products by administrators of these systems, could have an impact on the acceptance of and demand for our products and the prices that our customers are willing to pay for them. Further, as a result of the Patient Protection and Affordable Care Act, the United States is implementing value-based payment methodologies and seeking to create alternative payment models, such as bundled payments, to continue to drive improved value.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited combined financial statements and corresponding notes, the unaudited condensed combined financial statements and corresponding notes, and the Unaudited Pro Forma Condensed Combined Financial Information and corresponding notes and other financial information included elsewhere in this Information Statement. This discussion contains forward-looking statements that are based upon current expectations and are subject to uncertainty and changes in circumstances. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed below and elsewhere in this Information Statement, particularly in "Risk Factors." Actual results may differ materially from these expectations. See "Cautionary Statement Concerning Forward-Looking Statements." Certain columns and rows within tables may not add due to the use of rounded numbers.*

### **Business Overview**

#### ***Our Business***

GE HealthCare is a leading global medical technology, pharmaceutical diagnostics, and digital solutions innovator. Our products, services, and solutions enable clinicians to make more informed decisions quickly and efficiently, improving patient care from diagnosis to therapy to monitoring. Our products are used to care for more than one billion patients annually, representing more than two billion procedures. Our customers include healthcare providers as well as researchers, including public, private, and academic institutions. We sell our products through a combination of a global sales force and a network of channel partners, including distributors and other third parties. We are organized into four business segments that are aligned with the industries we serve: Imaging, Ultrasound, PCS, and PDX. In the three months ended June 30, 2022, we generated Total revenues of \$4,484 million, an increase of 2%, with Operating income of \$631 million, a decrease of 16% from the three months ended June 30, 2021. In the six months ended June 30, 2022, Total revenues were \$8,827 million, an increase of 2%, with Operating income of \$1,140 million, a decrease of 19% from the six months ended June 30, 2021. In fiscal year 2021, we generated Total revenues of \$17,585 million, an increase of 2% from 2020 and 6% from 2019, with Operating income of \$2,795 million, an increase of 3% from 2020 and 32% from 2019.

### **Trends and Factors Impacting Our Performance**

We believe that our performance and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in the section of this document titled "Risk Factors." We focus on growing our total revenues, expanding margins, and generating cash.

#### ***Macro Healthcare Trends and Our Competitive Environment***

##### ***Growing Adoption of Precision Health***

Patients and providers are increasingly focused on improving individual outcomes while enhancing the patient experience, containing costs, customizing care, and lowering the amount of time required to treat patients. Innovation in diagnostics, therapies, and patient monitoring is leading to the accelerated development of more precise and personalized care. Health systems recognize the power of precision health to deliver faster recoveries while avoiding costly complications.

##### ***Digitization of Healthcare***

Valuable healthcare data is increasingly being used to improve care across disease states, enhance the ability of clinicians to diagnose disease and treat patients, and improve clinical workflow efficiencies. Our future growth

depends in part on our ability to leverage our portfolio to accelerate digital revenue streams, including delivering AI and analytics capabilities and expanding data management capabilities in a cost-effective way. We have allocated significant resources to digital innovation, including AI and machine learning, as we advance precision health. Accomplishing these goals depends on disciplined investment in our digital capabilities and the technical performance and customer adoption of our digital products.

#### *Increasing Demand for Healthcare Services*

Demographic trends such as an increasing proportion of the population over the age of 65, the increasing prevalence and treatment of chronic diseases, and growth of the middle class in emerging markets continue to increase demand for healthcare. There is an increasing focus on alternative sites of care, such as outpatient facilities, ambulatory surgical centers, physician's offices, and professional care in the home to create capacity to meet this demand with a lower operating cost model. As healthcare systems transition to alternative sites of care, our results could be impacted. As such, we have begun to expand and will continue to invest in opportunities to grow our presence at alternative care sites.

#### *Increasing Competition*

The regions and the industries we serve are highly competitive and regulated. We face significant competition from a wide range of companies including large, diversified companies with broad geographic footprints as well as smaller, more specialized companies including those with local expertise. Our business strength is predicated on our continued delivery of innovative solutions, including digital solutions, and industry-leading service capabilities. In order to compete in this environment, we allocate resources to drive innovation in our portfolio through new product launches, extend our global presence through investment in sales and service resources, and meet expected customer demand through: (i) internal research and development initiatives, (ii) strategic collaborations, and (iii) strategic investments and acquisitions.

#### *Focus on Reducing Cost of Care*

The increased scrutiny on healthcare spending has placed pressure on GE HealthCare to lower pricing. The prices at which we sell our products and services and the profits we generate are dependent on the reliability of our products, our supplier network, and our ability to manage the inflationary effect of costs related to transportation and logistics, raw materials, electronics, and commodities. These trends may reduce our operating margins, which may be partially offset by offering premium precision health-enabling solutions to help reduce the overall cost of care delivery with better patient outcomes and workflow efficiency.

#### *Political and Economic Instability in Emerging Markets*

We operate in a number of emerging markets, many of which are, from time to time, subject to significant political and economic disruptions. For example, currency fluctuations or sanctions affecting these markets may adversely affect our results, including our ability to efficiently collect payments and manage our accounts. However, the number of countries we provide products to and our proactive channel management strategies help us manage this variability.

#### *Impacts of Climate Change*

The physical effects of climate change, as well as the legal and regulatory measures to address climate change, may negatively affect our business, cash flows, and results of operations in the medium- to long-term. The effects of a changing climate, both acute (such as heat waves, hurricanes, tornadoes, wildfire, or flooding) and chronic (such as droughts or sea level changes) can adversely impact GE HealthCare's plants, facilities, and operations, as well as disrupt our value chain, including our supply chains and distribution systems. In addition, increased temperatures and less predictable climate could affect the functioning of GE HealthCare's products, as

many medical and medical imaging devices need to remain within certain temperature ranges for optimal performance. Concern over climate change can also result in new or additional legal or regulatory requirements and commercial pressure from customers, with such efforts designed to reduce greenhouse gas emissions both from our products and operations and/or mitigate the effects of climate change on the environment (such as taxation of, or caps on the use of, carbon-based energy). Although it is difficult to predict any such new or additional legal or regulatory requirements and commercial pressures, including whether new laws or regulations are more stringent than current legal or regulatory requirements, GE HealthCare may experience increased compliance burdens and costs to meet the regulatory obligations as well as adverse impacts on suppliers and material sourcing.

## ***Other***

### *Discontinued Operations*

On March 31, 2020, we completed the sale of our BioPharma business to Danaher Corporation for total consideration of \$20,718 million (after certain working capital adjustments) and incurred \$185 million of cash payments directly associated with the transaction. The consideration consisted of \$20,301 million in cash and \$417 million of pension liabilities that were assumed by Danaher. We recognized a pre-tax gain of \$12,782 million in 2020 as a result of the transaction. The decision to sell the BioPharma business was part of a strategic review of GE. The below results of discontinued operations and related cash flows all arose from the sale of the BioPharma business. The historical results of the Biopharma business have been reflected as discontinued operations in our audited combined financial statements through the date of the sale for all periods presented. See Note 18, “Discontinued Operations” to our audited combined financial statements.

### *Manufacturing, Sourcing, and Supply Chain Management*

Our suppliers must provide us with quality products in substantial quantities, in compliance with regulatory requirements, at acceptable costs and on a timely basis. Competition for resources throughout the supply chain, such as production and transportation capacities, has increased over the course of the last two years. Trends affecting the supply chain include the impact of increasing prices of labor, raw materials, and shipping as well as limitations on capacity. In addition, the announcement or imposition of any new or increased tariffs, duties, or taxes could adversely affect our supply chain.

### *COVID-19 Pandemic*

The COVID-19 pandemic impacted global economies, resulting in workforce and travel restrictions, supply chain and production disruptions, and reduced demand and spending across many sectors. GE HealthCare’s global scale and reach played a significant role in the COVID-19 response. We increased production of key imaging, critical care, and primary care products to fight the pandemic, selling ten times the volume of ventilator equipment and accessories in 2020 as compared to 2019, including through our collaboration with Ford to complete an emergency ventilator order from the U.S. Department of Health and Human Services. Factors related directly and indirectly to the COVID-19 pandemic have been impacting operations and financial performance at varying levels across our business. For details about impacts related to our business and our actions in response, refer to the respective segment sections below.

We continue to actively monitor the pandemic and attempt to take steps to identify and mitigate the adverse impacts and risks to the business (including, but not limited to, employee health and safety, site shutdowns, workplace disruptions, and restrictions on the movement of people, raw materials, and goods) posed by the spread of COVID-19. We continue to take appropriate actions to promote the safety of our employees, customers, and other business partners, including, as required, by government authorities.

### *Russia and Ukraine Conflict*

The implications related to Russia's invasion of Ukraine, both short- and long-term, are difficult to predict. While we cannot estimate the broader impact of this conflict on our business due to the high degree of uncertainty related to the dynamic nature of these events and the numerous potentially destabilizing economic, political, and geopolitical developments stemming from this conflict, these two countries represent a small portion of our business. We had \$182 million and \$192 million of assets in these two countries as of June 30, 2022, and December 31, 2021, respectively, none of which are subject to sanctions that impact the carrying value of the assets. We generated revenue of \$148 million and \$356 million in these two countries for the six months ended June 30, 2022, and year ended December 31, 2021, respectively. The potential inability to repatriate earnings from these two countries will not have a material impact on the ability of GE HealthCare to operate.

We continue to monitor the effects of Russia's invasion of Ukraine, with the board of directors of GE overseeing and monitoring key risks, including the consideration of financial impact, cybersecurity risks, the applicability and effect of sanctions, and the employee base in Ukraine and Russia. The board of directors of the Company will assume oversight of these risks after completion of the Spin-Off and, with management, will continue to assess whether developments related to the conflict have had, or are reasonably likely to have, a material impact on the Company.

Given the nature of our products, we do not believe that the current sanctions and other measures imposed by the U.S., European Union, and other countries preclude us from conducting business in Ukraine and Russia, as these sanctions provide for exemptions for medicines and medical devices. We have, however, discontinued sales and services to all military customers in Russia and, based on the ongoing review of our remaining activities in Russia, we continue sales and service to private medical institutions and certain government customers in Russia, such as government-owned hospitals, in accordance with applicable sanctions. With the current uncertainty in Russia and Ukraine and to ensure continuity of supply of our products and services to our customers, we are closely monitoring the performance of our suppliers and sub tier suppliers. In addition, we are monitoring the impact of the potential Russian oil supply and energy interruptions in Europe on the capacity of our facilities and of our suppliers. To mitigate these risks, we are utilizing strategic inventory of materials and finished goods and additional sources of supply.

### *Seasonality*

Our revenues and operating profits vary from quarter to quarter. Revenues in the fourth quarter have historically been higher than in other quarters due to the spending patterns of our customers. In addition, Cash provided from operating activities is typically higher in the fourth quarter as inventories are lower as a result of higher revenues.

### *Transition to Standalone Company*

On November 9, 2021, GE announced its plan to form three industry-leading, global public companies focused on the growth sectors of aviation, healthcare, and energy. The Spin-Off is expected to be completed through a tax-free pro rata distribution of at least 80.1% of the outstanding shares of common stock to GE stockholders.

Completion of the Spin-Off is subject to certain conditions which are described more fully under "The Spin-Off—Conditions to the Spin-Off," including receipt of the tax opinions from the tax authorities to the effect that the distribution and certain related transactions will qualify as tax-free to GE and its stockholders under Sections 355 and 368 of the Code.

### *Relationship with GE*

Historically, we have relied on GE to manage certain of our operations and provide us certain services, the costs of which have historically been either allocated or directly billed to us. Historical costs for such services

may not necessarily reflect the actual expenses we would have incurred, or will incur, as an independent company. In connection with the Spin-Off, we intend to enter into certain agreements with GE, including a Separation and Distribution Agreement, a Transition Services Agreement, a Tax Matters Agreement, an Employee Matters Agreement, a Trademark License Agreement, and Intellectual Property Cross License Agreements, as described in “Certain Relationships and Related Person Transactions.” We generally expect to be able to utilize GE’s services for a transitional period following the Spin-Off before we replace these services over time with services supplied either internally or by third parties. The expenses for the services we will receive from GE initially and then internally or by third parties may vary from the historical costs directly billed and allocated to us for the same services. We will face challenges as we transition to becoming a stand-alone public company, including the establishment of new functions that were previously provided by GE. Addressing the needs that arise from becoming a stand-alone company will require significant resources, including time and attention from our senior management and others throughout the company. We will continue to monitor potential separation dis-synergies, as we may lose the benefit of the scale and buying power of GE, and we anticipate incurring one-time costs associated with the creating of our own capabilities.

#### *Stand-Alone Company Expenses*

As a result of the Spin-Off, we will become subject to the requirements of the federal and state securities laws and stock exchange requirements. We will have to establish additional procedures and practices as a stand-alone public company. As a result, we will incur additional costs related to external reporting, internal audit, treasury, investor relations, board of directors and officers, and stock administration.

See “Unaudited Pro Forma Condensed Combined Financial Statements” for additional details.

#### *Pension and Other Benefit Related Liabilities*

We expect that approximately \$5,215 million in net pension and other postretirement plan liabilities from GE sponsored plans will be transferred to us by GE; however, this amount may be different pursuant to the terms of the final agreement with GE. In the future, the expense and cash contributions we make may vary from those made by GE historically. Please see “Unaudited Pro Forma Condensed Combined Financial Statements” for additional details. In addition to the GE sponsored plans, we also sponsor several pension and other postretirement plans that are recognized by us as liabilities and expenses. For additional detail regarding our pension policy and significant pension plans, please see the “Critical Accounting Estimates” section below and see Note 10, “Postretirement Benefit Plans” to the audited combined financial statements.

#### *Compensation*

We expect to institute competitive compensation policies and programs as an independent public company. The expense for these policies and programs will increase from the compensation expense allocated by GE in our audited and unaudited combined financial statements and related notes, driven primarily by higher cash and stock compensation to retain employees and align more closely with industry peers.



## Summary of Key Performance Measures

Management reviews and analyzes several key performance measures including Total revenues, recurring revenue, Remaining Performance Obligations (“RPO”), Operating income, Net income attributable to GE HealthCare, and cash flow from operations. Management also reviews and analyzes Organic revenue\*, Adjusted Earnings Before Interest and Taxes (Adjusted EBIT\*), Adjusted net income\*, and Free cash flow\*, which are non-GAAP financial measures. These measures are reviewed and analyzed in order to evaluate our business performance, identify trends affecting our business, allocate capital, and make strategic decisions, including those discussed below. The non-GAAP financial measures should be considered along with the most directly comparable U.S. GAAP financial measures. Definitions of these non-GAAP financial measures, a discussion of why we believe they are useful to management and investors as well as certain of their limitations, and reconciliations to their most directly comparable U.S. GAAP financial measures are provided in “Non-GAAP Financial Data” and below under “Non-GAAP Financial Measures.”

(\$ in millions)	Three months ended June 30				Six months ended June 30			
	2022	2021	% change	% organic*	2022	2021	% change	% organic*
Total revenues	\$4,484	\$4,415	2%	4%	\$8,827	\$8,692	2%	3%

Total revenues were \$4,484 million for the three months ended June 30, 2022, an increase of \$69 million, or 2% as reported and 4% organically\* from the three months ended June 30, 2021, primarily driven by increases in Imaging and Ultrasound revenues, partially offset by a decrease in PDx revenues. Total revenues were \$8,827 million for the six months ended June 30, 2022, an increase of \$135 million, or 2% as reported and 3% organically\* from the six months ended June 30, 2021, primarily driven by increases in Imaging and Ultrasound revenues, partially offset by decreases in PDx and PCS revenues. Refer to “Total Revenues” section below for further information.

(\$ in millions)	Years ended December 31			2021/2020 % change	2020/2019 % change	2021/2020 % organic*	2020/2019 % organic*
	2021	2020	2019				
Total revenues	\$17,585	\$17,164	\$16,633	2%	3%	1%	4%

Total revenues were \$17,585 million in 2021, an increase of \$421 million, or 2% as reported and 1% organically\* from 2020 primarily driven by increases in Imaging, Ultrasound, and PDx revenues, partially offset by a decrease in PCS revenue. Total revenues were \$17,164 million in 2020, increasing \$531 million, or 3% as reported and 4% organically\* from 2019 primarily driven by an increase in PCS revenue, partially offset by decreases in Imaging, Ultrasound, and PDx revenues. Refer to “Total Revenues” section below for further information.

Approximately 50% of our Total revenues in the three months ended June 30, 2022, the six months ended June 30, 2022, and the fiscal years 2021, 2020, and 2019, was derived from services, single-use and consumable products, digital solutions, and value-added offerings such as education, training, and consulting. Management considers these revenues to be recurring in nature because our service and license revenues are largely based on longer term agreements, and products that are single-use and/or consumable, such as our imaging agents, are used as an integral part of patient procedures. While we believe that these characteristics provide visibility and insights into future revenues, such revenues are not guaranteed.

(\$ in millions)	June 30, 2022	December 31, 2021	% change
Products	\$ 4,628	\$ 4,543	2%
Services	9,656	10,028	(4)%
<b>Total RPO</b>	<b>\$14,284</b>	<b>\$14,571</b>	<b>(2)%</b>

\* Non-GAAP financial measure.

RPO represents the estimated revenue expected from customer contracts that are partially or fully unperformed inclusive of amounts deferred in contract liabilities, excluding contracts, or portions thereof, that provide the customer with the ability to cancel or terminate without incurring a substantive penalty. RPO as of June 30, 2022, decreased 2% to \$14,284 million from December 31, 2021, due to lower service RPO in the U.S. driven by timing of significant service contract renewals, partially offset by higher product RPO driven by orders growth in China and Europe.

(\$ in millions)	December 31			2021/2020 % change	2020/2019 % change
	2021	2020	2019		
Products .....	\$ 4,543	\$ 3,735	\$ 3,909	22%	(4)%
Services .....	10,028	9,457	8,948	6%	6%
<b>Total RPO</b> .....	<b>\$14,571</b>	<b>\$13,192</b>	<b>\$12,857</b>	<b>10%</b>	<b>3%</b>

RPO as of December 31, 2021, increased 10% to \$14,571 million from December 31, 2020, due to higher product RPO driven by strong orders growth across all regions, notably China and U.S., as well as supply chain challenges in converting RPO to revenues and higher service RPO from new service contracts and renewals with large customers. RPO as of December 31, 2020, increased 3% to \$13,192 million from December 31, 2019, primarily due to service contract growth driven by Europe and China, partially offset by lower product orders volume driven by Rest of World.

(\$ in millions)	Three months ended June 30			Six months ended June 30		
	2022	2021	% change	2022	2021	% change
Operating income .....	\$631	\$750	(16)%	\$1,140	\$1,416	(19)%
Adjusted EBIT* .....	719	812	(11)%	1,318	1,567	(16)%
Net income attributable to GE HealthCare .....	485	659	(26)%	874	1,169	(25)%
Adjusted net income* .....	524	606	(14)%	961	1,159	(17)%

Operating income decreased \$119 million or 16% for the three months ended June 30, 2022, from \$750 million in the three months ended June 30, 2021. Adjusted EBIT\* decreased \$93 million or 11% for the three months ended June 30, 2022, from \$812 million in the three months ended June 30, 2021. This was mainly attributable to inflationary cost pressures and increases in R&D and SG&A investments, partially offset by an increase in Total revenues, including higher pricing of our products, and cost productivity. Operating income decreased \$276 million or 19% for the six months ended June 30, 2022, from \$1,416 million in the six months ended June 30, 2021. Adjusted EBIT\* decreased \$249 million or 16% for the six months ended June 30, 2022, from \$1,567 million in the six months ended June 30, 2021. This was mainly attributable to inflationary cost pressures and increases in R&D and SG&A investments, partially offset by an increase in Total revenues. Refer to the “Operating Income and Adjusted EBIT\*\*” section below for further information.

\* Non-GAAP financial measure.

Net income attributable to GE HealthCare decreased \$174 million or 26% for the three months ended June 30, 2022, from \$659 million in the three months ended June 30, 2021. This was mainly attributable to a decrease in Operating income and an increase in provision for income taxes. Adjusted net income\* decreased \$82 million or 14% for the three months ended June 30, 2022, from \$606 million in the three months ended June 30, 2021. This was mainly attributable to a decrease in Operating income. Net income attributable to GE HealthCare decreased \$295 million or 25% for the six months ended June 30, 2022, from \$1,169 million in the six months ended June 30, 2021. Adjusted net income\* decreased \$198 million or 17% for the six months ended June 30, 2022, from \$1,159 million in the six months ended June 30, 2021. This was mainly attributable to the decrease in Operating income as discussed above. Refer to the “Net Income Attributable to GE HealthCare and Adjusted Net Income” section below for further information.

(\$ in millions)	Years ended December 31			2021/2020 % change	2020/2019 % change
	2021	2020	2019		
Operating income	\$2,795	\$ 2,720	\$2,124	3%	28%
Adjusted EBIT*	3,172	2,981	2,492	6%	20%
Net income attributable to GE HealthCare	2,247	13,846	1,524	(84)%	809%
Adjusted net income*	2,347	2,121	1,892	11%	12%

Operating income increased \$75 million or 3% in 2021 from \$2,720 million in 2020. This was mainly attributable to an increase in Total revenues and cost productivity benefits, partially offset by inflation and an increase in SG&A expenses. Adjusted EBIT\* increased \$191 million or 6% in 2021 from \$2,981 million in 2020 due to an increase in Operating income and Other (income) expense – net driven by a favorable impact from foreign currency and commodity hedges as compared to 2020. Operating income increased \$596 million or 28% in 2020 from \$2,124 million in 2019. Adjusted EBIT\* increased \$489 million or 20% in 2020 from \$2,492 million in 2019. This was mainly attributable to an increase in Total revenues, cost control, and productivity benefits, partially offset by inflation and product mix. Refer to the “Operating income” section below for further information.

Net income attributable to GE HealthCare decreased \$11,599 million or 84% in 2021 from \$13,846 million in 2020. This was mainly attributable to the sale of BioPharma, resulting in a decrease of \$11,821 million in income from discontinued operations, net of taxes. Adjusted net income\* increased \$226 million or 11% in 2021 from \$2,121 million in 2020. This was mainly attributable to an increase in Operating income, increase in Other (income) expense – net, lower Provision for income taxes, and lower Interest and other financial charges – net. Net income attributable to GE HealthCare increased \$12,322 million or 809% in 2020 from \$1,524 million in 2019. This was mainly attributable to an increase in Income from discontinued operations, net of taxes of \$11,967 million driven by the sale of BioPharma in 2020. Adjusted net income\* increased \$229 million or 12% in 2020 from \$1,892 million in 2019. This was mainly attributable to an increase in Operating income, partially offset by a higher Provision for income taxes. See “Net Income Attributable to GE HealthCare and Adjusted Net Income” below for further information.

(\$ in millions)	Six months ended June 30		
	2022	2021	% change
Cash from (used for) operating activities – continuing operations	\$449	\$1,040	(57)%
Free cash flow*	\$293	\$1,713	(83)%

Cash generated from operating activities – continuing operations decreased 57% to \$449 million for the six months ended June 30, 2022, from \$1,040 million for the six months ended June 30, 2021. Cash generated in the six months ended June 30, 2022, was lower as compared to the six months ended June 30, 2021, primarily driven by an increase in receivables excluding the impact of factoring programs, an increase in inventory, a decrease in Net income from continuing operations, and higher cash taxes paid, partially offset by \$776 million lower impact of factoring programs. Free cash flow\* decreased 83% to \$293 million for the six months ended June 30, 2022,

\* Non-GAAP financial measure.

from \$1,713 million for the six months ended June 30, 2021, primarily due to an increase in receivables excluding the impact of factoring programs, an increase in inventory, a decrease in Net income from continuing operations, and higher cash taxes paid.

(\$ in millions)	Years ended December 31			2021/2020 % change	2020/2019 % change
	2021	2020	2019		
Cash from (used for) operating activities—continuing					
operations	\$1,607	\$2,618	\$1,838	(39)%	42%
Free cash flow*	\$2,827	\$2,463	\$1,900	15%	30%

Cash generated from operating activities – continuing operations decreased 39% to \$1,607 million in 2021 from \$2,618 million in 2020 and increased 42% in 2020 from \$1,838 million in 2019. Cash generated in 2021 was lower as compared to 2020 primarily driven by \$1,365 million higher impact of factoring programs in 2021 as compared to 2020, an increase in inventory due to supply chain constraints, decrease in contract liabilities, partially offset by an increase in accounts payable, a decrease in receivables excluding the impact of factoring programs, and an increase in Net income from continuing operations. Cash generated in 2020 was higher as compared to 2019 primarily due to an increase in Net income from continuing operations, an increase in contract liabilities primarily driven by progress collections due to COVID-19 orders, lower impact of factoring in 2020 as compared to 2019, an improvement in inventory balances, and \$77 million of non-repeat cash outflows in 2019 related to activities of the planned initial public offering (“IPO”) of GE’s Healthcare business. Free cash flow\* increased 15% to \$2,827 million in 2021 from \$2,463 million in 2020 and increased 30% in 2020 from \$1,900 million in 2019. Free cash flow\* increased in 2021 due to an increase in accounts payable, a decrease in receivables excluding the impact of factoring programs, and an increase in Net income from continuing operations, partially offset by an increase in inventory due to supply chain constraints and decrease in contract liabilities. Free cash flow\* increased in 2020 due to an increase in Net income from continuing operations, an increase in contract liabilities primarily driven by progress collections due to COVID-19 orders, an improvement in inventory balances, and \$77 million of non-repeat cash outflows in 2019 related to activities of the planned IPO of GE’s Healthcare business.

\* Non-GAAP financial measure.

**Results of Operations for the three and six months ended June 30, 2022, compared with the three and six months ended June 30, 2021**

The following tables set forth our results of operations for each of the periods presented:

(\$ in millions)	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Sales of products	\$2,903	\$2,798	\$5,690	\$5,512
Sales of services	1,581	1,617	3,137	3,180
<b>Total revenues</b>	<b>4,484</b>	<b>4,415</b>	<b>8,827</b>	<b>8,692</b>
Cost of products	1,915	1,802	3,829	3,553
Cost of services	773	796	1,524	1,593
<b>Gross profit</b>	<b>1,796</b>	<b>1,817</b>	<b>3,474</b>	<b>3,546</b>
Selling, general and administrative	908	865	1,839	1,739
Research and development	257	202	495	391
<b>Total operating expenses</b>	<b>1,165</b>	<b>1,067</b>	<b>2,334</b>	<b>2,130</b>
<b>Operating income</b>	<b>631</b>	<b>750</b>	<b>1,140</b>	<b>1,416</b>
Interest and other financial charges—net	12	9	16	24
Non-operating benefit (income) costs	(1)	1	(3)	1
Other (income) expense—net	(19)	(29)	(45)	(53)
<b>Income from continuing operations before income taxes</b>	<b>639</b>	<b>769</b>	<b>1,172</b>	<b>1,444</b>
Provision for income taxes	(153)	(101)	(284)	(261)
<b>Net income from continuing operations</b>	<b>486</b>	<b>668</b>	<b>888</b>	<b>1,183</b>
Income from discontinued operations, net of taxes	12	4	12	7
<b>Net income</b>	<b>498</b>	<b>672</b>	<b>900</b>	<b>1,190</b>
Net (income) loss attributable to noncontrolling interests.	(13)	(13)	(26)	(21)
<b>Net income attributable to GE HealthCare</b>	<b>\$ 485</b>	<b>\$ 659</b>	<b>\$ 874</b>	<b>\$1,169</b>

**Total Revenues**

*Revenue by Segment*

(\$ in millions)	Three months ended June 30				Six months ended June 30			
	2022	2021	% change	% organic* change	2022	2021	% change	% organic* change
Segment revenue								
Imaging	\$2,449	\$2,373	3%	7%	\$4,760	\$4,645	2%	5%
Ultrasound	828	778	6	5	1,643	1,539	7	3
PCS	713	726	(2)	0	1,429	1,472	(3)	(1)
PDx	478	535	(11)	(7)	962	1,014	(5)	(2)
Other <sup>(a)</sup>	16	3			33	22		
<b>Total revenues</b>	<b>\$4,484</b>	<b>\$4,415</b>	<b>2%</b>	<b>4%</b>	<b>\$8,827</b>	<b>\$8,692</b>	<b>2%</b>	<b>3%</b>

(a) Financial information not presented within the reportable segments, shown within the Other category, represents the HealthCare Financial Services (“HFS”) business which does not meet the definition of an operating segment.

\* Non-GAAP financial measure

## Revenue by Region

(\$ in millions)	Three months ended June 30			Six months ended June 30		
	2022	2021	% change	2022	2021	% change
USCAN .....	\$2,027	\$1,844	10%	\$3,970	\$3,614	10%
EMEA .....	1,118	1,130	(1)	2,210	2,198	1
China region <sup>(a)</sup> .....	636	724	(12)	1,205	1,385	(13)
Rest of World .....	703	717	(2)	1,442	1,495	(4)
<b>Total revenues</b> .....	<b>\$4,484</b>	<b>\$4,415</b>	<b>2%</b>	<b>\$8,827</b>	<b>\$8,692</b>	<b>2%</b>

(a) Includes revenue from China, Taiwan, Mongolia, and Hong Kong.

### For the three months ended June 30, 2022

Total revenues increased \$69 million, or 2% as reported and 4% organically\* primarily due to an increase in sales of products of \$105 million or 4% driven by growth in Imaging and Ultrasound, partially offset by a decrease in PDx revenues. Sales of services decreased by \$36 million or 2% due to an unfavorable impact from foreign currency changes partially offset by continued growth in our service revenues.

The segment revenue performance was as follows:

- Imaging segment revenue increased \$76 million, or 3% as reported and 7% organically\*. This was mainly attributable to growth in MR revenues due to improved supply chain performance to fulfill customer demand as well as new product introductions;
- Ultrasound segment revenue increased \$50 million, or 6% as reported and 5% organically\*. This was mainly attributable to strong growth in General Imaging and Primary Care due to new product introductions and growth in Point of Care and Handheld products, partially offset by a decrease in sales of Cardiovascular and Women's Health products due to supply constraints in electronic components;
- PCS segment revenue decreased \$13 million, or 2% as reported and approximately flat organically\*. This was mainly attributable to a decrease in sales of patient monitors due to continued supplier constraints in electronic components, and decrease in COVID-19 driven ventilator volume, partially offset by growth in Anesthesia and Maternal Infant Care products; and
- PDx segment revenue decreased \$57 million, or 11% as reported and 7% organically\*. This was driven by China, primarily due to the temporary disruption at our manufacturing facility in Shanghai due to COVID-19.

The regional revenue performance was as follows:

- USCAN revenue increased 10%. This was mainly attributable to strong growth in Imaging and PCS segments, as well as the acquisition of BK Medical;
- EMEA revenue decreased 1%. This was mainly attributable to unfavorable impact from foreign currency changes, partially offset by growth in Imaging segment revenues;
- China region revenue decreased 12%. This was mainly attributable to declines in volumes across all segments primarily due to the impact of COVID-19 driven disruptions; and
- Rest of World revenue decreased 2%. This was mainly attributable to an unfavorable impact from foreign currency changes and a decrease in PCS revenues, partially offset by growth in Imaging and Ultrasound segments.

\* Non-GAAP financial measure.

*For the six months ended June 30, 2022*

Total revenues increased \$135 million, or 2% as reported and 3% organically\* due to an increase in Sales of products of \$178 million or 3% driven by primarily driven by growth in Imaging and Ultrasound, partially offset by a decrease in PDx and PCS revenues. Sales of services decreased by \$43 million or 1% due to an unfavorable impact from foreign currency changes partially offset by continued growth in our service revenues.

The segment revenue performance was as follows:

- Imaging segment revenue increased \$115 million, or 2% as reported and 5% organically\*. This was mainly attributable to growth in Image-Guided Therapy and MR products due to health systems' focus on expansion of capacity and access to care, improved supply chain performance in fulfilling customer demand, and new product introductions, partially offset by a decrease in Picture Archiving and Communication System revenue;
- Ultrasound segment revenue increased \$104 million, or 7% as reported and 3% organically\*. This was mainly attributable to strong growth in General Imaging and Primary Care due to new product introductions, and growth in Point of Care and Handheld products, partially offset by a decrease in revenue from Cardiovascular products due to supply constraints in electronic components;
- PCS segment revenue decreased \$43 million, or 3% as reported and 1% organically\*. This was mainly attributable to a decrease in sales of patient monitors due to continued supplier constraints in electronic components, and a decrease in COVID-19 driven ventilator volume, partially offset by growth in Anesthesia and Maternal Infant Care product lines; and
- PDx segment revenue decreased \$52 million, or 5% as reported and 2% organically\*. This was mainly driven by China, primarily due to the temporary disruption at our manufacturing facility in Shanghai due to COVID-19.

The regional revenue performance was as follows:

- USCAN revenue increased 10%. This was mainly attributable to growth across all segments as well as the acquisition of BK Medical;
- EMEA revenue increased 1%. This was mainly attributable to growth in Imaging and PDx segments and the acquisition of BK Medical, partially offset by unfavorable impact from foreign currency changes;
- China region revenue decreased 13%. This was mainly attributable to decrease in revenue across all segments; primarily due to the impact of COVID-19 driven disruptions; and
- Rest of World revenue decreased 4%. This was mainly attributable to unfavorable impact from foreign currency changes and decrease in PDx and PCS revenues, partially offset by growth in Imaging and Ultrasound segments.

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\* Non-GAAP financial measure.

## Results of Operations for the Years Ended December 31, 2021, 2020, and 2019

The following tables set forth our results of operations for each of the periods presented:

(\$ in millions)	Years ended December 31		
	2021	2020	2019
Sales of products	\$11,165	\$11,016	\$10,472
Sales of services	6,420	6,148	6,161
<b>Total revenues</b>	<b>17,585</b>	<b>17,164</b>	<b>16,633</b>
Cost of products	7,196	7,229	6,758
Cost of services	3,215	3,168	3,327
<b>Gross profit</b>	<b>7,174</b>	<b>6,767</b>	<b>6,548</b>
Selling, general and administrative	3,563	3,237	3,591
Research and development	816	810	833
<b>Total operating expenses</b>	<b>4,379</b>	<b>4,047</b>	<b>4,424</b>
<b>Operating income</b>	<b>2,795</b>	<b>2,720</b>	<b>2,124</b>
Interest and other financial charges—net	40	66	88
Non-operating benefit costs	3	5	9
Other (income) expense—net	(123)	(61)	(64)
<b>Income from continuing operations before income taxes</b>	<b>2,875</b>	<b>2,710</b>	<b>2,091</b>
Provision for income taxes	(600)	(652)	(410)
<b>Net income from continuing operations</b>	<b>2,275</b>	<b>2,058</b>	<b>1,681</b>
Income (loss) from discontinued operations, net of taxes	18	11,839	(128)
<b>Net income</b>	<b>2,293</b>	<b>13,897</b>	<b>1,553</b>
Net (income) loss attributable to noncontrolling interests	(46)	(51)	(29)
<b>Net income attributable to GE HealthCare</b>	<b>\$ 2,247</b>	<b>\$13,846</b>	<b>\$ 1,524</b>

### Total Revenues

#### Revenue by Segment

(\$ in millions)	Years ended December 31			2021/2020 % change	2020/2019 % change	2021/2020 % organic*	2020/2019 % organic*
	2021	2020	2019				
Segment revenue							
Imaging	\$ 9,433	\$ 8,959	\$ 9,096	5%	(2)%	3%	(1)%
Ultrasound	3,172	2,703	2,783	17%	(3)%	15%	(3)%
PCS	2,915	3,675	2,723	(21)%	35%	(22)%	35%
PDx	2,018	1,780	1,993	13%	(11)%	15%	(10)%
Other <sup>(a)</sup>	47	47	38				
<b>Total revenues</b>	<b>\$17,585</b>	<b>\$17,164</b>	<b>\$16,633</b>	<b>2%</b>	<b>3%</b>	<b>1%</b>	<b>4%</b>

(a) Financial information not presented within the reportable segments, shown within the Other category, represents the HealthCare Financial Services (“HFS”) business which does not meet the definition of an operating segment.

\* Non-GAAP financial measure.



## Revenue by Region

(\$ in millions)	Years ended December 31			2021/2020 % change	2020/2019 % change
	2021	2020	2019		
USCAN .....	\$ 7,373	\$ 7,436	\$ 7,409	(1)%	0%
EMEA .....	4,535	4,663	4,061	(3)%	15%
China region <sup>(a)</sup> .....	2,690	2,345	2,250	15%	4%
Rest of World .....	2,987	2,720	2,913	10%	(7)%
<b>Total revenues</b> .....	<b>\$17,585</b>	<b>\$17,164</b>	<b>\$16,633</b>	<b>2%</b>	<b>3%</b>

(a) Includes revenue from China, Taiwan, Mongolia, and Hong Kong.

### 2021 vs. 2020

Total revenues increased \$421 million, or 2% as reported and 1% organically\* due to growth in sales of services of \$272 million or 4% driven by continued growth in our installed base and service capabilities, and increase in sales of products of \$149 million or 1% driven by strong growth in Ultrasound and PDx, partially offset by a decrease in PCS revenues. Additionally, revenue growth was negatively impacted in all segments by supply chain challenges such as component shortages and logistical delays, particularly in the second half of 2021.

The segment revenue performance was as follows:

- Imaging segment revenue increased \$474 million, or 5% as reported and 3% organically\*. This was mainly attributable to increased revenue from CT and MR product lines due to health systems' focus on expansion of capacity and access to care, strong performance of new product launches, and continued growth of services revenue;
- Ultrasound segment revenue increased \$469 million, or 17% as reported and 15% organically\*. This was mainly attributable to increased revenue from Women's Health, General Imaging, and Cardiovascular products, due to health systems' focus on expansion of capacity and access to care, and strong performance of our new product launches;
- PCS segment revenue decreased \$760 million, or 21% as reported and 22% organically\*. This was mainly attributable to the decrease in COVID-19 driven ventilators volume, including those produced in collaboration with Ford, and patient monitors; and
- PDx segment revenue increased \$238 million, or 13% as reported and 15% organically\*. This was mainly attributable to ongoing recovery of elective procedures as COVID-19 subsided, partially offset by revenue reduction as a result of the sale of the U.S. Radiopharmacy network product line in 2020.

The regional revenue performance was as follows:

- USCAN revenue decreased slightly by 1%. This was mainly attributable to a decrease in volume in PCS, offset by strong growth in Ultrasound and PDx segments;
- EMEA revenue decreased 3% due to a decrease in volume in PCS, partially offset by strong recovery in PDx and continued growth in Ultrasound segment;
- China region revenue increased 15%. This was mainly attributable to strong growth across all segments, as well as an increased penetration in the local manufacturing and sale of products; and
- Rest of World revenue increased 10%. This was mainly attributable to an increase in revenues in Imaging, Ultrasound, and PDx segments, partially offset by a slight decrease in PCS revenues.

\* Non-GAAP financial measure.

2020 vs. 2019

Total revenues increased \$531 million, or 3% as reported and 4% organically\* due to an increase in sales of products of \$544 million driven by higher revenues in PCS segment, partially offset by lower revenues in Imaging, Ultrasound, and PDx segments, and slight decrease in Sales of services.

The segment performance on revenue was as follows:

- Imaging segment revenue decreased \$137 million, or 2% as reported and 1% organically\*. This was mainly attributable to the impact of the COVID-19 pandemic, as MR product revenue decreased due to a delay in capital equipment purchases and installations;
- Ultrasound segment revenue decreased \$80 million, or 3% as reported and organically\*. This was mainly attributable to decreases in revenue from Women's Health and General Imaging products as the market demand declined due to COVID-19;
- PCS segment revenue increased \$952 million, or 35% as reported and organically\*. This was mainly attributable to COVID-19 drive ventilators demand, including those produced in collaboration with Ford, and patient monitors; and
- PDx segment revenue decreased \$213 million, or 11% as reported and 10% organically\*. This was mainly attributable to a market decline from deferral of elective procedures due to COVID-19 and reduction in revenue from the sale of the U.S. Radiopharmacy network in 2020.

The regional performance on revenue was as follows:

- USCAN revenue remained relatively flat. This was mainly attributable to an increase in volume in PCS, offset by declines in Imaging and PDx segment revenues;
- EMEA revenue increased 15%. This was mainly attributable to strong growth in PCS and Ultrasound, partially offset by a decline in PDx segment revenues;
- China region revenue increased 4%. This was mainly attributable to strong growth in Imaging, partially offset by declines in Ultrasound, PDx, and PCS segment revenues; and
- Rest of World revenue decreased 7%. This was mainly attributable to declines in Imaging, Ultrasound, and PDx, partially offset by strong growth in the PCS segment revenues.

### ***Operating Income and Adjusted EBIT\****

(\$ in millions)	Three months ended June 30					Six months ended June 30				
	2022	% of Total revenues	2021	% of Total revenues	% change	2022	% of Total revenues	2021	% of Total revenues	% change
Operating income . . . . .	\$631	14.1%	\$750	17.0%	(16)%	\$1,140	12.9%	\$1,416	16.3%	(19)%
Adjusted EBIT* . . . . .	\$719	16.0%	\$812	18.4%	(11)%	\$1,318	14.9%	\$1,567	18.0%	(16)%

For the three months ended June 30, 2022

Operating income decreased \$119 million or 2.9 points as a percentage of Total revenues due to the \$69 million increase in Total revenues being more than offset by the following factors:

- Total cost of revenue increased \$90 million or 1.1 points as a percentage of Total revenues primarily due to cost inflation and increase in revenues, partially offset by cost productivity and increase in pricing of our products and services. Cost of products sold increased \$113 million or 1.6 points as a

\* Non-GAAP financial measure.

percentage of Sales of products, driven by inflationary pressures in material and logistics cost and increase in product sales, partially offset by productivity benefits from engineering design improvements and cost saving actions. Cost of services sold decreased \$23 million or 0.3 point as a percentage of Sales of services due to benefits from productivity initiatives and increase in pricing of our services, partially offset by cost inflation. Included in our total cost of revenue for the three months ended June 30, 2022, as part of our product investment, was \$109 million in engineering costs for design follow-through on new product introductions and product lifecycle maintenance subsequent to the initial product launch, compared to \$89 million for the three months ended June 30, 2021; and

- Total operating expenses increased \$98 million due to higher R&D investment by \$55 million and higher SG&A expense by \$43 million due to increased investment in commercial teams and marketing programs. As a result, R&D as a percentage of Total revenues increased by 1.2 points and SG&A as a percentage of Total revenues increased by 0.7 point.

Adjusted EBIT\* and Adjusted EBIT margin\* decreased \$93 million or 2.4 points, respectively, primarily due to a \$119 million decrease in Operating income as discussed above.

*For the six months ended June 30, 2022*

Operating income decreased \$276 million or 3.4 points as a percentage of Total revenues due to the \$135 million increase in Total revenues being more than offset by the following factors:

- Total cost of revenue increased \$207 million or 1.4 points as a percentage of Total revenues primarily due to cost inflation and increase in revenues, partially offset by cost productivity. Cost of products sold increased \$276 million or 2.8 points as a percentage of Sales of products, driven by inflationary pressures in material and logistics costs and increase in product sales, partially offset by productivity benefits from engineering design improvements and cost saving actions. Cost of services sold decreased \$69 million or 1.5 points as a percentage of Sales of services, driven by benefits from productivity initiatives and increase in pricing of our services, partially offset by cost inflation. Included in our total cost of revenue for the six months ended June 30, 2022, as part of our product investment, was \$214 million in engineering costs for design follow-through on new product introductions and product lifecycle maintenance subsequent to the initial product launch, compared to \$182 million for the six months ended June 30, 2021; and
- Total operating expenses increased \$204 million due to higher R&D investment by \$104 million and higher SG&A expense by \$100 million due to increased investment in commercial teams and marketing programs. As a result, R&D as a percentage of Total revenues increased by 1.1 points and SG&A as a percentage of Total revenues increased by 0.8 point.

Adjusted EBIT\* and Adjusted EBIT margin\* decreased \$249 million or 3.1 points, respectively, due to a \$276 million decrease in Operating income as discussed above.

(\$ in millions)	Years ended December 31						2021/2020 % of change	2020/2019 % of change
	2021	% of Total revenues	2020	% of Total revenues	2019	% of Total revenues		
Operating income . . . . .	\$2,795	15.9%	\$2,720	15.8%	\$2,124	12.8%	3%	28%
Adjusted EBIT* . . . . .	\$3,172	18.0%	\$2,981	17.4%	\$2,492	15.0%	6%	20%

\* Non-GAAP financial measure.

#### 2021 vs 2020

Operating income increased \$75 million or 0.1 point as a percentage of Total revenues due to the \$421 million increase in Total revenues, as well as the following factors:

- Total cost of revenue increased \$14 million primarily due to the revenue increase from 2020 to 2021. Total cost of revenue as a percentage of Total revenues decreased by 1.4 points due to benefits from productivity mainly driven by engineering design improvements, process automation, and lean initiatives in supply chain, service, and operations, and favorable mix between products and service sales, partially offset by inflation. Cost of products sold decreased \$33 million or 1.2 points as a percentage of Sale of products driven by cost productivity, partially offset by inflation and an increase in product sales. Cost of services sold increased \$47 million due to an increase in service revenues. Cost of services sold as a percentage of services sales decreased 1.5 points due to benefits from productivity initiatives. Included in our total cost of revenue in 2021, as part of our product investment, was \$386 million in engineering costs for design follow-through on new product introductions and product lifecycle maintenance subsequent to the initial product launch, compared to \$444 million in 2020; and
- Total operating expenses increased by \$332 million due to SG&A increasing \$326 million. This was primarily driven by increased investments in commercial teams, marketing programs, including digital marketing for new products, inflation, and foreign currency changes.

Adjusted EBIT\* and Adjusted EBIT margin\* increased \$191 million and 0.7 point, respectively, due to a \$75 million increase in Operating income as discussed above, and \$62 million increase in Other (income) expense – net due to higher gains on foreign currency and commodity derivatives.

#### 2020 vs. 2019

Operating income increased \$596 million or 3.1 points as a percentage of Total revenues due to the \$531 million increase in Total revenues, as well as the following factors:

- Total cost of revenue increased \$312 million primarily due to an increase in revenues from 2019 to 2020. Total cost of revenue as a percentage of Total revenues decreased marginally due to benefits from cost productivity mainly driven by engineering design improvements, cost saving actions, and lean initiatives, partially offset by inflation and impact from unfavorable product mix and lower services sales mix within total revenues. Cost of products sold increased \$471 million and 1.1 points as a percentage of product sales, primarily driven by an increase in product sales and inflation, partially offset by cost productivity. Cost of services sold decreased \$159 million and 2.5 points as a percentage of services sales primarily driven by benefits from productivity initiatives. Included in our total cost of revenue in 2020, as part of our product investment, was \$444 million in engineering cost for product introductions and product lifecycle maintenance subsequent to the initial product launch, compared to \$426 million in 2019; and
- Total operating expenses decreased by \$377 million due to SG&A decreasing by \$354 million. This was primarily driven by benefits from restructuring actions, cost saving actions during the COVID-19 pandemic, and non-repeat of IPO-related expenses in 2019. As a result, SG&A as a percentage of Total revenues decreased by 2.7 points.

Adjusted EBIT\* and Adjusted EBIT margin\* increased \$489 million and 2.4 points, respectively, driven by a \$596 million increase in Operating income as discussed above.

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\* Non-GAAP financial measure.

**Net Income Attributable to GE HealthCare and Adjusted Net Income\***

(\$ in millions)	Three months ended June 30			Six months ended June 30		
	2022	2021	% change	2022	2021	% change
Net income attributable to GE HealthCare . . . . .	\$485	\$659	(26)%	\$874	\$1,169	(25)%
Adjusted net income* . . . . .	\$524	\$606	(14)%	\$961	\$1,159	(17)%

*For the three months ended June 30, 2022*

Net income attributable to GE HealthCare decreased \$174 million, primarily due to a \$119 million decrease in Operating income as discussed above, and a \$52 million increase in provision for income taxes primarily due to the impact of the U.K. tax rate change recognized in 2021 as discussed below. Adjusted net income\* decreased \$82 million primarily due to the decrease in Operating income as discussed above.

*For the six months ended June 30, 2022*

Net income attributable to GE HealthCare decreased \$295 million, primarily due to a \$276 million decrease in Operating income as discussed above, and a \$23 million increase in provision for income taxes primarily due to the impact of the U.K. tax rate change recognized in 2021 as discussed below. Adjusted net income\* decreased \$198 million primarily due to the decrease in Operating income as discussed above.

(\$ in millions)	Years ended December 31			2021/2020	2020/2019
	2021	2020	2019	% change	% change
Net income attributable to GE HealthCare . . . . .	\$2,247	\$13,846	\$1,524	(84)%	809%
Adjusted net income* . . . . .	\$2,347	\$ 2,121	\$1,892	11%	12%

*2021 vs. 2020*

Net income attributable to GE HealthCare decreased \$11,599 million due to the \$11,821 million decrease comprised of our BioPharma business, discontinued in 2020. For additional discussions related to our discontinued operations, see Note 18, “Discontinued Operations” to our audited combined financial statements. The decrease was partially offset by the following:

- Operating income increased \$75 million, as discussed above;
- Other (income) expense – net increased \$62 million in 2021 primarily due to higher gains on foreign currency and commodity derivatives;
- Interest and other financial charges – net decreased \$26 million in 2021 primarily due to lower interest charges from reduced factoring of receivables; and
- Provision for income taxes decreased \$52 million due to a \$77 million benefit resulting from the impact of the U.K. tax rate change, which was partially offset by income taxes on higher income before taxes. For additional detail regarding our income taxes, please see “Critical Accounting Estimates” below and Note 11, “Income Taxes” to the audited combined financial statements.

Adjusted net income\* increased \$226 million due to a \$75 million increase in Operating income, \$62 million increase in Other (income) expense – net, \$26 million lower Interest and other financial charges – net, and \$52 million lower Provision for income taxes as discussed above.

*2020 vs. 2019*

Net income attributable to GE HealthCare increased \$12,322 million as Income (loss) from discontinued operations, net of taxes increased \$11,967 million and is comprised of our Biopharma business, discontinued in

\* Non-GAAP financial measure.

2020. For additional discussions related to our discontinued operations, see Note 18, “Discontinued Operations” to our audited combined financial statements. Additionally, Net income attributable to GE HealthCare increased further due to the following factors:

- \$596 million increase in Operating income discussed above;
- Interest and other financial charges – net decreased \$22 million in 2020 primarily due to lower interest charges from reduced factoring of receivables; and
- Provision for income taxes increased \$242 million due to expense resulting from lower foreign tax credits and income taxes on higher income before taxes, partially offset by a \$40 million benefit resulting from the impact of the U.K. tax rate change. For additional detail regarding our income taxes, refer to the “Critical Accounting Estimates” section below and see Note 11, “Income Taxes” to the audited combined financial statements.

Adjusted net income\* increased \$229 million due to a \$596 million increase in Operating income, partially offset by a \$242 million increase in Provision for income taxes as discussed above.

### Results of Operations—Segments

We report our business in four reportable segments (Imaging, Ultrasound, PCS, and PDx) and we evaluate their operating performance using revenue and segment EBIT. We exclude from segment EBIT certain corporate-related expenses and certain transactions or adjustments that our Chief Operating Decision Maker (which is our Chief Executive Officer) considers to be non-operational, such as interest expenses, income tax expenses, restructuring costs, acquisition and disposition related charges, Spin-Off and separation costs, and Non-operating benefit costs, gain/loss of business dispositions/divestments, amortization of acquisition-related intangible assets, net income attributable to noncontrolling interests, Income (loss) from discontinued operations, net of taxes, and investment revaluation gain/loss. See “—Results of Operations” sections above for discussion on the performance of segments on revenue.

#### Segment EBIT

(\$ in millions)	Three months ended June 30					Six months ended June 30				
	2022	% of segment revenues	2021	% of segment revenues	% change	2022	% of segment revenues	2021	% of segment revenues	% change
<b>Operating income</b> . . . . .	<b>\$631</b>		<b>\$750</b>		<b>(16)%</b>	<b>\$1,140</b>		<b>\$1,416</b>		<b>(19)%</b>
Segment EBIT . . . . .										
Imaging . . . . .	\$306	12.5%	\$316	13.3%	(3)%	\$ 512	10.8%	\$ 598	12.9%	(14)%
Ultrasound . . . . .	220	26.6%	210	27.0%	5%	412	25.1%	417	27.1%	(1)%
PCS . . . . .	81	11.4%	84	11.6%	(5)%	146	10.2%	181	12.3%	(19)%
PDx . . . . .	115	24.1%	205	38.4%	(44)%	253	26.3%	372	36.6%	(32)%
Other <sup>(a)</sup> . . . . .	(3)		(3)			(5)		(1)		
<b>Adjusted EBIT*</b> . . . . .	<b>\$719</b>		<b>\$812</b>		<b>(11)%</b>	<b>\$1,318</b>		<b>\$1,567</b>		<b>(16)%</b>

(a) Financial information not presented within the reportable segments, shown within the Other category, represents the HealthCare Financial Services (“HFS”) business and certain other investments which do not meet the definition of an operating segment.

\* Non-GAAP financial measure.

For the three months ended June 30, 2022

- Imaging segment EBIT decreased \$10 million due to cost inflation, and increased R&D and commercial investments, partially offset by an increase in revenues, including higher pricing of our products, and cost productivity;
- Ultrasound segment EBIT increased \$10 million due to an increase in pricing of our products and cost productivity, partially offset by cost inflation and increased R&D investments;
- PCS segment EBIT decreased by \$3 million due to cost inflation, partially offset by an increase in pricing of our products and cost productivity; and
- PDx segment EBIT decreased \$90 million due to China and increased energy and logistics cost due to inflation as well as the use of incremental air shipments to minimize supply interruption.

For the six months ended June 30, 2022

- Imaging segment EBIT decreased \$86 million due to cost inflation, and increased R&D and commercial investments, partially offset by an increase in revenues, including higher pricing of our products, and cost productivity;
- Ultrasound segment EBIT decreased by \$5 million due to cost inflation and increased R&D investments, offset by an increase in pricing of our products and cost productivity;
- PCS segment EBIT decreased by \$35 million due to cost inflation partially offset by cost productivity and an increase in pricing of our products; and
- PDx segment EBIT decreased \$119 million due to China and increased energy and logistics costs.

(\$ in millions)	Years ended December 31							
	2021	% of segment revenues	2020	% of segment revenues	2019	% of segment revenues	2021/2020 % change	2020/2019 % change
<b>Operating income</b>	<b>\$2,795</b>		<b>\$2,720</b>		<b>\$2,124</b>		<b>3%</b>	<b>28%</b>
Segment EBIT								
Imaging	\$1,240	13.1%	\$1,182	13.2%	\$ 934	10.3%	5%	27%
Ultrasound	885	27.9%	640	23.7%	652	23.4%	38%	(2)%
PCS	356	12.2%	698	19.0%	263	9.7%	(49)%	165%
PDx	693	34.3%	504	28.3%	695	34.8%	38%	(27)%
Other <sup>(a)</sup>	(2)		(43)		(52)			
<b>Adjusted EBIT*</b>	<b>\$3,172</b>		<b>\$2,981</b>		<b>\$2,492</b>		<b>6%</b>	<b>20%</b>

(a) Financial information not presented within the reportable segments, shown within the Other category, represents the HealthCare Financial Services business and certain other investments which do not meet the definition of an operating segment.

2021 vs. 2020

- Imaging segment EBIT increased \$58 million due to cost productivity and increase in revenue, partially offset by cost inflation;

\* Non-GAAP financial measure.

- Ultrasound segment EBIT increased \$245 million due to strong revenue growth and cost productivity from design improvements, new products, and manufacturing operations, partially offset by increased investment in SG&A, and R&D, and cost inflation;
- PCS segment EBIT decreased \$342 million due to a decrease in revenue, cost inflation, and higher investments, partially offset by cost productivity and favorable impact from product mix; and
- PDx segment EBIT increased \$189 million due to a strong recovery in revenue and cost productivity, partially offset by increased investment in SG&A and R&D.

#### 2020 vs. 2019

- Imaging segment EBIT increased \$248 million due to cost productivity, reduction in operating expenses and favorable impact from product mix and sales of products and services mix, partially offset by a decrease in revenue and cost inflation;
- Ultrasound segment EBIT decreased \$12 million due to a decrease in revenue and inflationary pressure in material and logistics costs, partially offset by a reduction in operating expenses;
- PCS segment EBIT increased \$435 million due to a significant increase in revenue from ventilators and patient monitors, partially offset by unfavorable impact from product mix and inflationary pressure in material and logistics costs to fulfill COVID-19 demand; and
- PDx segment EBIT decreased \$191 million due to a decrease in revenue and cost inflation, partially offset by a reduction in operating expenses.

#### Non-GAAP Financial Measures

The non-GAAP financial measures presented in this Information Statement are supplemental measures of our performance and our liquidity that we believe help investors understand our financial condition and operating results and assess our future prospects. We believe that presenting these non-GAAP financial measures, in addition to the corresponding U.S. GAAP financial measures, are important supplemental measures that exclude non-cash or other items that may not be indicative of or are unrelated to our core operating results and the overall health of our company. We believe that these non-GAAP financial measures provide investors greater transparency to the information used by management for its operational decision-making and allows investors to see our results “through the eyes of management.” We further believe that providing this information assists our investors in understanding our operating performance and the methodology used by management to evaluate and measure such performance. When read in conjunction with our U.S. GAAP results, these non-GAAP financial measures provide a baseline for analyzing trends in our underlying businesses and can be used by management as one basis for financial, operational, and planning decisions. Finally, these measures are often used by analysts and other interested parties to evaluate companies in our industry.

Management recognizes that these non-GAAP financial measures have limitations, including that they may be calculated differently by other companies or may be used under different circumstances or for different purposes, thereby affecting their comparability from company to company. In order to compensate for these and the other limitations discussed below, management does not consider these measures in isolation from or as alternatives to the comparable financial measures determined in accordance with U.S. GAAP. Readers should review the reconciliations below and should not rely on any single financial measure to evaluate our business.

We define these non-GAAP financial measures as:

- **Organic revenue:** Total revenues excluding the effects of: (1) net sales from recent acquisitions and divestitures with less than a full year of comparable net sales; and (2) foreign currency exchange rate fluctuations in order to present revenue on a constant currency basis.
- **Organic revenue growth rate:** Rate of change when comparing Organic revenue, period over period.



We believe that Organic revenue and Organic revenue growth rate, by excluding the effect of acquisitions, dispositions, and foreign exchange rate fluctuations, provide management and investors with additional understanding of our core, top-line operating results and greater visibility into underlying revenue trends of our established, ongoing operations. Organic revenue and Organic revenue growth rate also provide greater insight regarding the overall demand for our products and services.

- **Adjusted EBIT:** Net income attributable to GE HealthCare excluding the effects of: (1) Interest and other financial charges – net; (2) Non-operating benefit costs; (3) Provision for income taxes; (4) Income (loss) from discontinued operations, net of taxes; (5) Net income attributable to noncontrolling interests; (6) restructuring costs; (7) acquisition, disposition related charges; (8) Spin-Off and separation costs; (9) (gain)/loss of business dispositions/divestments; (10) amortization of acquisition-related intangible assets; and (11) investment revaluation (gain)/loss. In addition, we may from time to time consider excluding other nonrecurring items to enhance comparability between periods.
- **Adjusted EBIT margin:** Non-GAAP financial measure of Adjusted EBIT divided by the U.S. GAAP financial measure Total revenues for the same period.

We believe Adjusted EBIT and Adjusted EBIT margin provide management and investors with additional understanding of our business by highlighting the results from ongoing operations and the underlying profitability factors. These metrics exclude interest expense, interest income, and tax expense, as well as unique and/or non-cash items, that can have a material impact on our results. We believe this provides additional insight into how our businesses are performing, on a normalized basis. However, Adjusted EBIT and Adjusted EBIT margin should not be construed as inferring that our future results will be unaffected by the items for which the measure adjusts.

- **Adjusted Net Income:** Net income attributable to GE HealthCare excluding (1) Non-operating benefit costs; (2) restructuring costs; (3) acquisition, disposition related charges; (4) Spin-Off and separation costs; (5) (gain)/loss of business dispositions/divestments; (6) amortization of acquisition-related intangible assets; (7) investment revaluation (gain)/loss; (8) tax effect of reconciling items (items 1-7); (9) impact of tax law changes; and (10) Income (loss) from discontinued operations, net of taxes. In addition, we may from time to time consider excluding other nonrecurring items to enhance comparability between periods.

We believe Adjusted net income provides investors with improved comparability of underlying operating results and a further understanding and additional transparency regarding how we evaluate our business. Adjusted net income also provides management and investors with additional perspective regarding the impact of certain significant items on our combined earnings. However, Adjusted net income should not be construed as inferring that our future results will be unaffected by the items for which the measure adjusts.

- **Free cash flow:** Cash from (used for) operating activities - continuing operations adjusting for the effects of (1) additions to PP&E and internal-use software; (2) dispositions of PP&E; and (3) impact of factoring programs.

We believe that Free cash flow provides management and investors with an important measure of our ability to generate cash on a normalized basis. Free cash flow also provides insight into our flexibility to allocate capital, including reinvesting in the company for future growth, paying dividends, and pursuing other opportunities that may enhance stockholder value. We believe investors may find it useful to compare Free cash flow performance without the effects of the factoring program discontinuation. The cash flow from operating activity (“CFOA”) impact from factoring programs discontinued in 2021 represents the cash that we would have otherwise collected in the period had customer receivables not been previously sold to GE in those discontinued programs.

We typically invest in PP&E over multiple periods to support new product introductions and increases in manufacturing capacity and to perform ongoing maintenance of our manufacturing and distribution operations.

We believe that while PP&E expenditures and dispositions will fluctuate period to period, we will need to maintain a material level of net PP&E spend to maintain ongoing operations and growth of the business.

Our historical Free cash flow includes interest expense associated with the internal and external factoring of current receivables and other financial charges. Interest expense associated with external debt that is currently held by GE is not currently included in the combined financial statements and related notes. Additionally, Free cash flow does not represent residual cash flows available for discretionary expenditures, due to the fact the measures do not deduct the payments required for debt repayments.

The reconciliations of each non-GAAP financial measure to the most directly comparable U.S. GAAP financial measure are provided below.

**Organic Revenue\***

(\$ in millions)	Three months ended June 30			Six months ended June 30		
	2022	2021	% change	2022	2021	% change
<b>Imaging revenues (U.S. GAAP)</b>	<b>\$2,449</b>	<b>\$2,373</b>	<b>3%</b>	<b>\$4,760</b>	<b>\$4,645</b>	<b>2%</b>
Less: Acquisitions <sup>(a)</sup>	—	—		—	—	
Less: Dispositions <sup>(b)</sup>	—	—		—	—	
Less: Foreign currency exchange	(87)	—		(130)	—	
<b>Imaging organic revenue*</b>	<b>2,536</b>	<b>2,373</b>	<b>7%</b>	<b>4,890</b>	<b>4,645</b>	<b>5%</b>
<b>Ultrasound revenues (U.S. GAAP)</b>	<b>828</b>	<b>778</b>	<b>6%</b>	<b>1,643</b>	<b>1,539</b>	<b>7%</b>
Less: Acquisitions <sup>(a)</sup>	48	—		113	—	
Less: Dispositions <sup>(b)</sup>	—	—		—	—	
Less: Foreign currency exchange	(39)	—		(60)	—	
<b>Ultrasound organic revenue*</b>	<b>819</b>	<b>778</b>	<b>5%</b>	<b>1,590</b>	<b>1,539</b>	<b>3%</b>
<b>PCS revenues (U.S. GAAP)</b>	<b>713</b>	<b>726</b>	<b>(2)%</b>	<b>1,429</b>	<b>1,472</b>	<b>(3)%</b>
Less: Acquisitions <sup>(a)</sup>	—	—		—	—	
Less: Dispositions <sup>(b)</sup>	—	—		—	—	
Less: Foreign currency exchange	(17)	—		(26)	—	
<b>PCS organic revenue*</b>	<b>729</b>	<b>726</b>	<b>0%</b>	<b>1,455</b>	<b>1,472</b>	<b>(1)%</b>
<b>PDx revenues (U.S. GAAP)</b>	<b>478</b>	<b>535</b>	<b>(11)%</b>	<b>962</b>	<b>1,014</b>	<b>(5)%</b>
Less: Acquisitions <sup>(a)</sup>	1	—		2	—	
Less: Dispositions <sup>(b)</sup>	—	—		—	—	
Less: Foreign currency exchange	(23)	—		(34)	—	
<b>PDx organic revenue*</b>	<b>500</b>	<b>535</b>	<b>(7)%</b>	<b>995</b>	<b>1,014</b>	<b>(2)%</b>
<b>Other revenues (U.S. GAAP)</b>	<b>16</b>	<b>3</b>	<b>433%</b>	<b>33</b>	<b>22</b>	<b>50%</b>
Less: Acquisitions <sup>(a)</sup>	—	—		—	—	
Less: Dispositions <sup>(b)</sup>	—	—		—	—	
Less: Foreign currency exchange	(1)	—		(1)	—	
<b>Other organic revenue*</b>	<b>17</b>	<b>3</b>	<b>467%</b>	<b>34</b>	<b>22</b>	<b>55%</b>
<b>Total revenues</b>	<b>4,484</b>	<b>4,415</b>	<b>2%</b>	<b>8,827</b>	<b>8,692</b>	<b>2%</b>
Less: Acquisitions <sup>(a)</sup>	49	—		115	—	
Less: Dispositions <sup>(b)</sup>	—	—		—	—	
Less: Foreign currency exchange	(166)	—		(252)	—	
<b>Organic revenue*</b>	<b>\$4,601</b>	<b>\$4,415</b>	<b>4%</b>	<b>\$8,964</b>	<b>\$8,692</b>	<b>3%</b>

\* Non-GAAP financial measure.

- (a) Represents revenue attributable to acquisitions from the date we completed the transaction through the end of four quarters following the transaction.  
(b) Represents revenue attributable to dispositions for the four quarters preceding the disposition date.

(\$ in millions)	Years ended December 31		2021/2020 change	Years ended December 31		2020/2019 change
	2021	2020		2020	2019	
<b>Imaging revenues (U.S. GAAP)</b> .....	<b>\$ 9,433</b>	<b>\$ 8,959</b>	<b>5%</b>	<b>\$ 8,959</b>	<b>\$ 9,096</b>	<b>(2)%</b>
Less: Acquisitions <sup>(a)</sup> .....	—	—		—	—	
Less: Dispositions <sup>(b)</sup> .....	—	—		—	—	
Less: Foreign currency exchange .....	163	—		(24)	—	
<b>Imaging organic revenue*</b> .....	<b>9,270</b>	<b>8,959</b>	<b>3%</b>	<b>8,983</b>	<b>9,096</b>	<b>(1)%</b>
<b>Ultrasound revenues (U.S. GAAP)</b> .....	<b>3,172</b>	<b>2,703</b>	<b>17%</b>	<b>2,703</b>	<b>2,783</b>	<b>(3)%</b>
Less: Acquisitions <sup>(a)</sup> .....	—	—		—	—	
Less: Dispositions <sup>(b)</sup> .....	—	—		—	—	
Less: Foreign currency exchange .....	56	—		(4)	—	
<b>Ultrasound organic revenue*</b> .....	<b>3,116</b>	<b>2,703</b>	<b>15%</b>	<b>2,707</b>	<b>2,783</b>	<b>(3)%</b>
<b>PCS revenues (U.S. GAAP)</b> .....	<b>2,915</b>	<b>3,675</b>	<b>(21)%</b>	<b>3,675</b>	<b>2,723</b>	<b>35%</b>
Less: Acquisitions <sup>(a)</sup> .....	—	—		—	—	
Less: Dispositions <sup>(b)</sup> .....	—	—		—	—	
Less: Foreign currency exchange .....	32	—		1	—	
<b>PCS organic revenue*</b> .....	<b>2,883</b>	<b>3,675</b>	<b>(22)%</b>	<b>3,674</b>	<b>2,723</b>	<b>35%</b>
<b>PDx revenues (U.S. GAAP)</b> .....	<b>2,018</b>	<b>1,780</b>	<b>13%</b>	<b>1,780</b>	<b>1,993</b>	<b>(11)%</b>
Less: Acquisitions <sup>(a)</sup> .....	19	—		36	—	
Less: Dispositions <sup>(b)</sup> .....	—	81		21	76	
Less: Foreign currency exchange .....	53	—		(10)	—	
<b>PDx organic revenue*</b> .....	<b>1,946</b>	<b>1,699</b>	<b>15%</b>	<b>1,733</b>	<b>1,917</b>	<b>(10)%</b>
<b>Other revenues (U.S. GAAP)</b> .....	<b>47</b>	<b>47</b>	<b>0%</b>	<b>47</b>	<b>38</b>	<b>24%</b>
Less: Acquisitions <sup>(a)</sup> .....	—	—		—	—	
Less: Dispositions <sup>(b)</sup> .....	—	—		—	—	
Less: Foreign currency exchange .....	2	—		—	—	
<b>Other organic revenue*</b> .....	<b>45</b>	<b>47</b>	<b>(4)%</b>	<b>47</b>	<b>38</b>	<b>24%</b>
<b>Total revenues</b> .....	<b>17,585</b>	<b>17,164</b>	<b>2%</b>	<b>17,164</b>	<b>16,633</b>	<b>3%</b>
Less: Acquisitions <sup>(a)</sup> .....	19	—		36	—	
Less: Dispositions <sup>(b)</sup> .....	—	81		21	76	
Less: Foreign currency exchange .....	308	—		(36)	—	
<b>Organic revenue*</b> .....	<b>\$17,258</b>	<b>\$17,083</b>	<b>1%</b>	<b>\$17,143</b>	<b>\$16,557</b>	<b>4%</b>

- (a) Represents revenue attributable to acquisitions from the date we completed the transaction through the end of four quarters following the transaction.  
(b) Represents revenue attributable to dispositions for the four quarters preceding the disposition date.

\* Non-GAAP financial measure.

**Adjusted EBIT\***

(\$ in millions)	Three months ended June 30,			Six months ended June 30,		
	2022	2021	% change	2022	2021	% change
<b>Net income attributable to GE</b>						
<b>HealthCare</b> .....	<b>\$ 485</b>	<b>\$ 659</b>	<b>(26)%</b>	<b>\$ 874</b>	<b>\$1,169</b>	<b>(25)%</b>
Add: Interest and other financial charges— net .....	12	9		16	24	
Add: Non-operating benefit (income) costs .....	(1)	1		(3)	1	
Less: Provision for income taxes .....	(153)	(101)		(284)	(261)	
Less: Income (loss) from discontinued operations, net of taxes .....	12	4		12	7	
Less: Net (income) loss attributable to noncontrolling interests .....	(13)	(13)		(26)	(21)	
<b>EBIT*</b> .....	<b>\$ 651</b>	<b>\$ 779</b>	<b>(16)%</b>	<b>\$1,185</b>	<b>\$1,469</b>	<b>(19)%</b>
Add: Restructuring costs <sup>(a)</sup> .....	10	21		22	59	
Add: Acquisition, disposition related charges <sup>(b)</sup> .....	14	—		29	—	
Add: Spin-Off and separation costs <sup>(c)</sup> .....	—	—		—	—	
Add: (Gain)/loss of business dispositions / divestments <sup>(d)</sup> .....	—	(9)		(3)	(4)	
Add: Amortization of acquisition-related intangible assets .....	30	23		63	45	
Add: Investment revaluation (gain)/loss <sup>(e)</sup> .....	14	—		22	(2)	
<b>Adjusted EBIT*</b> .....	<b>\$ 719</b>	<b>\$ 812</b>	<b>(11)%</b>	<b>\$1,318</b>	<b>\$1,567</b>	<b>(16)%</b>
<b>Net income margin (U.S. GAAP)</b> .....	<b>10.8%</b>	<b>14.9%</b>	<b>(4.1) points</b>	<b>9.9%</b>	<b>13.4%</b>	<b>(3.5) points</b>
<b>Adjusted EBIT margin*</b> .....	<b>16.0%</b>	<b>18.4%</b>	<b>(2.4) points</b>	<b>14.9%</b>	<b>18.0%</b>	<b>(3.1) points</b>

- (a) Consists of severance, facility closures, and other charges associated with historical restructuring programs.
- (b) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.
- (c) Costs incurred in the Spin-Off and separation from GE including system implementation, audit and advisory fees, legal entity separation, and other one-time costs.
- (d) Consists of gains and losses resulting from the sale of assets and investments.
- (e) Primarily relates to valuation adjustments for equity investments.

\* Non-GAAP financial measure.

(\$ in millions)	Years ended December 31			2021/2020 % change	2020/2019 % change
	2021	2020	2019		
<b>Net income attributable to GE HealthCare</b> . . . . .	<b>\$2,247</b>	<b>\$13,846</b>	<b>\$1,524</b>		
Add: Interest and other financial charges—net . . . . .	40	66	88		
Add: Non-operating benefit costs . . . . .	3	5	9		
Less: Provision for income taxes . . . . .	(600)	(652)	(410)		
Less: Income (loss) from discontinued operations, net of taxes . . . . .	18	11,839	(128)		
Less: Net (income) loss attributable to noncontrolling interests . . . . .	(46)	(51)	(29)		
<b>EBIT*</b> . . . . .	<b>\$2,918</b>	<b>\$ 2,781</b>	<b>\$2,188</b>	<b>5%</b>	<b>27%</b>
Add: Restructuring costs <sup>(a)</sup> . . . . .	155	134	160		
Add: Acquisition, disposition related charges <sup>(b)</sup> . . . . .	14	—	—		
Add: Spin-Off and separation costs <sup>(c)</sup> . . . . .	—	2	54		
Add: (Gain)/loss of business dispositions / divestments <sup>(d)</sup> . . . . .	(2)	3	(3)		
Add: Amortization of acquisition-related intangible assets . . . . .	90	83	92		
Add: Investment revaluation (gain)/loss <sup>(e)</sup> . . . . .	(3)	(22)	1		
<b>Adjusted EBIT*</b> . . . . .	<b>\$3,172</b>	<b>\$ 2,981</b>	<b>\$2,492</b>	<b>6%</b>	<b>20%</b>
<b>Net income margin (U.S. GAAP)</b> . . . . .	<b>12.8%</b>	<b>80.7%</b>	<b>9.2%</b>	<b>(68) points</b>	<b>72 points</b>
<b>Adjusted EBIT margin*</b> . . . . .	<b>18.0%</b>	<b>17.4%</b>	<b>15.0%</b>	<b>0.7 point</b>	<b>2.4 points</b>

- (a) Consists of severance, facility closures, and other charges associated with historical restructuring programs.
- (b) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.
- (c) Costs incurred in the Spin-Off and separation from GE as well as the planned IPO of GE's Healthcare business in 2019 including system implementation, audit and advisory fees, legal entity separation, and other one-time costs.
- (d) Consists of gains and losses resulting from the sale of assets and investments.
- (e) Primarily relates to valuation adjustments for equity investments.

\* Non-GAAP financial measure.

**Adjusted Net Income\***

(\$ in millions)	Three months ended June 30			Six months ended June 30		
	2022	2021	% change	2022	2021	% change
<b>Net income attributable to GE HealthCare</b> .....	<b>\$485</b>	<b>\$659</b>	<b>(26)%</b>	<b>\$874</b>	<b>\$1,169</b>	<b>(25)%</b>
Add: Non-operating benefit (income) costs .....	(1)	1		(3)	1	
Add: Restructuring costs <sup>(a)</sup> .....	10	21		22	59	
Add: Acquisition, disposition related charges <sup>(b)</sup> .....	14	—		29	—	
Add: Spin-Off and separation costs <sup>(c)</sup> .....	—	—		—	—	
Add: (Gain)/loss of business dispositions /divestments <sup>(d)</sup> ....	—	(9)		(3)	(4)	
Add: Amortization of acquisition-related intangible assets ...	30	23		63	45	
Add: Investment revaluation (gain)/loss <sup>(e)</sup> .....	14	—		22	(2)	
Add: Tax effect of reconciling items .....	(16)	(8)		(31)	(25)	
Less: Impact of tax law changes <sup>(f)</sup> .....	—	77		—	77	
Less: Income (loss) from discontinued operations, net of taxes .....	12	4		12	7	
<b>Adjusted net income*</b> .....	<b>\$524</b>	<b>\$606</b>	<b>(14)%</b>	<b>\$961</b>	<b>\$1,159</b>	<b>(17)%</b>

- (a) Consists of severance, facility closures, and other charges associated with historical restructuring programs.
- (b) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.
- (c) Costs incurred in the Spin-Off and separation from GE including system implementation, audit and advisory fees, legal entity separation, and other one-time costs.
- (d) Consists of gains and losses resulting from the sale of assets and investments.
- (e) Primarily relates to valuation adjustments for equity investments.
- (f) Consists of benefit from U.K. tax rate change.

(\$ in millions)	Years ended December 31			2021/2020 % change	2020/2019 % change
	2021	2020	2019		
<b>Net income attributable to GE HealthCare</b> .....	<b>\$2,247</b>	<b>\$13,846</b>	<b>\$1,524</b>	<b>(84)%</b>	<b>809%</b>
Add: Non-operating benefit costs .....	3	5	9		
Add: Restructuring costs <sup>(a)</sup> .....	155	134	160		
Add: Acquisition, disposition related charges <sup>(b)</sup> .....	14	—	—		
Add: Spin-Off and separation costs <sup>(c)</sup> .....	—	2	54		
Add: (Gains)/loss of business dispositions/ divestments <sup>(d)</sup> .....	(2)	3	(3)		
Add: Amortization of acquisition-related intangible assets .....	90	83	92		
Add: Investment revaluation (gain)/loss <sup>(e)</sup> .....	(3)	(22)	1		
Add: Tax effect of reconciling items .....	(62)	(51)	(73)		
Less: Impact of tax law changes <sup>(f)</sup> .....	77	40	—		
Less: Income (loss) from discontinued operations, net of taxes .....	18	11,839	(128)		
<b>Adjusted net income*</b> .....	<b>\$2,347</b>	<b>\$ 2,121</b>	<b>\$1,892</b>	<b>11%</b>	<b>12%</b>

- (a) Consists of severance, facility closures, and other charges associated with historical restructuring programs.

\* Non-GAAP financial measure.

- (b) Consists of legal, consulting, and other transaction and integration fees, and adjustments to contingent consideration, as well as other purchase accounting related charges and other costs directly related to the transactions.
- (c) Costs incurred in the Spin-Off and separation from GE as well as the planned IPO of GE's Healthcare business in 2019 including system implementation, audit and advisory fees, legal entity separation, and other one-time costs.
- (d) Consists of gains and losses resulting from the sale of assets and investments.
- (e) Primarily relates to valuation adjustments for equity investments.
- (f) Consists of benefit from U.K. tax rate change.

### Free Cash Flow\*

(\$ in millions)	Six months ended June 30		
	2022	2021	% change
<b>Cash from (used for) operating activities – continuing operations</b>	<b>\$ 449</b>	<b>\$1,040</b>	<b>(57)%</b>
Add: Additions to PP&E and internal-use software	(159)	(115)	
Add: Dispositions of PP&E	3	12	
Add: Impact of factoring programs <sup>(a)</sup>	—	776	
<b>Free cash flow*</b>	<b>\$ 293</b>	<b>\$1,713</b>	<b>(83)%</b>

- (a) Adjustment to present net cash flows from operating activities from continuing operations had we not factored receivables with GE's Working Capital Solutions ("WCS"). By the end of 2021, factoring of receivables with WCS was discontinued.

(\$ in millions)	Years ended December 31			2021/2020 % change	2020/2019 % change
	2021	2020	2019		
<b>Cash from (used for) operating activities – continuing operations</b>	<b>\$1,607</b>	<b>\$2,618</b>	<b>\$1,838</b>	<b>(39)%</b>	<b>42%</b>
Add: Additions to PP&E and internal-use software	(248)	(259)	(331)		
Add: Dispositions of PP&E	15	16	52		
Add: Impact of factoring programs <sup>(a)</sup>	1,453	88	341		
<b>Free cash flow*</b>	<b>\$2,827</b>	<b>\$2,463</b>	<b>\$1,900</b>	<b>15%</b>	<b>30%</b>

- (a) Adjustment to present net cash flows from operating activities from continuing operations had we not factored receivables with WCS. By the end of 2021, factoring of receivables with WCS was discontinued.

## Liquidity and Capital Resources

### Overview

Historically, our business has generated positive cash flows from operations from continuing operations. A significant majority of such cash flows was transferred to GE. We participated in GE's cash pooling arrangements to manage liquidity and fund operations, the effect of which is presented as net parent investment in our combined and condensed combined financial statements included elsewhere in this Information Statement.

Upon completion of this Spin-Off, we will cease participation in GE cash pooling arrangements and our Cash, cash equivalents, and restricted cash will be held and used solely for our own operations. Our capital structure, long-term commitments, and sources of liquidity will change significantly from our historical practices. For additional detail regarding changes to our capital structure, see "Debt" section below. Our cash balance on the date of the completion of this Spin-Off is expected to be approximately \$1.8 billion.

\* Non-GAAP financial measure.

We believe our existing cash and cash flows generated from operations and indebtedness to be incurred in conjunction with the Spin-Off discussed in detail below will be responsive to the needs of our current and planned operations for at least the next 12 months.

The following table summarizes our cash flows for the six months ended June 30, 2022, and 2021, presented:

<i>(\$ in millions)</i>	<b>Six months ended June 30</b>	
	<b>2022</b>	<b>2021</b>
Cash generated from operating activities from continuing operations . . . . .	\$ 449	\$ 1,040
Cash (used for) investing activities from continuing operations. . . . .	(185)	(145)
Cash (used for) financing activities from continuing operations. . . . .	(280)	(1,079)
Free cash flow* . . . . .	293	1,713

*Operating Activities*

Cash generated from operating activities from continuing operations was \$449 million for the six months ended June 30, 2022, and \$1,040 for the six months ended June 30, 2021.

Cash generated from operating activities in the six months ended June 30, 2022, included Net income from continuing operations of \$888 million, non-cash charges for depreciation and amortization of \$316 million, and \$755 million outflow from changes in assets and liabilities, primarily driven by an increase in inventory and higher cash taxes paid, partially offset by an increase in accounts payable.

Cash generated from operating activities in the six months ended June 30, 2021 included Net income from continuing operations of \$1,183 million, non-cash charges for depreciation and amortization of \$316 million, and \$459 million outflow from changes in assets and liabilities, primarily driven by \$776 million impact from the discontinuation of factoring programs in 2021 and an increase in inventory, partially offset by an increase in accounts payable and a decrease in current receivables excluding the effect of discontinuation of factoring programs.

*Investing Activities*

Cash used for investing activities from continuing operations was \$185 million for the six months ended June 30, 2022, included additions to PP&E and internal-use software of \$159 million related primarily to new product launches and manufacturing capacity expansion, and other investments of \$29 million partially offset by dispositions of PP&E of \$3 million. The cash invested in other investments was primarily the following investment:

- On June 21, 2022, we made an investment in Pulsion, taking a step forward in further enabling precision health. Pulsion's innovative handheld tele-ultrasound device docks with a smartphone, allowing expectant mothers to perform ultrasound self-scans at home and receive remote clinical feedback from healthcare professionals.

Cash used for investing activities from continuing operations was \$145 million for the six months ended June 30, 2021, included additions to PP&E and internal-use software of \$115 million related primarily to new product launches and manufacturing capacity expansion, and purchase of businesses of \$26 million, partially offset by dispositions of PP&E of \$12 million. The cash invested in purchase of businesses pertained to the following acquisition:

- On May 5, 2021, we acquired Zionexa, a leading innovator of in vivo oncology and neurology biomarkers that help enable more personalized healthcare. This acquisition demonstrates GE

\* Non-GAAP financial measure.



HealthCare's commitment to its precision health vision and builds additional pipelines of oncology and neurology tracers to help physicians personalize treatment.

#### *Financing Activities*

Cash used for financing activities from continuing operations of \$280 million and \$1,079 million for the six months ended June 30, 2022, and 2021, respectively, included \$225 million and \$1,050 million, respectively, of transfers to parent.

#### *Free cash flow\**

Free cash flow\* was \$293 million for the six months ended June 30, 2022, and \$1,713 million for the six months ended June 30, 2021. Free cash flow\* decreased \$1,420 million primarily due to an increase in receivables excluding the impact of factoring programs, an increase in inventory, a decrease in Net income from continuing operations, and higher cash taxes paid.

#### *Capital Expenditures*

Cash used for capital expenditures was \$159 million and \$115 million for the six months ended June 30, 2022, and six months ended June 30, 2021, respectively. Capital expenditures were primarily for manufacturing capacity expansion, equipment and tooling for new and existing products, purchased software, and internal-use software development.

The following table summarizes our cash flows for the years ended December 31, 2021, 2020, and 2019:

(\$ in millions)	Years ended December 31		
	2021	2020	2019
Cash generated from operating activities from continuing operations . . . . .	\$ 1,607	\$ 2,618	\$ 1,838
Cash (used for) investing activities from continuing operations . . . . .	(1,761)	(323)	(313)
Cash (used for) financing activities from continuing operations . . . . .	(263)	(2,166)	(1,435)
Net cash flows from (used for) discontinued operations . . . . .	—	—	—
Free cash flow* . . . . .	2,827	2,463	1,900

#### *Operating Activities*

Cash generated from operating activities from continuing operations was \$1,607 million, \$2,618 million, and \$1,838 million in 2021, 2020, and 2019, respectively.

Cash generated from operating activities in 2021 included Net income from continuing operations of \$2,275 million, non-cash charges for depreciation and amortization of \$625 million, and \$1,293 million outflow from changes in assets and liabilities, primarily driven by a \$1,453 million impact from the discontinuation of factoring programs in 2021, and an increase in inventory due to supply chain constraints, partially offset by an increase in accounts payable and a decrease in current receivables excluding the effect of discontinuation of factoring programs.

Cash generated from operating activities in 2020 included Net income from continuing operations of \$2,058 million, non-cash charges for depreciation and amortization of \$630 million, and \$70 million outflow from changes in assets and liabilities, primarily driven by higher cash taxes paid, an increase in receivables excluding the impact of factoring programs, and \$88 million impact from the discontinuation of factoring programs in 2020, partially offset by an increase in contract liabilities from higher progress collections due to COVID-19 orders.

\* Non-GAAP financial measure.

Cash generated from operating activities in 2019 included Net income from continuing operations of \$1,681 million, non-cash charges for depreciation and amortization of \$659 million, and \$502 million outflow from changes in assets and liabilities, primarily due to the impact of factoring programs, and higher inventory balances. Cash flows from operating activities from continuing operations included \$77 million of non-repeat cash outflows related to activities pertaining to the planned IPO of GE's Healthcare business.

#### *Investing Activities*

Cash used for investing activities from continuing operations was \$1,761 million, \$323 million, and \$313 million in 2021, 2020, and 2019, respectively.

Cash used for investing activities in 2021 included net cash payments of \$1,481 million for purchase of businesses, and additions to PP&E and internal-use software of \$248 million related primarily to new product launches and manufacturing capacity expansion, partially offset by dispositions of PP&E of \$15 million. The cash invested in purchase of businesses pertained to the following acquisitions:

- On December 21, 2021, we acquired BK Medical, a leader in advanced surgical visualization. The acquisition of BK Medical supports our Ultrasound segment's expansion from diagnostics into surgical and therapeutic interventions. BK Medical is a highly complementary addition to Ultrasound's business operations representing another example in delivering precision health; and
- On May 5, 2021, we acquired Zionexa, a leading innovator of *in vivo* oncology and neurology biomarkers that help enable more personalized healthcare. This acquisition demonstrates GE HealthCare's commitment to its precision health vision and builds additional pipelines of oncology and neurology tracers to help physicians personalize treatment.

Cash used for investing activities in 2020 included additions to PP&E and internal-use software of \$259 million related primarily to new product launches, manufacturing capacity expansion to fulfill COVID-19 driven demand, and net cash payments of \$78 million for purchase of businesses. The cash invested in purchase of businesses primarily pertained to the following acquisition:

- On December 30, 2020, we announced the acquisition of Prismatic Sensors AB, a Swedish start-up specializing in photon counting detectors, signifying the company's continued investment in photon counting CT technology. This technology has the potential to significantly increase clinical performance for oncology, cardiology, neurology, and many other clinical CT applications.

Cash used for investing activities in 2019 included additions to PP&E and internal-use software of \$331 million related primarily to new product launches and manufacturing capacity expansion in Imaging and Ultrasound segments.

#### *Financing Activities*

Cash used for financing activities from continuing operations was \$263 million, \$2,166 million, and \$1,435 million in 2021, 2020, and 2019, respectively. Cash used for financing activities included \$238 million, \$2,098 million, and \$1,334 million of transfers to parent in 2021, 2020, and 2019, respectively.

#### *Free cash flow\**

Free cash flow\* was \$2,827 million in 2021, \$2,463 million in 2020, and \$1,900 million in 2019. Free cash flow\* increased \$364 million in 2021 from 2020 primarily due to an increase in accounts payable, a decrease in receivables excluding the impact of factoring programs, an increase in Net income from continuing operations, partially offset by an increase in inventory due to supply chain constraints and decrease in contract liabilities.

\* Non-GAAP financial measure

Free cash flow\* increased \$563 million in 2020 from 2019 primarily due to an increase in Net income from continuing operations, an increase in contract liabilities, an improvement in inventory balances, and \$77 million of non-repeat cash outflows in 2019 related to activities of the planned IPO of GE's Healthcare business.

### *Discontinued Operations*

Cash used for operating activities from discontinued operations was \$931 million in 2020. Cash generated from operating activities from discontinued operations was \$151 million in 2019. Cash generated from investing activities from discontinued operations was \$20,309 million in 2020. Cash used for investing activities from discontinued operations was \$12 million in 2019. Cash used for financing activities from discontinued operations was \$19,378 million and \$139 million in 2020 and 2019, respectively. These cash flows resulted from the operations and sale of our Biopharma business.

### *Capital Expenditures*

Cash used for capital expenditures was \$248 million, \$259 million, and \$331 million for the years ended December 31, 2021, 2020, and 2019, respectively. Capital expenditures were primarily for manufacturing capacity expansion, equipment and tooling for new and existing products, purchased software, and internal-use software development.

### *Material Cash Requirements*

In the normal course of business, we enter into contracts and commitments that oblige us to make payments in the future. Information regarding our obligations under lease, debt, and purchase arrangements are provided in Note 7, "Leases," Note 9, "Borrowings," and Note 14, "Commitments, Guarantees, Product Warranties, and Other Loss Contingencies," respectively, to the audited combined financial statements and Note 8, "Borrowings" and Note 13, "Commitments, Guarantees, Product Warranties, and Other Loss Contingencies", respectively to the unaudited condensed combined financial statements contained elsewhere in this Information Statement. Additionally, we have material cash requirements related to our pension obligations as described in Note 10, "Postretirement Benefit Plans," to the audited combined financial statements and Note 9, "Postretirement Benefit Plans," to the unaudited condensed combined financial statements.

### *Debt*

We have historically relied, via GE, on the debt capital markets to fund a significant portion of our operations. We plan to continue to rely on capital markets, and we expect to have access to credit facilities to fund operations. The cost and availability of debt financing will be influenced by our future credit ratings and market conditions.

As part of our capital structure, we expect to have debt. The servicing of this debt will be supported, in part, by cash flows from our existing operations.

We expect to incur indebtedness in an aggregate principal amount of approximately \$10.2 billion, consisting of term loans and senior notes, expected to be issued in connection with the Spin-Off. We expect that we may issue certain amounts of such indebtedness directly to GE, as partial consideration for certain assets contributed to us in connection with the Spin-Off, and that GE will exchange such indebtedness for an equivalent principal amount of GE's indebtedness. In addition, we expect to make a cash distribution of from the balance of debt issuance proceeds to GE concurrently with the Spin-Off, with the remaining proceeds to be held by the Company in cash and cash equivalents. We expect that GE will use the proceeds of such indebtedness to pay off GE obligations. We also intend to enter into \$3.5 billion of committed credit facilities, however, the facilities are not expected to be utilized at the closing of the Spin-Off. The terms of such indebtedness are subject to change and will be finalized prior to the closing of the Spin-Off. We expect to begin operations as an independent company

with approximately \$1.8 billion of Cash, cash equivalents, and restricted cash as set forth under “Capitalization.” We believe that our financing arrangements, future cash from operations, and access to capital markets will provide adequate resources to fund our future cash flow needs.

### **Recently Issued Accounting Pronouncements**

For a discussion of recently issued accounting standards, see Note 2, “Summary of Significant Accounting Policies” to the audited combined financial statements appearing elsewhere in this Information Statement.

### **Critical Accounting Estimates**

Our financial results are affected by the selection and application of accounting policies and methods. We have adopted accounting policies to prepare our combined financial statements in conformity with U.S. GAAP.

To prepare our combined financial statements in accordance with U.S. GAAP, management makes estimates and assumptions that may affect the reported amounts of our assets and liabilities, including our contingent liabilities, as of the date of our financial statements and the reported amounts of our revenues and expenses during the reporting periods. Our actual results may differ from these estimates. We consider estimates to be critical (i) if we are required to make assumptions about material matters that are uncertain at the time of estimation or (ii) if materially different estimates could have been made or it is reasonably likely that the accounting estimate will change from period to period. The following are areas considered to be critical and require management’s judgment: Revenue Recognition, Business Combination Related Measurements, Pensions, and Income Taxes.

See Note 2, “Summary of Significant Accounting Policies” to the audited combined financial statements included elsewhere in this Information Statement for further information on our significant accounting policies.

### ***Revenue Recognition***

Our revenues are recorded based on the consideration specified in customer contracts net of any sales incentives, discounts, returns, chargebacks, group purchasing organization fees, rebates, or credits, which are accounted for as estimated variable consideration. Our estimates for these deductions are based upon historical experience and consider current and forecasted market trends. We record the estimated amounts as a reduction to revenue when we recognize the related product or service sale.

Chargebacks are a form of variable consideration that occur when a contracted customer purchases through an intermediary wholesaler. The contracted customer generally purchases product from the wholesaler at its contracted price plus a mark-up. The wholesaler, in turn, charges us back for the difference between the price initially paid by the wholesaler and the contract price paid to the wholesaler by the contracted customer. A provision for chargebacks is recorded at the time we recognize revenue from the sale to the wholesaler and requires certain estimates such as the wholesaler chargeback rates, the expected sell-through levels by our wholesale customers to contracted customers, as well as estimated wholesaler inventory levels.

The amounts of variable consideration included in the net transaction price for revenue recognition is limited to the amount that is estimated to be probable of occurrence to avoid a material revenue reversal in a future period. See Note 3, “Revenue Recognition” to the audited combined financial statements included elsewhere in this Information Statement for further information on revenue recognition.

### ***Business Combination Related Measurements***

Our financial statements include the operations of an acquired business starting from the completion of the combination. The assets acquired and liabilities assumed, including any contingent consideration we may be

liable to pay in the future, are recorded on the date of the business combination at their respective estimated fair values, with any excess of the purchase price over the estimated fair values of the net assets acquired recorded as goodwill. Our business combinations typically result in the recognition of goodwill, developed technology, and other intangible assets, which affect the amount of future period amortization expense. The fair values of acquired intangible assets and liabilities are determined using information available at the business combination date based on estimates and assumptions that are deemed reasonable. Significant assumptions vary by the class of asset or liability and the valuation technique used and can include the discount rates, timing, and probability of achieving regulatory and commercialization milestones and certain assumptions that form the basis of the forecasted results of the acquired business including revenue, earnings before interest, taxes, depreciation and amortization, growth rates, royalty rates, and technology obsolescence rates. These assumptions are forward looking and could be affected by future economic and market conditions. We engage third-party valuation specialists who review our critical assumptions and prepare the calculations of the fair value of acquired intangible assets in connection with significant business combinations.

In-process research and development (“IPR&D”) acquired as part of a business combination is initially capitalized at fair value when acquired and considered an indefinite-lived intangible asset and is subject to an annual impairment test. Determining whether an impairment loss occurred for indefinite-lived intangible assets involves calculating the fair value of the indefinite-lived intangible assets and comparing the fair value to the carrying value. If the fair value is less than the carrying value, the difference is recorded as an impairment loss. When the IPR&D project is complete, the asset is considered a finite-lived intangible asset and would be subject to a final impairment test at that date. Thereafter, the IPR&D asset is amortized over its estimated useful life and would be subject to impairment assessments in the same manner as all amortizing intangible assets.

See Note 8, “Acquisitions, Goodwill, and Other Intangible Assets” to the audited combined financial statements included elsewhere in this Information Statement for further information on our business combinations.

### ***Pensions***

We engage third-party actuaries to assist in the determination of pension obligations and related plan costs. We develop significant long-term assumptions including discount rates and the expected rate of return on assets in connection with our pension accounting. We recognize differences between the expected long-term return on plan assets, the actual return, and net actuarial gains and losses for the pension plan liabilities annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement within the combined statements of comprehensive income.

To determine the expected long-term rate of return on pension plan assets, we consider current and target asset allocations, as well as historical and expected returns on various categories of plan assets. In developing future long-term return expectations for our principal benefit plans’ assets, we formulate views on the future economic environment, both in the U.S. and abroad. We evaluate general market trends and historical relationships among a number of key variables that impact asset class returns such as expected earnings growth, inflation, valuations, yields, and spreads, using both internal and external sources. We also consider expected volatility by asset class and diversification across classes to determine expected overall portfolio results given current and target allocations.

See Note 10, “Postretirement Benefit Plans” to the audited combined financial statements included elsewhere in this Information Statement for further information on our postretirement benefit plans.

### ***Income Taxes***

GE HealthCare is included in the combined U.S. federal, state, and foreign income tax returns of GE, where eligible. However, we have adopted the separate return approach for purposes of our combined financial

statements. The income tax provisions and related deferred tax assets and liabilities reflected in our combined financial statements have been estimated as if we were a separate taxpayer.

Our annual tax expense is based on our income, statutory tax rates, and tax incentives available to us in the various jurisdictions in which we operate. Changes in existing tax laws or rates could significantly impact the estimate of our tax liabilities. Deferred tax assets represent amounts available to reduce income taxes payable on taxable income in future years. Such assets arise because of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from net operating loss and tax credit carryforwards. We evaluate the recoverability of these future tax deductions and credits by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings, and available tax planning strategies. These sources of income rely heavily on estimates; we use our historical experience as well as our short- and long-range business forecasts to provide insight.

Significant judgment is required in determining our tax expense and in evaluating our tax positions, including evaluating uncertainties. We recognize tax benefits from uncertain tax positions only if we believe that it is more likely than not that the tax position will be sustained on examination by the relevant taxing authorities based on the technical merits of the position. Our policy is to adjust these reserves when facts and circumstances change, such as the settlement or effective settlement of positions with the relevant taxing authorities. We have provided for the amounts we believe will ultimately result from these changes; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. Such differences will be reflected as increases or decreases to income tax expense in the period in which they are determined.

See Note 11, “Income Taxes” to the audited combined financial statements included elsewhere in this Information Statement for further information on income taxes.

### **Quantitative and Qualitative Disclosure About Market Risk**

We are exposed to market risk primarily from changes in interest rates and foreign currency exchange rates, which may impact future income, cash flows, and fair value of our business. In certain situations, we may seek to reduce cash flow volatility associated with changes in interest rates and foreign currency exchange rates by entering into financial arrangements intended to provide a hedge against a portion of the risks associated with such volatility. We continue to have exposure to such risks to the extent they are not hedged. We enter into derivative financial arrangements to the extent they meet the objective described above, and we do not use derivatives for trading or speculative purpose.

### ***Foreign Exchange Risk***

As a result of our global operations, we generate and incur a significant portion of our revenues and expenses in currencies other than the U.S. Dollar. Such principal currencies include the Euro, the Chinese Yuan, the Japanese Yen, the Norwegian Krone, and the British Pound Sterling, among others. The results of operating entities reported in currencies other than the U.S. Dollar are translated to the U.S. Dollar at the applicable exchange rate for inclusion in our audited combined and condensed combined financial statements.

We use a number of techniques to manage the effects of currency exchange, including hedging of significant currency exposures. We use cash flow hedging primarily to reduce or eliminate the effects of foreign exchange rate changes on purchase and sale contracts and economic hedges (which are not designated as hedges from an accounting standpoint) when we have exposures to currency exchange risk for which we are unable to meet the requirements for hedge accounting. In economic hedges, the hedging derivative impact is fully recognized in earnings in current periods. In cash flow hedges, the effective portion of the hedging derivative is offset in separate components of equity and ineffectiveness is recognized in earnings. As a result of the above mitigating activities, we have been able to significantly reduce financial impact volatility from currency fluctuations.

The foreign currency effect arising from operating activities outside of the U.S., including the remeasurement of derivatives, can result in significant transactional foreign currency fluctuations at points in time, but generally will be offset as the underlying hedged item is recognized in earnings. The global nature of our customer base and manufacturing footprint allows for the natural offset of certain income and costs denominated in foreign currencies. The effects of foreign currency fluctuations, excluding the earnings impact of the underlying hedged items, had an immaterial impact on Net income in 2021.

See Note 13, “Derivatives and Hedging” to the audited combined financial statements and Note 12, “Derivatives and Hedging” to the unaudited condensed combined financial statements for further information about our risk exposures, our use of derivatives, and the effects of this activity on our combined financial statements.

### ***Interest Rate Risk***

We are exposed to market risks in the ordinary course of our business. The level of our interest rate risk is dependent on our debt exposure and is sensitive to changes in the general level of interest rates. Historical fluctuations in interest rates have not been significant for us; however, this may vary in the future as our capital structure changes.

### ***Commodity Risk***

We rely upon supplies of certain raw materials including helium, iodine, and rare earth minerals. Worldwide demand, availability, and pricing of these raw materials have been volatile, and we expect that availability and pricing will continue to fluctuate in the future. If supply of these materials is restricted or if prices increase, this could constrain our manufacturing of affected products, reduce our profit margins, or otherwise adversely affect our business, our customers, and patients that may rely on our products.

Similarly, commodities and energy prices are subject to significant volatility. If the cost of certain commodities or energy, shipping, or transportation increases and we are unable to pass along these costs to our customers, our profit margins would be adversely affected. Furthermore, increasing our prices to our customers could result in long-term sales declines or loss of market share if our customers find alternative suppliers, which could have a material adverse effect on our results of operations.

Disruptions in deliveries, capacity constraints, production disruptions up- or down-stream, price increases, or decreased availability of raw materials or commodities, including as a result of war, natural disasters, climate change related physical and transitional risks, actual or threatened public health emergencies, or other business continuity events, adversely affect our operations and, depending on the length and severity of the disruption, can limit our ability to meet our commitments to customers or significantly impact our operating profit or cash flows.

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\* Non-GAAP financial measure.

## MANAGEMENT

The following table presents the names, ages (as of the date of this Information Statement), and positions of our executive officers and directors following the Spin-Off.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Peter J. Arduini . . . . .	58	President, Chief Executive Officer, and Director
Helmut Zodl . . . . .	50	Chief Financial Officer
George A. Newcomb . . . . .	55	Chief Accounting Officer
Frank R. Jimenez . . . . .	57	General Counsel and Corporate Secretary
Betty D. Larson . . . . .	46	Chief People Officer
Jan Makela . . . . .	53	CEO, Imaging
Kevin M. O’Neill . . . . .	53	CEO, Pharmaceutical Diagnostics
Roland Rott . . . . .	51	CEO, Ultrasound
Thomas J. Westrick . . . . .	54	CEO, Patient Care Solutions
H. Lawrence Culp, Jr. . . . .	59	Chairman
Rodney F. Hochman . . . . .	67	Director
Lloyd W. Howell, Jr. . . . .	56	Director
Catherine Lesjak . . . . .	63	Director
Anne T. Madden . . . . .	58	Director
Tomislav Mihaljevic . . . . .	58	Director
Risa Lavizzo-Mourey . . . . .	68	Director
William J. Stromberg . . . . .	62	Director
Phoebe L. Yang . . . . .	53	Director

### Executive Officers

The following are brief biographies describing the backgrounds of our executive officers following the Spin-Off.

**Peter J. Arduini.** Mr. Arduini has been the President and Chief Executive Officer of GE’s healthcare business since January 2022 and will be appointed as our President and Chief Executive Officer in connection with the Spin-Off. Previously, Mr. Arduini was the President and Chief Executive Officer of Integra LifeSciences from 2012 to 2021. During his tenure as CEO, the Integra portfolio evolved significantly to a faster growing and more profitable company through multiple acquisitions and a sustainable research and development pipeline. Prior to Integra, Mr. Arduini worked at Baxter Healthcare as President of its Medication Delivery division. Before Baxter Healthcare, he spent 15 years at GE’s Healthcare business in a variety of leadership roles in the United States and globally, including leading the Computed Tomography and Molecular Imaging business, Healthcare Services and U.S. sales. Mr. Arduini serves on several boards including Bristol-Myers Squibb Company (NYSE: BMY), where he serves on the compensation and management development committee and the science and technology committee, Advanced Medical Technology Association, and the National Italian American Foundation. He also serves on the Board of Trustees of Susquehanna University. Mr. Arduini has a bachelor’s degree in marketing from Susquehanna University and a master’s degree in management from Northwestern University’s Kellogg School of Management.

**Helmut Zodl.** Mr. Zodl has served as the Chief Financial Officer of GE’s healthcare business since February 2021 and will be appointed as our Chief Financial Officer in connection with the Spin-Off. From October 2019 to January 2021, Mr. Zodl served as Group CFO at Midea, a global technology company specializing in air treatment, consumer appliances, and industrial automation. Prior to that, he was Senior Vice President Finance of Advance Auto Parts since 2017. Mr. Zodl held a variety of senior finance and operational leadership roles in technology companies Lenovo (acquired IBM’s Personal Computer business in 2005) and IBM for more than 17 years combined. He started his professional career with auditors PricewaterhouseCoopers. He is an independent



board member and chairman of the audit committee of KUKA AG (Börse Frankfurt: KUKA), one of the world's leading suppliers of robotics and intelligent automation solutions. Mr. Zodl has a degree in economics and information technology from the Technical University of Vienna.

**George A. Newcomb.** Mr. Newcomb has served as the Global Controller of GE's healthcare business since February 2016 and will be appointed as our Chief Accounting Officer in connection with the Spin-Off. Since 1996, Mr. Newcomb has held a variety of finance leadership roles at GE Capital, including as Capital Planning and Finance Readiness Leader of GE Capital Americas ("GECA") from July 2014 to February 2016, Controller of GECA from June 2012 to June 2014, and Chief Financial Officer roles at Bank BPH, GE Capital Equipment Finance, and GE Capital Healthcare Financial Services. Prior to GE Capital, he was a Senior Tax Manager at Arthur Andersen. Mr. Newcomb has a bachelor's degree in accounting from the Pennsylvania State University and an M.B.A. from New York University's Stern School of Business. He is a licensed CPA in the state of Pennsylvania.

**Frank R. Jimenez.** Mr. Jimenez has been the General Counsel of GE's healthcare business since February 2022 and will be appointed as our General Counsel and Corporate Secretary in connection with the Spin-Off. Previously, Mr. Jimenez served as General Counsel of Raytheon Company (and, following Raytheon's merger with United Technologies Corporation, of Raytheon Technologies Corporation) from January 2015 to December 2021. In prior corporate positions, Mr. Jimenez served as General Counsel of Bunge Limited, ITT Corporation, and ITT spin-off Xylem Inc. In prior public service positions, Mr. Jimenez served as General Counsel of the Navy, Deputy General Counsel of the U.S. Department of Defense, Principal Deputy General Counsel of the Navy, Chief of Staff at the U.S. Department of Housing and Urban Development, and Deputy Chief of Staff and Acting General Counsel for former Florida Governor Jeb Bush. He was previously a litigation partner at Squire Patton Boggs (f/k/a Steel Hector & Davis). Mr. Jimenez serves on the boards of Huntington Ingalls Industries (NYSE: HII), where he serves on the compensation committee and the governance and policy committee, Equal Justice Works and the Yale Law School Fund, and the advisory boards of the Columbia University Mailman School of Public Health, the Yale Law School Center for the Study of Corporate Law, the University of Miami Herbert Business School, and the National Security Institute of the Antonin Scalia Law School at George Mason University. He has a bachelor's degree from the University of Miami, a J.D. from Yale Law School, an M.B.A. from the University of Pennsylvania's Wharton School, and a master's degree from the U.S. Naval War College.

**Betty D. Larson.** Ms. Larson has served as the Chief People Officer of GE's healthcare business since February 2022 and will be appointed as our Chief People Officer in connection with the Spin-Off. Previously, she was EVP & Chief Human Resources Officer at Becton, Dickinson and Company ("BD") responsible for HR, Communications and Social Investing since June 2018. Prior to that role, Ms. Larson served since September 2014 as Chief Human Resources Officer for C.R. Bard, Inc., a leading medical technology company in the fields of vascular, urology and surgical specialty products, which was acquired by BD in 2017. She started her career at Baxter International, where she held a variety of leadership roles during her 16-year tenure. Ms. Larson currently serves on the board of directors for Baxter Credit Union. She previously served on the board of directors of the Overlook Hospital Foundation, Summit Speech School, and the United Way of Lake County. Ms. Larson has a bachelor's degree in psychology and a master's degree in human resources from the University of Illinois, and an M.B.A. from Northwestern University.

**Jan Makela.** Mr. Makela has served as Chief Executive Officer, Imaging of GE's healthcare business since 2020 and will be appointed as our Chief Executive Officer, Imaging in connection with the Spin-Off. Mr. Makela previously served as President and CEO, Global Services of GE's healthcare business from December 2017 to early 2020, where he oversaw the global development and execution of the service solutions and operations of GE's healthcare business. From 2010 to 2013, he served as Chief Operations Officer for the European region. From 2013 to 2017, Mr. Makela worked in the Life Sciences division of GE's healthcare business as the General Manager of its BioProcess business, and from 2013 to 2015 as General Manager of Core Imaging business, now called PDx. Mr. Makela joined GE Capital in 2000 and moved to GE's healthcare business in 2007 to lead the Diagnostic Imaging Services division across Northern Europe. Mr. Makela began his career in engineering and

production management with M&M/Mars Inc., followed by leadership roles at A.T. Kearney management consultants before joining GE. He has a bachelor's degree in engineering and a master's degree in manufacturing engineering, both from the University of Cambridge.

**Kevin M. O'Neill.** Mr. O'Neill has served as Chief Executive Officer, Pharmaceutical Diagnostics of GE's healthcare business since 2017 and will be appointed as our Chief Executive Officer, Pharmaceutical Diagnostics in connection with the Spin-Off. Mr. O'Neill has also served as President and CEO, GE Ireland and U.K. since 2018. Prior to that, he was the Chief Financial Officer of the Life Sciences division of GE's healthcare business since August 2013. Mr. O'Neill has over 20 years of experience with GE, beginning in the Energy services business in the U.K. and U.S. This was followed by a series of CFO roles in GE's healthcare business, including in the Life Sciences, Supply Chain, Western Europe and the PDx business. Prior to joining GE, Mr. O'Neill was Financial Controller for Eurostar, the European high-speed train operator. He has an M.B.A from City University, London and is a Fellow of the Chartered Institute of Management Accountants.

**Roland Rott.** Mr. Rott has served as Chief Executive Officer, Ultrasound of GE's healthcare business since 2021 and will be appointed as our Chief Executive Officer, Ultrasound in connection with the Spin-Off. Mr. Rott joined GE's healthcare business in 2011 and has held several leadership roles including the global Women's Health Ultrasound and Ultrasound IT segments as well as Maternal Infant Care. Before joining GE, Mr. Rott was Managing Director, EMEA & APAC and Executive Board Member of the then Euronext listed ERP Software group Exact Holding, Netherlands. In his early career he had an entrepreneurial start, founding and successfully exiting two software companies in Austria. Mr. Rott holds a HTL-engineering degree and diploma in Information Technology & Organization from the Higher Federal Technical Institute Leonding, Austria, which he passed with distinction. He also completed several senior executive programs in strategy, innovation and artificial intelligence at London Business School, Stanford University, and UC Berkeley.

**Thomas J. Westrick.** Mr. Westrick has served as Chief Executive Officer, Patient Care Solutions of GE's healthcare business since 2020 and will be appointed as our Chief Executive Officer, Patient Care Solutions in connection with the Spin-Off. Previously he led the Global Quality, Medical, Regulatory Affairs and Global Research organization for GE's healthcare business from January 2016 to September 2020. Mr. Westrick joined GE's healthcare business in 2003 as Global Controller and Chief Accounting Officer. He was also named Chief Risk Officer in 2010 and was responsible for leading a comprehensive enterprise risk management program. Prior to joining GE's healthcare business, Mr. Westrick spent 13 years in public accounting with Arthur Andersen LLP and Deloitte & Touche LLP in the audit and consulting practice serving a variety of complex global companies. He currently serves on the Dean's Advisory Board for the Wisconsin School of Business. Mr. Westrick has a bachelor's degree in accounting, risk management, and insurance from the University of Wisconsin-Madison.

## **Board of Directors**

Prior to completion of the Spin-Off, we intend to appoint the following director nominees to our Board.

**Peter J. Arduini.** Mr. Arduini's biographical information is set forth above. As our Chief Executive Officer and with many years of experience leading organizations that provide healthcare products and services, Mr. Arduini has extensive knowledge of the industry and is uniquely qualified to understand the opportunities and challenges facing our business.

**H. Lawrence Culp, Jr.** Mr. Culp will be appointed as our Chairman in connection with the Spin-Off. Mr. Culp has served as the Chairman and Chief Executive Officer of GE since October 2018, leading GE's transformation to become a more focused, simpler and stronger high-tech industrial company. He has also served as Chief Executive Officer of GE Aerospace since June 2022. Prior to joining GE, Mr. Culp served as the President and CEO of Danaher Corporation (NYSE: DHR) from 2000 to 2014. During his tenure, Danaher increased both its revenues and its market capitalization five-fold. Mr. Culp is a member and the immediate past

chair of the Board of Visitors and Governors of his alma mater, Washington College, and also serves on the Wake Forest University Board of Trustees. Previously he was also a Senior Lecturer at Harvard Business School. Mr. Culp has an undergraduate degree in economics from Washington College and an M.B.A. from Harvard Business School. We believe that Mr. Culp's significant leadership and executive management experience within GE make him well-qualified to serve as our Chairman.

**Rodney F. Hochman.** Dr. Hochman will be appointed to our Board in connection with the Spin-Off. Since 2016, Dr. Hochman has served as the President and CEO of Providence, a Catholic not-for-profit health system. From 2013 to 2016, he served as the President and CEO of Providence Health & Services, Inc., which merged with St. Joseph Health to form Providence St. Joseph Health (now Providence) in 2016. Before that, he served as the President and CEO of Swedish Medical Center from 2007 to 2012. From 1998 to 2007, Dr. Hochman held various leadership roles within the Sentara Health System. Dr. Hochman has served as a non-executive director of Diversey Holdings, Ltd. (Nasdaq: DSEY) since 2021. He served as a clinical fellow in internal medicine at Harvard Medical School and Dartmouth Medical School. In addition, Dr. Hochman is a Fellow of the American College of Physicians and a Fellow of the American College of Rheumatology. He is a past chair of both the American Hospital Association and Catholic Health Association boards of trustees. Dr. Hochman has a bachelor's degree and an M.D. degree from Boston University. We believe Dr. Hochman is well-qualified to serve on our Board because of his extensive leadership experience and healthcare knowledge.

**Lloyd W. Howell, Jr.** Mr. Howell will be appointed to our Board in connection with the Spin-Off. Since 2016, Mr. Howell has served as the Chief Financial Officer and Treasurer of Booz Allen Hamilton Holding Company ("Booz Allen"). During his more than 34 years at Booz Allen, Mr. Howell has held a variety of leadership roles. From 2013 to 2016, he led Booz Allen's Civil Commercial Group. Prior to that, he held the position of EVP, Client Services Office from 2009 to 2013. Before Booz Allen became a public company, he served for two years on Booz Allen's board. Mr. Howell has served on the board of directors of Moody's Corporation (NYSE: MCO) since 2021, where he serves on the audit, governance and nominating committee, and human resources committee. Previously he served on the board of directors of Integra LifeSciences Corporation (Nasdaq: IART) from 2013 until 2021, where he served on the audit and finance committees. Mr. Howell has a B.S. degree in Electrical Engineering from the University of Pennsylvania and an M.B.A. from Harvard Business School. We believe Mr. Howell is well-qualified to serve on our Board because of his significant leadership and business experience.

**Catherine Lesjak.** Ms. Lesjak will be appointed to our Board in connection with the Spin-Off. Ms. Lesjak held a broad range of financial leadership roles over a 32-year career at HP Inc. (formerly Hewlett-Packard Company) ("HP"), from where she retired in 2019. Most recently, from July 2018 until March 2019, she was the interim chief operating officer of HP. From January 2007 to November 2015, Ms. Lesjak was executive vice president and chief financial officer of HP and from November 2015 to July 2018 she was chief financial officer. Ms. Lesjak served as interim chief executive officer of HP from August 2010 through November 2010. Before being named as chief financial officer, Ms. Lesjak served as senior vice president and treasurer of HP. Earlier in her career at HP, she managed financial operations for Enterprise Marketing and Solutions and the Software Global Business Unit. Ms. Lesjak serves on the board of directors of General Electric Company (NYSE: GE), where she serves on the audit and governance & public affairs committees, SunPower (Nasdaq: SPWR), where she serves as chair of the audit committee and a member of the compensation committee, and PROS Holdings, Inc. (NYSE: PRO), where she serves as chair of the audit committee and as a member of the nominating and corporate governance committee. She has a bachelor's degree in biology from Stanford University and an M.B.A. in finance from the University of California, Berkeley. We believe Ms. Lesjak is well-qualified to serve on our Board because of her significant leadership experience and financial expertise.

**Anne T. Madden.** Ms. Madden will be appointed to our Board in connection with the Spin-Off. Since October 2017, Ms. Madden has served as Senior Vice President and General Counsel at Honeywell International Inc. ("Honeywell"). Prior to that, Ms. Madden was Vice President, Corporate Development and Global Head of M&A at Honeywell for sixteen years. During her tenure, Honeywell made approximately 100 acquisitions,

representing approximately \$15 billion in revenues and divested approximately 70 businesses, representing close to \$9 billion of non-core revenues. Ms. Madden joined AlliedSignal, Honeywell's predecessor, in 1996 as General Counsel of Fluorine Products and, later that year, became Vice President and General Counsel of Specialty Chemicals and then Vice President and Deputy General Counsel of Performance Materials and Technologies. Earlier in her career, Ms. Madden worked at Shearman & Sterling and KPMG. She serves on the board of directors of Quantinuum, a subsidiary of Honeywell. Ms. Madden has an A.B. in English and American Literature from Brown University, an M.S. in Accounting and M.B.A. in Finance from the NYU Stern School of Business, and a J.D. from the Fordham University School of Law. We believe Ms. Madden is well-qualified to serve on our Board because of her significant legal and business experience.

**Tomislav Mihaljevic.** Dr. Mihaljevic will be appointed to our Board in connection with the Spin-Off. Since January 2018, Dr. Mihaljevic has served as the CEO and President of Cleveland Clinic, a global integrated healthcare system. From 2015 to 2017, Dr. Mihaljevic served as CEO of Cleveland Clinic Abu Dhabi ("CCAD"), the first U.S. multi-specialty hospital to be replicated outside of North America. From 2011 to 2015, he was Chief of Staff and Chairman of the Heart & Vascular Institute at CCAD, leading the recruitment, hiring, and training of the new hospital's workforce. Dr. Mihaljevic joined Cleveland Clinic in 2004 as a surgeon in the Department of Thoracic and Cardiovascular Surgery. He is the co-chairman of the board of directors of the U.S.-UAE Business Council, a member of the East Coast Executive Summit, a member of the board of trustees of the Musical Arts Association, and a director on the boards of OneTen, the Greater Cleveland Partnership, and the United Way of Greater Cleveland. Dr. Mihaljevic is a member of the board of directors of General Electric Company (NYSE: GE), where he serves on the governance & public affairs committee. Dr. Mihaljevic has a medical degree from the Medical School, University of Zagreb, Croatia. He trained at the University of Zurich, Switzerland, and did residencies in general and cardiovascular surgery at Brigham and Women's Hospital and Boston Children's Hospital. We believe Dr. Mihaljevic is well-qualified to serve on our Board because of his significant leadership experience and healthcare knowledge.

**Risa Lavizzo-Mourey.** Dr. Lavizzo-Mourey will be appointed to our Board in connection with the Spin-Off. Dr. Lavizzo-Mourey was a professor at the University of Pennsylvania from 1986 until 2021, serving as the Robert Wood Johnson Foundation Professor of Health Equity and Health Policy from 2018 to 2021. From 2003 to 2017, Dr. Lavizzo-Mourey was the Chief Executive Officer of the Robert Wood Johnson Foundation, where she spearheaded initiatives to reverse the childhood obesity epidemic, create an affordable and inclusive healthcare system, and address social factors associated with adverse health impacts. She also has extensive government experience in a wide range of roles from 1985 to 1998, including as a Co-Chair of the White House Health Care Reform Task Force and as an Advisory Committee Member on the President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry. Dr. Lavizzo-Mourey has been on the board of directors of Better Therapeutics, Inc. (Nasdaq: BTTX) since 2021, where she serves on the compensation committee, on the board of directors of Intel (NYSE: INTC) since 2018, where she is chair of the corporate governance and nominating committee and a member of the audit and finance committee and the compensation committee, on the board of directors of Merck (NYSE: MRK) since 2020, where she is a member of the compensation and management development committee and the research committee, and on the board of directors of General Electric (NYSE: GE) since 2017, where she sits on the governance & public affairs committee. Dr. Lavizzo-Mourey has a B.S. from the State University of New York, Stony Brook, an M.D. from Harvard University, and an M.B.A. from the University of Pennsylvania. We believe Dr. Lavizzo-Mourey is well-qualified to serve on our Board because of her extensive leadership experience and healthcare knowledge.

**William J. Stromberg.** Mr. Stromberg will be appointed to our Board in connection with the Spin-Off. Since 2016, Mr. Stromberg has been a director of the T. Rowe Price Group, Inc. ("Price Group") and has served as the non-executive chair of the Price Group board since 2021. He served as the chief executive officer of Price Group from 2016 to 2021, and was its president from 2016 to February 2021. Prior to that, Mr. Stromberg was the Price Group's Head of Equity from 2009 to 2015, and the Head of U.S. Equity from 2006 to 2009. Earlier in his career at Price Group, he served as a Director of Equity Research and as a portfolio manager. Before joining the Price Group in 1987, he was employed by Westinghouse Defense as a systems engineer. Mr. Stromberg is a member of

the board of trustees of Johns Hopkins University and the Whiting School of Engineering Advisory Council. He previously served nine years on the Catholic Charities Board of Trustees, with two years as board president. Mr. Stromberg has a B.A. from Johns Hopkins University and an M.B.A. from the Tuck School of Business at Dartmouth. He also has earned the Chartered Financial Analyst designation. We believe Mr. Stromberg is well-qualified to serve on our Board because of his extensive leadership and business experience.

**Phoebe L. Yang.** Ms. Yang will be appointed to our Board in connection with the Spin-Off. Ms. Yang was the General Manager at Amazon Web Services, Healthcare between 2020 and 2022. Prior to this role, she was at Ascension, where she served as Chief Strategy Officer for Population Health from 2013-2016 and lead Managing Director of Ascension Holdings International from 2016 to 2018. She previously served as a public company executive at The Advisory Board Company, Discovery Inc., and AOL Time Warner and has been Managing Director of Rock Water Ventures, LLC. Ms. Yang has served since August 2022 as an independent director for Doximity, Inc. (NYSE: DOCS), a leading digital platform for U.S. medical professionals, where she sits on the compensation and nominating and governance committees. Ms. Yang is also a member of the board of directors for CommonSpirit Health, one of the largest U.S. health systems, and previously served on the board of directors of Providence St. Joseph Health. She is a long-time member of the Council on Foreign Relations and has served as an appointee in two U.S. presidential administrations in the U.S. Department of State and the Federal Communications Commission. Ms. Yang has a B.A. from the University of Virginia and a J.D. from Stanford Law School. We believe Ms. Yang is well-qualified to serve on our Board because of her extensive business experience and healthcare knowledge.

### **Our Board Following the Spin-Off and Director Independence**

Immediately following the Spin-Off, we expect that our Board will be comprised of ten directors. A majority of our directors will meet the independence requirements set forth in the Exchange rules at the time of the Spin-Off.

Upon completion of the Spin-Off, our Board is expected to consist of such number of directors as shall be determined from time to time solely by resolution of the Board. Each director will be elected annually by the stockholders at each annual meeting of stockholders for a term expiring at the next annual meeting of stockholders. We have not yet set the date of the first annual meeting of stockholders to be held following the Spin-Off.

We expect that all directors except Peter J. Arduini and H. Lawrence Culp, Jr. will meet the independence requirements set forth in the listing standards of the Exchange at the time of the Spin-Off.

### **Committees of the Board**

Effective upon the completion of the Spin-Off, our Board will have the following committees, each of which will operate under a written charter that will be posted on our website prior to the Spin-Off.

#### ***Audit Committee***

The Audit Committee will be responsible for overseeing reports of our financial results, audit reporting, internal controls, and adherence to our code of conduct in compliance with applicable laws and regulations. Concurrent with that responsibility, as set out more fully in the Audit Committee charter, the Audit Committee will perform other functions, including:

- selecting the independent registered public accounting firm, approving all related fees and compensation, overseeing the work of the independent accountant, and reviewing its selection with the Board;
- annually preapproving the proposed services to be provided by the accounting firm during the year;

- reviewing the procedures of the independent registered public accounting firm for ensuring its independence and other qualifications with respect to the services performed for us;
- assessing transactions with related persons under our related person transactions policy;
- reviewing any significant changes in accounting principles or developments in accounting practices and the effects of those changes upon our financial reporting;
- assessing the effectiveness of our internal audit function, which is overseen by the Audit Committee, and overseeing the adequacy of internal controls and risk management processes;
- assessing our cybersecurity and enterprise risk management practices at least annually and overseeing associated compliance monitoring;
- oversight of our ESG activities and associated risks; and
- meeting with management prior to each quarterly earnings release and periodically to discuss the appropriate approach to earnings press releases and the type of financial information and earnings guidance to be provided to analysts and rating agencies.

The Audit Committee will have at least three members and will consist entirely of independent directors, each of whom will meet the independence requirements set forth in the listing standards of the Exchange, Rule 10A-3 under the Exchange Act and our Audit Committee charter. Each member of the Audit Committee will be financially literate, and at least one member of the Audit Committee will have accounting and related financial management expertise and satisfy the criteria to be an “audit committee financial expert” under the rules and regulations of the SEC, as those qualifications are interpreted by our Board in its business judgment. Upon completion of the Spin-Off, we expect our Audit Committee will consist of \_\_\_\_\_, with \_\_\_\_\_ serving as chair.

#### ***Compensation Committee***

The Compensation Committee will have responsibility for defining and articulating our overall executive compensation philosophy and key compensation policies, and administering and approving all elements of compensation for corporate officers. Concurrent with that responsibility, as set out more fully in the Compensation Committee charter, the Compensation Committee will perform other functions, including:

- reviewing and approving the corporate goals and objectives relevant to the Chief Executive Officer’s compensation, evaluating performance in light of those goals and objectives and, together with the other independent directors, determining and approving the Chief Executive Officer’s compensation based on this evaluation;
- reviewing our management resources programs (including our human capital management and diversity and inclusion practices), succession planning, and recommending qualified candidates for election as officers;
- approving, by direct action or through delegation, participation in and all awards, grants, and related actions under our various equity plans;
- reviewing the compensation structure for our officers and providing oversight of management’s decisions regarding performance and compensation of other employees; and
- monitoring compliance with stock ownership and clawback guidelines.

Upon completion of the Spin-Off, we expect our Compensation Committee will consist of \_\_\_\_\_, with \_\_\_\_\_ serving as chair.

#### ***Nominating and Governance Committee***

The Nominating and Governance Committee will be devoted primarily to the continuing review, definition, and articulation of our governance structure and practices. Concurrent with that responsibility, as set out more

fully in the Nominating and Governance Committee charter, the Nominating and Governance Committee will perform other functions, including:

- leading the search for qualified individuals for election as our directors, including for inclusion in the slate of directors that the Board proposes for election by stockholders at the annual meeting; recommending qualified candidates to the Board for election as directors based on each such candidate's business or professional experience, the diversity of their background (including gender and ethnic diversity), their talents and perspectives, and the needs of the Board for certain areas of expertise at any given time; reviewing and assessing the independence of each director nominee; and planning for future Board and committee refreshment actions;
- advising and making recommendations to the Board on all matters concerning directorship practices, and on the function, composition, and duties of the committees of the Board;
- reviewing our non-management director compensation practices;
- developing and making recommendations to the Board regarding a set of governance principles;
- reviewing and considering our position and practices on significant issues of corporate social responsibility; and
- reviewing and considering stockholder proposals and director nominees.

Upon completion of the Spin-Off, we expect our Nominating and Governance Committee will consist of \_\_\_\_\_, with \_\_\_\_\_ serving as chair.

### **Code of Conduct**

Prior to the completion of the Spin-Off, we will adopt a written code of conduct for directors, executive officers, employees, and subsidiaries or controlled affiliates where we own more than 50% of voting rights in similar form and substance to that which GE has in place, which will continue to be named The Spirit & The Letter. The code of conduct will be designed to deter wrongdoing and to promote, among other things:

- protection of the health and safety of our workforce;
- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships and working with suppliers based on lawful and fair practices;
- protection of client and third-party information in compliance with applicable privacy and data security requirements;
- compliance with applicable laws, rules, regulations, and recordkeeping requirements;
- full, fair, accurate, timely, and understandable disclosure in reports filed with regulators and in other public communications; and
- accountability for adherence to the code of conduct and prompt internal reporting of any possible violation of the code of conduct.

### **Director Nomination Process**

Our initial Board is being selected through a process involving both GE and us. The initial directors who will serve after the Spin-Off will begin their terms at the time of the Spin-Off, with the exception of one independent director who will begin his or her term prior to the date on which "when-issued" trading of our common stock commences and will serve on our Audit Committee, Compensation Committee, and Nominating and Governance Committee.

### **Governance Principles**

The Board will adopt a set of governance principles in connection with the Spin-Off to assist it in guiding our governance practices, which will be regularly reviewed by the Nominating and Governance Committee. These guidelines will cover a number of areas, including Board independence, leadership, composition (including director qualifications and diversity), responsibilities, and operations; director compensation; Chief Executive Officer evaluation and succession planning; Board committees; director orientation and continuing education; director access to management and independent advisers; annual Board and committee evaluations; the Board's communication policy; and other matters. A copy of our governance principles will be posted on our website.

### **Communications with Non-Management Members of the Board**

After the Spin-Off, stockholders and other interested parties may communicate with the Board, individual directors, the non-management directors as a group, or with the Chairman, by sending an email to .

### **Compensation Committee Interlocks and Insider Participation**

None of our executive officers has served as a member of a compensation committee (or if no committee performs that function, a board) of any other entity that has an executive officer serving as a member of our Board.



## **DIRECTOR COMPENSATION**

We expect that our Board will approve an initial director compensation program, pursuant to which each of our non-employee directors will receive an annual director fee and an annual equity award in connection with their services. In addition, each director will be reimbursed for out-of-pocket expenses in connection with his or her services. Treatment of outstanding GE equity-based compensation awards held by GE HealthCare non-employee directors in connection with the Spin-Off is described under “The Spin-Off—Treatment of Equity Awards.”

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Introduction

GE HealthCare is currently a subsidiary of GE and not an independent public company. Decisions regarding the past compensation of our current Chief Executive Officer, Peter J. Arduini, and our former Chief Executive Officer during all of 2021, Kieran P. Murphy, were made by the Management Development & Compensation Committee of the GE Board of Directors (referred to in this section as the “GE Compensation Committee”) because each served as an executive officer of GE. For our other named executive officers, decisions regarding past compensation were made by GE management.

At the time of the distribution, GE HealthCare will have executive compensation programs, policies, and practices for its executive officers that are similar to those of GE. After the distribution, the executive compensation programs, policies, and practices for our executive officers will be subject to the review and approval of the compensation committee of the GE HealthCare Board (the “GE HealthCare Compensation Committee”), which will be formed in connection with the distribution. We expect the executive compensation programs, policies, and practices for our executive officers will align incentives more closely with GE HealthCare’s performance, strategic initiatives, healthcare industry peers, and the long-term interests of our stockholders, which is expected to help us attract, retain, and motivate highly qualified personnel.

For purposes of this Information Statement, the following individuals are referred to as our “named executive officers” based on their status as individuals who would have been considered executive officers of the GE HealthCare business during 2021:

- Kieran P. Murphy, *Former Chief Executive Officer (in such role through December 31, 2021)*
- Helmut Zodl, *Chief Financial Officer*
- Jan Makela, *Chief Executive Officer, Imaging*

Although GE HealthCare’s current Chief Executive Officer, Peter J. Arduini, is not a named executive officer for 2021 because he was not an executive officer during 2021, his compensation under his offer letter described below was determined by the GE Compensation Committee under the compensation programs, policies, and practices described in this “Compensation Discussion and Analysis.”

#### Overview of Executive Compensation Program

##### *Compensation Philosophy and Process*

The table below describes the key factors the GE Compensation Committee considers when designing pay programs and making compensation decisions. We expect that the GE HealthCare Compensation Committee will consider similar factors.

##### Objective

Drive Accountability and Performance

##### How the Compensation Program Supports This Philosophy

- Our incentive programs are designed to drive accountability for executing our strategy.
- Annual bonuses are tied to business unit results for business unit executives or to total company performance for corporate executives; annual equity awards for all executives are based on overall company performance.

**Objective**

**How the Compensation Program  
Supports This Philosophy**

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Incentivize Short- and Long-Term Performance

- We set target performance levels that are challenging and aligned with stockholder interests.
- We set commensurately more challenging goals in association with above-target payout levels.
- The GE Compensation Committee and the GE Board consider the results of GE's annual, advisory say-on-pay proposal.
- Our program provides an appropriate mix of compensation elements.
- Cash payments reward achievement of short-term goals, while equity awards encourage our executives to deliver sustained strong results over multi-year performance periods.
- The GE Compensation Committee has increased the portion of our executive compensation delivered in the form of long-term equity incentive compensation, rather than cash, to further align our executives with investors' interests.

Attract and Retain Top Talent

- Our program provides competitive compensation programs that attract and retain talented executives with a strong track record of success, assuring a high performing and stable leadership team to lead our businesses.
- The GE Compensation Committee continues to monitor market trends and align compensation programs with market where relevant.

No Excessive Risk-Taking

- Equity awards have specific holding and retention requirements for senior executives, which discourage excessive risk taking by keeping long-term compensation aligned with our share price performance even after it is earned.
- The GE Compensation Committee retains discretion to adjust compensation for quality of performance and adherence to company values, and, in cases of detrimental misconduct, pursuant to GE's clawback policy.

## 2021 Compensation Program Components

	Fixed		Performance-Based/At-Risk		
	Short-Term Incentive		Long-Term Equity-Based Incentive (generally 3-year vesting)		
	Salary	Bonus	PSUs	Options	RSUs
Link to Stockholder Value	Provide base pay level aligned with roles, responsibilities and individual performance to attract and retain top talent	Deliver on annual investor framework  Serves as key compensation vehicle for differentiating performance each year	Focus executives on the achievement of specific financial performance goals directly aligned with operating and strategic plans, and with a relative total shareholder return (“TSR”) modifier based on three-year return from stock price appreciation and dividends  PSUs provide a significant stake in long-term financial success that is aligned with stockholder interests and promote employee retention	Reward stock price performance over time	Provide for long-term employee retention

### Overview of 2021 Incentive Compensation Plans

This section provides an overview of GE’s incentive compensation plans for 2021 in which our named executive officers participated. We expect GE HealthCare to provide similar incentive compensation plans, with such changes as determined by the GE HealthCare Compensation Committee to align incentives more closely with our performance, strategic initiatives, healthcare industry peers, and the long-term interests of our stockholders.

#### *Salary*

GE sets base salaries for its executive officers and other employees, including the GE HealthCare named executive officers, considering a number of factors, including the scope of responsibilities, the market for talent, leadership skills and values, performance, and length of service.

#### *Annual Bonuses*

GE provides annual cash incentive opportunities to its executive officers and other employees, including all of the GE HealthCare named executive officers, under GE’s Annual Executive Incentive Plan (“AEIP”). The targets for awards under the AEIP are designed to drive company and business unit performance, based on financial and operational priorities and, in some cases, individual performance. When determining the annual incentive award payable to Mr. Murphy for 2021, the GE Compensation Committee considered performance achieved relative to pre-established targets to determine the AEIP pool funding and did not apply discretion. Our other named executive officers received bonus payouts for 2021 based on performance goals as described below.

*Metrics for the GE Annual Bonus Pool.* The GE Compensation Committee sets the performance goals for the corporate and business unit bonus pools for its executive officers, including Mr. Murphy (whose metrics were based upon results of the GE HealthCare business). For 2021, financial metrics for the annual bonus program were Free cash flow\*, Organic margin expansion, and Organic revenue growth\*. The GE Compensation Committee selected these metrics and weighted them to incentivize strong performance across key drivers of

\* Non-GAAP financial measure.

long-term value creation, and these metrics also reflect how the businesses are managed internally. In addition, to further align the AEIP with GE’s overarching operational priority of safety, the GE Compensation Committee in 2021 applied a performance modifier to increase or decrease awards by up to 10% based on achievement of defined safety metrics. The safety performance modifier was determined based on an assessment for each business of the following safety metrics relative to targets set at the beginning of the performance year: injury and illness rates; serious incidents; fatalities; and overall safety culture and progress since the prior year.

*How the Bonus Program Works.* GE pays cash bonuses each February or March for the prior performance year and accrues such bonuses during the prior performance year. All employees at the executive-band level and above within GE are eligible to participate in the annual bonus program, and so all of our named executive officers participated in the program.

In February following the performance period, performance is assessed against the financial metrics for the prior year to determine the payout level for each bonus pool. GE’s CEO also leads an assessment of each GE named executive officer’s performance against relevant business and personal priorities and makes recommendations to the GE Compensation Committee related to compensation for each executive. In doing so, he receives input and data from GE’s Chief Human Resources Officer. These assessments inform the GE Compensation Committee’s compensation decisions for GE’s named executive officers (including Mr. Murphy for 2021 compensation decisions) and provide a basis for the GE Compensation Committee to consider whether factors such as the quality of financial or operating results or the impact of extraordinary or usual events should be considered in those compensation decisions. For our other named executive officers, while we were a part of GE, our CEO led similar assessments of individual executives’ performance against strategic and individual priorities and made recommendations to GE’s CEO regarding their compensation.

*Mr. Murphy’s Annual Bonus.* Mr. Murphy’s bonus was based upon the achievement of the following performance goals for the GE HealthCare business, for which he was the CEO until the end of 2021. Individual performance factors were not considered for his bonus determination. His target bonus was 100% of salary.

<b>AEIP POOL FINANCIAL PERFORMANCE METRICS<sup>(1)</sup></b>	<b>THRESHOLD (50%) PAYOUT</b>	<b>TARGET (100%) PAYOUT</b>	<b>MAXIMUM (150%) PAYOUT</b>	<b>WEIGHT</b>	<b>RESULT</b>	<b>SAFETY PERFORMANCE MODIFIER (+/- 10%)</b>	<b>BONUS POOL PAYOUT (AS % OF TARGET)</b>
Free cash flow (\$M) . . . . .	\$2,300	\$2,650	\$2,850	30%	131%		
Organic margin expansion (basis points) <sup>(2)</sup> . . . . .	(30)	60	130	30%	104%	+5%	100%
Organic revenue growth . . . . .	(0.2)%	5.1%	8.0%	40%	61%		

(1) These metrics are non-GAAP financial measures. See “Non-GAAP Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” in this Information Statement for further information regarding the determination of our non-GAAP financial measures.

(2) Organic margin expansion generally means the increase in organic profit over organic revenue as compared to the prior year.

*Other NEOs’ Annual Bonuses.* Mr. Zodl was eligible to receive a bonus under the AEIP with a target bonus of 100% of salary, based on achievement of the GE HealthCare financial goals shown above for Mr. Murphy, together with an assessment of individual leadership performance. Mr. Makela was eligible to receive a bonus under the AEIP with a target bonus of 100% of salary, based on achievement of a combination of the GE HealthCare financial goals shown above for Mr. Murphy and financial performance and strategic priorities of the Imaging business for which he is the CEO, as well as an assessment of individual leadership performance. Individual performance and total payouts were recommended by the CEO of the GE HealthCare business to GE’s CEO for approval. The AEIP payout for Mr. Zodl was 115% of target and for Mr. Makela was 96.8% of target, in the amounts set forth under “Compensation Tables—Summary Compensation Table” below.

## ***GE Long-Term Incentive Compensation***

As part of GE's annual compensation program, GE uses a mix of long-term incentive compensation awards: Performance Stock Units ("PSUs"), Restricted Stock Units ("RSUs"), and stock options.

*How Equity Award Amounts Are Determined.* In determining award amounts, factors considered include each executive's overall compensation relative to the market for similar talent, the mix of cash versus equity as a percentage of the executive's overall compensation, the executive's expected future contribution to the success of the company, and the retentive value of such awards. In 2021, Mr. Murphy's annual equity incentive awards were weighted approximately 50% as PSUs, 30% as stock options, and 20% as RSUs. In 2021, our other named executive officers received annual equity incentive awards in the form of PSUs and RSUs, weighted approximately 50% as PSUs and 50% as RSUs consistent with their level within the GE organization. In July 2021, Mr. Makela also received a retention award in the form of stock options and additional RSUs in recognition of his critical role in leading the Imaging business, and the importance of retaining his critical talent and experience needed to lead the Imaging business. As part of this retention award, stock options were considered an important element to focus on aligning with the interests of stockholders by tying a significant portion of the retention award directly to an increase in stock price over the term of the option. Mr. Zodl received additional RSUs as part of his new hire package in recognition of the need to provide additional incentives to encourage high-level executives to join us and give up awards from a prior employer, while still emphasizing alignment with our stockholders. The individual grants during 2021 are set forth under "Compensation Tables—Grants of Plan-Based Awards" below.

*PSUs Align Pay With Performance.* GE sees PSUs as a means to focus recipients on particular goals, including long-term operating goals. Consistent with this philosophy, in recent years GE has expanded the number of senior leaders receiving PSU awards, including the GE HealthCare named executive officers, to drive greater alignment between these executives and stockholders. PSUs have formulaically determined payouts that are earned only if the specified performance goals are achieved. PSUs reward and retain the recipients by offering them the opportunity to receive stock if the performance goals are achieved and if they are still employed by GE on the date the restrictions lapse. All of our named executive officers received PSUs during 2021.

*Stock Options and RSUs Align Pay With Stockholder Interests.* GE believes that stock options and RSUs effectively focus recipients on delivering long-term value to our stockholders. Options have value only to the extent that the price of GE stock rises between the grant date and the exercise date. RSUs reward and retain the named executives by offering them the opportunity to receive GE stock if they are still employed by GE on the date the restrictions lapse. All of our named executive officers received RSUs (together with PSUs as described above) in 2021. Stock options are not granted by GE to all long-term incentive award recipients, but Mr. Murphy received stock options in his capacity as a GE named executive officer, and Mr. Makela received stock options as part of a retention award in 2021 as described above.

*No Unearned Dividend Equivalents.* With respect to PSUs and RSUs, dividend equivalents are accrued during the vesting or performance period and paid out only on shares actually received.

*Metrics for 2021 PSUs.* The annual PSUs granted in 2021 are eligible to convert into shares of GE stock in early 2024 based on performance under GE's one-year 2021 Adjusted earnings per share (50% weighting) and Free cash flow\* (50% weighting) targets and modification of +/- 20% based on three-year relative TSR versus the S&P 500 Industrials Index, with proportional adjustment for performance between threshold, target, and maximum. Performance below threshold against the one-year Adjusted earnings per share and Free cash flow\* results in no PSUs being earned. The PSUs granted to our named executive officers provide that the final amount eligible for vesting may be between 0% and 175% of the target number of PSUs granted, depending on performance against the goals. The GE Compensation Committee chose these operating metrics to incentivize

\* Non-GAAP financial measure.

and focus management on both profitability and cash generation, and these continue to be important financial priorities for GE as it executes on its plan to form three independent companies. The use of a one-year performance period for adjusted earnings per share and Free cash flow\* reflects variability in these metrics and the challenges of setting long-term financial targets in the face of difficult macroeconomic conditions, including those precipitated by the global COVID-19 pandemic.

*Vesting of 2021 RSUs and Stock Options.* The RSUs and stock options granted to the GE HealthCare named executive officers in 2021 generally are eligible to vest in two equal installments on the second and third anniversary of the grant date.

### ***Treatment of NEOs' Long-Term Incentive Compensation Awards in Connection with the Distribution***

Equity awards held by our named executive officers who will continue with GE HealthCare will be treated the same as equity awards held by other employees who will continue with GE HealthCare, as described under "The Spin-Off—Treatment of Equity Awards."

### **Subsequent Events**

#### ***New GE HealthCare CEO's Compensation***

On January 3, 2022, Peter J. Arduini became President and Chief Executive Officer of GE HealthCare, after joining GE as an employee in December 2021. His offer letter provided for a base salary of \$1,250,000, an annual target bonus of 125% of base salary, and an annual long-term incentive target of \$7,000,000. In 2022 (the timing for his first GE equity grants), his long-term incentive was granted in the form of approximately 50% PSUs, eligible for vesting in 2025 subject to meeting performance goals, 30% stock options, and 20% RSUs, each eligible for vesting 50% on each of the second and third anniversary of the grant date. In addition, he received a sign-on equity grant of 51,948 PSUs (at target), which will be eligible for vesting on March 1, 2025 (except for earlier specified termination events), in an amount between 0% and 150% of target, based on the final average achievement of objectives set for each of 2022, 2023 and 2024. Pursuant to his offer letter, Mr. Arduini is eligible for severance at the level of 18 months of salary and, under some circumstances, a pro-rated bonus, in the event of a termination without cause, resignation for good reason (as defined in his offer letter), death or disability, or upon a change in control of GE or the GE HealthCare business as a result of which he does not receive a comparable offer. His offer letter includes covenants not to compete or solicit employees for 12 months following termination of his employment.

#### ***Go-Forward GE HealthCare Compensation Arrangements***

The GE HealthCare Compensation Committee has not yet been established and therefore has not established a specific set of objectives or principles for our executive compensation program. It is anticipated that after the distribution, the GE HealthCare Compensation Committee will establish objectives and principles similar to the objectives and principles that GE maintained for its compensation program in 2021, as described above.

Immediately after the distribution, we expect that the structure of our executive compensation program will be similar to GE's executive compensation program with such changes as determined by the GE HealthCare Compensation Committee. The components of pay for GE HealthCare's executives will include a base salary, an annual performance-based cash bonus opportunity, equity-based awards, and participation in other executive compensation and retirement programs.

GE HealthCare generally expects to adopt executive compensation and benefit plans that are similar to those in effect at GE before the distribution. For eligible executives, these will include an annual bonus plan and an executive severance plan, as well as defined contribution and frozen defined benefit retirement plans and

\* Non-GAAP financial measure.

supplemental retirement plans. In addition, GE HealthCare expects to adopt the GE HealthCare Long-Term Incentive Plan, which will be similar to the GE Long-Term Incentive Plan. The eligible participants under these compensation and benefits plans will include our named executive officers who will continue with GE HealthCare. We expect the executive compensation programs, policies and practices for our executive officers will align incentives more closely with GE HealthCare's performance, strategic initiatives, healthcare industry peers, and the long-term interests of our stockholders, which is expected to help us attract, retain, and motivate highly-qualified personnel.

### **Peer Group and Benchmarking**

The GE Compensation Committee uses a peer group for compensation benchmarking purposes for its named executive officers. Based on the criteria set forth below, the GE Compensation Committee reviews the peer group each year and made no changes to the peer group for 2021.

In determining the peer group, the GE Compensation Committee considered the following factors:

- *Industry*: companies operating in similar or comparable industry spaces and with comparable operational scope.
- *Size*: companies that are comparable to GE in terms of revenues, market capitalization and number of employees.
- *Investment Peers*: U.S. public companies whose performance is monitored regularly by the same market analysts who monitor GE.

The GE Compensation Committee uses the peer group to assess the pay level of GE executives, pay mix, compensation program design, and pay practices. The peer group is also used as a reference point when assessing individual pay, with pay decisions also supplemented by input from GE's independent compensation consultant and impacted by internal equity, retention considerations, succession planning, and internal GE dynamics.

We expect that the GE HealthCare Compensation Committee will similarly establish a peer group for compensation benchmarking purposes. The GE HealthCare peer group is expected to be designed to include companies of comparable size, considering revenue, market capitalization, number of employees, and similar factors. Peers are also expected to include companies which operate in similar or comparable industries and with which GE HealthCare is expected to compete for executive talent and investor capital.

### **Clawbacks and Other Remedies for Potential Misconduct**

We expect to maintain clawback policies on recoupment, whether under the terms of our annual and long-term incentive plans or otherwise, that will allow us to clawback compensation following financial restatements and upon other similar events, as determined by the GE HealthCare Compensation Committee as it develops the programs, policies, and practices for our executive officers.

### **Stock Ownership Guidelines and Hedging and Pledging Restrictions**

We expect to adopt stock ownership guidelines for our executive officers in connection with the distribution, together with governance principles relating to hedging and pledging restrictions for our executive officers and directors.

### **Tax Deductibility of Compensation**

The Code generally imposes a \$1 million limit on the amount that a public company may deduct for compensation paid to the company's applicable named executive officers. As a result, we generally expect that compensation paid to our named executive officers in excess of \$1 million per year will not be deductible.



## Executive Compensation Tables

### Summary Compensation Table

Name & Principal Position	Year	Salary (\$)	Bonus (\$) <sup>(2)</sup>	Stock Awards (\$) <sup>(3)</sup>	Option Awards (\$) <sup>(4)</sup>	Change in Pension Value (\$) <sup>(5)</sup>	All Other Compensation (\$) <sup>(6)</sup>	Total (\$)
Kieran P. Murphy, . . . . Former CEO <sup>(1)</sup>	2021	1,273,148	1,273,148	3,602,609	1,499,998	166,364	79,081	7,894,348
Helmut Zodl, . . . . . CFO	2021	687,500	1,812,500	3,150,427	0	0	169,881	5,820,308
Jan Makela, . . . . . CEO, Imaging <sup>(1)</sup>	2021	688,188	666,166	2,729,463	1,875,000	774,038	16,517	6,749,372

- (1) Mr. Murphy served as our principal executive officer for all of 2021. For Mr. Murphy and Mr. Makela, all cash amounts (including salary and bonus) were originally paid in British pounds and converted for purposes of this presentation at an exchange rate of \$1.3764 per £1.00, the 2021 average noon buying rate certified for customs purposes by the U.S. Federal Reserve Bank of New York set forth in the H.10 statistical release of the Federal Reserve Board.
- (2) **Bonus.** Amounts earned under our annual cash bonus program. See “Overview of 2021 Incentive Compensation Plans” above for additional information on the bonus program. In addition, for Mr. Zodl, includes \$950,000 paid as a signing bonus in 2021.
- (3) **Stock Awards.** Aggregate grant date fair value of stock awards in the form of PSUs and RSUs granted in 2021. Generally GE valued RSUs using market price on grant date, and PSUs and performance shares using market price on grant date and a Monte Carlo simulation as needed based on performance metrics. Generally, the aggregate grant date fair value is the amount that GE expects to expense for accounting purposes over the vesting schedule of the award and does not correspond to the actual value that the named executive officers will realize from the award. In particular, the actual value of PSUs received are different from the accounting expense because it depends on performance. In accordance with SEC rules, the aggregate grant date fair value of the 2021 PSUs is calculated based on the most probable outcome of the performance conditions as of the grant date, which was less than maximum performance. If the most probable outcome of the performance conditions on the grant date had been maximum performance, then the grant date fair value of the 2021 PSUs would have been as follows: Murphy (\$3,853,348), Zodl, (\$1,233,119), Makela (\$1,541,374). See the “2021 Grants of Plan-Based Awards Table” below for additional information for PSUs and RSUs granted in 2021.
- (4) **Option Awards.** Aggregate grant date fair value of option awards granted in 2021. These amounts reflect the accounting expense and do not correspond to the actual value that the named executive officers will realize. Generally, GE valued stock options using a Black-Scholes option pricing model. Key assumptions used in the Black-Scholes valuation for stock options granted overall during 2021 generally include: risk free rate of 1.1%, dividend yield of 0.3%, expected volatility of 40%, and expected lives of 6.2 years. See the “2021 Grants of Plan-Based Awards Table” below for additional information on 2021 grants.
- (5) **Change in Pension Value.** Year-over-year changes in pension value generally are driven by changes in actuarial pension assumptions as well as increases in service, age, and compensation. See “Pension Benefits” below for additional information, including the present value assumptions used in this calculation.

(6) **All Other Compensation.** We provide our named executive officers with other benefits that we believe are reasonable, competitive, and consistent with our overall executive compensation program. The costs of these benefits for 2021, minus any reimbursements by the named executive officers, are shown in the table below.

Name	Life Insurance Premiums (\$)	Company Contributions to GE Retirement Savings Plans (\$)	Company Contributions to GE Restoration Plan (\$)	Financial and Tax Planning (\$)	Relocation Benefits (\$)	Other (\$)	Total (\$)
Murphy . . . . .	54,632	0	0	0	0	24,449	79,081
Zodl . . . . .	0	20,300	27,000	9,287	112,844	450	169,881
Makela . . . . .	0	0	0	0	0	16,517	16,517

*Life Insurance Premiums.* Taxable payments to cover premiums for universal life insurance policies the named executive officers own. These policies include: (1) Executive Life, which provides universal life insurance policies for the indicated named executive officers totaling up to \$3 million in coverage at the time of enrollment and increased 4% annually thereafter; and (2) Leadership Life, which provides universal life insurance policies for the indicated named executive officers with coverage of 2X their annual pay (salary plus most recent bonus). As of January 1, 2018, these plans were closed to new employees and employees who were not already employed at the relevant band level.

*Company Contributions to GE Retirement Savings Plans.* Represents contributions under the GE Retirement Savings Plan for U.S. participants, consisting of matching contributions equaling up to 4% of eligible pay and automatic contributions equaling 3% of eligible pay, up to the caps imposed under IRS rules.

*Company Contributions to GE Restoration Plans.* Represents contributions under the GE Restoration Plan for U.S. participants, consisting of 7% of their annual earnings, which include base salary and up to one-half of eligible bonus payments, that exceed the IRS-prescribed limit applicable to tax-qualified plans (\$290,000 for 2021). The contributions to Mr. Zodl’s account under the GE Restoration Plan were accrued on December 15, 2021 and credited to his account in January 2022. See “—Nonqualified Deferred Compensation” below for additional information.

*Financial and Tax Planning.* Expenses for the use of advisors for financial, estate and tax preparation and planning, and investment analysis and advice.

*Relocation Benefits.* Expenses for relocating the named executive officers and their families in connection with their hiring from outside GE. These benefits allow us to recruit the best executives from all over the world, regardless of where they are based.

*Other.* Total amount of other benefits provided, none of which individually exceeded the greater of \$25,000 or 10% of the total amount of personal benefits for the named executive (except as otherwise described in this section). These other benefits may include items such as an annual physical examination and work equipment allowances. In addition, GE engages in certain sponsorships and purchases tickets to sporting events in advance for the purposes of customer entertainment. Occasionally, tickets from sponsorship agreements or unused tickets purchased for customer entertainment are made available for personal use by the named executive officers or other employees. These tickets typically result in no incremental cost to GE. For Mr. Murphy, this amount includes a monthly car allowance, totaling \$18,168 in 2021.

## 2021 Grants of Plan-Based Awards Table

The following table shows GE PSUs, RSUs, and stock options granted to our named executive officers in 2021. Each of these awards was approved under GE’s 2007 Long-Term Incentive Plan, a plan approved by GE stockholders. For more information on each of the award types, see the “Compensation Discussion and Analysis” above. Where applicable, the number of securities and option exercise prices reported in this table have been adjusted to reflect the one-for-eight reverse stock split of GE’s shares of common stock effective on July 30, 2021.

Name	Grant Date	Award Type	Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards (#)	All Other Option Awards (#)	Option Exercise Price (\$)	Grant Date Fair Value <sup>(1)</sup>
			Threshold (#)	Target (#)	Maximum (#)				
Murphy . . . .	3/1/2021	PSU	2,442	24,422	42,739			2,500,006	
	3/1/2021	RSU				10,513		1,102,603	
	3/1/2021	Option					36,266	104.88	1,499,998
Zodl . . . . .	3/1/2021	RSU				8,411		882,080	
	3/1/2021	PSU	702	7,020	12,285			799,999	
	4/1/2021	RSU				12,320		1,308,877	
	6/1/2021	RSU				1,409		159,471	
Makela . . . . .	3/1/2021	RSU				10,513		1,102,603	
	3/1/2021	PSU	878	8,775	15,356			999,999	
	7/1/2021	Option					46,875	107.84	1,875,000
	7/1/2021	RSU				5,813		626,860	

(1) *Grant Date Fair Value of Awards.* Generally, the aggregate grant date fair value is the amount that GE expects to expense in its financial statements over the award’s vesting schedule.

- For stock options, fair value is calculated using the Black-Scholes value of each option on the grant date.
- For RSUs, fair value generally is calculated based on the closing stock price on the date of grant.
- For PSUs, the actual value of units received will depend on achievement of the performance goals, as described in the “Compensation Discussion and Analysis” above. Fair value is calculated by multiplying the per unit value of the award by the number of units at target. The per unit value is based on the closing stock price on the grant date, adjusted to reflect the impact of the relative TSR modifier using a Monte Carlo simulation.

## 2021 Outstanding Equity Awards at Fiscal Year-End Table

The following table shows our named executive officers' GE stock and option grants as of year-end. It includes unexercised stock options (vested and unvested), RSUs, and PSUs for which vesting conditions were not yet satisfied as of December 31, 2021. Where applicable, the number of securities and option exercise prices reported in this table have been adjusted to reflect the one-for-eight reverse stock split of GE's shares of common stock effective on July 30, 2021.

Name	Grant Date	Option Awards				Stock Awards				Vesting Schedule <sup>(2)</sup>
		Number of Shares Underlying Unexercised Options (exercisable) (#)	Number of Shares Underlying Unexercised Options (un-exercisable) (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares That Have Not Vested (RSUs) (#)	Market Value of Shares That Have Not Vested <sup>(1)</sup>	Number of Unearned Shares That Have Not Vested (PSUs) (#)	Market Value of Unearned Shares That Have Not Vested <sup>(1)</sup>	
Murphy . . . . .	9/7/12	13,005	0	166.08	9/7/22					
	9/13/13	10,404	0	182.88	9/13/23					
	9/5/14	243	0	200.72	9/5/24					
	9/5/14	12,762	0	200.72	9/5/24					
	9/11/15	16,256	0	191.92	9/11/25					
	9/30/16	19,508	0	227.76	9/30/26					
	2/10/17					651	61,500			100% in 2022
	6/9/17					6,503	614,338			100% in 2022
	9/6/17	15,607	3,901	191.68	9/6/27	547	51,675			100% in 2022
	1/29/18	65,024	0	125.20	1/29/28					
	3/19/19	18,486	18,486	81.52	3/19/29	4,375	413,306			100% in 2022
	3/19/19							5,469	516,656	100% in 2022, subject to performance
	3/2/20	0	51,090	89.68	3/2/30	10,205	964,066			50% in 2022 and 2023
	3/2/20							6,899	651,749	100% in 2023, subject to performance
	9/3/20					96,451	9,111,726			50% in 2023 and 2024
	3/1/21	0	36,266	104.88	3/1/31	10,513	993,163			50% in 2023 and 2024
	3/1/21							42,739	4,037,553	100% in 2024, subject to performance
Zodl . . . . .	3/1/21					8,411	794,587			50% in 2023 and 2024
	3/1/21							12,285	1,160,564	100% in 2024, subject to performance
	4/1/21					12,320	1,163,870			50% in 2023 and 2024
	6/1/21					1,409	133,108			50% in 2023 and 2024

Name	Grant Date	Option Awards				Stock Awards				Vesting Schedule <sup>(2)</sup>
		Number of Shares Underlying Unexercised Options (exercisable) (#)	Number of Shares Underlying Unexercised Options (un-exercisable) (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares That Have Not Vested (RSUs) (#)	Market Value of Shares That Have Not Vested <sup>(1)</sup>	Number of Unearned Shares That Have Not Vested (PSUs) (#)	Market Value of Unearned Shares That Have Not Vested (\$) <sup>(1)</sup>	
Makela . . . . .	9/7/12	521	0	166.08	9/7/22					
	9/13/13	1,041	0	182.88	9/13/23					
	9/5/14	146	0	200.72	9/5/24					
	9/5/14	1,649	0	200.72	9/5/24					
	9/11/15	3,122	0	191.92	9/11/25					
	9/30/16	5,202	0	227.76	9/30/26					
	11/17/17					186	17,571			100% in 2022
	12/21/18	38,738	0	57.04	12/21/28					100% in 2022
	3/19/19	0	4,226	81.52	3/19/29	1,125	106,279			100% in 2022
	3/19/19							563	53,187	100% in 2022, subject to performance
	4/11/19	0	2,859	72.96	4/11/29					100% in 2022
	3/2/20	0	170	89.68	3/2/30					50% in 2022 and 2023
	3/2/20	0	20,265	89.68	3/2/30	4,592	433,806			50% in 2022 and 2023
	3/2/20							1,149	108,546	100% in 2023, subject to performance
	8/3/20					13,848	1,308,221			50% in 2023 and 2024
	3/1/21					10,513	993,163			50% in 2023 and 2024
3/1/21							15,356	1,450,681	100% in 2024, subject to performance	
7/1/21	0	46,875	107.84	7/1/31	5,813	549,154			50% in 2023 and 2024	

(1) *Market Value.* The market value of RSUs and PSUs is calculated by multiplying the closing price of GE stock as of December 31, 2021 (\$94.47) (the last trading day for the year) by the number of shares underlying each award. With respect to the 2019 PSUs (which were cancelled without any payouts) and the 2020 PSUs, this value assumes satisfaction of the threshold-level payout for the awards, and with respect to the 2021 PSUs, this value assumes satisfaction of the maximum-level payout for the awards.

(2) *Vesting Schedule.*

- Options vest on the anniversary of the grant date in the years shown in the table. See “—Potential Termination Payments” below regarding other vesting events.
- RSUs vest on the anniversary of the grant date in the years shown in the table. See “—Potential Termination Payments” below regarding other vesting events.
- PSUs vest at the beginning of the year indicated when the committee certifies that the performance conditions have been achieved, unless otherwise stated. For further detail on the terms and conditions of the PSU awards, see “—GE Long-Term Incentive Compensation” above.

## Option Exercises and Stock Vested Table

The following table shows information regarding the number of shares our named executive officers acquired during 2021 upon the vesting of RSUs and the exercise of stock options.

Name	Option Awards		Stock Awards (PSUs & RSUs)	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) <sup>(1)</sup>
Murphy . . . . .	0	0	10,774	1,110,410
Zodl . . . . .	0	0	0	0
Makela . . . . .	15,349	734,634	4,511	482,989

(1) U.S. Dollar amount represents pre-tax value on vesting.

## Nonqualified Deferred Compensation

GE offers certain nonqualified deferred compensation programs and arrangements for executives. The description below is for plans in which our named executive officers were eligible for 2021.

### GE Restoration Plan

*Eligibility.* U.S. employees who became U.S. executives on or after January 1, 2021 (including Mr. Zodl) accrue benefits under the GE Restoration Plan instead of under any GE pension plans.

*Benefit Formula.* GE Restoration Plan participants are credited with 7% of their annual earnings, which include base salary and up to one-half of eligible bonus payments, that exceed the IRS-prescribed limit applicable to tax-qualified plans (\$290,000 for 2021).

*Earnings Options and Vesting.* The annual credits are notionally invested as elected by the participant in earnings options that mirror the investment options available under the broad-based tax qualified GE Retirement Savings Plan. Participants may change their election up to 12 times per quarter. GE makes all decisions regarding the earnings options that are offered and the measures for calculating earnings under those options. Earnings are currently credited daily. Participants generally vest in their GE Restoration Plan accounts after three years of service.

*Time and Form of Payment.* Vested amounts under the GE Restoration Plan are paid in a lump sum, generally in July of the year following the year of the participant's separation from service.

### Nonqualified Deferred Compensation Table

The table below shows amounts credited to the named executive officers' accounts under the GE Restoration Plan and corresponding plan balances as of December 31, 2021. The named executive officers did not participate in any other GE nonqualified deferred compensation programs or arrangements in 2021.

Name	Executive Contributions in Last Fiscal Year (\$)	Registrant Contributions in Last Fiscal Year (\$) <sup>(1)</sup>	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last Fiscal Year End (\$)
Murphy . . . . .	N/A	N/A	N/A	N/A	N/A
Zodl . . . . .	0	27,000	0	0	27,000
Makela . . . . .	N/A	N/A	N/A	N/A	N/A

(1) Mr. Zodl's registrant contributions under the GE Restoration Plan were accrued on December 15, 2021 and credited to his plan balance in January 2022. Such amounts are reported as compensation in the Summary Compensation Table above.

## **Pension Benefits**

Our eligible UK-based named executive officers are eligible for the U.K. Pension Plan on the same terms as other UK-based eligible employees.

### ***U.K. GE Pension Plan***

*Eligibility.* The U.K. GE Pension Plan is a broad-based, tax registered, and qualified pension program for U.K.-based employees that has been closed to new participants since 2011. Those employees of GE who are eligible to participate in the plan vest after two years of pensionable service. The plan requires employee contributions (which are refunded if pensionable service does not meet vesting requirements). Effective January 1, 2021, participants stopped accruing benefits and making contributions under this plan (subject to certain statutorily required increases) and became eligible for a core annual employer contribution under the GE Pension Saver defined contribution plan equaling 10-25% of base salary, plus two years of transition credits equaling 2% of base salary (each up to statutory caps).

*Benefit Formula.* The U.K. GE Pension Plan offers two accrual rates (1/60ths and 1/80ths) applied to final pensionable pay, which is defined as the annual average of the highest three complete years' base salary only, less an initial offset in respect of salary subject to social security retirement benefits, and capped at a plan earnings cap. Both indices are updated and released by Her Majesty's Revenue and Customs ("HMRC") each new tax year. Credit is awarded on this formula for every whole month earned under the plan as pensionable service. The accrual is monitored for tax purposes on an annual basis and an annual allowance is set according to earnings. Tax relief on the pension accrual is provided only up to an individual limit falling between £4,000 and £40,000.

Pension contributions in excess of this individual limit result in tax at applicable individual rates. All GE employees who were in the executive band and above and members of the U.K. GE Pension Plan when it was closed to new entrants, including Mr. Murphy, are entitled to accrue additional benefits on a special defined contribution basis. Under these additional benefit provisions, Mr. Murphy is entitled to an annual GE cash contribution of 25% of eligible earnings each year.

*Time and Form of Payment.* The U.K. GE Pension Plan pays out the accumulated benefit after retirement on a monthly basis for life with a guaranteed minimum benefit of five years. The normal retirement age under the plan is 65; however, certain employees with special benefits may, in accordance with a long-standing discretionary practice, retire at age 60 without any reduction in benefits. Mr. Murphy is not eligible for such unreduced early retirement under this plan. In addition, the plan provides for social security supplements and a spousal annuity.

*Tax Code Limitations on Benefits.* Benefits from the U.K. GE Pension Plan are subject to the Lifetime Allowance, which measures individual pension accruals/contributions against an overall limit that is updated and released by HMRC each new tax year. For 2021, this limit was £1,073,100.

### ***Pension Benefits Table***

The table below shows the present value of the accumulated benefit as of December 31, 2021 for the named executive officers under the U.K. GE Pension Plan, as calculated based upon the assumptions described below. Although SEC rules require us to show this present value, the named executive officers are not entitled to receive these amounts in a lump sum. None of the named executive officers received a payment under the U.K. GE Pension Plan in 2021.

<u>Name</u>	<u>Number of Years Credited Service (#)</u>	<u>Present Value of Accumulated Benefit (\$)</u>	<u>Payment During Last Fiscal Year (\$)</u>
Murphy <sup>(1)</sup> .....	13	1,869,287	0
Zodl .....	N/A	N/A	N/A
Makela .....	22	2,638,860	0

- (1) On December 21, 2021, Mr. Murphy and GE entered into a separation agreement pursuant to which Mr. Murphy will remain employed for a period of garden leave, from January 1, 2022 until September 30, 2023, during which time he will not receive pension contributions. Upon his departure, Mr. Murphy remains vested in his accrued benefit under the U.K. Pension Plan, with payments to begin in accordance with the terms of the plan.

*Present Value of Accumulated Benefit.* The accumulated benefit is based on years of service and earnings (base salary and bonus) considered by the U.K. GE Pension Plan for the period through December 31, 2021. It also includes the value of contributions made by the named executive officers throughout their careers. For purposes of calculating the present value, we assume that the named executive officers will remain in service until the age at which they may retire without any reduction in benefits. For Mr. Murphy and Mr. Makela this is age 65. We also assume that benefits are payable under the available forms of annuity. The assumptions for U.K. beneficiaries are a discount rate of 1.76% and a postretirement mortality assumption based upon the SAPS S2 Normal tables with future generational improvements in line with the CMI 2017 projection model (with a 1.5% improvement trend) at December 31, 2021.

### **Potential Termination Payments**

In this section, we describe and quantify certain compensation that would have been payable under existing compensation plans and arrangements had one of our named executive officer's employment terminated on December 31, 2021. For this hypothetical calculation, we have used each executive's compensation and service levels as of this date (and, where applicable, GE's closing stock price on December 31, 2021). Because many factors (e.g., the time of year when the event occurs, GE's stock price, and the executive's age) could affect the nature and amount of benefits a named executive could potentially receive, any amounts paid or distributed upon a future termination may be different from those shown in the tables below. The amounts shown are in addition to benefits generally available to salaried employees, such as distributions under the GE Retirement Savings Plan.

*Employment Agreements.* Prior to January 1, 2022, Mr. Murphy was party to an employment agreement, which is typical of our practice for executives at his seniority in the U.K., but it did not entitle him to any particular benefits upon termination or a change of control. Mr. Murphy entered into a separation agreement and release with GE, dated December 21, 2021, in connection with the previously reported GE HealthCare leadership transition.

*Separation Agreement with Mr. Murphy.* In connection with the previously reported GE HealthCare leadership transition, Mr. Murphy no longer serves as President and Chief Executive Officer of GE HealthCare after December 31, 2021. On December 21, 2021, GE and Mr. Murphy entered into a separation agreement pursuant to which Mr. Murphy will remain employed for a period of garden leave, which is typical for senior



U.K.-based employees. During this period, Mr. Murphy will remain available for advisory services or other work as required, and he will receive his regular salary, an annual bonus for the 2021 plan year based on the performance of GE HealthCare, continued vesting in outstanding equity awards, and health and life insurance benefits. He will not receive pension contributions, future bonuses, or equity awards. Under the separation agreement, Mr. Murphy also granted a release in favor of GE and agreed to certain cooperation, confidential information, non-competition, and non-solicitation covenants.

*U.S. Executive Severance Plan.* In order to standardize the severance payments available to U.S. executives who are not otherwise subject to an employment agreement providing a different amount, we adopted the GE U.S. Executive Severance Plan effective January 1, 2021. Eligible executives who experience an employer-initiated termination of employment that is not for “cause,” and who are not offered a “suitable position,” receive between 6 to 18 months of base salary (based on their career band), which is paid in a lump sum. Outplacement services are also provided for the same period. To receive a benefit under the plan, the executive must enter into a separation agreement and release in a form acceptable to GE, which may also include cooperation, confidential information, non-disparagement, non-competition, non-solicitation, and other covenants. With respect to our named executive officers, Mr. Zodl is eligible to participate under the plan at the 12-month severance level. As a result, if he had been terminated on December 31, 2021, the amount payable as severance under the plan would have been \$75,000 as a lump sum cash payment, plus outplacement services.

Under the executive severance plan, the following terms have the meanings set forth below:

- “Cause” generally means: (i) breach of any confidentiality, non-solicitation, non-competition, or other material provision of an agreement with the company, (ii) conduct that has the potential to cause material harm to the company, (iii) an act of dishonesty, fraud, embezzlement, or theft, (iv) conviction of, or plea of guilty or no contest to, a felony or crime involving moral turpitude, or (v) failure to comply with the company’s policies and procedures.
- “Suitable position” generally means a position providing at least 80% of the executive’s base salary and annual incentive award opportunity. If the position is with the company, rather than a successor employer in a business disposition or other third party in an outsourcing arrangement, the position must also be within 50 miles of the executive’s job location and in the same career band.

#### *Equity Awards*

The following table shows the intrinsic value of equity awards that would have vested or become exercisable if the named executive’s employment had been terminated for the specified reason as of December 31, 2021. Intrinsic value is based upon GE’s stock price on December 31, 2021 (minus the exercise price in the case of stock options). Amounts shown assume the achievement of all applicable performance objectives at the target level. Our named executive officers generally are not entitled to benefits if they leave voluntarily or are terminated for cause (other than benefits already accrued) unless they satisfy the conditions for retirement eligibility.

*Potential Termination Payments Table (Equity Benefits)*

Name	Death		Disability		Retirement	
	Stock Options (\$)	RSUs / PSUs (\$)	Stock Options (\$)	RSUs / PSUs (\$)	Stock Options (\$)	RSUs / PSUs (\$)
Murphy	484,115	19,190,352	484,115	18,514,514	N/A	N/A
Zodl	0	2,754,745	0	2,754,745	N/A	N/A
Makela	214,107	4,884,005	152,610	4,884,005	N/A	N/A

*Death/Disability.* Unvested options, RSUs and PSUs would generally vest, depending on the award terms. Vested options would generally remain exercisable until their expiration date, and PSUs would remain subject to

the achievement of the performance objectives. In the case of disability, the award must generally have been held for at least one year in order to be vested. For these purposes, “disability” generally means the executive being unable to perform his or her job.

*Retirement.* Unvested options, RSUs, and PSUs held for at least one year would generally vest, depending on the award terms. Vested options would generally remain exercisable until their expiration date, and PSUs would remain subject to the achievement of the performance objectives. For these purposes, “retirement” generally means reaching the applicable retirement age, typically age 60, and completing five years of service.

*Pension Benefits*

“Pension Benefits” above describes the general terms of each pension plan in which our named executive officers participate. The table below shows the pension benefits that would have become payable if the named executive officers had died, become disabled, voluntarily terminated, or retired as of December 31, 2021.

*Potential Termination Payments Table (Pension Benefits)*

<u>Name</u>	<u>Lump Sum Upon Death (\$)</u>	<u>Annual Benefit* Upon Death (\$)</u>	<u>Annual Benefit* Upon Disability (\$)</u>	<u>Annual Benefit* Upon Voluntary Termination (\$)</u>	<u>Annual Benefit* Upon Retirement (\$)</u>
Murphy .....	31,554	49,121	96,546	N/A	48,240
Zodl .....	0	0	0	0	0
Makela .....	31,554	73,230	142,150	90,929	N/A

\* Annual amounts for Mr. Murphy are annuity payments applicable under the U.K. GE Pension Plan.

*Lump Sum Upon Death.* For Mr. Murphy and Mr. Makela, the lump sum represents the return of contributions and interest under the U.K. GE Pension Plan.

*Annual Benefit Upon Death.* For Mr. Murphy and Mr. Makela, the annual amount is payable for the life of the surviving spouse. In each case, amounts commence after death.

*Annual Benefit Upon Disability.* For Mr. Murphy and Mr. Makela, the amount is payable as a 50% joint and survivor annuity.

*Annual Benefit Upon Voluntary Termination.* Because he is retirement-eligible, the benefits for Mr. Murphy are shown under Annual Benefit Upon Retirement. For Mr. Makela, the amount is payable at age 65 as a 50% joint and survivor annuity.

*Annual Benefit Upon Retirement.* Represents partial pension eligibility for Mr. Murphy, with the amount payable as a 50% joint and survivor annuity. Mr. Makela is not yet eligible to retire.

*Nonqualified Deferred Compensation*

The named executive officers are entitled to receive the amount in their nonqualified deferred compensation accounts, if vested, upon their separation from service. Between the termination event and the date that distributions are made, these accounts would continue to increase or decrease in value based on changes in the value of the named executive’s earnings option. Therefore, amounts received by the named executive officers would differ from those shown in the “Nonqualified Deferred Compensation Table” above. See “—Nonqualified Deferred Compensation” above for further information.

*Life Insurance Benefits*

For a description of the supplemental life insurance plans that provide coverage to the named executive officers, see “Life Insurance Premiums” above. Other NEOs do not qualify for these supplemental life insurance plans, as they were discontinued for executives joining GE (or being promoted to the relevant band of seniority) on or after January 1, 2018. If the named executive officers had died on December 31, 2021, the survivors of the named executive officers would have received the following under these arrangements.

<u>Name</u>	<u>Death Benefit (\$)</u>
Murphy .....	3,763,080
Zodl .....	0
Makela .....	0

GE would continue to pay the premiums in the event of a disability for Executive Life, until the later of age 60 or 15 years in the plan, and under Leadership Life, until the later of age 65 or 10 years in the plan.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date of this Information Statement, GE beneficially owns all of the outstanding shares of our common stock. After the Spin-Off, GE will continue to own up to 19.9% of the shares of our common stock. The following table provides information regarding the anticipated beneficial ownership of our common stock at the time of the Spin-Off by:

- each of our directors;
- each of our named executive officers;
- all of our directors and executive officers as a group; and
- each of our stockholders whom we believe (based on the assumptions described below) will beneficially own more than 5% of our outstanding common stock.

Except as otherwise noted below, we based the share amounts on each person’s beneficial ownership of GE common stock on \_\_\_\_\_, giving effect to a Spin-Off ratio of \_\_\_\_\_ shares of our common stock for every \_\_\_\_\_ shares of GE common stock. We also assume that GE will retain up to 19.9% of our common stock.

Except as otherwise noted in the footnotes below, each person or entity identified in the table has sole voting and investment power with respect to the securities beneficially owned.

Immediately following the Spin-Off, we estimate that \_\_\_\_\_ shares of our common stock will be issued and outstanding, based on the approximately \_\_\_\_\_ shares of GE common stock outstanding on \_\_\_\_\_ and the number of shares retained by GE. The actual number of shares of our common stock that will be outstanding following the completion of the Spin-Off will be determined on \_\_\_\_\_.

	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percentage of Class</b>
<b><u>Directors and Named Executive Officers</u></b>		
Peter J. Arduini . . . . .		
Helmut Zodl . . . . .		
Kieran P. Murphy . . . . .		
Jan Makela . . . . .		
H. Lawrence Culp, Jr. . . . .		
Rodney F. Hochman . . . . .		
Lloyd W. Howell, Jr. . . . .		
Catherine Lesjak . . . . .		
Anne T. Madden . . . . .		
Tomislav Mihaljevic . . . . .		
Risa Lavizzo-Mourey . . . . .		
William J. Stromberg . . . . .		
Phoebe L. Yang . . . . .		

	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percentage of Class</u>
<b>Directors and Executive Officers as a group</b>		
<b>Principal Stockholders:</b>		
General Electric Company <sup>(1)</sup>		
5 Necco Street		
Boston, MA 02210 .....		19.9%
T. Rowe Price Associates, Inc. <sup>(2)</sup>		
100 East Pratt Street		
Baltimore, MD 21202 .....		%
The Vanguard Group <sup>(3)</sup>		
100 Vanguard Blvd.		
Malvern, PA 19355 .....		%
BlackRock, Inc. <sup>(4)</sup>		
55 East 52nd Street		
New York, NY 10055 .....		%
FMR LLC <sup>(5)</sup>		
245 Summer Street		
Boston, MA 02210 .....		%

\* Less than 1%.

- (1) The address for General Electric Company is 5 Necco Street, Boston, Massachusetts 02210. The address for all other persons is c/o GE Healthcare Holding LLC, 500 West Monroe Street, Chicago, Illinois 60661.
- (2) Based on the Schedule 13G/A filed with the SEC on August 10, 2022 by T. Rowe Price Associates, Inc. (“T. Rowe”) with respect to GE common stock. T. Rowe reported that it had sole voting power over 27,796,226 shares of GE common stock and sole dispositive power over 55,410,012 shares of GE common stock.
- (3) Based on the Schedule 13G/A filed with the SEC on February 9, 2022 by The Vanguard Group (“Vanguard”) with respect to GE common stock. Vanguard reported that it had shared voting power over 1,677,190 shares of GE common stock, sole dispositive power over 77,917,990 shares of GE common stock and shared dispositive power over 4,296,700 shares of GE common stock.
- (4) Based on the Schedule 13G filed with the SEC on February 1, 2022 by BlackRock, Inc. and certain subsidiaries (“BlackRock”) with respect to GE common stock. BlackRock reported that it had sole voting power over 59,597,738 shares of GE common stock and sole dispositive power over 68,206,900 shares of GE common stock.
- (5) Based on the Schedule 13G/A filed with the SEC on February 9, 2022 by FMR LLC (“Fidelity”) with respect to GE common stock. Fidelity reported that it had sole voting power over 6,178,216 shares of GE common stock and sole dispositive power over 63,476,985 shares of GE common stock.

## CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

### **Agreements with GE**

In order to govern the ongoing relationships between us and GE after the Spin-Off and to facilitate an orderly transition, we and GE intend to enter into agreements providing for various services and rights following the Spin-Off, and under which we and GE will agree to indemnify each other against certain liabilities arising from our respective businesses. The following summarizes the terms of the material agreements we expect to enter into with GE.

#### *Separation and Distribution Agreement*

We intend to enter into a Separation and Distribution Agreement with GE before the Spin-Off. The Separation and Distribution Agreement will set forth our agreements with GE regarding the principal actions to be taken in connection with the Spin-Off. It will also set forth other agreements that govern aspects of our relationship with GE following the Spin-Off.

#### *Transfer of Assets and Assumption of Liabilities*

The Separation and Distribution Agreement will identify certain transfers of assets and assumptions of liabilities that are necessary in advance of our separation from GE so that we and GE retain the assets of, and the liabilities associated with, our respective businesses. The Separation and Distribution Agreement generally provides that the assets comprising our business will consist of those exclusively related to our current business and operations (except for intellectual property and real property assets, which are allocated as further described in “—Agreements Governing Intellectual Property” and “—Real Estate Matters Agreement,” respectively) or otherwise allocated to the business through a process of dividing shared assets. The liabilities we will assume in connection with the Spin-Off will generally consist of those related to the assets comprising our business or to the past and future operations of our business, including our locations used in our current operations. The Separation and Distribution Agreement will also provide for the settlement or extinguishment of certain liabilities and other obligations between us and GE.

#### *Reorganization Transactions*

The Separation and Distribution Agreement will describe certain actions related to our separation from GE that will occur prior to the Spin-Off, or in limited instances, following the Spin-Off, including the contribution by GE to us of the assets and liabilities that comprise our business.

#### *Subsequent Separation Transaction*

The Separation and Distribution Agreement provides that, in connection with the proposed subsequent spin-off of GE’s combined renewable energy, power, and digital businesses, GE will be entitled to allocate and assign to the separate public company that will hold the combined renewable energy, power, and digital businesses any of GE’s and GE’s subsidiaries’ rights, interests, and obligations under the Separation and Distribution Agreement or any ancillary agreement relating to the combined renewable energy, power, and digital businesses, and that in such case, we will be entitled to look only towards the applicable entities holding the combined renewable energy, power, and digital businesses for satisfaction of any such assigned obligations owed to us under the Separation and Distribution Agreement. Upon any such assignment of such obligations to the combined renewable energy, power, and digital businesses, GE and its subsidiaries shall be fully released from all such assigned obligations.

#### *Intercompany Arrangements*

All agreements, arrangements, commitments, and understandings, including most intercompany accounts payable or accounts receivable, between us, on the one hand, and GE, on the other hand, will terminate and/or be repaid effective as of the Distribution Date or shortly thereafter, except specified agreements and arrangements that are intended to survive the Spin-Off.

### *Credit Support*

We will agree to use reasonable best efforts to arrange, prior to or within 120 days following the Spin-Off, for the termination or replacement of all guarantees, bank provided guarantees, covenants, indemnities, surety bonds, letters of credit, or similar assurances of credit support, other than certain specified credit support instruments, currently provided by or through GE or any of its subsidiaries for the benefit of us or any of our subsidiaries.

### *Representations and Warranties*

In general, neither we nor GE will make any representations or warranties regarding any assets or liabilities transferred or assumed (including with respect to the sufficiency of assets for the conduct of our business), any notices, consents, or governmental approvals that may be required in connection with these transfers or assumptions, the value or freedom from any lien or other security interest of any assets or liabilities transferred, the absence of any defenses relating to any claim of either party, or the legal sufficiency of any conveyance documents. Except as expressly set forth in the Separation and Distribution Agreement or any ancillary agreement, all assets will be transferred on an “as is,” “where is” basis.

### *Further Assurances*

The parties will use reasonable best efforts to effect any transfers contemplated by the Separation and Distribution Agreement that have not been consummated prior to the Spin-Off. In addition, the parties will use reasonable best efforts to effect any transfer or re-transfer of any asset or liability that was improperly transferred or retained.

### *The Spin-Off*

The Separation and Distribution Agreement will govern GE’s and our respective rights and obligations regarding the proposed Spin-Off. On or prior to the Distribution Date, GE will deliver at least 80.1% of the issued and outstanding shares of our common stock to the distribution agent. On or as soon as practicable following the Distribution Date, the distribution agent will electronically deliver the shares of our common stock to GE stockholders based on the distribution ratio. The GE Board may, in its sole and absolute discretion, determine the Record Date, the Distribution Date, and the terms of the Spin-Off, including the amount of the shares of our common stock it may retain. In addition, GE may, at any time until the Spin-Off, decide to abandon the Spin-Off or modify or change the terms of the Spin-Off.

### *Conditions*

The Separation and Distribution Agreement will also provide that several conditions must be satisfied or, to the extent permitted by law, waived by GE, in its sole and absolute discretion, before the Spin-Off can occur. For further information about these conditions, see “The Spin-Off—Conditions to the Spin-Off.”

### *Exchange of Information*

We and GE will agree to provide each other with information reasonably needed to comply with reporting, disclosure, filing, or other requirements of any national securities exchange or governmental authority, and requested by the other party for use in judicial, regulatory, administrative, and other proceedings or in order to satisfy audit, accounting, litigation, and other similar requirements. We and GE will also agree to use reasonable best efforts to retain such information in accordance with specified record retention policies. Each party will also agree to use its reasonable best efforts to assist the other with its financial reporting and audit obligations.

### *Termination*

The GE Board, in its sole and absolute discretion, may terminate the Separation and Distribution Agreement at any time prior to the Spin-Off.

### *Release of Claims*

We and GE will each agree to release the other and its affiliates, successors, and assigns, and all persons that prior to the Spin-Off have been the other's stockholders, fiduciaries, directors, trustees, counsel, officers, members, managers, employees, agents, and certain other parties, and their respective heirs, executors, administrators, successors, and assigns, from any and all liabilities, whether at law or in equity (including any right of contribution), whether arising under any contract, by operation of law, or otherwise, existing or arising from any acts or events occurring, or failing to occur, or alleged to have occurred, or to have failed to occur, or any conditions existing or alleged to have existed on or before the Spin-Off, including in connection with the Spin-Off and all other activities to implement the Spin-Off. The releases will not extend to obligations or liabilities under the Separation and Distribution Agreement or any of the other agreements between us and GE entered into in connection with the Spin-Off, to any other agreements between us and GE that remain in effect following the separation pursuant to the Separation and Distribution Agreement or any ancillary agreement, or to certain other obligations or liabilities specified in the Separation and Distribution Agreement.

### *Indemnification*

We and GE will each agree to indemnify the other and each of the other's current and former directors, officers, and employees, and each of the heirs, executors, administrators, successors, and assigns of any of them, against certain liabilities incurred in connection with the Spin-Off and our and GE's respective businesses. The amount of either GE's or our indemnification obligations will be reduced by any net insurance proceeds the party being indemnified receives. The Separation and Distribution Agreement will also specify procedures regarding claims subject to indemnification.

### *Transition Services Agreement*

We intend to enter into a Transition Services Agreement pursuant to which GE will provide us, and we will provide GE, with certain specified services for a limited time to ensure an orderly transition following the Spin-Off. The services GE will provide consist of digital technology, human resources, supply chain, finance, and real estate services, among others. The services that we will provide will consist of digital technology, supply chain, and real estate services, among others. The services are generally intended to be provided for a period no longer than two years following the Spin-Off. Either party may terminate the agreement with respect to any service if the other party has failed to perform any of its material obligations and such failure is not cured within thirty (30) days. Either party may, in its capacity as a recipient of services, terminate the agreement with respect to any service for convenience upon ninety (90) days' prior written notice. The parties may otherwise negotiate mutually agreed reductions in the scope of services provided. The Transition Services Agreement will provide for customary indemnification and limits on liability.

Given the short-term nature of the Transition Services Agreement, we are in the process of increasing our internal capabilities to eliminate reliance on GE for the transition services it will provide us as quickly as possible following the Spin-Off.

### *Tax Matters Agreement*

We intend to enter into a Tax Matters Agreement with GE that will govern the respective rights, responsibilities, and obligations of GE and us after the Spin-Off with respect to all tax matters (including tax liabilities, tax attributes, tax returns, and tax contests).

The Tax Matters Agreement will generally provide that GE will be responsible and will indemnify us for U.S. taxes imposed on a joint return basis relating to the Healthcare business for periods preceding the Spin-Off, subject to certain exceptions; we will be responsible and will indemnify GE for certain U.S. and all foreign taxes imposed on a joint return basis relating to the Healthcare business for periods preceding the Spin-Off, all taxes



imposed on a separate return basis on us or our subsidiaries (after giving effect to the Spin-Off) for all periods, and all other taxes relating to the Healthcare business for all periods following the Spin-Off. In addition, the Tax Matters Agreement will address the allocation of liability for taxes that are incurred as a result of restructuring activities undertaken to effectuate the Spin-Off.

In addition, the Tax Matters Agreement will provide that we will be required to indemnify GE for any taxes (and reasonable expenses) resulting from the failure of the Spin-Off and related internal transactions to qualify for their intended tax treatment under U.S. federal, state, and local income tax law, as well as foreign tax law, where such taxes result from (a) breaches of covenants and representations we make and agree to in connection with the Spin-Off, (b) the application of certain provisions of U.S. federal income tax law to these transactions, or (c) any other action or omission (other than actions expressly required or permitted by the Separation and Distribution Agreement, the Tax Matters Agreement, or other ancillary agreements) we take after the Spin-Off that gives rise to these taxes. GE will have the exclusive right to control the conduct of any audit or contest relating to these taxes, but we will have notification and information rights regarding GE's conduct of any such audit or contest, to the extent that we could be liable for taxes under the Tax Matters Agreement as a result of such audit or contest.

The Tax Matters Agreement will impose certain restrictions on us and our subsidiaries (including restrictions on share issuances, redemptions or repurchases, mergers or other business combinations, sales of assets and similar transactions) that will be designed to address compliance with Section 355 and related provisions of the Code, as well as state, local, and foreign tax law, and are intended to preserve the tax-free nature of the Spin-Off and related transactions. Under the Tax Matters Agreement, these restrictions will apply for two years following the Spin-Off, unless GE obtains a private letter ruling from the IRS or we obtain an opinion of counsel, in each case acceptable to GE in its discretion, that the restricted action would not impact the non-recognition treatment of the Spin-Off or other transaction, or unless GE otherwise gives its consent for us to take a restricted action in its discretion. Even if such a private letter ruling or opinion is obtained, or GE does otherwise consent to our taking an otherwise restricted action, we will remain liable to indemnify GE in the event such restricted action gives rise to an otherwise indemnifiable liability. These restrictions may limit our ability to pursue strategic transactions or engage in new businesses or other transactions that may maximize the value of our business, and might discourage or delay a strategic transaction that our stockholders may consider favorable.

### ***Employee Matters Agreement***

We intend to enter into an Employee Matters Agreement with GE that provides certain protections for our employees and former employees, sets forth the timing and general responsibilities related to the split of assets and liabilities of certain GE employee benefit and compensation plans, and provides for mutual two-year non-solicitation obligations with respect to employees at the Senior Professional Band level and higher with customary exemptions.

For example, for at least twelve months after the Spin-Off for U.S. employees (and for longer periods in Canada or as may be required by law), we will continue to provide our employees with at least the same salary/wages and cash incentive compensation opportunities in effect immediately prior to the Spin-Off. During that period, we will also continue to offer employee benefits of comparable aggregate value to those in effect immediately prior to the Spin-Off and recognize prior GE service credit for all employees employed by us on the Distribution Date.

Except as specifically provided in the Employee Matters Agreement, we will generally be responsible for all employment, employee compensation, and employee benefits-related liabilities relating to employees, former employees, and other individuals allocated to us. For these individuals, we will assume certain assets and liabilities with respect to GE's U.S. and non-U.S. benefit plans.

The Employee Matters Agreement incorporates the indemnification provisions contained in the Separation and Distribution Agreement and provides that we will indemnify GE for certain liabilities associated with the failure to comply with our obligations under the Employee Matters Agreement, for any employment liabilities related to employees, former employees, and other individuals allocated to us that cannot be assumed, retained, transferred, or assigned as a matter of law, and for claims related to our adoption or assumption of certain employee benefit and compensation plans, and any future actions that we take with respect to those plans.

The Employee Matters Agreement will also reflect the adjustment of outstanding equity-based awards granted by GE prior to the Spin-Off. See “The Spin-Off—Treatment of Equity Awards.”

### ***Agreements Governing Intellectual Property***

#### *Allocation of Intellectual Property*

The agreements we will enter into with GE governing intellectual property will provide for us to own (i) certain specified patents and patent applications, trademarks and trademark applications, and domain names, (ii) rights in specified proprietary software, and (iii) certain other unregistered intellectual property rights and technology used exclusively or primarily in the Healthcare business. Any intellectual property and technology that are not allocated to us will be retained by GE.

#### *Intellectual Property Cross License Agreements*

We intend to enter into Intellectual Property Cross License Agreements with GE, pursuant to which GE will grant to us perpetual and irrevocable, non-exclusive, royalty-free licenses to use and exploit certain intellectual property rights (excluding trademarks and domain names) that are currently being used by the Healthcare business but are being retained by GE. Additionally, GE will retain certain perpetual and irrevocable, non-exclusive, royalty-free rights with respect to certain intellectual property rights (excluding trademarks and domain names) that are currently being used in GE’s retained businesses, that are allocated to us.

The field of use for the licenses granted to us will generally be the Healthcare business as conducted immediately prior to the Spin-Off, with natural extensions and evolutions. The field of use for the rights retained by GE will generally be GE’s retained businesses as conducted immediately prior to the Spin-Off, with natural extensions and evolutions. The licenses granted to us and the rights retained by GE will generally be transferable with any sale or transfer of an entity or line of business that utilizes the relevant intellectual property, and the transferred license will be limited to the business, products, and services as conducted by the transferred entity or line of business as of the date of the transfer, with natural extensions and evolutions.

#### *Trademark License Agreement*

We intend to enter into a Trademark License Agreement, pursuant to which GE will grant to us an exclusive, fee-bearing license to use certain of GE’s trademarks with respect to the “GE” brand in connection with (i) certain products and services that are exclusive to our business and (ii) our business’s trade name. GE will also grant to us non-exclusive, fee-bearing licenses to use certain of GE’s trademarks in respect of certain other products and services of our business. GE will also grant to us the right to use the “GE” brand in connection with certain legal entity names within our corporate structure. The licenses and rights granted will be for an initial ten-year term, which will automatically renew for an unlimited number of successive ten-year renewal terms, unless terminated for certain specified events (*e.g.*, a change of control, bankruptcy event, material breaches, or material adverse impact to the GE brand).

#### ***Real Estate Matters Agreement***

We intend to enter into a Real Estate Matters Agreement with GE that will govern the allocation and transfer of real estate between GE and GE Healthcare and the colocation of GE and GE Healthcare following the Spin-Off. Certain sites will be transferred from one company to the other in accordance with the Allocation Principles described below and certain sites will be occupied by both GE and GE Healthcare employees following the Spin-Off pursuant to a TSA, lease, or sublease. Real estate assets will be predominantly allocated

(“Allocation Principles”) based on whether GE Healthcare or another business unit within GE has a plurality or greater of the employees assigned to the applicable property (“Majority Occupant”). For each collocated site, the minority occupant(s) can continue to occupy such site only until the expiration date of (i) the TSA period for Real Estate, which will be two years from the Spin Date or (ii) the applicable lease or sublease, if longer and if such longer lease or sublease has been reviewed and approved by the parties. The minority occupant(s) will pay its pro-rata share of costs for the occupied site through such expiration date. Except as otherwise agreed by the parties, the Majority Occupant will pay for any alterations or improvements necessary to demise the applicable site, if it elects to so demise such site, in its sole discretion.

#### ***Stockholder and Registration Rights Agreement***

We intend to enter into a Stockholder and Registration Rights Agreement with GE pursuant to which we will agree that, upon the request of GE, subject to certain limitations, we will use our reasonable best efforts to effect the registration under applicable federal or state securities laws of any shares of our common stock retained by GE. If we intend to file on our behalf or on behalf of any of our other security holders a registration statement in connection with a public offering of any of our securities in a manner that would permit the registration for offer and sale of our common stock held by GE, GE will have the right to include its shares of our common stock in that offering.

We will be generally responsible for all registration expenses in connection with the performance of our obligations under the registration rights provisions in the agreement, and GE will be responsible for its own internal fees and expenses, any applicable underwriting discounts or commissions, and any stock transfer taxes. The agreement will also contain customary indemnification and contribution provisions by us for the benefit of GE and, in limited situations, by GE for the benefit of us with respect to the information provided by GE included in any registration statement, prospectus, or related document.

If GE transfers shares covered by the agreement, it will be able to transfer the benefits of the Stockholder’s and Registration Rights Agreement to transferees of 5% or more of the shares of our common stock outstanding immediately following the Spin-Off, provided that each transferee agrees to be bound by the terms of the Stockholder and Registration Rights Agreement.

In addition, GE will agree to vote any shares of our common stock that it retains immediately after the Spin-Off in proportion to the votes cast by our other stockholders. In connection with such agreement, GE will grant us a proxy to vote its shares of our retained common stock in such proportion. As a result, GE will not be able to exert any control over us through the shares of our common stock it retains. Any such proxy, however, will be automatically revoked as to a particular share upon any sale or transfer of such share from GE to a person other than GE, and neither the Stockholder and Registration Rights Agreement nor proxy will limit or prohibit any such sale or transfer.

#### **Policy and Procedures Governing Related Person Transactions**

Prior to the completion of the Spin-Off, our Board will establish governance principles, which will include a written policy regarding the review and approval of transactions with related persons. We anticipate that this policy will provide that our independent directors as a group or a committee comprised solely of independent directors (such as our Audit Committee) review each of our transactions involving an amount exceeding \$120,000 and in which any “related person” had, has, or will have a direct or indirect material interest, subject to certain specified exceptions. We further anticipate that this policy will include the following standards in assessing transactions with related persons: (i) review the nature of the related person’s interest in the transaction, (ii) identify material transaction terms, including the amount involved and the type of transaction, (iii) determine the importance of the transaction to us and the related person, (iv) determine whether the transaction would impair a director or executive officer’s judgment to act in our best interest, and (v) review any other matters deemed appropriate, including any third-party fairness opinions or other expert reviews obtained in connection with the applicable transaction. A proposed related person transaction will not be approved if the Board determines that the transaction is inconsistent with our interests and the interests of our stockholders. In general, “related persons” are our directors, director nominees, executive officers, and stockholders beneficially owning more than 5% of our outstanding common stock and immediate family members or certain other designated persons.

## MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE SPIN-OFF

### Consequences to U.S. Holders of GE Common Stock

The following is a summary of the material U.S. federal income tax consequences to holders of GE common stock in connection with the Spin-Off. This summary is based on the Code, the Treasury Regulations promulgated under the Code and judicial and administrative interpretations of those laws, in each case, as in effect and available as of the date of this Information Statement and all of which are subject to change at any time, possibly with retroactive effect. Any such change could affect the tax consequences described below.

This summary is also based upon the assumption that the Spin-Off will be completed according to the terms of the Separation and Distribution Agreement and as described elsewhere in this Information Statement. This summary is limited to holders of GE common stock that are U.S. Holders, as defined immediately below, that hold their GE common stock as a capital asset. A “U.S. Holder” is a beneficial owner of GE common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or a resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States or any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or (2) in the case of a trust that was treated as a domestic trust under law in effect before 1997, a valid election is in place under applicable Treasury Regulations.

This summary is for general information only and is not tax advice. It does not discuss all tax considerations that may be relevant to stockholders in light of their particular circumstances, nor does it address the consequences to stockholders subject to special treatment under the U.S. federal income tax laws, such as:

- brokers, dealers or traders in securities, commodities or currencies;
- personal holding companies;
- controlled foreign corporations or passive foreign investment companies;
- persons holding GE common stock as intermediaries, agents or nominees;
- tax-exempt entities;
- banks, financial institutions or insurance companies;
- real estate investment trusts, regulated investment companies or grantor trusts;
- persons who acquired GE common stock pursuant to the exercise of employee stock options or otherwise as compensation;
- stockholders who own, or are deemed to own, 10% or more, by voting power or value, of GE equity;
- stockholders owning GE common stock as part of a position in a straddle or as part of a hedging, conversion, synthetic security, integrated investment, constructive sale transaction or other risk reduction transaction for U.S. federal income tax purposes;
- persons who are subject to the alternative minimum tax;
- persons whose functional currency is not the U.S. Dollar;
- certain former citizens or long-term residents of the United States;
- persons who are subject to special accounting rules under Section 451(b) of the Code;

- persons who own GE common stock through partnerships or other pass-through entities; or
- persons who hold GE common stock through a tax-qualified retirement plan.

This summary is not a complete analysis or description of all potential U.S. federal income tax consequences of the Spin-Off. It does not address any tax consequences arising under the Medicare tax on net investment income or the Foreign Account Tax Compliance Act (including the Treasury Regulations promulgated thereunder and intergovernmental agreements entered into pursuant thereto or in connection therewith). In addition, it does not address any U.S. state or local or foreign tax consequences or any estate, gift or other non-income tax consequences of the Spin-Off.

If a partnership, or any other entity treated as a partnership for U.S. federal income tax purposes, holds GE common stock, the tax treatment of a partner in that partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership is urged to consult its own tax advisor as to its tax consequences.

**EACH HOLDER OF GE COMMON STOCK IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE AND LOCAL AND FOREIGN TAX CONSEQUENCES OF THE SPIN-OFF.**

***General***

GE has applied for a private letter ruling from the IRS to the effect that, among other things, the Spin-Off, including the retention of up to 19.9% of the shares of our common stock, will qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. Completion of the Spin-Off is conditioned upon GE's receipt of a written opinion from each of Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel to GE, and Ernst & Young, LLP to the effect that the Spin-Off will qualify for non-recognition of gain or loss under Section 355 and related provisions of the Code. Each opinion will be based on the assumption that, among other things, the representations made, and information submitted, in connection with it are accurate. If the Spin-Off qualifies for this treatment and subject to the qualifications and limitations set forth herein (including the discussion below relating to the receipt of cash in lieu of fractional shares), for U.S. federal income tax purposes:

- no gain or loss will be recognized by, or be includible in the income of, a U.S. Holder as a result of the Spin-Off, except with respect to any cash received in lieu of fractional shares;
- the aggregate tax basis of the GE common stock and our common stock held by each U.S. Holder immediately after the Spin-Off will be the same as the aggregate tax basis of the GE common stock held by the U.S. Holder immediately before the Spin-Off, allocated between the GE common stock and our common stock in proportion to their relative fair market values on the date of the Spin-Off (subject to reduction upon the deemed sale of any fractional shares, as described below); and
- the holding period of our common stock received by each U.S. Holder will include the holding period of their GE common stock.

U.S. Holders that have acquired different blocks of GE common stock at different times or at different prices are urged to consult their tax advisors regarding the allocation of their aggregate adjusted tax basis among, and the holding period of, shares of our common stock distributed with respect to such blocks of GE common stock.

The opinion of counsel and the opinion of Ernst & Young, LLP will not address any U.S. state or local or foreign tax consequences of the Spin-Off. The opinion will assume that the Spin-Off will be completed according to the terms of the Separation and Distribution Agreement and will rely on the facts as stated in the Separation and Distribution Agreement, the Tax Matters Agreement, the other ancillary agreements, this Information

Statement and a number of other documents. In addition, the opinions will be based on certain representations as to factual matters from, and certain covenants by, GE and us. The opinions cannot be relied on if any of the assumptions, representations, or covenants is incorrect, incomplete, or inaccurate or are violated in any material respect.

The opinion of counsel and the opinion of Ernst & Young, LLP will not be binding on the IRS or the courts, and there can be no assurance that the IRS or a court will not take a contrary position. If the conclusions expressed in the opinions are challenged by the IRS, and if the IRS prevails in such challenge, the tax consequences of the Spin-Off could be materially less favorable.

If the Spin-Off were determined not to qualify for non-recognition of gain or loss, the above consequences would not apply and each U.S. Holder who receives our common stock in the Spin-Off would generally be treated as receiving a distribution in an amount equal to the fair market value of our common stock received, which would generally result in:

- a taxable dividend to the U.S. Holder to the extent of that U.S. Holder's pro rata share of GE's current or accumulated earnings and profits;
- a reduction in the U.S. Holder's basis (but not below zero) in GE common stock to the extent the amount received exceeds the stockholder's share of GE's earnings and profits; and
- a taxable gain from the exchange of GE common stock to the extent the amount received exceeds the sum of the U.S. Holder's share of GE's earnings and profits and the U.S. Holder's basis in its GE common stock.

### ***Cash in Lieu of Fractional Shares***

If a U.S. Holder receives cash in lieu of a fractional share of common stock as part of the Spin-Off, the U.S. Holder will be treated as though it first received a distribution of the fractional share in the Spin-Off and then sold it for the amount of cash actually received. Provided the fractional share is considered to be held as a capital asset on the date of the Spin-Off, the U.S. Holder will generally recognize capital gain or loss measured by the difference between the cash received for such fractional share and the U.S. Holder's tax basis in that fractional share, as determined above. Such capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period for the GE common stock is more than one year on the date of the Spin-Off.

Payments of cash to U.S. Holders of GE common stock in lieu of fractional shares of our common stock may be subject to information reporting and backup withholding (currently, at a rate of 24%), unless such U.S. Holder delivers a properly completed and executed IRS Form W-9 certifying such U.S. Holder's correct taxpayer identification number and certain other information, or otherwise establishes an exemption from backup withholding. Corporations will generally be exempt from backup withholding, but may be required to provide a certification to establish their entitlement to the exemption. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be refunded or credited against a U.S. Holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

### ***Information Reporting***

Treasury Regulations require each GE stockholder that, immediately before the Spin-Off, owned 5% or more (by vote or value) of the total outstanding stock of GE or stockholders whose basis in their GE common stock equals or exceeds \$1,000,000 to attach to such stockholder's U.S. federal income tax return for the year in which the Spin-Off occurs a statement setting forth certain information related to the Spin-Off.

### ***Consequences to GE***

The following is a summary of the material U.S. federal income tax consequences to GE in connection with the Spin-Off that may be relevant to holders of GE common stock.

As discussed above, GE has applied for a private letter ruling from the IRS to the effect that, among other things, the Spin-Off, including the retention of up to 19.9% of the shares of our common stock, will qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. Completion of the Spin-Off is conditioned upon GE's receipt of a separate written opinion from each of Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel to GE, and Ernst & Young, LLP, to the effect that the Spin-Off will qualify for non-recognition of gain or loss under Section 355 and related provisions of the Code. If the Spin-Off qualifies for non-recognition of gain or loss under Section 355 and related provisions of the Code, no gain or loss will be recognized by GE as a result of the Spin-Off (other than income or gain arising from any imputed income or other adjustment to GE, us or our respective subsidiaries if and to the extent that the Separation and Distribution Agreement or any ancillary agreement is determined to have terms that are not at arm's length). The opinions are subject to the qualifications and limitations as are set forth above under "—Consequences to U.S. Holders of GE Common Stock."

If the Spin-Off were determined not to qualify for non-recognition of gain or loss under Section 355 and related provisions of the Code, then GE would recognize gain equal to the excess of the fair market value of our common stock distributed to GE stockholders over GE's tax basis in our common stock.

### ***Indemnification Obligation***

If, as a result of any of our representations being untrue or our covenants being breached, the Spin-Off were determined not to qualify for non-recognition of gain or loss under Section 355 and related provisions of the Code, we could be required to indemnify GE for the resulting taxes and related expenses. In addition, if we or our stockholders were to engage in transactions that resulted in a 50% or greater change by vote or value in the ownership of our stock during the four-year period beginning on the date that begins two years before the date of the Spin-Off, the Spin-Off would generally be taxable to GE, but not to stockholders, under Section 355(e) of the Code, unless it were established that such transactions and the Spin-Off were not part of a plan or series of related transactions. If the Spin-Off were taxable to GE due to such a 50% or greater change in ownership of our stock, GE would recognize gain equal to the excess of the fair market value of our common stock distributed to GE stockholders over GE's tax basis in our common stock and we generally would be required to indemnify GE for the tax on such gain and related expenses. In addition, we will be liable to indemnify GE if, as a result of any of representations being untrue or our covenants being breached, transactions related to the Spin-Off that were intended to be tax-free under U.S. or foreign law, are determined instead to be taxable to GE.

## DESCRIPTION OF OUR CAPITAL STOCK

### General

Prior to the Spin-Off, GE, as our sole stockholder, will approve and adopt our certificate of incorporation, and our Board will approve and adopt our bylaws. The following summarizes information concerning our capital stock, including material provisions of our certificate of incorporation, our bylaws, and certain provisions of Delaware law. You are encouraged to read the forms of our certificate of incorporation and our bylaws, which are filed as exhibits to our Registration Statement on Form 10, of which this Information Statement is a part, for greater detail with respect to these provisions.

### Authorized Capital Stock

Immediately following the Spin-Off, our authorized capital stock will consist of \_\_\_\_\_ shares of common stock, par value \$0.01 per share, and \_\_\_\_\_ shares of preferred stock, par value \$0.01 per share.

### Common Stock

#### *Shares Outstanding*

Immediately following the Spin-Off, we estimate that approximately \_\_\_\_\_ shares of our common stock will be issued and outstanding, based on \_\_\_\_\_ shares of GE common stock outstanding as of \_\_\_\_\_, 2022 and the number of shares to be retained by GE. The actual number of shares of our common stock outstanding immediately following the Spin-Off will depend on the actual number of shares of GE common stock outstanding on the Record Date, and will reflect any issuance of new shares or exercise of outstanding options pursuant to GE's equity plans and any repurchases of GE shares by GE pursuant to its common stock repurchase program, in each case on or prior to the Record Date.

#### *Dividends*

Holders of shares of our common stock will be entitled to receive dividends when, as and if declared by our Board at its discretion out of funds legally available for that purpose, subject to the preferential rights of any preferred stock that may be outstanding. The timing, declaration, amount, and payment of future dividends will depend on our financial condition, earnings, capital requirements, and debt service obligations, as well as legal requirements, regulatory constraints, industry practice, and other factors that our Board deems relevant. Additionally, the terms of the indebtedness we intend to incur in connection with the Spin-Off will limit our ability to pay cash dividends. Our Board will make all decisions regarding our payment of dividends from time to time in accordance with applicable law. See "Dividend Policy."

#### *Voting Rights*

The holders of our common stock will be entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders.

#### *Other Rights*

Subject to the preferential liquidation rights of any preferred stock that may be outstanding, upon our liquidation, dissolution, or winding-up, the holders of our common stock will be entitled to share ratably in our assets legally available for distribution to our stockholders.

#### *Fully Paid*

The issued and outstanding shares of our common stock are fully paid and non-assessable. Any additional shares of common stock that we may issue in the future will also be fully paid and non-assessable. The holders of our common stock will not have preemptive rights or preferential rights to subscribe for shares of our capital stock.



## Preferred Stock

Our certificate of incorporation will authorize our Board to designate and issue from time to time one or more series of preferred stock without stockholder approval. Our Board may fix and determine the designations, powers, preferences and relative, participating, optional, or other rights of each series of preferred stock. There are no present plans to issue any shares of preferred stock.

## Certain Provisions of Delaware Law, Our Certificate of Incorporation, and Our Bylaws

### *Certificate of Incorporation and Bylaws*

Certain provisions in our proposed certificate of incorporation and our proposed bylaws summarized below may be deemed to have an anti-takeover effect and may delay, deter, or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for the shares held by stockholders. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our Board and in the policies formulated by our Board and to discourage certain types of transactions that may involve an actual or threatened change of control.

- *Vacancies.* Our certificate of incorporation will provide that any vacancies created on the Board resulting from any increase in the authorized number of directors and any vacancies in the Board resulting from death, retirement, disqualification, resignation, removal from office, or other cause will be filled solely by the affirmative vote of a majority of the remaining directors then in office, even if less than a quorum, or by the sole remaining director. Any director elected to fill a vacancy on our Board will hold office for a term expiring at the next annual meeting of stockholders and until his or her successor is duly elected and qualified.
- *Blank Check Preferred Stock.* Our certificate of incorporation will authorize our Board to issue, without any further vote or action by the stockholders, up to \_\_\_\_\_ shares of preferred stock from time to time in one or more series and, with respect to each such series, to fix the number of shares constituting the series and the designations, powers (including voting powers), preferences, and relative participating, optional, or other rights, if any, and any qualifications, limitations, or restrictions, if any, of the shares of such series. The ability to issue such preferred stock could discourage potential acquisition proposals and could delay or prevent a change in control.
- *No Stockholder Action by Written Consent.* Our certificate of incorporation will expressly exclude the right of our stockholders to act by written consent. Stockholder action must take place at an annual meeting or at a special meeting of our stockholders.
- *Special Stockholder Meetings.* Our bylaws will provide that the Board or a stockholder of record who is acting on behalf of one or more beneficial owners who collectively hold at least 25% of our outstanding shares will be able to call a special meeting of stockholders.
- *Requirements for Advance Notification of Stockholder Nominations and Proposals.* Under our bylaws, stockholders of record will be able to nominate persons for election to our Board or bring other business constituting a proper matter for stockholder action only by providing proper notice to our secretary. In the case of annual meetings, proper notice must be given between 90 and 120 days prior to the first anniversary of the prior year's annual meeting; however, if (A) the annual meeting is advanced by more than 30 days, or delayed by more than 60 days, from the first anniversary of the prior year's annual meeting, (B) no annual meeting was held during the prior year, or (C) with respect to the first annual meeting after the Spin-Off, the notice by the stockholder to be timely must be received (1) no earlier than 120 days before such annual meeting and (2) no later than the later of 90 days before such annual meeting and the tenth day after the day on which the notice of such annual meeting was first made by mail or public disclosure. In the case of special meetings, proper notice must be given no earlier than the 120th day prior to the relevant meeting and no later than the later of the 90th day prior

to such meeting and the 10th day following the public announcement of the meeting. Such notice must include information specified in the bylaws with respect to each stockholder nominating persons for election to the Board or proposing other business and certain related persons, information with respect to such person's nominees to the Board (if applicable), and certain representations and undertakings relating to the nomination or proposal, in each case as specified in our bylaws.

- *Proxy Access.* Our bylaws will allow one or more stockholders (up to 20, collectively), owning at least 3% of our outstanding shares continuously for at least three years, to nominate for election to our Board and to be included in our proxy materials up to the greater of two individuals or 20% of our Board, only by sending proper notice to our secretary.
- *Cumulative Voting.* The DGCL provides that stockholders are denied the right to cumulate votes in the election of directors unless the Company's certificate of incorporation provides otherwise. Our certificate of incorporation will not provide for cumulative voting.
- *Amendments to Certificate of Incorporation and Bylaws.* The DGCL provides that the affirmative vote of holders of a majority of a company's voting stock then outstanding is required to amend a corporation's certificate of incorporation, unless the certificate of incorporation specifies a higher threshold. Our certificate of incorporation will not provide for a higher threshold, and as of the Distribution Date we will have only common stock outstanding. The DGCL also provides that a board of directors may be granted authority to amend a corporation's bylaws if so stated in the corporation's certificate of incorporation, and our certificate of incorporation will provide that our Board may amend our bylaws. Under Delaware law, stockholders also have the power to amend bylaws, and our bylaws provide that they may be amended by the affirmative vote of a majority of the voting power of shares of stock present in person or represented by proxy and entitled to vote thereon.

#### ***Delaware Takeover Statute***

We are subject to Section 203 of the DGCL, which, subject to certain exceptions, prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that such stockholder became an interested stockholder.

#### ***Limitation on Liability of Directors and Indemnification of Directors and Officers***

Delaware law authorizes corporations to limit or eliminate the personal liability of directors and officers to corporations and their stockholders for monetary damages for breaches of directors' and officers' fiduciary duties as directors or officers, as applicable, and our certificate of incorporation will include such an exculpation provision. Our bylaws will include provisions that indemnify, to the fullest extent allowable under the DGCL, the personal liability of directors or officers for monetary damages for actions taken as a director or officer of GE HealthCare, or for serving at our request as a director, officer, employee, or agent at another corporation or enterprise, as the case may be. Our bylaws will also provide that we must indemnify and advance expenses to our directors, officers, and employees, subject to our receipt of an undertaking from the indemnified party as may be required under the DGCL.

The limitation of liability and indemnification provisions that will be included in our certificate of incorporation and bylaws, respectively, may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against our directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. However, these provisions will not limit or eliminate our rights, or those of any stockholder, to seek non-monetary relief such as an injunction or rescission in the event of a breach of a director's duty of care. The provisions will not alter the liability of directors under the federal securities laws. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. There is currently no pending material litigation or proceeding against any of our directors, officers, or employees for which indemnification is sought.

***Exclusive Forum***

Our certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery located within the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee, agent, or stockholder to us or our stockholders, any action asserting a claim arising pursuant to the DGCL, the certificate of incorporation, or the bylaws, or any action asserting a claim governed by the internal affairs doctrine. However, if the Court of Chancery within the State of Delaware lacks jurisdiction over such action, the action may be brought in another court of the State of Delaware or, if no court of the State of Delaware has jurisdiction, then in the United States District Court for the District of Delaware. Additionally, our certificate of incorporation will state that the foregoing provision will not apply to claims arising under the Securities Act, the Exchange Act, or other federal securities laws for which there is exclusive federal or concurrent federal and state jurisdiction. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. The exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or stockholders, which may discourage lawsuits with respect to such claims. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provisions.

**Transfer Agent and Registrar**

The transfer agent and registrar for our common stock will be Equiniti Trust Company.

**Listing**

We have applied to list our common stock on The Nasdaq Stock Market LLC, under the ticker symbol "GEHC."

## WHERE YOU CAN FIND MORE INFORMATION

We have filed a Registration Statement on Form 10 with the SEC with respect to the shares of our common stock that GE's stockholders will receive in the Spin-Off as contemplated by this Information Statement. This Information Statement is a part of, and does not contain all the information set forth in, the Registration Statement and the other exhibits and schedules to the Registration Statement. For further information with respect to us and our common stock, please refer to the Registration Statement, including its other exhibits and schedules. Statements we make in this Information Statement relating to any contract or other document are not necessarily complete, and you should refer to the exhibits attached to the Registration Statement for copies of the actual contract or document. You may review a copy of the Registration Statement, including its exhibits and schedules, on the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Information contained on any website we refer to in this Information Statement does not and will not constitute a part of this Information Statement or the Registration Statement on Form 10 of which this Information Statement is a part.

As a result of the Spin-Off, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, we will file periodic reports, proxy statements, and other information with the SEC.

You may request a copy of any of our filings with the SEC at no cost by writing us at the following address:

GE Healthcare Holding LLC  
500 West Monroe Street  
Chicago, Illinois 60661  
Attention: Investor Relations

We intend to furnish holders of our common stock with annual reports containing financial statements prepared in accordance with U.S. GAAP and audited and reported on by an independent registered public accounting firm.

## CHANGE IN GE'S CERTIFYING ACCOUNTANT

On June 18, 2020, GE selected Deloitte & Touche LLP (“Deloitte”) as GE’s independent registered public accounting firm for GE’s fiscal year ending December 31, 2021. KPMG LLP (“KPMG”) continued as GE’s independent registered public accounting firm for the fiscal year ending December 31, 2020. On February 12, 2021, KPMG completed its audit of GE’s consolidated financial statements for such fiscal year, which included the consolidated financial information for such fiscal year of GE HealthCare, and GE’s retention of KPMG as its independent registered accounting firm with respect to the audit of GE’s consolidated financial statements ended as of that date.

KPMG’s reports on GE’s consolidated financial statements as of and for the fiscal years ended December 31, 2019 and 2020 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

During the fiscal years ended December 31, 2019 and 2020, and the subsequent interim period through February 12, 2021, the effective date of KPMG’s dismissal, there were: (i) no disagreements within the meaning of Item 304(a)(1)(iv) of Regulation S-K and the related instructions between GE and KPMG on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to KPMG’s satisfaction, would have caused KPMG to make reference thereto in their reports; and (ii) no “reportable events” within the meaning of Item 304(a)(1)(v) of Regulation S-K.

GE requested that KPMG furnish a letter addressed to the SEC stating whether or not it agrees with the above statements. A copy of KPMG’s letter, dated February 12, 2021, is filed as Exhibit 16.1 to Registration Statement on Form 10.

During the fiscal years ended December 31, 2019 and 2020 and the subsequent interim period through February 12, 2021, neither GE nor anyone on its behalf consulted with Deloitte regarding: (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on GE’s financial statements, and neither a written report nor oral advice was provided to GE that Deloitte concluded was an important factor considered by GE in reaching a decision as to any accounting, auditing, or financial reporting issue; (ii) any matter that was the subject of a disagreement within the meaning of Item 304(a)(1)(iv) of Regulation S-K and the related instructions; or (iii) any reportable event within the meaning of Item 304(a)(1)(v) of Regulation S-K.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of General Electric Company

### Opinion on the Financial Statement

We have audited the accompanying statement of financial position of GE Healthcare Holding LLC (the “Company”) (a wholly owned subsidiary of General Electric Company) as of May 16, 2022 and the related notes (collectively referred to as the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of May 16, 2022 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

This financial statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

### Critical Audit Matters

Critical audit matters are matters arising from the current-period audit of the financial statement that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statement and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Deloitte & Touche LLP

Chicago, Illinois  
July 29, 2022

We have served as the Company’s auditor since 2022.

**GE HEALTHCARE HOLDING LLC  
STATEMENT OF FINANCIAL POSITION**

*May 16, 2022 (in dollars)*

Subscription receivable .....	\$ 1
<b>Total assets</b> .....	<u>\$ 1</u>
Common stock, par value \$0.01 per share, 100,000 shares authorized, 100 shares issued and outstanding . . .	\$ 1
<b>Total equity</b> .....	<u>\$ 1</u>

The accompanying notes are an integral part of the financial statement.



**GE HEALTHCARE HOLDING LLC**  
**NOTES TO STATEMENT OF FINANCIAL POSITION**

**NOTE 1. ORGANIZATION**

GE Healthcare Holding LLC (the “Company”) was formed as a Delaware limited liability company on May 16, 2022. Pursuant to a reorganization, the Company will become a holding corporation whose assets are expected to include all of the outstanding equity interest of GE HealthCare, a business of General Electric Company (“GE”). The Company will, through GE HealthCare, continue to conduct the business now conducted by such entities. As a result, the Company will consolidate the financial results of GE HealthCare at a future date when the GE HealthCare business of GE is contributed to the Company in a spin transaction.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Statement of Financial Position has been prepared in accordance with accounting principles generally accepted in the United States of America. Separate statements of income, comprehensive income, changes in equity, and cash flows have not been presented in the financial statements because there have been no material operating or non-operating activities in this entity.

**SUBSCRIPTION RECEIVABLE.** Subscription receivable represents cash not yet collected from stockholders for the issuance of common stock. As of May 16, 2022, the subscription receivable balance of \$1.00 was the result of the issuance of 100 shares to GE.

**NOTE 3. EQUITY**

The Company is authorized to issue 100,000 shares of common stock, par value \$0.01 per share (“Common Stock”). As of May 16, 2022, the Company has issued 100 shares of Common Stock in exchange for a subscription agreement to receive \$1.00 from GE.

**NOTE 4. SUBSEQUENT EVENTS**

The Company has evaluated events and transactions that occurred after the date of our accompanying Statement of Financial Position through July 29, 2022, the date this financial statement was available for issuance, for potential recognition or disclosure in the financial statement. Prior to the release of this financial statement, the subscription receivable has been paid. There were no other material recognized or unrecognized subsequent events.

**GE HEALTHCARE HOLDING LLC**  
**CONDENSED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**

<i>(in dollars)</i>	September 30, 2022	May 16, 2022
Cash .....	\$ 1	\$—
Subscription receivable .....	<u>—</u>	<u>1</u>
<b>Total assets</b> .....	<u>\$ 1</u>	<u>\$ 1</u>
Common stock, par value \$0.01 per share, 100,000 shares authorized, 100 shares issued and outstanding .....	<u>\$ 1</u>	<u>\$ 1</u>
<b>Total equity</b> .....	<u>\$ 1</u>	<u>\$ 1</u>

The accompanying notes are an integral part of the unaudited condensed financial statements.

**GE HEALTHCARE HOLDING LLC**  
**NOTES TO CONDENSED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**

**NOTE 1. ORGANIZATION**

GE Healthcare Holding LLC (the “Company”) was formed as a Delaware limited liability company on May 16, 2022. Pursuant to a reorganization, the Company will become a holding corporation whose assets are expected to include all of the outstanding equity interest of GE HealthCare, a business of General Electric Company (“GE”). The Company will, through GE HealthCare, continue to conduct the business now conducted by such entities. As a result, the Company will consolidate the financial results of GE HealthCare at a future date when the GE HealthCare business of GE is contributed to the Company in a spin transaction.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The condensed Statements of Financial Position have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Separate statements of income, comprehensive income, changes in equity, and cash flows have not been presented in the financial statements because there have been no material operating or non-operating activities in this entity. As of September 30, 2022, the activity of the Company included the issuance of 100 shares of common stock on May 16, 2022, in exchange for a subscription receivable of \$1.00, which was subsequently collected.

The accompanying unaudited condensed Statement of Financial Position as of September 30, 2022 has been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) applicable to interim financial statements. Accordingly, certain information related to our significant accounting policies and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These unaudited condensed financial statements reflect, in the opinion of management, all material adjustments (which include only normally recurring adjustments) necessary to fairly state, in all material respects, our financial position for the period presented.

**CASH.** Cash includes deposits in a financial institution.

**SUBSCRIPTION RECEIVABLE.** Subscription receivable represents cash not yet collected from stockholders for the issuance of common stock. As of May 16, 2022, the subscription receivable balance of \$1.00 was the result of the issuance of 100 shares to GE. As of September 30, 2022, the subscription receivable has been collected.

**NOTE 3. EQUITY**

The Company is authorized to issue 100,000 shares of common stock, par value \$0.01 per share (“Common Stock”). The Company has issued 100 shares of Common Stock in exchange for \$1.00, all of which were held by GE at September 30, 2022 and May 16, 2022.

**NOTE 4. SUBSEQUENT EVENTS**

The Company has evaluated events and transactions that occurred after the date of our accompanying condensed Statement of Financial Position through October 11, 2022, the date these unaudited condensed financial statements were available for issuance, for potential recognition or disclosure in the unaudited condensed financial statements. There were no material recognized or unrecognized subsequent events.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of General Electric Company

### Opinion on the Financial Statements

We have audited the accompanying combined statement of financial position of GE HealthCare, a business of General Electric Company, (the “Company”) as of December 31, 2021, the related combined statements of income, comprehensive income, changes in equity, and cash flow for the year ended December 31, 2021, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

### Income Taxes – Valuation Allowance on Deferred Tax Assets — Refer to Note 11 to the financial statements

#### *Critical Audit Matter Description*

The Company recognizes deferred income taxes for tax attributes and for differences between the financial statement and tax basis of assets and liabilities at enacted statutory tax rates in effect for the years in which the

deferred tax liability or asset is expected to be settled or realized. A valuation allowance is provided to offset deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Future realization of deferred tax assets depends on the existence of sufficient taxable income of the appropriate character. Sources of taxable income include future reversals of deferred tax assets and liabilities, expected future taxable income, taxable income in prior carryback years if permitted under the tax law, and tax planning strategies.

The Company's valuation allowance for deferred tax assets was \$279 million as of December 31, 2021. The Company's determination of the valuation allowance involves judgments and estimates. Management's primary estimates used to determine whether deferred tax assets are more likely than not to be realized and to measure the related valuation allowances are the projected timing and pattern of future reversals of existing taxable temporary differences and the projection of future sources of taxable income. Auditing management's projected timing and pattern of future reversals of existing taxable temporary differences and the projection of future sources of taxable income, which affect the recorded valuation allowances, required a high degree of auditor judgment and an increased extent of effort, including the need to involve our income tax specialists.

#### *How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to estimated future sources of taxable income included the following, among others:

- With the assistance of our income tax specialists, we considered relevant tax laws and regulations in evaluating the appropriateness of management's estimates of future sources of taxable income.
- We evaluated the reasonableness of management's estimates of future sources of taxable income by comparing the estimates to historical sources of taxable income or loss.
- We evaluated management's projected timing and projected pattern of the reversals of existing taxable temporary differences.
- With the assistance of our income tax specialists, we evaluated whether the estimated future sources of taxable income were of the appropriate character to utilize the deferred tax assets under tax law.
- We evaluated management's assessment that it is more likely than not that sufficient taxable income will be generated in the future to utilize certain net deferred tax assets.
- We evaluated whether the estimates of future taxable income were consistent with evidence obtained in other areas of the audit.

#### **Income Taxes — Application of Separate Return Method — Refer to Notes 2 and 11 to the financial statements**

##### *Critical Audit Matter Description*

The Company is included in certain U.S. and non – U.S. tax filings of General Electric Company. For purposes of these financial statements, the Company's income tax provision is determined on a separate return basis as if the Company was a stand-alone entity, based on management's interpretation of the tax regulations and rulings in numerous taxing jurisdictions. When calculating the income tax provision, management made certain estimates and assumptions when identifying and measuring deferred tax assets and liabilities and uncertain tax positions. The income tax provision for the Company for 2021 was \$600 million. The Company's net deferred tax asset was \$902 million as of December 31, 2021. The Company's liability for unrecognized tax benefits was \$365 million as of December 31, 2021.

Given the number of taxing jurisdictions and the complex and subjective nature of the associated tax regulations and rulings, auditing management's application of the separate return method required a high degree of auditor judgment and increased extent of effort, including the need to involve our income tax specialists.

*How the Critical Audit Matter Was Addressed in the Audit*

With the assistance of our income tax specialists, our audit procedures related to management's application of the separate return method included the following, among others:

- We evaluated the completeness of the Company's identification of deferred tax assets and liabilities by:
  - Comparing the deferred tax assets and liabilities to those historically identified and accounted for by General Electric Company.
  - Analyzing the deferred tax assets and liabilities attributed to allocations of assets and liabilities historically held by General Electric Company.
- We selected a sample of deferred tax assets and liabilities and tested the accuracy, completeness, and classification of each selection.
- We developed an expectation of the non – U.S. income tax provision by jurisdiction and compared it to the recorded balances to further evaluate those amounts.
- We evaluated management's computations supporting the U.S. Federal and State income tax provision.
- We evaluated management's significant judgments regarding the identification and measurement of uncertain tax positions by analyzing uncertain tax positions of General Electric Company and determining which positions were attributable to the separate operations of the Company.

/s/ Deloitte & Touche LLP

Chicago, Illinois  
July 29, 2022

We have served as the Company's auditor since 2022.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors  
General Electric Company:

### Opinion on the Combined Financial Statements

We have audited the accompanying combined statement of financial position of GE HealthCare (a carve-out business of General Electric Company) (the Company) as of December 31, 2020, the related combined statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2020, and the related notes (collectively, the combined financial statements). In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

### Basis for Opinion

These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the combined financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor from 2022 to 2022.

Chicago, Illinois  
July 29, 2022

**GE HEALTHCARE**  
**A BUSINESS OF GENERAL ELECTRIC COMPANY**  
**COMBINED STATEMENTS OF INCOME**

<i>For the years ended December 31 (\$ in millions)</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Sales of products .....	\$ 11,165	\$ 11,016	\$ 10,472
Sales of services .....	6,420	6,148	6,161
<b>Total revenues</b> .....	<b>17,585</b>	<b>17,164</b>	<b>16,633</b>
Cost of products .....	7,196	7,229	6,758
Cost of services .....	3,215	3,168	3,327
<b>Gross profit</b> .....	<b>7,174</b>	<b>6,767</b>	<b>6,548</b>
Selling, general and administrative .....	3,563	3,237	3,591
Research and development .....	816	810	833
<b>Total operating expenses</b> .....	<b>4,379</b>	<b>4,047</b>	<b>4,424</b>
<b>Operating income</b> .....	<b>2,795</b>	<b>2,720</b>	<b>2,124</b>
Interest and other financial charges – net .....	40	66	88
Non-operating benefit costs .....	3	5	9
Other (income) expense – net .....	(123)	(61)	(64)
<b>Income from continuing operations before income taxes</b> .....	<b>2,875</b>	<b>2,710</b>	<b>2,091</b>
Provision for income taxes .....	(600)	(652)	(410)
<b>Net income from continuing operations</b> .....	<b>2,275</b>	<b>2,058</b>	<b>1,681</b>
Income (loss) from discontinued operations, net of taxes .....	18	11,839	(128)
<b>Net income</b> .....	<b>2,293</b>	<b>13,897</b>	<b>1,553</b>
Net (income) loss attributable to noncontrolling interests .....	(46)	(51)	(29)
<b>Net income attributable to GE HealthCare</b> .....	<b>\$ 2,247</b>	<b>\$ 13,846</b>	<b>\$ 1,524</b>

The accompanying notes are an integral part of these combined financial statements.



**GE HEALTHCARE**  
**A BUSINESS OF GENERAL ELECTRIC COMPANY**  
**COMBINED STATEMENTS OF COMPREHENSIVE INCOME**

<i>For the years ended December 31 (\$ in millions)</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Net income attributable to GE HealthCare</b> .....	<b>\$ 2,247</b>	<b>\$ 13,846</b>	<b>\$ 1,524</b>
Net (income) loss attributable to noncontrolling interests .....	(46)	(51)	(29)
<b>Net income</b> .....	<b>2,293</b>	<b>13,897</b>	<b>1,553</b>
<b>Other comprehensive income (loss):</b>			
Currency translation adjustments – net of taxes .....	(326)	1,062	(61)
Benefit plans – net of taxes .....	80	130	(53)
Investment securities and cash flow hedges – net of taxes .....	48	(9)	(29)
<b>Other comprehensive income (loss)</b> .....	<b>(198)</b>	<b>1,183</b>	<b>(143)</b>
<b>Comprehensive income</b> .....	<b>2,095</b>	<b>15,080</b>	<b>1,410</b>
Comprehensive (income) loss attributable to noncontrolling interests .....	(46)	(51)	(29)
<b>Comprehensive income attributable to GE HealthCare</b> .....	<b>\$ 2,049</b>	<b>\$ 15,029</b>	<b>\$ 1,381</b>

The accompanying notes are an integral part of these combined financial statements.

**GE HEALTHCARE**  
**A BUSINESS OF GENERAL ELECTRIC COMPANY**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**

<i>December 31 (\$ in millions)</i>	<b>2021</b>	<b>2020</b>
Cash, cash equivalents, and restricted cash . . . . .	\$ 556	\$ 1,007
Receivables – net of allowances of \$107 and \$93 . . . . .	3,227	1,877
Due from related parties . . . . .	32	177
Inventories . . . . .	1,946	1,594
Contract and other deferred assets . . . . .	802	828
All other current assets . . . . .	437	413
<b>Current assets</b> . . . . .	<b>7,000</b>	<b>5,896</b>
Property, plant, and equipment – net . . . . .	2,235	2,202
Goodwill . . . . .	12,892	11,868
Other intangible assets – net . . . . .	1,847	1,603
Deferred income taxes . . . . .	1,287	1,489
All other assets . . . . .	1,047	1,170
<b>Total assets</b> . . . . .	<b>\$ 26,308</b>	<b>\$ 24,228</b>
Short-term borrowings . . . . .	\$ 6	\$ 4
Accounts payable . . . . .	2,540	2,162
Due to related parties . . . . .	189	225
Contract liabilities . . . . .	1,864	1,813
All other current liabilities . . . . .	2,162	2,320
<b>Current liabilities</b> . . . . .	<b>6,761</b>	<b>6,524</b>
Long-term borrowings . . . . .	31	31
Compensation and benefits . . . . .	751	805
Deferred income taxes . . . . .	385	459
All other liabilities . . . . .	1,484	1,435
<b>Total liabilities</b> . . . . .	<b>9,412</b>	<b>9,254</b>
<b>Redeemable noncontrolling interests</b> . . . . .	<b>220</b>	<b>223</b>
Net parent investment . . . . .	17,692	15,566
Accumulated other comprehensive income (loss) – net . . . . .	(1,037)	(839)
<b>Total equity attributable to GE HealthCare</b> . . . . .	<b>16,655</b>	<b>14,727</b>
Noncontrolling interests . . . . .	21	24
<b>Total equity</b> . . . . .	<b>16,676</b>	<b>14,751</b>
<b>Total liabilities, redeemable noncontrolling interests and equity</b> . . . . .	<b>\$ 26,308</b>	<b>\$ 24,228</b>

The accompanying notes are an integral part of these combined financial statements.

**GE HEALTHCARE**  
**A BUSINESS OF GENERAL ELECTRIC COMPANY**  
**COMBINED STATEMENTS OF CHANGES IN EQUITY**

<i>(\$ in millions)</i>	Net parent investment	Accumulated other comprehensive income (loss) – net	Equity attributable to noncontrolling interests	Total equity
<b>Balances as of January 1, 2019</b> .....	<b>\$ 23,203</b>	<b>\$ (1,879)</b>	<b>\$ 20</b>	<b>\$ 21,344</b>
Cumulative effect of adoption of new accounting principles .....	13	—	—	13
Net income .....	1,524	—	4	1,528
Currency translation adjustments – net of taxes .....	—	(61)	—	(61)
Benefit plans – net of taxes .....	—	(53)	—	(53)
Investment securities and cash flow hedges – net of taxes .....	—	(29)	—	(29)
Transfers (to) Parent .....	(1,340)	—	—	(1,340)
Changes in equity attributable to noncontrolling interests .....	—	—	(5)	(5)
<b>Balances as of December 31, 2019</b> .....	<b>23,400</b>	<b>(2,022)</b>	<b>19</b>	<b>21,397</b>
Cumulative effect of adoption of new accounting principles .....	(19)	—	—	(19)
Net income .....	13,846	—	8	13,854
Currency translation adjustments – net of taxes .....	—	1,062	—	1,062
Benefit plans – net of taxes .....	—	130	—	130
Investment securities and cash flow hedges – net of taxes .....	—	(9)	—	(9)
Transfers (to) Parent .....	(21,661)	—	—	(21,661)
Changes in equity attributable to noncontrolling interests .....	—	—	(3)	(3)
<b>Balances as of December 31, 2020</b> .....	<b>15,566</b>	<b>(839)</b>	<b>24</b>	<b>14,751</b>
Net income .....	2,247	—	7	2,254
Currency translation adjustments – net of taxes .....	—	(326)	—	(326)
Benefit plans – net of taxes .....	—	80	—	80
Investment securities and cash flow hedges – net of taxes .....	—	48	—	48
Transfers (to) Parent .....	(121)	—	—	(121)
Changes in equity attributable to noncontrolling interests .....	—	—	(10)	(10)
<b>Balances as of December 31, 2021</b> .....	<b>\$ 17,692</b>	<b>\$ (1,037)</b>	<b>\$ 21</b>	<b>\$ 16,676</b>

The accompanying notes are an integral part of these combined financial statements.

**GE HEALTHCARE**  
**A BUSINESS OF GENERAL ELECTRIC COMPANY**  
**COMBINED STATEMENTS OF CASH FLOWS**

<i>For the years ended December 31 (\$ in millions)</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net income .....	\$ 2,293	\$ 13,897	\$ 1,553
Income (loss) from discontinued operations, net of taxes .....	18	11,839	(128)
<b>Net income from continuing operations .....</b>	<b>\$ 2,275</b>	<b>\$ 2,058</b>	<b>\$ 1,681</b>
Adjustments to reconcile Net income from continuing operations to Cash from (used for) operating activities			
Depreciation and amortization of property, plant, and equipment .....	225	222	225
Amortization of intangible assets .....	400	408	434
Provision for income taxes .....	600	652	410
Cash paid during the year for income taxes .....	(615)	(809)	(503)
Changes in operating assets and liabilities, excluding the effects of acquisitions and dispositions:			
Receivables .....	(1,336)	(221)	(272)
Due from related parties .....	157	21	(37)
Inventories .....	(435)	100	(173)
Contract and other deferred assets .....	23	(57)	18
Accounts payable .....	263	(113)	(1)
Due to related parties .....	(21)	(94)	125
Contract liabilities .....	(21)	312	(47)
All other operating activities .....	92	139	(22)
<b>Cash from (used for) operating activities – continuing operations .....</b>	<b><u>1,607</u></b>	<b><u>2,618</u></b>	<b><u>1,838</u></b>
<b>Cash flows – investing activities</b>			
Additions to property, plant, and equipment .....	(242)	(237)	(263)
Dispositions of property, plant, and equipment .....	15	16	52
Additions to internal-use software .....	(6)	(22)	(68)
Net cash payments for businesses purchased .....	(1,481)	(78)	—
All other investing activities .....	(47)	(2)	(34)
<b>Cash from (used for) investing activities – continuing operations .....</b>	<b><u>(1,761)</u></b>	<b><u>(323)</u></b>	<b><u>(313)</u></b>
<b>Cash flows – financing activities</b>			
Net decrease in borrowings (maturities of 90 days or less) .....	(7)	(10)	—
Newly issued debt (maturities longer than 90 days) .....	5	4	4
Repayments and other reductions (maturities longer than 90 days) .....	(10)	(10)	(63)
Transfers to Parent .....	(238)	(2,098)	(1,334)
All other financing activities .....	(13)	(52)	(42)
<b>Cash from (used for) financing activities – continuing operations .....</b>	<b><u>(263)</u></b>	<b><u>(2,166)</u></b>	<b><u>(1,435)</u></b>
Cash from (used for) operating activities – discontinued operations .....	—	(931)	151
Cash from (used for) investing activities – discontinued operations .....	—	20,309	(12)
Cash from (used for) financing activities – discontinued operations .....	—	(19,378)	(139)
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash .....	(34)	14	(55)
<b>Increase (decrease) in cash, cash equivalents, and restricted cash .....</b>	<b><u>(451)</u></b>	<b><u>143</u></b>	<b><u>35</u></b>
Cash, cash equivalents, and restricted cash at beginning of year .....	<u>1,012</u>	<u>869</u>	<u>834</u>
Less cash, cash equivalents and restricted cash of discontinued operations at December 31 .....	—	—	—
Cash, cash equivalents, and restricted cash at December 31 .....	<u>\$ 561</u>	<u>\$ 1,012</u>	<u>\$ 869</u>
<b>Supplemental disclosure of cash flows information</b>			
Cash paid during the year for interest .....	\$ (21)	\$ (46)	\$ (73)
<b>Non-cash investing and financing activities</b>			
Purchase of property, plant, and equipment included in accounts payable .....	\$ 29	\$ (26)	\$ 4
Adoption of ASC 842 lease asset and liability recorded .....	\$ —	\$ —	\$ 480

The accompanying notes are an integral part of these combined financial statements.

**GE HEALTHCARE**  
**A BUSINESS OF GENERAL ELECTRIC COMPANY**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**

(U.S. Dollars in millions unless otherwise stated)

**NOTE 1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION**

**DESCRIPTION OF BUSINESS.** GE HealthCare (the “Company,” “our,” or “we”) is a carve-out business of General Electric Company (“GE” or “Parent”).

On November 9, 2021, GE announced a strategic plan to form three industry-leading, global public companies focused on the growth sectors of aviation, healthcare, and energy.

GE HealthCare is a leading global medical technology, pharmaceutical diagnostics, and digital solutions innovator. Our products, solutions, and services span the continuum of patient care, including screening, diagnosis, treatment, and monitoring, with the goal of empowering clinicians to deliver better care at lower cost.

Our customers include healthcare providers as well as researchers, including public, private, and academic institutions. We sell our products through a combination of a global sales force and a network of channel partners, including distributors and other third parties.

We are organized into four business segments that are aligned with the industries we serve: Imaging, Ultrasound, Patient Care Solutions (“PCS”), and Pharmaceutical Diagnostics (“PDx”). Within our segments, we offer products, service capabilities, and digital solutions that are utilized by customers to improve workflows, enhance the patient and clinician experience, deliver care more efficiently and at a lower cost, and improve clinical outcomes.

*Imaging:* Portfolio of medical imaging equipment, including MR, CT, molecular imaging, X-ray, mammography, image-guided therapy systems, enterprise imaging, service capabilities, and digital solutions;

*Ultrasound:* Ultrasound solutions, including consoles and probes, handheld devices, intraoperative imaging systems, visualization software, service capabilities, and digital solutions;

*Patient Care Solutions:* Patient monitoring, anesthesia and respiratory care, maternal infant care, diagnostic cardiology, consumables, service capabilities, and digital solutions; and

*Pharmaceutical Diagnostics:* Imaging agents that include contrast media and radiopharmaceuticals that enhance diagnostic images.

In February 2019, we announced an agreement to sell our BioPharma business to Danaher Corporation. This sale was completed on March 31, 2020. The historical results of the BioPharma business have been reflected as discontinued operations in the combined financial statements through the date of the sale. See Note 18, “Discontinued Operations” for further information.

**BASIS OF PRESENTATION.** GE HealthCare historically operated as a consolidated business of GE. The combined financial statements have been derived from the consolidated financial statements and accounting records of GE, including the historical cost basis of assets and liabilities comprising the Company, as well as the historical revenues, direct costs, and allocations of indirect costs attributable to the operations of the Company, using the historical accounting policies applied by GE. These combined financial statements do not purport to reflect what the results of operations, comprehensive income, financial position, or cash flows would have been had the Company operated as a separate, stand-alone entity during the periods presented.

The combined financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) and present the historical results of operations, comprehensive income, and cash flows for the years ended December 31, 2021, 2020, and 2019 and the financial position as of December 31, 2021 and 2020.

All intercompany balances and transactions within the Company have been eliminated in the combined financial statements. As described in Note 17, “Related Parties,” certain transactions between the Company and GE have been included in these combined financial statements.

The combined Statements of Financial Position reflect all of the assets and liabilities of GE that are specifically identifiable as being directly attributable to the Company, including Net parent investment as a component of equity. Net parent investment represents GE’s historical investment in the Company and includes accumulated net income attributable to the Company, and the net effect of transactions with GE and its subsidiaries. Certain financing transactions with GE are non-cash in nature and therefore have not been reflected in the combined Statements of Cash Flows.

GE uses a centralized approach to cash management and financing of its operations. These arrangements may not be reflective of the way the Company would have financed its operations had it been a separate, stand-alone entity during the periods presented. The centralized cash management arrangements are excluded from the asset and liability balances in the combined Statements of Financial Position. These amounts have instead been included in Net parent investment as a component of equity. GE’s third-party debt and related interest expense have not been attributed to the Company because the Company is not the legal obligor of the debt and the borrowings are not specifically identifiable to the Company.

The combined Statements of Income include expense allocations for certain corporate, infrastructure, and shared services expenses provided by GE on a centralized basis (“GE Corporate Costs”), including, but not limited to finance, supply chain, human resources, information technology, insurance, employee benefits, and other expenses that are either specifically identifiable or clearly applicable to the Company. These expenses have been allocated to the Company on the basis of direct usage when identifiable, with the remainder allocated on a pro rata basis using an applicable measure of headcount, revenue, or other allocation methodologies that are considered to be a reasonable reflection of the utilization of services provided or the benefit received by GE HealthCare during the periods presented. However, the GE Corporate Costs allocations may not be indicative of the actual expense that would have been incurred had the Company operated as an independent, stand-alone public entity, nor are they indicative of the Company’s future expenses. See Note 17, “Related Parties,” for further information.

## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ESTIMATES AND ASSUMPTIONS.** The preparation of the combined financial statements in conformity with U.S. GAAP requires management to make estimates based on assumptions about current, and for some estimates, future, economic, and market conditions, which affect the reported amounts and related disclosures in the combined financial statements. We base our estimates and judgments on historical experience and on various other assumptions and information that we believe to be reasonable under the circumstances. Although our estimates contemplate current and expected future conditions, as applicable, it is reasonably possible that actual conditions could differ from our expectations, which could materially affect our results of operations, financial position, and cash flows.

Estimates are used for, but are not limited to, determining the following: revenue from contracts with customers, recoverability of long-lived assets and inventory, valuation of goodwill and intangible assets, useful lives used in depreciation and amortization, asset retirement obligations, income taxes and related valuation allowances, accruals for contingencies including legal and product warranties, actuarial assumptions used to determine costs of pension and other postretirement benefits, valuation and recoverability of receivables,

valuation of derivatives, and valuation of assets acquired, liabilities assumed, and contingent consideration as a result of acquisitions.

While there has not been a material impact to our accounting estimates as of December 31, 2021 and December 31, 2020 and the results for the years ended December 31, 2021, 2020, and 2019, a number of estimates could be affected by the ongoing Coronavirus Disease 2019 (“COVID-19”) pandemic. The severity, magnitude, and duration, as well as the economic consequences of the COVID-19 pandemic, are uncertain and difficult to predict. As a result, our accounting estimates and assumptions may change over time in response to COVID-19. Such changes could result in future impairments of goodwill, intangible assets, long-lived assets, and investment securities, incremental credit losses on receivables, a decrease in the realizability of our tax assets, or an increase in our related obligations as of the time of a relevant measurement event.

**REVENUE RECOGNITION.** Our revenues primarily consist of sales of products and services to customers. Products include equipment, imaging agents, software related offerings, and upgrades. Services include contractual and stand-by preventative maintenance and corrective services, which includes parts and labor, extended warranties, training, and other service type offerings. The Company recognizes revenue from contracts with customers when the customer obtains control of the underlying products or services.

The Company recognizes a contract with a customer when there is a legally enforceable agreement between the Company and its customer, the rights of the parties are identified, the contract has commercial substance, and collectability of the contract consideration is probable. The Company’s revenues are measured based on the consideration specified in the contract with each customer net of any sales incentives, discounts, returns, chargebacks, group purchasing organization (“GPO”) fees, rebates, or credits, as well as taxes collected from customers that are remitted to government authorities. Our estimate for these deductions, which are accounted for as variable consideration, is based on historical experience and considers current and forecasted market trends. We record these estimated amounts as a reduction to revenue when we recognize the related product or service sales. Payment terms are generally within 12 months. Payment terms within 12 months are not treated as significant financing components.

Contracts for the sale of products and services often include multiple distinct performance obligations, usually involving an upfront deliverable of equipment and future performance obligations such as installation, training, or the future delivery of products or services. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on relative stand-alone selling price. Stand-alone selling price is obtained from sources such as the separate selling price for that or a similar item if reasonably available. If such evidence is not reasonably available, we use our best estimate of selling price, which is established consistent with the pricing strategy of the Company and considers product configuration, geography, customer type, and other market-specific factors.

Revenue is recognized in the period in which the customer obtains control of the underlying products or services allowing them the ability to direct the use of, and obtain substantially all, of the remaining benefits of such product or service. This may occur at a point in time or over time. Shipping and handling costs to deliver products to customers are expensed as incurred and recorded in Cost of products or Cost of services.

For standard, assurance-type warranties that are provided with products, we estimate the cost that may be incurred during the warranty period and record a liability at the time the revenue is recognized. The provision recorded reflects the estimated costs of replacement and free-of-charge services that will be incurred related to the products sold. Service-type warranties or extended warranties sold with products are considered separate performance obligations. As such, a portion of the overall transaction price is allocated to these performance obligations and recognized in revenue over time, as the performance obligations are satisfied.

The Company capitalizes certain direct incremental costs incurred to obtain a contract, primarily commissions. Costs to obtain a contract are classified as current or non-current assets in the combined Statements

of Financial Position and are recognized based on the timing of when the Company expects to earn related revenues. Management assesses these costs for impairment based on periodic assessments of recoverability.

**Performance Obligations Satisfied at a Point in Time.** We primarily recognize revenue from sales of products at the point in time that the customer obtains control, which is generally no earlier than when the customer has physical possession. Where arrangements include customer acceptance provisions based on seller or customer-specified criteria, we recognize revenue when we have concluded that the customer has control of the products, which is typically at the point of acceptance. Our billing terms for these point-in-time product contracts generally coincide with delivery to the customer and customer acceptance; however, periodically, we receive customer advances and deposits from customers. These are recorded as contract liabilities in the combined Statements of Financial Position. Any differences between the timing of our revenue recognition and customer billings (based on contractual terms) result in changes to our contract asset or contract liability positions.

**Performance Obligations Satisfied Over Time.** We recognize revenue from the sale of certain service contracts, including preventative maintenance, corrective services, and extended warranties over time on a ratable basis consistent with the nature, timing, and extent of our services, which primarily relate to routine maintenance and as needed product repairs. Our billing terms for these contracts vary and can occur in advance of or following the period of service; however, we generally invoice periodically as services are provided. The differences between the timing of our revenue recognized and customer billings (based on contractual terms) results in changes to our contract asset or contract liability positions.

See Note 3, “Revenue Recognition” for further information.

**CASH, CASH EQUIVALENTS, AND RESTRICTED CASH.** The cash presented in the combined Statements of Financial Position represents cash not subject to the GE centralized cash management process. Cash held in commingled accounts with our Parent, or its affiliates, is presented within Net parent investment in the combined Statements of Financial Position. Cash deposits, short-term investments, and high liquidity mutual funds with original maturities of three months or less are included in Cash, cash equivalents, and restricted cash. Restricted cash primarily relates to funds restricted in connection with escrow accounts, legally restricted deposits held against letters of credit and cash restricted in certain countries.

The following table provides a reconciliation of Cash, cash equivalents, and restricted cash reported within the combined Statements of Financial Position to the amounts shown in the Statements of Cash Flows.

<b>December 31</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents .....	\$ 554	\$ 994
Short-term restricted cash .....	2	13
<b>Total cash, cash equivalents, and restricted cash as presented on the combined Statements of Financial Position .....</b>	<b>556</b>	<b>1,007</b>
Long-term restricted cash <sup>(a)</sup> .....	5	5
<b>Total cash, cash equivalents, and restricted cash as presented on the combined Statements of Cash Flows .....</b>	<b>\$ 561</b>	<b>\$ 1,012</b>

(a) Long-term restricted cash is presented in All other assets on the combined Statements of Financial Position.

**INVESTMENT SECURITIES.** Publicly-traded equity securities for which we do not have the ability to exercise significant influence are recorded at fair value with changes in fair value recognized in Other (income) expense – net in the combined Statements of Income. Privately-held equity securities for which we do not have the ability to exercise significant influence are accounted for using the measurement alternative approach and are recorded at cost less impairment, if any, adjusted to fair value for any observable price changes in orderly



transactions for the identical or a similar investment of the same issuer, with changes in the measurement recognized through Other (income) expense – net in the combined Statements of Income.

**EQUITY METHOD INVESTMENTS.** Equity method investments are investments in entities in which we do not have a controlling financial interest, but over which we have significant influence. Equity method investments are assessed for other-than-temporary impairment when events occur or circumstances change that indicate it is more likely than not the fair value of the asset is below its carrying value. Equity method investments are included in All other assets in our combined Statements of Financial Position. Our share of the results of equity method investments are presented in Other (income) expense – net in the combined Statements of Income. See Note 16, “Supplemental Financial Information” for further information.

**RECEIVABLES.** Amounts due from customers arising from the sales of products and services are recorded at the outstanding amount, less allowances for credit losses, chargebacks, and other credits. We regularly monitor the recoverability of our receivables. See Note 5, “Receivables” for further information.

**FINANCING RECEIVABLES.** Our financing receivables portfolio consists of a variety of loans and leases, including both larger-balance, non-homogeneous loans and leases, and smaller-balance homogeneous loans and leases.

*Loans.* Loans represent term loans that are collateralized by equipment and other assets. Loans are classified as either held for sale or held for investment (“HFI”) based on management’s intent and ability to hold the loans for the foreseeable future. Loans for which the Company does not have the ability and intent to hold for investment purposes and those for which the Company intends to hold for sale in the foreseeable future are accounted for as loans held for sale. Loans held for sale are recorded at the lower of historical cost or current fair value with any fair value write-down (or change to the write-down) recorded as a valuation allowance through current period earnings in the period in which the change occurs. Loans classified as HFI are recorded at amortized cost. See “Allowance for credit losses” below for the Company’s policy regarding allowances on financing receivables.

*Investment in Finance Leases.* Finance leases include mostly sales-type leases of equipment and represent net unpaid rentals and estimated unguaranteed residual values of leased equipment, less related deferred income, and less the allowance for credit losses. See Note 7, “Leases” for further information.

*Credit Quality Indicators.* We manage our financing receivables portfolio using delinquency and nonaccrual data as key performance indicators. We assess the overall quality of the portfolio based on a potential risk of loss measure. The metric incorporates both the borrower’s credit quality along with any related collateral protection. Financing receivables are considered past due if default on a contractual principal or interest payment exists for a period of 30 days or more. We stop accruing interest on financing receivables at the earlier of when collection of an account becomes doubtful or the account becomes 90 days past due. Although we stop accruing interest in advance of payments, we recognize income within Other (income) expense – net in the combined Statements of Income when we determine that the account is returned to accrual status, provided that the amount does not exceed that which would have been earned at the historical effective interest rate.

See Note 6, “Financing Receivables” for further information.

**ALLOWANCE FOR CREDIT LOSSES.** When we record customer receivables, contract assets, and financing receivables, we maintain an allowance for credit losses for the current expected credit losses. Each period the allowance for credit losses is adjusted through earnings to reflect expected credit losses over the remaining lives of the assets. For financing receivables, expected credit losses are calculated based on the gross carrying amount of the financial asset, multiplied by a factor reflecting the probability of default and the loss in the event of default. We routinely evaluate our entire portfolio for potential specific credit or collection issues that might indicate an impairment.

We estimate expected credit losses based on relevant information from past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. When measuring expected credit losses, we pool assets with similar credit risk characteristics. Changes in the relevant information may significantly affect the estimates of expected credit losses.

**INVENTORIES.** All inventories are stated at lower of cost or net realizable values. Cost of inventories is determined on a first-in, first-out (“FIFO”) basis.

Consumables and single-use service spare parts are used within our service business during a service call and are generally classified in current inventory as our stock of this inventory turns relatively quickly. However, if the on-hand inventory quantity exceeds annual historical and expected future consumption for a consumable service spare part and the part is still necessary to support systems under service contracts, the part is considered to be non-current and is included in All other assets in our combined Statements of Financial Position.

We also maintain a supply of new and used spare parts for use in future customer field service of the installed base. The portion of this inventory that is not anticipated to be used in the next 12 months has been classified as non-current within All other assets, given these parts can be used in the service business over many years. As these service parts age, they are subject to a tiered obsolescence framework, which takes into consideration part age, consumption, and on-hand material levels, and postproduction equipment life cycle stage.

As necessary, we record provisions and write-downs for excess, slow moving, and obsolete inventory. To determine these amounts, we regularly review inventory quantities on-hand and compare them to historical utilization and estimates of future product demand, market conditions, and technological developments.

See Note 16, “Supplemental Financial Information” for further information.

**PROPERTY, PLANT, AND EQUIPMENT.** The cost of property, plant, and equipment is depreciated on a straight-line basis over its estimated useful life. Equipment leased to others under operating leases is depreciated on a straight-line basis over the term of the lease. Repair and maintenance costs are expensed as incurred. See Note 16, “Supplemental Financial Information” for further information.

#### **LEASE ACCOUNTING.**

*Lessee Arrangements.* At lease commencement, we record a lease liability and corresponding right-of-use (“ROU”) asset. ROU assets are reflected within Property, plant, and equipment – net and lease liabilities are reflected within All other current liabilities and All other liabilities in the combined Statements of Financial Position. Options to extend a lease are included as part of the ROU lease asset and liability when it is reasonably certain the Company will exercise the option. We have elected to combine lease and non-lease components in determining our lease liability for all leased assets except our vehicle leases. Non-lease components are generally related to services that the lessor performs for the Company associated with the leased asset. As the Company’s leases typically do not provide an implicit rate, the present value of our lease liability is determined using GE’s incremental collateralized borrowing rate at lease commencement. For leases with an initial term of 12 months or less, an ROU asset and lease liability are not recognized, and lease expense is recognized on a straight-line basis over the lease term. Certain of our leases include provisions for variable lease payments which are based on, but not limited to, maintenance, insurance, taxes, index escalations, and usage-based amounts. The Company recognizes variable lease payments not included in its lease liabilities in the period in which the obligation for those payments is incurred. We test ROU assets for impairment annually or when events occur or circumstances change that indicate that the asset may be impaired.

*Lessor Arrangements.* Equipment leased to others under operating leases is included in Property, plant, and equipment – net. Leases classified as sales-type leases or direct financing leases are included in All other current assets and All other assets in our combined Statements of Financial Position. The terms of the related contracts, including the proportion of fixed versus variable payments and any options to shorten or extend the lease term or

purchase the underlying asset, vary by customer. Finance lease receivables are tested for impairment as described in the Financing Receivables section above. See Note 6, “Financing Receivables” and Note 7, “Leases” for further information.

**GOODWILL AND OTHER INTANGIBLE ASSETS.** Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. In accordance with U.S. GAAP, goodwill is not amortized. We test goodwill for impairment at the reporting unit level annually in the fourth quarter of each year using October 1<sup>st</sup> as the measurement date.

The Company also tests goodwill for impairment when an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. The Company uses quantitative assessments and qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the Company chooses to perform a qualitative assessment and concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a further quantitative fair value test is performed. We recognize an impairment charge if the carrying amount of a reporting unit exceeds its fair value. The market approach is used for estimating the fair values for our reporting units.

In-process research and development (“IPR&D”) acquired as part of a business acquisition is capitalized at fair value when acquired and is considered an indefinite-lived intangible asset. We test indefinite-lived intangible assets for impairment annually in the third quarter of each year or when events occur or circumstances change that indicate it is more likely than not the fair value of the asset is below its carrying value. When the IPR&D project is complete, the asset is considered a finite-lived intangible asset and would be subject to an impairment test at that date. Thereafter, the IPR&D asset is amortized over its estimated useful life and is subject to impairment assessment in the same manner as all amortizing intangible assets.

For other intangible assets that are not deemed indefinite-lived, the cost of the intangible asset is amortized on a straight-line basis over the asset’s estimated useful life. Amortizable intangible assets are reviewed for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. In such circumstances, they are tested for impairment based on undiscounted cash flows and, if impaired, written down to estimated fair value based on either discounted cash flows or appraised values.

*Internal-Use Software.* Internal-use software is software that is developed, purchased, or modified to meet internal needs and for which no substantive plan exists to sell, lease or otherwise market the software externally. All costs associated with project tasks classified in the preliminary project development or post-implementation/operation stage are expensed as incurred. Capitalization of application development stage costs begin after both of the following occur: (a) the preliminary project development stage is completed, and (b) management authorizes and commits to funding the software project, and it is probable that the project will be completed and the software will be used for the purpose for which it was intended. Capitalization ceases when the project is substantially complete. Capitalized amounts are recorded in Other intangible assets – net and are amortized on a straight-line basis over the asset’s estimated useful life.

*External Use Software.* External use software relates to software that is (a) intended to be sold, licensed, or marketed to our customers, or is (b) embedded and integral to our tangible products for which research and development (“R&D”) has been completed. Costs that are related to the conceptual formulation and design of software are expensed as incurred. Costs that are incurred after technological feasibility has been established until general release of the product are capitalized as an intangible asset and recorded in Other intangible assets – net. Capitalized costs for software to be sold, leased, or otherwise marketed are amortized on an individual product basis using straight-line amortization over the estimated useful life of the product. The Company performs regular reviews to assess whether unamortized capitalized external use software program costs remain recoverable through future revenue.

See Note 8, “Acquisitions, Goodwill, and Other Intangible Assets” for further information.

**DERIVATIVES AND HEDGING.** We use derivatives to manage a variety of risks, including risks related to foreign exchange and commodity prices. Our policies are to use derivatives solely for managing risks and not for speculative purposes.

Accounting for derivatives as hedges requires that, at inception and over the term of the arrangement, the hedged item and related derivative meet the requirements for hedge accounting. In evaluating whether a particular relationship qualifies for hedge accounting, we test effectiveness at inception and each reporting period thereafter by determining whether changes in the fair value of the derivative offset, within a specified range, changes in the fair value of the hedged item. If fair value changes fail this test, we discontinue the application of hedge accounting to that relationship prospectively. Fair values of both the derivative instrument and the hedged item are calculated using internal valuation models incorporating market-based assumptions.

We use economic hedges when we have exposures to foreign exchange risk for which we are unable to meet the requirements for hedge accounting. These derivatives are not designated as hedges from an accounting standpoint but otherwise serve the same economic purpose as other hedging arrangements. Although derivatives may be effective economic hedges, there may be a net effect on earnings in each period due to differences in the timing of earnings recognition between the derivatives and the hedged items.

See Note 13, “Derivatives and Hedging” for further information.

**INCOME TAXES.** The Company’s income tax provision was prepared using the separate return method. The calculation of income taxes on a separate return basis requires a considerable amount of judgment and use of both estimates and allocations. As a result, actual transactions included in the consolidated financial statements of GE may not be included in the combined financial statements. Similarly, the tax treatment of certain items reflected in the combined financial statements may not be reflected in the consolidated financial statements and tax returns of GE. Therefore, items such as net operating losses, credit carryforwards, and valuation allowances may exist in the stand-alone financial statements that may or may not exist in GE’s consolidated financial statements. In the future, as a stand-alone entity, GE HealthCare will file tax returns on its own behalf and its deferred taxes and actual income tax rate may differ from those in the historical periods.

All income taxes due to or due from GE that have not been settled or recovered by the end of the period are reflected in Net parent investment. Any differences between actual amounts paid or received by the Company and taxes accrued under the separate return method are deemed to be settled and are reflected in Net parent investment in the combined Statements of Financial Position.

Current obligations for tax in jurisdictions where the Company does not file a consolidated tax return with GE, including certain foreign and certain U.S. state tax jurisdictions, are recorded as accrued liabilities within All other liabilities. The effects of tax adjustments and settlements with taxing authorities are presented in our combined financial statements in the period to which they relate.

Uncertain tax positions that meet the more likely than not recognition threshold are measured to determine the amount of tax benefit to recognize in the combined financial statements. An uncertain tax position is measured at the largest amount of benefit that the Company believes has a greater than 50% likelihood of realization upon settlement. Tax benefits not meeting the measurement or realization criteria represent unrecognized tax benefits. The Company recognizes interest related to income tax matters in Interest and other financial charges – net in the combined Statements of Income. Penalties related to income tax matters are recorded in Provision for income taxes in the combined Statements of Income. Our policy is to adjust these reserves when facts and circumstances change, such as the actual settlement or effective settlement of positions with the relevant taxing authorities.

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their respective tax bases, as well as from net operating loss and tax credit carryforwards. The deferred income tax balances are stated at enacted tax rates expected to be in effect when those taxes are paid or recovered. Deferred income tax assets represent amounts available to reduce income taxes payable on taxable income in future years. We evaluate the recoverability of these future tax deductions and credits by evaluating all available positive and negative evidence, specifically assessing the adequacy of future expected taxable income from all sources, including reversal of existing taxable temporary differences, forecasted operating earnings, and available tax planning strategies. To the extent we consider it more likely than not that a deferred tax asset will not be recovered, a valuation allowance is established. Deferred taxes are provided for our investment in affiliates and associated companies based upon our evaluation of the undistributed earnings of such entities.

See Note 11, “Income Taxes” for further information.

**POSTRETIREMENT BENEFIT PLANS.** Certain employees, former employees, and retirees of the Company participate in postretirement benefit plans sponsored by either the Company or GE.

*Pension Benefits (Sponsored by the Company).* Management accounts for these plans as defined benefit plans, and categorizes plan assets for disclosure purposes in accordance with the fair value hierarchy.

Pension benefits are calculated using significant inputs to the actuarial models that measure pension benefit obligations and related effects on operations. Two assumptions – discount rate and expected return on assets – are important elements of plan expense and related asset and liability measurement. The Company evaluates these critical assumptions at least annually on a plan and country-specific basis. The Company periodically evaluates other assumptions involving demographic factors such as retirement age, mortality, and turnover, and updates them to reflect our experience and expectations for the future. Actual results in any given year often will differ from actuarial assumptions because of economic and other factors.

Projected benefit obligations are measured as the present value of expected payments. We discount those cash payments using the weighted average of market-observed yields for high-quality fixed-income securities with maturities that correspond to the expected timing of the benefit payment. Generally, lower discount rates increase present values and increase subsequent-year pension expense; higher discount rates decrease present values and decrease subsequent-year pension expense.

The components of net periodic benefit costs, other than the service cost component, are included in Non-operating benefit costs in our combined Statements of Income for plans sponsored by the Company.

*Pension and Other Postretirement Benefits Plans (Sponsored by GE).* These plans are accounted for as multiemployer plans. Therefore, the related assets and liabilities are not reflected in the combined Statements of Financial Position. The combined Statements of Income reflect a proportionate allocation of net periodic benefit costs for the multiemployer plans associated with the Company.

See Note 10, “Postretirement Benefit Plans” for further information.

**LOSS CONTINGENCIES.** Loss contingencies are uncertain and unresolved matters that arise in the ordinary course of business and result from events or actions by others that have the potential to result in a future loss. Such contingencies include, but are not limited to product warranties, claims, litigation, environmental obligations, regulatory investigations and proceedings, product quality, and losses resulting from other events and developments. When a loss is considered probable and reasonably estimable, we record a liability in the amount of our best estimate for the ultimate loss. When there appears to be a range of possible losses with equal likelihood, liabilities are based on the low-end of such range. Disclosure is provided for material loss contingencies when a loss is probable but a reasonable estimate cannot be made, and when it is reasonably

possible that a loss will be incurred or the amount of a loss will exceed the recorded provision. We regularly review contingencies to determine whether the likelihood of loss has changed and to assess whether a reasonable estimate of the loss or range of loss can be made. Legal costs incurred in connection with loss contingencies are expensed as incurred. See Note 14, “Commitments, Guarantees, Product Warranties, and Other Loss Contingencies” for further information.

**SUPPLY CHAIN FINANCE PROGRAMS.** The Company participates in voluntary supply chain finance programs with third parties, which provide participating suppliers the opportunity to sell their GE HealthCare receivables to third parties at the sole discretion of both the suppliers and the third parties. We evaluate supply chain finance programs to ensure the use of a third-party intermediary to settle our trade payables does not change the nature, existence, amount, or timing of our trade payables and does not provide the Company with any direct economic benefit. If any characteristics of the trade payables change or we receive a direct economic benefit, we reclassify the trade payables as borrowings.

**TRADE PAYABLES ACCELERATED PAYMENT PROGRAM.** The Company’s U.S. and Canada operations, and certain of its suppliers, participated in the Trade Payables Services (“TPS”) accounts payable programs with GE’s financial services operations (“GE Capital”) through its termination on September 30, 2020. The Company settled its obligations by reimbursing TPS on the invoice’s contractual due date. As the payables in the TPS program relate to operating activities incurred in the ordinary course of business and retain the principal characteristics of a trade payable, the results of this program are included in Cash from operating activities in our combined Statements of Cash Flows.

**FAIR VALUE MEASUREMENTS.** The following sections describe the valuation methodologies we use to measure financial and non-financial instruments accounted for at fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. These inputs establish a fair value hierarchy:

Level 1 — Quoted prices for identical instruments in active markets.

Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 — Significant inputs to the valuation model are unobservable.

**RECURRING FAIR VALUE MEASUREMENTS.** For financial assets and liabilities measured at fair value on a recurring basis, primarily investment securities, derivatives and contingent consideration, fair value is the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

*Financial Instruments – General.* Our financial instruments include receivables, accounts payable, short and long-term borrowings, derivative financial instruments, financing receivables, and equity securities. The estimated fair values of account receivables, accounts payable, and borrowings approximate their carrying values, as reflected in our combined Statements of Financial Position. See Note 5, “Receivables,” Note 6, “Financing Receivables,” Note 9, “Borrowings,” and Note 16, “Supplemental Financial Information” for further information.

*Derivatives.* The majority of our derivatives are valued using internal models. The models maximize observable inputs including both forward and spot prices for currencies and commodities. As of December 31,

2021 and 2020, foreign exchange contracts were valued using Level 1 inputs, while commodity exchange contracts and embedded derivatives were valued using Level 2 inputs. See Note 13, “Derivatives and Hedging” for further information.

There were no transfers between Levels 1, 2, and 3 during the years ended December 31, 2021 and 2020.

**NON-RECURRING FAIR VALUE MEASUREMENTS.** Certain assets are measured at fair value on a non-recurring basis. These assets may include loans and long-lived assets reduced to fair value upon classification as held for sale, and impaired equity method investments and long-lived assets, which, when written down to fair value upon an impairment, are not subsequently adjusted to fair value unless further impairment occurs. The following sections describe the valuation methodologies the Company uses to measure those assets not measured on a recurring fair value basis.

*Equity Method Investments.* Equity method investments are initially recorded at cost and are adjusted in each period for the Company’s share of the investee’s income or loss and dividends paid. In instances of impairment, equity method investments are written down to fair value using market observable data such as quoted prices when available. When market observable data is unavailable, investments are valued using either a discounted cash flow model, comparative market multiples, third-party pricing sources or a combination of these approaches, as appropriate. These investments are generally valued using Level 3 inputs.

*Equity Investments Without Readily Determinable Fair Value.* Equity investments without readily determinable fair value are accounted for under the measurement alternative and adjusted to fair value for any observable price changes in orderly transactions for the identical or a similar investment of the same issuer. In the instance of impairment, if any, equity investments are adjusted to fair value using market observable data if available. If market observable data is not available, fair values are estimated using discounted cash flow models, comparative market multiples, or a combination of these approaches using Level 3 inputs.

*Financing Receivables.* When financing receivables are held for sale, we generally use market data, including pricing on recently closed market transactions, to value financing receivables. Such financing receivables are valued using Level 2 inputs. When the data is unobservable, we use valuation methodologies using current market interest rate data adjusted for inherent credit risk. Such financing receivables are valued using Level 3 inputs.

*Long-Lived Assets.* Fair values of long-lived assets are primarily developed internally and are corroborated by available external appraisal information as applicable. These assets are generally valued using Level 3 inputs. See Note 15, “Restructuring and Other Activities” for impairments recognized related to long-lived assets.

**FOREIGN CURRENCY.** We have determined that the functional currency for many of our international operations is the local currency and for other international operations the functional currency is the U.S. Dollar. The basis of this determination is the currency in which each of the international operations primarily generates and expends cash. When the functional currency is not the U.S. Dollar, asset and liability accounts are translated at period-end exchange rates and the Company translates functional currency income and expense amounts to their U.S. Dollar equivalents using average exchange rates for the period. The U.S. Dollar effects that arise from changing translation rates from functional currencies are recorded in Accumulated other comprehensive income (loss) – net (“AOCI”) in the combined Statements of Financial Position.

Gains and losses from foreign currency transactions, such as those resulting from the settlement of monetary items in the non-functional currency and those resulting from remeasurements of monetary items, are included in Cost of products, Cost of services, Selling, general and administrative, and Research and development, depending on the underlying nature of the item. Net gains (losses) from foreign currency transactions were \$130 million, \$(47) million, and \$47 million in the years ended December 31, 2021, 2020, and 2019, respectively.

**BUSINESS COMBINATIONS.** Our combined financial statements include the operations of acquired businesses from the date of acquisition. The Company accounts for acquired businesses using the acquisition method of accounting in accordance with U.S. GAAP, which requires that assets acquired and liabilities assumed be recognized at their estimated fair values as of the acquisition date. In cases where we acquire a company in which we previously held an equity stake, we remeasure the previously-held equity interest at fair value. Any excess of the purchase price over the assigned values of the net assets acquired is recorded as Goodwill. Transaction costs are expensed as incurred. For those arrangements that involve potential future contingent consideration, we record on the date of acquisition a liability equal to the fair value of the estimated additional consideration we may be obligated to pay in the future. We remeasure this liability each reporting period and record changes in the fair value in our combined Statements of Income. Changes in the Level 3 fair value measurement of contingent consideration were not material during the years ended December 31, 2021, 2020, or 2019.

**DISCONTINUED OPERATIONS.** Certain of our operations have been presented as discontinued. We present businesses whose disposal represents a strategic shift that has, or will have, a major effect on our operations and financial results as discontinued operations when the components meet the criteria for held for sale, are sold, or spun-off. Presentation as discontinued operations is consistent for all periods presented. See Note 18, “Discontinued Operations” for further information.

**RESTRUCTURING COSTS.** We record liabilities for costs associated with exit or disposal activities in the period in which the liability is incurred. Employee termination costs are accrued when the restructuring actions are probable and estimable. Costs for one-time termination benefits in which the employee is required to render service until termination in order to receive the benefits are recognized ratably over the future service period. See Note 15, “Restructuring and Other Activities” for further information.

**RESEARCH AND DEVELOPMENT.** The Company conducts R&D activities to create new products, develop new applications for existing products, and enhance existing products. This includes direct R&D expenses as well as expenses incurred for R&D services from GE or other third parties. Clinical study and certain research costs are recognized over the service periods specified in the contracts and adjusted as necessary based upon an ongoing review of the level of effort and costs actually incurred. R&D costs are expensed as incurred.

#### **ACCOUNTING CHANGES.**

##### *Recent Accounting Pronouncements Reflected in These Combined Financial Statements.*

On January 1, 2021, we adopted ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The ASU removes certain exceptions from the guidance in ASC 740 related to intra-period tax allocations, interim calculations, and the recognition of deferred tax liabilities for outside basis differences and clarifies and simplifies several other aspects of accounting for income taxes. Different transition methods apply to the various income tax simplifications. For the changes requiring a retrospective or modified retrospective transition, the adoption of the new standard did not have a material impact to our combined financial statements.

On October 1, 2020, we adopted ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The ASU provides optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. We applied the accounting relief as relevant contract and hedge accounting relationship modifications were made during the reference rate reform transition period. The adoption did not have a material impact to our combined financial statements.

On January 1, 2020, we adopted ASU No. 2016-13, *Financial Instruments – Credit Losses*. ASU 2016-13 requires us to prospectively record an allowance for credit losses for the expected credit losses inherent in the asset over its expected life, replacing the incurred loss model that recognized losses only when they became



probable and estimable. We recorded a \$26 million increase in our allowances for credit losses and a \$19 million decrease to retained earnings, net of tax, reflecting the cumulative effect on retained earnings as a component of Net parent investment.

On January 1, 2020, we adopted ASU No. 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The ASU eliminates Step 2 of the goodwill impairment test and the qualitative assessment for any reporting unit with a zero or negative carrying amount. The ASU also requires an entity to disclose the amount of goodwill allocated to each reporting unit with a zero or negative carrying amount. The adoption did not have a material impact on our combined financial statements.

On January 1, 2020, we adopted ASU No. 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software*. The ASU aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. Our policies for capitalizing implementation costs incurred in a hosting arrangement were not impacted by the ASU. However, we have historically classified these capitalized costs within Property, plant, and equipment – net on our combined Statements of Financial Position and as Additions to property, plant, and equipment within Cash from (used for) investing activities on our combined Statements of Cash Flows. Under the new ASU, those capitalized costs are presented as All other assets on our combined Statements of Financial Position and within Cash from (used for) operating activities on our combined Statements of Cash Flows. We adopted this ASU on a prospective basis and capitalized \$23 million and \$19 million of implementation costs related to hosting arrangements that are service contracts during the years ended December 31, 2021 and 2020, respectively.

#### *Other Recent Accounting Pronouncements.*

In November 2021, the FASB issued ASU No. 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*. The ASU requires entities to disclose information about certain types of government assistance they receive, including cash grants and tax credits. The new guidance requires expanded disclosure regarding the qualitative and quantitative characteristics of the nature, amount, timing, and significant terms and conditions of transactions with a government arising from a grant or other forms of assistance accounted for under a contribution model. The Company adopted this guidance on January 1, 2022 using a prospective method, and the adoption did not have a material impact on our combined financial statements.

In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. The ASU requires companies to apply the definition of a performance obligation under ASC 606 to recognize and measure contract assets and contract liabilities relating to contracts with customers acquired in a business combination. Prior to the adoption of this ASU, an acquirer generally recognized assets acquired and liabilities assumed in a business combination, including contract assets and contract liabilities arising from revenue contracts with customers, at fair value on the acquisition date. The ASU results in the acquirer recording acquired contract assets and liabilities on the same basis that would have been recorded by the acquiree before the acquisition under ASC 606. The ASU is effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The adoption of this ASU is not expected to have a material impact on our combined financial statements; however, the impact in future periods will be dependent upon the contract assets acquired and contract liabilities assumed in any future business combinations.

In July 2021, the FASB issued ASU No. 2021-05, *Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments*. The ASU revises lessor lease classification guidance and requires accounting for certain leases with variable lease payments that do not depend on a reference index or rate as operating leases. Such classification is required if the lease would have been classified as a sales-type or direct financing lease in accordance with guidance in FASB ASC Topic 842 and the lessor would have otherwise recognized a day-one

loss. The ASU is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company adopted this guidance on January 1, 2022, and the adoption did not have a material impact on our combined financial statements.

### NOTE 3. REVENUE RECOGNITION

**CONTRACT AND OTHER DEFERRED ASSETS.** Contract assets primarily reflect revenue recognized on contracts in excess of billings based on contractual terms. Contract assets are classified as current or non-current based on the amount of time expected to lapse until the Company’s right to consideration becomes unconditional. Other deferred assets consist of costs to obtain contracts, primarily commissions, and other cost deferrals for shipped products, and deferred service, labor and direct overhead costs.

The change in contract and other deferred assets from 2020 to 2021 was not significant.

<b>December 31</b>	<b>2021</b>	<b>2020</b>
Contract assets . . . . .	\$ 433	\$ 478
Other deferred assets . . . . .	369	350
<b>Contract and other deferred assets . . . . .</b>	<b>802</b>	<b>828</b>
Non-current contract assets <sup>(a)</sup> . . . . .	19	15
Non-current other deferred assets . . . . .	77	71
<b>Total contract and other deferred assets . . . . .</b>	<b>\$ 898</b>	<b>\$ 914</b>

(a) Non-current contract assets are included in All other assets in our combined Statements of Financial Position.

Capitalized costs to obtain a contract were \$176 million and \$147 million as of December 31, 2021 and 2020, respectively. Generally, these costs are recognized within two years of being capitalized. When recognized, the costs to obtain a contract are recorded in Selling, general and administrative in the combined Statements of Income.

**CONTRACT LIABILITIES.** Contract liabilities primarily include customer advances and deposits received when orders are placed and billings in advance of completion of performance obligations. Contract liabilities are classified as current or non-current based on the periods over which remaining performance obligations are expected to be satisfied and fulfilled with our customers.

As of December 31, 2021 and 2020, contract liabilities were approximately \$2,496 million and \$2,382 million, respectively, of which the non-current portion of \$632 million and \$569 million, respectively, was included in All other liabilities. Contract liabilities increased \$114 million in 2021 primarily due to an increase in customer advances and deposits as a result of product orders growth relative to fulfillment. Revenue recognized related to the contract liabilities balance at the beginning of the year was approximately \$1,552 million and \$1,265 million for the years ended December 31, 2021 and 2020, respectively.

**REMAINING PERFORMANCE OBLIGATIONS.** As of December 31, 2021, the aggregate amount of the contracted revenues allocated to our unsatisfied (or partially unsatisfied) performance obligations was \$14,571 million. We expect to recognize revenue as we satisfy our remaining performance obligations as follows: 1) product-related remaining performance obligation of \$4,543 million of which 97% is expected to be recognized within two years, and the remaining thereafter; and 2) services-related remaining performance obligations of \$10,028 million of which 64% and 96% is expected to be recognized within two and five years, respectively, and the remaining thereafter.

#### NOTE 4. SEGMENT AND GEOGRAPHICAL INFORMATION

Operating segments include components of an enterprise about which separate financial information is available that is evaluated regularly by the Company’s Chief Operating Decision Maker (“CODM”) for the purpose of assessing performance and allocating resources. The Company’s CODM is its Chief Executive Officer (“CEO”). Our operating activities are managed through four operating segments: Imaging, Ultrasound, PCS, and PDx. These segments have been identified based on the nature of the products sold and how the Company manages its operations. No operating segments have been aggregated to form reportable segments.

The performance of these segments is principally measured based on revenues and an earnings metric defined as Income from continuing operations before income taxes, less Interest and other financial charges – net, Non-operating benefit costs, restructuring costs, acquisition and disposition related charges, gains and losses on business dispositions, Spin-Off and separation costs, amortization of acquisition-related intangible assets, and investment revaluation gains and losses (“Segment EBIT”).

Consistent accounting policies have been applied by all segments for all reporting periods. A description of our reportable segments as of and for the years ended December 31, 2021, 2020, and 2019 has been provided in Note 1, “Description of the Business and Basis of Presentation.”

#### SEGMENT INFORMATION.

The following table disaggregates Total revenues to external customers by segment and product category:

#### TOTAL REVENUES

Years ended December 31	2021	2020	2019
Imaging			
Radiology .....	\$ 8,019	\$ 7,626	\$ 7,695
Interventional Guidance .....	1,414	1,333	1,401
<b>Total Imaging</b> .....	<b>9,433</b>	<b>8,959</b>	<b>9,096</b>
<b>Total Ultrasound</b> .....	<b>3,172</b>	<b>2,703</b>	<b>2,783</b>
PCS			
Monitoring Solutions .....	2,119	2,243	1,959
Life Support Solutions .....	796	1,432	764
<b>Total PCS</b> .....	<b>2,915</b>	<b>3,675</b>	<b>2,723</b>
<b>Total PDx</b> .....	<b>2,018</b>	<b>1,780</b>	<b>1,993</b>
<b>Other<sup>(a)</sup></b> .....	<b>47</b>	<b>47</b>	<b>38</b>
<b>Total revenues</b> .....	<b><u>\$ 17,585</u></b>	<b><u>\$ 17,164</u></b>	<b><u>\$ 16,633</u></b>

(a) Financial information not presented within the reportable segments, shown within the Other category, represents the HealthCare Financial Services (“HFS”) business which does not meet the definition of an operating segment.

No customer accounted for more than 10% of the Company’s revenues for the years ended December 31, 2021, 2020, or 2019. Additionally, no customers accounted for more than 10% of accounts receivable as of December 31, 2021 or 2020.

**SEGMENT EBIT**

Years ended December 31	2021	2020	2019
Segment EBIT			
Imaging .....	\$ 1,240	\$ 1,182	\$ 934
Ultrasound .....	885	640	652
PCS .....	356	698	263
PDx .....	693	504	695
Other <sup>(a)</sup> .....	(2)	(43)	(52)
	<b>3,172</b>	<b>2,981</b>	<b>2,492</b>
Restructuring costs .....	(155)	(134)	(160)
Acquisition, disposition related charges .....	(14)	—	—
Gain (loss) on business dispositions/divestments .....	2	(3)	3
Spin-Off and separation costs .....	—	(2)	(54)
Amortization of acquisition-related intangible assets .....	(90)	(83)	(92)
Investment revaluation gain (loss) .....	3	22	(1)
Interest and other financial charges – net .....	(40)	(66)	(88)
Non-operating benefit (costs) .....	(3)	(5)	(9)
<b>Income from continuing operations before income taxes .....</b>	<b>\$ 2,875</b>	<b>\$ 2,710</b>	<b>\$ 2,091</b>

(a) Financial information not presented within the reportable segments, shown within the Other category, represents the HealthCare Financial Services (“HFS”) business which does not meet the definition of an operating segment.

The Company does not report total assets by segment for internal or external reporting purposes as the Company’s CODM does not assess performance, make strategic decisions or allocate resources based on assets.

**GEOGRAPHIC INFORMATION.** Revenues are classified according to the region to which products and services are sold.

**TOTAL REVENUES**

Years ended December 31	2021	2020	2019
United States .....	\$ 7,060	\$ 7,146	\$ 7,101
China .....	2,510	2,133	2,067
Other .....	8,015	7,885	7,465
<b>Total revenues .....</b>	<b>\$ 17,585</b>	<b>\$ 17,164</b>	<b>\$ 16,633</b>

**LONG-LIVED ASSETS**

December 31	2021	2020
United States .....	\$ 839	\$ 808
China .....	357	357
Norway .....	228	204
Other .....	811	833
<b>Total long-lived assets .....</b>	<b>\$ 2,235</b>	<b>\$ 2,202</b>

**NOTE 5. RECEIVABLES**

**CURRENT RECEIVABLES.**

<u>December 31</u>	<u>2021</u>	<u>2020</u>
<b>Current customer receivables<sup>(a)</sup></b> .....	<b>\$ 3,028</b>	<b>\$ 1,609</b>
Non-income based tax receivables .....	163	143
Other sundry receivables .....	143	218
<b>Sundry receivables</b> .....	<b>306</b>	<b>361</b>
Allowance for credit losses .....	(107)	(93)
<b>Total receivables – net</b> .....	<b>\$ 3,227</b>	<b>\$ 1,877</b>

(a) Accruals for chargebacks are primarily related to our PDx business and are recorded as a reduction to current customer receivables. Chargebacks are generally settled through issuance of credits, typically within one month of initial recognition. Balances related to chargebacks were \$129 million and \$119 million as of December 31, 2021 and 2020, respectively.

Activity in the allowance for credit losses related to current receivables for the years ended December 31, 2021, 2020, and 2019 consists of the following:

<b>Balance at January 1, 2019</b> .....	<b>\$ 94</b>
Additions charged to costs and expenses .....	17
Write-offs .....	(29)
Foreign exchange and other .....	(3)
<b>Balance at December 31, 2019</b> .....	<b>79</b>
Impact of adopting ASU No. 2016-13 .....	6
<b>Balance at January 1, 2020</b> .....	<b>85</b>
Additions charged to costs and expenses .....	18
Write-offs .....	(14)
Foreign exchange and other .....	4
<b>Balance at December 31, 2020</b> .....	<b>93</b>
Additions charged to costs and expenses .....	12
Write-offs .....	(10)
Foreign exchange and other .....	12
<b>Balance at December 31, 2021</b> .....	<b>\$ 107</b>

*Sales of customer receivables.* The Company sells certain of its customer receivables to GE’s Working Capital Solutions (“WCS”) business or other third parties, and any discount related to time value of money is recognized by the Company when the customer receivables are sold. When we sell customer receivables to WCS or third parties, we accelerate the receipt of cash that would otherwise have been collected from customers. In any given period, the amount of cash received from sales of customer receivables compared to the cash we would have otherwise collected had those customer receivables not been sold represents the cash generated or used in the period relating to this activity. As of December 31, 2020, the Company sold approximately 50% of our gross customer receivables to WCS or third parties.

During 2021, the Company discontinued the majority of its factoring programs. As of December 31, 2021, WCS no longer holds any of the Company’s receivables. Separately from the factoring programs that have been discontinued, the Company from time to time sells current or long-term receivables to third parties in response to customer-sponsored requests or programs, to facilitate sales, or for risk mitigation purposes.

Activity related to customer receivables sold by the Company is as follows:

	<u>2021</u>	<u>2020</u>
<b>Balance at January 1</b> .....	<b>\$ 1,628</b>	<b>\$ 1,662</b>
GE HealthCare businesses sales to WCS and third parties <sup>(a)</sup> .....	5,456	10,457
Collections and other activities .....	(7,076)	(10,503)
Reclassification from long-term customer receivables ..	7	12
<b>Balance at December 31</b> .....	<b>\$ 15</b>	<b>\$ 1,628</b>

(a) Sales to WCS are considered related party and were \$5,442 million and \$10,441 million for the years ended December 31, 2021 and 2020, respectively.

The Company had factored receivables of \$1,126 million without recourse as of December 31, 2020. The Company had factored receivables of \$502 million with recourse as of December 31, 2020. Under the programs, the Company incurred interest expense and finance charges of \$21 million, \$46 million and \$73 million for the years ended December 31, 2021, 2020, and 2019, respectively, which are included in Interest and other financial charges – net in the combined Statements of Income. The proceeds for the programs are included in Cash from operating activities in the combined Statements of Cash Flows.

**LONG-TERM RECEIVABLES.** Long-term receivables are included in All other assets in our combined Statements of Financial Position.

<u>December 31</u>	<u>2021</u>	<u>2020</u>
Long-term customer receivables .....	\$ 83	\$ 63
Sundry receivables .....	49	48
Non-income based tax receivables .....	37	48
Supplier advances .....	—	7
Allowance for credit losses <sup>(a)</sup> .....	(31)	(31)
<b>Total long-term receivables – net</b> .....	<b>\$ 138</b>	<b>\$ 135</b>

(a) Write-offs of long-term receivables were not material for the years ended December 31, 2021 and 2020.

#### NOTE 6. FINANCING RECEIVABLES

<u>December 31</u>	<u>2021</u>	<u>2020</u>
Loans, net of deferred income .....	\$ 25	\$ 30
Investment in financing leases, net of deferred income .....	77	99
Allowance for credit losses <sup>(a)</sup> .....	(3)	(4)
<b>Current financing receivables – net<sup>(b)</sup></b> .....	<b>\$ 99</b>	<b>\$ 125</b>
Loans, net of deferred income .....	41	51
Investment in financing leases, net of deferred income .....	149	185
Allowance for credit losses <sup>(a)</sup> .....	(4)	(6)
<b>Non-current financing receivables – net<sup>(b)</sup></b> .....	<b>\$ 186</b>	<b>\$ 230</b>

(a) Allowance for credit losses activity related to current and non-current financing receivables included write-offs, net of recoveries, of \$2 million and \$2 million for the years ended December 31, 2021 and 2020, respectively.

- (b) Current financing receivables and non-current financing receivables are included in All other current assets and All other assets, respectively, in our combined Statements of Financial Position.

Total financing receivables classified as held for sale were \$17 million and \$17 million as of December 31, 2021 and 2020, respectively. Total financing receivables sold were \$104 million, \$52 million, and \$10 million for the years ended December 31, 2021, 2020, and 2019, respectively.

As of December 31, 2021, 5%, 4%, and 5% of financing receivables were over 30 days past due, over 90 days past due and on nonaccrual, respectively, with the majority of nonaccrual financing receivables secured by collateral. As of December 31, 2020, 2%, 1%, and 2% of financing receivables were over 30 days past due, over 90 days past due and on nonaccrual, respectively.

#### NOTE 7. LEASES

**OPERATING LEASES.** As a lessee, the Company leases certain logistics, office, and manufacturing facilities, as well as vehicles and other equipment. Certain of the Company's leases may include options to extend. Our ROU operating lease assets are included in Property, plant, and equipment – net in our combined Statements of Financial Position. Our operating lease liabilities, are included in All other current liabilities and All other liabilities in our combined Statements of Financial Position, as detailed below.

<u>December 31</u>	<u>2021</u>	<u>2020</u>
<b>Operating lease ROU assets</b> .....	<b>\$ 358</b>	<b>\$ 405</b>
Current operating lease liabilities .....	104	128
Non-current operating lease liabilities .....	262	283
<b>Total operating lease liabilities</b> .....	<b>\$ 366</b>	<b>\$ 411</b>

#### OPERATING LEASE EXPENSE

<u>Years ended December 31</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Long term (fixed) .....	\$ 114	\$ 135	\$ 123
Long term (variable) .....	67	64	85
Short-term .....	4	2	3
<b>Total operating lease expense</b> .....	<b>\$ 185</b>	<b>\$ 201</b>	<b>\$ 211</b>

#### MATURITY OF LEASE LIABILITIES

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>	<u>Total</u>
Undiscounted lease payments .....	\$ 113	\$ 93	\$ 68	\$ 45	\$ 33	\$ 46	\$ 398
Less: imputed interest .....							(32)
<b>Total lease liability as of December 31, 2021</b> .....							<b>\$ 366</b>

#### SUPPLEMENTAL INFORMATION RELATED TO OPERATING LEASES

<u>December 31</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating cash flows used for operating leases .....	\$ 128	\$ 138	\$ 150
Right-of-use assets obtained in exchange for new lease liabilities .....	\$ 94	\$ 168	\$ 151
Weighted-average remaining lease term (in years) .....	4.7	4.9	5.0
Weighted-average discount rate .....	3.3%	3.8%	4.5%

**FINANCE LEASES.** The Company leases equipment manufactured or sold by the Company to customers through sales-type leases. Sales-type leases are included in financing receivables and are presented within All other current assets and All other assets in the combined Statements of Financial Position.

Finance lease income was \$16 million, \$13 million, and \$13 million for the years ended December 31, 2021, 2020 and 2019, respectively, and is recorded in Other (income) expense – net in the combined Statements of Income.

**NET INVESTMENT IN FINANCING LEASES**

<u>December 31</u>	<u>2021</u>	<u>2020</u>
Total minimum lease payments receivable . . . . .	\$ 243	\$ 305
Less: deferred income . . . . .	(27)	(34)
Discounted lease receivable . . . . .	216	271
Estimated unguaranteed residual value of leased assets, net of deferred income . . . . .	10	13
<b>Investment in financing leases, net of deferred income . . . .</b>	<b><u>\$ 226</u></b>	<b><u>\$ 284</u></b>

<u>CONTRACTUAL MATURITIES, DUE IN</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>	<u>Total</u>
Net minimum lease payments receivable . . . . .	\$ 84	\$ 60	\$ 41	\$ 28	\$ 17	\$ 13	\$ 243

We expect actual maturities to differ from contractual maturities, primarily as a result of prepayments.

**NOTE 8. ACQUISITIONS, GOODWILL, AND OTHER INTANGIBLE ASSETS**

**ACQUISITIONS.** On December 21, 2021, the Company acquired 100% of the stock of BK Medical, a leader in surgical ultrasound imaging and guidance technology, for \$1,466 million. The preliminary purchase price allocation resulted in goodwill of \$1,020 million, amortizable intangible assets of \$393 million, net tangible assets of \$114 million, and net deferred tax liabilities of \$61 million. The allocation of the purchase price is preliminary and subject to change within the measurement period as the Company finalizes the purchase price allocation and fair value estimates. The goodwill associated with the acquired business is non-deductible for tax purposes and is reported in the Ultrasound segment.

On May 5, 2021, the Company acquired 100% of the stock of Zionexa, a French-based company that is a leading innovator of *in vivo* oncology and neurology biomarkers for \$32 million and potential earn-out payments valued at \$91 million based primarily on sales targets and regulatory approvals. It is possible that our earn-out payments could exceed amounts accrued based on higher than forecasted sales. The purchase price allocation resulted in goodwill of \$43 million, intangible assets of \$114 million, deferred tax liabilities of \$25 million, and other net liabilities assumed of \$9 million. The goodwill associated with the acquired business is primarily deductible for tax purposes and is reported in the PDx segment.

On December 30, 2020, the Company acquired the remaining 69% of the stock of Prismatic Sensors AB, a Swedish-based company developing novel sensor technology for CT machines, for \$74 million and potential earn-out payments valued at \$20 million. The Company had a previous equity ownership in Prismatic Sensors AB with a fair value of \$35 million. The purchase price allocation resulted in goodwill of \$89 million, indefinite-lived intangible assets of \$48 million, and other net liabilities assumed of \$8 million. The goodwill associated with the acquired business is primarily deductible for tax purposes and is reported in the Imaging segment.



### CHANGES IN GOODWILL BALANCES

	<u>Imaging</u>	<u>Ultrasound</u>	<u>PCS</u>	<u>PDx</u>	<u>Total</u>
<b>Balance at January 1, 2020</b> .....	<b>\$ 4,344</b>	<b>\$ 2,857</b>	<b>\$ 2,050</b>	<b>\$ 2,491</b>	<b>\$ 11,742</b>
Acquisitions .....	89	—	—	—	89
Foreign exchange and other .....	16	11	8	2	37
<b>Balance at December 31, 2020</b> .....	<b>4,449</b>	<b>2,868</b>	<b>2,058</b>	<b>2,493</b>	<b>11,868</b>
Acquisitions .....	1	1,020	—	43	1,064
Foreign exchange and other .....	(17)	(12)	(9)	(2)	(40)
<b>Balance at December 31, 2021</b> .....	<b>\$ 4,433</b>	<b>\$ 3,876</b>	<b>\$ 2,049</b>	<b>\$ 2,534</b>	<b>\$ 12,892</b>

In performing the annual goodwill impairment tests during 2021, 2020, and 2019, we determined that the fair values of each of our reporting units exceeded their carrying values. Therefore, no impairment was recorded.

Determining the fair value of reporting units requires the use of estimates and significant judgments that are based on a number of factors including actual operating results and overall market valuations. It is reasonably possible that the judgments and estimates described above could change in future periods.

### INTANGIBLE ASSETS

<u>December 31</u>	<u>2021</u>			<u>2020</u>		
	<u>Gross carrying amount</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Gross carrying amount</u>	<u>Accumulated amortization</u>	<u>Net</u>
Customer-related .....	\$ 64	\$ (9)	\$ 55	\$ 17	\$ (10)	\$ 7
Patents and technology .....	2,556	(1,713)	843	2,148	(1,662)	486
Capitalized software .....	2,500	(1,610)	890	2,620	(1,560)	1,060
Trademarks .....	43	(32)	11	41	(36)	5
Indefinite-lived assets <sup>(a)</sup> .....	48	—	48	45	—	45
<b>Total</b> .....	<b>\$ 5,211</b>	<b>\$ (3,364)</b>	<b>\$ 1,847</b>	<b>\$ 4,871</b>	<b>\$ (3,268)</b>	<b>\$ 1,603</b>

(a) Indefinite-lived intangible assets primarily relate to acquired IPR&D prior to project completion, and are not amortized.

During 2021, we recorded additions to intangible assets subject to amortization of \$657 million with a weighted-average useful life of nine years, including patents and technology of \$449 million, with a weighted-average amortizable period of 11 years.

Amortization expense was \$400 million, \$408 million, and \$434 million for the years ended December 31, 2021, 2020, and 2019, respectively. No material impairments of intangible assets were recognized in the years ended December 31, 2021, 2020, or 2019.

Estimated annual pre-tax amortization expense for intangible assets over the next five calendar years is as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Estimated annual pre-tax amortization .....	\$ 425	\$ 353	\$ 286	\$ 242	\$ 185

### NOTE 9. BORROWINGS

**BORROWINGS.** The Company had total long-term borrowings of \$31 million as of both December 31, 2021 and 2020. These borrowings consist of bank borrowings and a product financing arrangement. The

Company had total short-term borrowings of \$6 million and \$4 million as of December 31, 2021 and 2020, respectively, of which \$6 million and \$3 million represent the current portion of long-term borrowings. These borrowings consist of bank borrowings and a product financing arrangement.

The bank borrowings pertain to agreements made between the Company and Austrian-based banks that are guaranteed by the Austrian Research Promotion Agency and have maturities ranging from 2022 through 2026. These borrowings are used to fund R&D initiatives of the Company. As of December 31, 2021 and 2020, the weighted-average interest rate on long-term bank borrowings was 0.53% and 0.67%, respectively. Interest expense recognized for these arrangements was not significant for the years ended December 31, 2021, 2020, and 2019. Interest expense is included in Interest and other financial charges – net in the combined Statements of Income.

The non-bank borrowings pertain to a product financing arrangement between the Company and a third party supplier whereby the supplier agreed to purchase inventory on the Company's behalf. The Company signed a non-cancellable, non-returnable ("NCNR") agreement to purchase the inventory from the supplier. The NCNR agreement was assigned to a bank as collateral for the financing that the supplier received from a bank to purchase the supplier's inventory. The price that the Company paid the supplier for the inventory included the original price from the supplier plus management fees and financing costs. Interest expense recognized for these arrangements was not significant for the years ended December 31, 2021, 2020, and 2019.

**LETTERS OF CREDIT, GUARANTEES AND OTHER COMMITMENTS.** As of December 31, 2021 and 2020, the Company had unused letters of credit, bank guarantees, bid bonds and surety bonds of approximately \$808 million and \$824 million, respectively, related to certain commercial contracts. Additionally, we have approximately \$63 million and \$79 million of guarantees as of December 31, 2021 and 2020, respectively, primarily related to residual value guarantees on equipment sold to third-party finance companies. Our combined Statements of Financial Position reflect a liability of \$5 million and \$6 million as of December 31, 2021 and 2020, respectively, related to these guarantees. For credit-related guarantees, we estimate our expected credit losses related to off-balance sheet credit exposure consistent with the method used to estimate the allowance for credit losses on financial assets held at amortized cost.

#### **NOTE 10. POSTRETIREMENT BENEFIT PLANS**

##### **PENSION BENEFITS AND RETIREE HEALTH AND LIFE BENEFITS SPONSORED BY GE.**

Certain employees are covered under various pension and retiree health and life plans sponsored by GE, including principal pension plans, other pension plans, and principal retiree benefit plans. These plans are accounted for as multiemployer plans. Certain of these pension plans have been closed to new participants. Relevant participation costs for certain GE-sponsored employee benefit plans have been allocated to the Company and are included in the combined Statements of Income. These include service costs for active employees in the U.S. GE Pension Plan, certain international pension plans, the U.S. GE Supplementary Pension Plan, and the U.S. retiree benefit plan. We have not recorded any liabilities associated with our participation in these plans in our combined Statements of Financial Position as of December 31, 2021 and 2020. Expenses associated with our employees' participation in the U.S. GE principal pension and principal retiree benefit plans, which represent the majority of related expense, were \$96 million, \$194 million, and \$209 million for the years ended December 31, 2021, 2020, and 2019, respectively. Expenses associated with our employees' participation in the U.S. Retirement Savings Plan represent the employer matching contributions for GE HealthCare employees and were \$119 million, \$83 million, and \$86 million for the years ended December 31, 2021, 2020, and 2019, respectively. Expenses associated with our employees' participation in GE's non-U.S. based pension were \$22 million, \$19 million, and \$15 million for the years ended December 31, 2021, 2020, and 2019, respectively.

**PENSION PLANS SPONSORED BY GE HEALTHCARE.** In addition to these GE-sponsored plans, certain of our employees also are covered by pension plans sponsored by the Company. Our pension plans in 2021 included 11 U.S. and non-U.S. pension plans with pension assets or obligations greater than \$20 million. Smaller pension plans with pension assets or obligations less than \$20 million are not presented in the following

tables. We use a December 31 measurement date for these plans. These defined benefit plans generally provide benefits to employees based on formulas recognizing length of service and earnings. Certain of these pension plans have been closed to new participants.

***GE HealthCare Sponsored Pension Plan Participants***

<b>Number of Participants as of December 31, 2021</b>	
Active employees . . . . .	5,406
Vested former employees . . . . .	2,418
Retirees and beneficiaries . . . . .	3,621
<b>Total participants . . . . .</b>	<b><u>11,445</u></b>

*Funding.* The funding policy for our pension plans is to contribute amounts sufficient to meet minimum funding requirements as set forth in employee benefit and tax laws plus any additional amounts as we may determine to be appropriate. In 2021, we contributed \$20 million to fund certain pension plans. We expect to contribute approximately \$20 million to our pension plans in 2022.

***Cost of Our Benefits Plans and Assumptions.***

<b>Components of expense (income) For the years ended December 31</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Service cost – Operating . . . . .</b>	<b>\$ 24</b>	<b>\$ 23</b>	<b>\$ 19</b>
Interest cost . . . . .	15	17	22
Expected return on plan assets . . . . .	(27)	(26)	(25)
Amortization of net loss (gain) . . . . .	17	18	13
Amortization of prior service cost (credit) . . . . .	(4)	(4)	(4)
Curtailment/settlement loss (gain) . . . . .	—	(1)	2
<b>Service cost – Non-operating . . . . .</b>	<b>\$ 1</b>	<b>\$ 4</b>	<b>\$ 8</b>
<b>Net periodic expense . . . . .</b>	<b>\$ 25</b>	<b>\$ 27</b>	<b>\$ 27</b>
<b>Weighted-average benefit obligations assumptions</b>			
Discount rate . . . . .	1.91%	1.44%	1.80%
Compensation increases . . . . .	2.81	2.65	2.85
<b>Weighted-average benefit cost assumptions</b>			
Discount rate . . . . .	1.44%	1.80%	2.50%
Expected rate of return on plan assets . . . . .	5.39	5.40	5.82

*Assumptions Used in Calculations and Sensitivities to Key Assumptions.* Accounting requirements necessitate the use of assumptions to reflect the uncertainties and the length of time over which the pension obligations will be paid. The actual amount of future benefit payments will depend upon when participants retire, the amount of their benefit at retirement, and how long they live. To reflect the obligation in today’s U.S. Dollars, we discount the future payments using a rate that matches the time frame over which the payments will be made. We also assume a long-term rate of return that will be earned on investments used to fund these payments.

We evaluate these assumptions annually. We periodically evaluate other assumptions, such as retirement age, mortality, and turnover, and update them as necessary to reflect our actual experience and expectations for the future.

We determine the discount rate using the weighted average yields on high-quality fixed-income securities that have maturities consistent with the timing of benefit payments. Lower discount rates increase the size of the benefit obligations and pension expense in the following year; higher discount rates reduce the size of the benefit obligation and subsequent-year pension expense.

The expected return on plan assets is the estimated long-term rate of return that will be earned on the investments used to fund the pension obligations. To determine this rate, we consider the current and target composition of plan investments, our historical returns earned and our expectations about the future.

Changes in key assumptions for our pension plans would have the following effects:

- Discount rate — A 0.25 point increase in discount rate would decrease pension cost in 2022 by \$2 million and would decrease the pension benefit obligation at December 31, 2021 by approximately \$31 million.
- Expected return on assets — A 0.5 point decrease in the expected return on assets would increase pension cost in 2022 by \$3 million.

The compensation assumption is used to estimate the annual rate at which compensation of plan participants will grow. If the rate of growth assumed increases, the size of the pension obligations will increase, as will the amount recorded in equity attributable to the Company and amortized to earnings in subsequent periods.

We amortize experience gains and losses, as well as the effects of changes in actuarial assumptions and plan provisions, over a period no longer than the average future service of employees.

*Plan Funded Status and Amounts Recorded in AOCI.*

	<u>2021</u>	<u>2020</u>
<b>Change in projected benefit obligations</b>		
<b>Balance at January 1</b>	<b>\$ 1,048</b>	<b>\$ 965</b>
Service cost .....	24	23
Interest cost .....	15	17
Participant contributions .....	1	1
Actuarial loss (gain) – net .....	(59)	45
Benefits paid .....	(44)	(47)
Curtailments .....	—	(6)
Exchange rate adjustments .....	(45)	50
<b>Balance at December 31</b> .....	<b>\$ 940</b>	<b>\$ 1,048</b>
<b>Change in plan assets</b>		
<b>Balance at January 1</b>	<b>\$ 537</b>	<b>\$ 482</b>
Actual gain (loss) on plan assets .....	44	73
Employer contributions .....	20	22
Participant contributions .....	1	1
Benefits paid .....	(44)	(47)
Exchange rate adjustments .....	(5)	6
<b>Balance at December 31</b> .....	<b>\$ 553</b>	<b>\$ 537</b>
<b>Funded status – surplus (deficit)</b> .....	<b>\$ (387)</b>	<b>\$ (511)</b>
<b>Amounts recorded in the combined Statements of</b>		
<b>Financial Position</b>		
Non-current assets – other .....	\$ 97	\$ 48
Current liabilities – other .....	(18)	(16)
Non-current liabilities – compensation and benefits .....	(466)	(543)
<b>Net amount recorded</b> .....	<b>\$ (387)</b>	<b>\$ (511)</b>
<b>Amounts recorded in AOCI</b>		
Prior service cost (credit) .....	\$ (9)	\$ (15)
Net loss (gain) .....	138	242
<b>Total recorded in AOCI</b> .....	<b>\$ 129</b>	<b>\$ 227</b>

In 2022, we estimate that we will amortize \$4 million of prior service credit and \$6 million of net actuarial loss from AOCI into pension expense.

*The Composition of Our Plan Assets.* The fair value of our pension plans' investments is presented below. The inputs and valuation techniques used to measure the fair value of the assets are consistently applied and described in Note 2, "Summary of Significant Accounting Policies."

<u>December 31</u>	<u>2021</u>	<u>2020</u>
Global equity securities .....	\$ 61	\$ 43
Debt securities .....	200	163
Real estate .....	20	18
Private equities and other investments .....	70	67
<b>Plan assets measured at fair value .....</b>	<b>351</b>	<b>291</b>
Global equity securities .....	83	136
Debt securities .....	47	49
Real estate .....	11	10
Private equities and other investments .....	61	51
<b>Plan assets measured at net asset value .....</b>	<b>202</b>	<b>246</b>
<b>Total plan assets .....</b>	<b>\$ 553</b>	<b>\$ 537</b>

Those investments that were measured at net asset value ("NAV") as a practical expedient were excluded from the fair value hierarchy. Investments with a fair value of \$76 million and \$70 million as of December 31, 2021 and 2020, respectively, were classified within Level 3 of the fair value hierarchy and primarily relate to private equities, insurance contracts and real estate. The remaining investments were all considered Level 1 and 2.

*Weighted Average Asset Allocation of Pension Plans.*

<u>2021 allocation</u>	<u>Target</u>	<u>Actual</u>
Global equity securities .....	25%	28%
Debt securities (including cash equivalents) .....	47	49
Real estate .....	5	6
Private equities and other instruments .....	23	17

Plan fiduciaries of our pension plans set investment policies and strategies for the assets held in trust and oversee its investment allocation, which includes selecting investment managers, commissioning periodic asset-liability studies, and setting long-term strategic targets. Long-term strategic investment objectives take into consideration a number of factors, including the funded status of the plan, a balance between risk and return, and the plan's liquidity needs. The plan utilizes a combination of long-dated corporate bonds, treasuries, and derivatives to implement its investment strategies as well as for hedging asset and liability risks. Target allocation percentages are established at an asset class level by plan fiduciaries. Target allocation ranges are guidelines, not limitations, and occasionally plan fiduciaries will approve allocations above or below a target range.

*Expected Future Benefit Payments of Our Benefit Plans.*

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027-2031</u>
Estimated future benefit payments .....	\$ 49	\$ 48	\$ 48	\$ 54	\$ 51	\$ 260

**PRE-TAX COST OF POSTRETIREMENT BENEFIT PLANS AND CHANGES IN OTHER COMPREHENSIVE INCOME**

<u>Years ended December 31</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Cost of postretirement benefit plans</b> .....	<u>\$ 23</u>	<u>\$ 29</u>	<u>\$ 26</u>
<b>Changes in other comprehensive loss (income)</b>			
Net loss (gain) – current year .....	(86)	10	51
<b>Reclassifications out of AOCI</b>			
Amortization of net gain (loss) .....	(16)	(18)	(13)
Amortization of prior service credit (cost) .....	4	4	4
<b>Total changes in other comprehensive loss (income)</b> .....	<u>(98)</u>	<u>(4)</u>	<u>42</u>
<b>Cost (income) of postretirement benefit plans and changes in other comprehensive loss (income)</b> .....	<u>\$(75)</u>	<u>\$ 25</u>	<u>\$ 68</u>

**NOTE 11. INCOME TAXES**

The provision for income taxes calculations have been prepared on a separate return basis as if the Company were a separate group of companies under common ownership. However, the results have been combined as if the Company were filing on a combined basis for U.S. federal, U.S. state, and non-U.S. income tax purposes, where permissible by law. The Company is subject to income taxes in the U.S. (both federal and state) and in numerous foreign jurisdictions. Changes in the tax laws or regulations in these jurisdictions, or in positions by the relevant authorities regarding their application, administration or interpretation, may affect our tax liability, return on investments and business operations.

**INCOME BEFORE INCOME TAXES**

<u>Years ended December 31</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
U.S. income .....	\$ 1,587	\$ 1,620	\$ 547
Non-U.S. income .....	1,288	1,090	1,544
<b>Total</b> .....	<u>\$ 2,875</u>	<u>\$ 2,710</u>	<u>\$ 2,091</u>

**PROVISION FOR INCOME TAXES**

<u>Years ended December 31</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Current</b>			
U.S. Federal .....	\$ 141	\$ 250	\$ 89
Non-U.S. ....	422	463	293
U.S. State .....	55	65	48
<b>Deferred</b>			
U.S. Federal .....	82	—	(92)
Non-U.S. ....	(101)	(129)	90
U.S. State .....	1	3	(18)
<b>Total</b> .....	<u>\$ 600</u>	<u>\$ 652</u>	<u>\$ 410</u>

The Tax Cuts and Jobs Act (“TCJA”) imposes tax on U.S. shareholders for global intangible low-taxed income (“GILTI”) earned by certain non-U.S. subsidiaries. The Company has elected to account for GILTI as a period cost.

**RECONCILIATION OF U.S. FEDERAL STATUTORY INCOME TAX RATE TO ACTUAL INCOME TAX RATE**

<b>Years ended December 31</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Income before taxes</b> .....	<b>\$ 2,875</b>	<b>\$ 2,710</b>	<b>\$ 2,091</b>
Tax expected at 21.0% .....	604	569	439
Foreign operations .....	(43)	42	82
U.S. tax on foreign operations .....	(23)	(45)	(127)
Uncertain tax positions .....	11	25	1
R&D benefits .....	(32)	(30)	(38)
State taxes, net of federal benefit .....	45	47	21
Valuation allowance .....	33	37	23
Other .....	5	7	9
<b>Provision for income taxes</b> .....	<b>\$ 600</b>	<b>\$ 652</b>	<b>\$ 410</b>
Actual income tax rate .....	20.9%	24.1%	19.6%

**UNRECOGNIZED TAX BENEFITS.** The Company is subject to periodic tax audits by tax authorities in the U.S. (both federal and state) and the numerous countries in which we operate. In 2021, the Company settled with tax authorities in certain foreign jurisdictions. While the Company currently is being audited in a number of jurisdictions for tax years 2004-2020, including China, Norway, France, Germany, the United Kingdom, and the U.S., we believe that there are no jurisdictions in which the ultimate outcome of unresolved issues or claims is likely to be material to the results of operations, financial position, or cash flows. We believe that we have made adequate provisions for all unrecognized tax benefits.

**UNRECOGNIZED TAX BENEFITS RECONCILIATION**

The balance of unrecognized tax benefits, the amount of related interest and penalties, and what we believe to be the range of reasonably possible changes in the next 12 months are as follows:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Balance at January 1</b> .....	<b>\$ 684</b>	<b>\$ 622</b>	<b>\$ 650</b>
Additions for tax positions of the current year .....	9	18	15
Additions for tax positions of prior years .....	14	78	23
Reductions for tax positions of prior years .....	(78)	(17)	(48)
Settlements with tax authorities .....	(262)	(14)	(16)
Expiration of the statute of limitations .....	(2)	(3)	(2)
<b>Balance at December 31</b> .....	<b>\$ 365</b>	<b>\$ 684</b>	<b>\$ 622</b>

**UNRECOGNIZED TAX BENEFITS**

<b>December 31</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Unrecognized tax benefits .....	\$ 365	\$ 684	\$ 622
Accrued interest on unrecognized tax benefits .....	53	72	70
Reasonably possible reduction to the balance of unrecognized tax benefits in succeeding 12 months .....	36	64	137
Portion that, if recognized, would reduce tax expense and effective tax rate .....	111	99	106



We classify interest on tax deficiencies as interest expense; we classify income tax penalties as a provision for income taxes. For the years ended December 31, 2021, 2020, and 2019, \$9 million, \$6 million, and \$1 million of Interest and other financial charges – net, respectively, was recognized in our combined Statements of Income. No accrual for penalties was made in the periods.

**DEFERRED INCOME TAXES.** We regularly evaluate the recoverability of our deferred tax assets and establish a valuation allowance, if necessary, to reduce the deferred tax assets to an amount that is more likely than not to be realized (a likelihood of more than 50%). Significant judgment is required in determining whether a valuation allowance is necessary and the amount of such valuation allowance. In assessing the recoverability of our deferred tax assets at December 31, 2021, we considered all available evidence, including the nature of financial statement losses, reversing taxable temporary differences, estimated future operating profits, and tax planning strategies.

***DEFERRED INCOME TAXES***

<u>December 31</u>	<u>2021</u>	<u>2020</u>
Total assets .....	\$ 1,287	\$ 1,489
Total liabilities .....	(385)	(459)
<b>Net deferred income tax asset (liability) .....</b>	<b><u>\$ 902</u></b>	<b><u>\$ 1,030</u></b>

***COMPONENTS OF THE NET DEFERRED INCOME TAX ASSET (LIABILITY)***

<u>December 31</u>	<u>2021</u>	<u>2020</u>
<b>Deferred tax assets</b>		
Employee benefits .....	\$ 255	\$ 301
Contract liabilities .....	186	140
Inventories .....	83	89
Operating loss carryforwards .....	138	114
Other accrued expenses .....	36	62
Receivables .....	54	54
Lease liabilities .....	62	58
Tax credit carryforwards .....	133	122
Contract assets .....	120	118
Property, plant, and equipment .....	413	349
Capitalized R&D .....	307	356
<b>Total deferred income tax asset .....</b>	<b><u>1,787</u></b>	<b><u>1,763</u></b>
Valuation allowances .....	(279)	(250)
<b>Total deferred income tax asset after valuation allowance .....</b>	<b><u>\$ 1,508</u></b>	<b><u>\$ 1,513</u></b>
<b>Deferred tax liabilities</b>		
Goodwill & other intangible assets .....	\$ (517)	\$ (422)
ROU assets .....	(56)	(53)
Other .....	(33)	(8)
<b>Total deferred income tax liability .....</b>	<b><u>\$ (606)</u></b>	<b><u>\$ (483)</u></b>
<b>Net deferred income tax asset (liability) .....</b>	<b><u>\$ 902</u></b>	<b><u>\$ 1,030</u></b>

Valuation allowances primarily relate to non-U.S. deferred taxes where there were historical losses and U.S. federal/state credit carryforwards. Activity in the valuation allowance for the years ended December 31, 2021, 2020, and 2019 consists of the following:

<b>Balance at January 1, 2019</b> .....	<b>\$ 214</b>
Provision for income taxes .....	26
Foreign exchange and other .....	(12)
<b>Balance at December 31, 2019</b> .....	<b>228</b>
Provision for income taxes .....	43
Foreign exchange and other .....	(21)
<b>Balance at December 31, 2020</b> .....	<b>250</b>
Provision for income taxes .....	39
Foreign exchange and other .....	(10)
<b>Balance at December 31, 2021</b> .....	<b>\$ 279</b>

Write-offs of valuation allowances were not material for the years ended December 31, 2021, 2020, and 2019.

**Net Operating Losses.** As of December 31, 2021, the Company had net operating loss carryforwards of \$1,586 million (primarily related to Sweden and Brazil, which can be carried forward indefinitely). The gross net operating loss carryforwards resulted in a deferred tax asset of \$349 million at December 31, 2021. This amount excludes accruals of \$211 million for unrecognized tax benefits the Company has recorded related to the underlying tax positions which generated the net operating losses.

**Undistributed Earnings.** Substantially all of the undistributed earnings of our foreign subsidiaries are indefinitely reinvested in active non-U.S. business operations, and there are no current plans to repatriate these earnings to fund U.S. operations. As of December 31, 2021, the cumulative amount of indefinitely reinvested foreign earnings was approximately \$11,742 million. Computation of any deferred tax liability associated with any other remaining basis differences is not practicable.

**NOTE 12. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) – NET**

	Currency translation adjustment	Benefit plans	Cash flow hedges	Total AOCI
<b>January 1, 2019</b> .....	<b>\$ 1,644</b>	<b>\$ 257</b>	<b>\$ (22)</b>	<b>\$ 1,879</b>
AOCI before reclasses – net of taxes of \$23, \$(29) and \$(3) .....	61	64	17	142
Reclasses from AOCI – net of taxes of \$—, \$(22) and \$(6) .....	—	(11)	12	1
<b>December 31, 2019</b> .....	<b>1,705</b>	<b>310</b>	<b>7</b>	<b>2,022</b>
AOCI before reclasses – net of taxes of \$(16), \$21 and \$(10) .....	(374)	6	36	(332)
Reclasses from AOCI – net of taxes of \$—, \$40 and \$6 <sup>(a)</sup> .....	(688)	(136)	(27)	(851)
<b>December 31, 2020</b> .....	<b>643</b>	<b>180</b>	<b>16</b>	<b>839</b>
AOCI before reclasses – net of taxes of \$9, \$57 and \$12 .....	326	(74)	(40)	212
Reclasses from AOCI – net of taxes of \$—, \$(37) and \$3 .....	—	(6)	(8)	(14)
<b>December 31, 2021</b> .....	<b>\$ 969</b>	<b>\$ 100</b>	<b>\$ (32)</b>	<b>\$ 1,037</b>

(a) The total reclassification from AOCI included \$836 million related to the sale of our BioPharma business in 2020, including currency translation of \$688 million, net of taxes.

## NOTE 13. DERIVATIVES AND HEDGING

December 31	2021			2020		
	Gross notional	All other current assets	All other current liabilities	Gross notional	All other current assets	All other current liabilities
<b>Foreign exchange contracts, accounted for as hedges</b>	<b>\$ 2,463</b>	<b>\$ 49</b>	<b>\$ 11</b>	<b>\$ 1,608</b>	<b>\$ 20</b>	<b>\$ 32</b>
Foreign exchange contracts	7,510	29	37	3,703	20	26
Embedded derivatives	789	6	8	248	1	12
Commodity exchange	24	3	—	33	5	—
<b>Derivatives not accounted for as hedges</b>	<b>8,323</b>	<b>38</b>	<b>45</b>	<b>3,984</b>	<b>26</b>	<b>38</b>
<b>Total derivatives</b>	<b>\$ 10,786</b>	<b>\$ 87</b>	<b>\$ 56</b>	<b>\$ 5,592</b>	<b>\$ 46</b>	<b>\$ 70</b>

**CASH FLOW HEDGES.** Cash flow hedges primarily relate to foreign exchange contracts. Gains (losses) recognized in AOCI related to cash flow hedges were \$40 million, \$(36) million, and \$(17) million for the years ended December 31, 2021, 2020, and 2019, respectively.

Changes in the fair value of cash flow hedges are recorded in AOCI and recorded in earnings in the period in which the hedged transaction occurs. The total amount in AOCI related to cash flow hedges of forecasted transactions was a \$32 million loss at December 31, 2021. We expect to reclassify \$27 million of gains to earnings in the next 12 months contemporaneously with the earnings effects of the related forecasted transactions. Net gains (losses) reclassified from AOCI into earnings were \$8 million, \$27 million, and \$(12) million for the years ended December 31, 2021, 2020, and 2019, respectively. At December 31, 2021, the maximum term of derivative instruments that hedge forecasted transactions was approximately 3 years.

The table below presents the gains (losses) of our derivative financial instruments in the combined Statements of Income:

Years ended December 31	2021		2020		2019	
	Cost of products	Other (income) expense - net	Cost of products	Other (income) expense - net	Cost of products	Other (income) expense - net
Effects of cash flow hedges <sup>(a)</sup>	\$ 8	\$ —	\$ 11	\$ —	\$ (20)	\$ —
Effects of fair value hedges <sup>(b)</sup>	12	(24)	(15)	19	50	16
Effects of derivatives not designated as hedges <sup>(c)</sup>	—	(10)	—	9	—	(2)

- (a) The effects of cash flow hedges represent the net impact for derivatives maintained in a cash flow hedging relationship.
- (b) The effects of fair value hedges represent the net impact of hedges of monetary assets and liabilities subject to remeasurement.
- (c) The effects of derivatives not designated as hedges represent stand-alone economic hedges.

## NOTE 14. COMMITMENTS, GUARANTEES, PRODUCT WARRANTIES, AND OTHER LOSS CONTINGENCIES

**GUARANTEES.** The Company has off-balance sheet credit exposure through standby letters of credit, bank guarantees, bid bonds, and surety bonds. See Note 9, “Borrowings” for further information. In addition, GE has provided parent company guarantees in certain jurisdictions where we lack the legal structure to issue the requisite guarantees required on certain projects.

**PRODUCT WARRANTIES.** We provide warranty coverage to our customers as part of customary practices in the market to provide assurance that the products we sell comply with agreed upon specifications. We provide for estimated product warranty expenses when we sell the related products. Because warranty accruals are estimates that are based on the best available information, mostly historical claims experience, claims costs may differ from amounts provided. An analysis of changes in the liability for product warranties follows.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Balance at January 1</b> .....	<b>\$ 157</b>	<b>\$ 152</b>	<b>\$ 133</b>
Current-year provisions .....	228	207	223
Expenditures .....	(221)	(205)	(204)
Other changes .....	(3)	3	—
<b>Balance at December 31</b> .....	<b><u>\$ 161</u></b>	<b><u>\$ 157</u></b>	<b><u>\$ 152</u></b>

As of December 31, 2021 and 2020, warranty obligations are primarily expected to be incurred in less than 12 months and therefore are classified as a current liability in All other current liabilities. See Note 16, “Supplemental Financial Information” for further information.

**LEGAL MATTERS.** In the normal course of our business, we are involved from time to time in various arbitrations; class actions; commercial, intellectual property, and product liability litigation; government investigations; investigations by competition/antitrust authorities; and other legal, regulatory, or governmental actions, including the significant matter described below that could have a material impact on our results of operations. In many proceedings, including the specific matter described below, it is inherently difficult to determine whether any loss is probable or even reasonably possible or to estimate the size or range of the possible loss, and accruals for legal matters are not recorded until a loss for a particular matter is considered probable and reasonably estimable. Given the nature of legal matters and the complexities involved, it is often difficult to predict and determine a meaningful estimate of loss or range of loss until we know, among other factors, the particular claims involved, the likelihood of success of our defenses to those claims, the damages or other relief sought, how discovery or other procedural considerations will affect the outcome, the settlement posture of other parties, and other factors that may have a material effect on the outcome. For such matters, unless otherwise specified, we do not believe it is possible to provide a meaningful estimate of loss at this time. Moreover, it is not uncommon for legal matters to be resolved over many years, during which time relevant developments and new information must be continuously evaluated.

***Contracts with Iraqi Ministry of Health***

In 2017, a number of U.S. Service members, civilians, and their families brought a complaint in the U.S. District Court for the District of Columbia (the “District Court”) against a number of pharmaceutical and medical device companies, including GE Healthcare and certain affiliates, alleging that the defendants violated the U.S. Anti-Terrorism Act. The complaint seeks monetary relief and alleges that the defendants provided funding for an Iraqi terrorist organization through their sales practices pursuant to pharmaceutical and medical device contracts with the Iraqi Ministry of Health. In July 2020, the District Court granted defendants’ motions to dismiss and dismissed all of the plaintiffs’ claims. In January 2022, a panel of the U.S. Court of Appeals for the District of Columbia Circuit reversed the District Court’s decision. In February 2022, the defendants requested review of the decision by all of the judges on the U.S. Court of Appeals for the District of Columbia Circuit.

**ENVIRONMENTAL AND ASSET RETIREMENT OBLIGATIONS.** Our operations, like operations of other companies engaged in similar businesses, involve the use, disposal, and cleanup of substances regulated under environmental protection laws and nuclear decommissioning regulations. We have obligations for ongoing and future environmental remediation activities. Liabilities for environmental remediation and nuclear decommissioning exclude possible insurance recoveries. Due to uncertainties or changes regarding the status of

laws, regulations, technology, and information related to individual sites and lawsuits, it is reasonably possible that our exposure will exceed amounts accrued, and amounts not currently reasonably estimable and or probable may need to be accrued in future periods.

Our environmental remediation liabilities, which are measured on an undiscounted basis, were \$9 million and \$6 million at December 31, 2021 and 2020, respectively.

We record asset retirement obligations, which primarily relate to nuclear decommissioning, associated with the retirement of tangible long-lived assets as a liability in the period in which the obligation is incurred and its fair value can be reasonably estimated. The liability is measured at the present value of the obligation when incurred and is adjusted in subsequent periods. Corresponding asset retirement costs are generally capitalized as part of the carrying value of the related long-lived assets and depreciated over the asset's useful life. Our asset retirement obligations were \$264 million and \$257 million at December 31, 2021 and 2020, respectively, and are recorded in All other current liabilities and All other liabilities in our combined Statements of Financial Position. Changes in the liability balance were mainly due to settlement, accretion and revisions in fair value, and were not material for the years ended December 31, 2021, 2020, and 2019.

#### NOTE 15. RESTRUCTURING AND OTHER ACTIVITIES

Restructuring and other activities relate primarily to costs incurred to reduce headcount and consolidate facilities. Specifically, restructuring and other charges primarily include facility exit costs, employee-related termination benefits associated with workforce reductions, asset write-downs, and cease-use costs. For segment reporting, restructuring and other activities are not allocated.

As a result of restructuring initiatives, we recorded expenses of \$155 million, \$134 million, and \$160 million for the years ended December 31, 2021, 2020, and 2019, respectively. These restructuring initiatives will result in additional expenses post-2021 that did not meet the requirements for accrual as of December 31, 2021, estimated to be approximately \$12 million, primarily related to employee-related separation costs. Restructuring expenses are included as part of Cost of products, Cost of services, or Selling, general and administrative, as appropriate, in the combined Statements of Income.

Years ended December 31	2021	2020	2019
Employee termination costs .....	\$ 127	\$ 108	\$ 110
Facility and other exit costs .....	20	11	19
Asset write-downs .....	8	15	31
<b>Total Restructuring and other activities .....</b>	<b><u>\$ 155</u></b>	<b><u>\$ 134</u></b>	<b><u>\$ 160</u></b>

Liabilities related to restructuring are primarily included in All other current liabilities and totaled \$58 million and \$49 million as of December 31, 2021 and 2020.

#### NOTE 16. SUPPLEMENTAL FINANCIAL INFORMATION

##### *INVENTORIES.*

December 31	2021	2020
Raw materials .....	\$ 900	\$ 726
Work in process .....	104	62
Finished goods .....	942	806
<b>Inventories .....</b>	<b><u>\$1,946</u></b>	<b><u>\$1,594</u></b>

Certain inventory items are long-term in nature and therefore have been classified within All other assets in the combined Statements of Financial Position. See the supplemental table for All other assets for further information.

**PROPERTY, PLANT, AND EQUIPMENT – NET.**

<b>December 31</b>	<b>Depreciable lives (in years)</b>	<b>Original cost</b>		<b>Accumulated depreciation</b>		<b>Net carrying value</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land and improvements <sup>(a)</sup> . . . . .	8	\$ 77	\$ 70	\$ (1)	\$ (1)	\$ 76	\$ 69
Buildings, structures, and related equipment . . . . .	8 - 40	1,756	1,736	(1,006)	(969)	750	767
Machinery and equipment <sup>(b)</sup> . . . . .	4 - 20	2,466	2,346	(1,746)	(1,665)	720	681
Leasehold costs and manufacturing plants under construction . . . . .	1 - 10	394	333	(63)	(53)	331	280
<b>Property, plant, and equipment – net, exclusive of ROU operating lease assets</b> . . . . .		<b>\$ 4,693</b>	<b>\$ 4,485</b>	<b>\$ (2,816)</b>	<b>\$ (2,688)</b>	<b>\$ 1,877</b>	<b>\$ 1,797</b>
ROU operating lease assets <sup>(c)</sup> . . . . .						358	405
<b>Property, plant, and equipment – net</b> . . . . .						<b>\$ 2,235</b>	<b>\$ 2,202</b>

- (a) Depreciable lives exclude land.
- (b) Equipment leased to others is included in Machinery and equipment. This is equipment we own that is leased to customers and is stated at cost less accumulated depreciation, and was equal to \$40 million and \$37 million as of December 31, 2021 and 2020, respectively.
- (c) See Note 7, “Leases” for further information.

Depreciation and amortization related to property, plant, and equipment was \$225 million, \$222 million, and \$225 million for the years ended December 31, 2021, 2020, and 2019, respectively.

**ALL OTHER CURRENT AND NON-CURRENT ASSETS.**

<b>December 31</b>	<b>2021</b>	<b>2020</b>
Prepaid expenses and deferred costs . . . . .	\$ 163	\$ 144
Financing receivables – net . . . . .	99	125
Derivative instruments . . . . .	87	46
Other <sup>(a)</sup> . . . . .	88	98
<b>All other current assets</b> . . . . .	<b>\$ 437</b>	<b>\$ 413</b>
Equity method and other investments . . . . .	\$ 341	\$ 344
Financing receivables – net . . . . .	186	230
Long-term receivables – net . . . . .	138	135
Long-term inventories . . . . .	123	160
Long-term contract and other deferred assets . . . . .	96	86
Other <sup>(b)</sup> . . . . .	163	215
<b>All other non-current assets</b> . . . . .	<b>\$ 1,047</b>	<b>\$ 1,170</b>

- (a) Current Other primarily consists of miscellaneous deferred charges.
- (b) Non-current Other primarily consists of long-term prepaid expenses, overfunded pension and other postretirement benefit plans, and advances to suppliers.

***EQUITY METHOD INVESTMENTS.***

<b>December 31</b>	<b>Ownership percentage</b>	<b>Equity method investment balance</b>		<b>Equity method income (loss)</b>		
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Nihon Medi-Physics Limited .....	50%	\$ 200	\$ 233	\$ 22	\$ 8	\$ 19
Other .....		23	18	5	(1)	(1)
<b>Total</b> .....		<b>\$ 223</b>	<b>\$ 251</b>	<b>\$ 27</b>	<b>\$ 7</b>	<b>\$ 18</b>

***ALL OTHER CURRENT AND NON-CURRENT LIABILITIES.***

<b>December 31</b>	<b>2021</b>	<b>2020</b>
Employee compensation and benefit liabilities <sup>(a)</sup> .....	\$ 884	\$ 923
Sales allowances, equipment projects, and other commercial liabilities .....	302	301
Uncertain and other income taxes and related liabilities ....	245	287
Product warranties .....	161	157
Accrued freight and utilities .....	118	132
Operating lease liabilities .....	104	128
Derivative instruments .....	56	70
Environmental and asset retirement obligations .....	35	37
Other .....	257	285
<b>All other current liabilities</b> .....	<b>\$ 2,162</b>	<b>\$2,320</b>
Non-current contract liabilities .....	\$ 632	\$ 569
Operating lease liabilities .....	262	283
Environmental and asset retirement obligations .....	238	226
Uncertain and other income taxes and related liabilities ....	133	171
Capital lease obligation .....	34	22
Sales allowances, equipment projects and other commercial liabilities .....	30	74
Other <sup>(b)</sup> .....	155	90
<b>All other non-current liabilities</b> .....	<b>\$ 1,484</b>	<b>\$1,435</b>

(a) Employee compensation and benefit liabilities primarily consists of accrued payroll, commissions, employee compensation and benefits, pension, and other postretirement benefit obligations.

(b) Non-current Other primarily consists of acquisition-related contingent consideration.

***REDEEMABLE NONCONTROLLING INTERESTS.*** All noncontrolling interests with redemption features, such as put options, that are not solely within our control are reported in the combined Statements of Financial Position between liabilities and equity at the greater of redemption value or initial carrying value. The activity attributable to redeemable noncontrolling interests for the years ended December 31, 2021, 2020, and 2019 is presented below.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Balances as of January 1</b> .....	<b>\$ 223</b>	<b>\$ 217</b>	<b>\$ 215</b>
Net income attributable to redeemable noncontrolling interests .....	39	48	24
Distributions to and exercise of redeemable noncontrolling interests .....	(42)	(42)	(22)
<b>Balances as of December 31</b> .....	<b><u>\$ 220</u></b>	<b><u>\$ 223</u></b>	<b><u>\$ 217</u></b>

**OTHER INCOME (EXPENSE) – NET.**

<u>Years ended December 31</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net interest and investment income .....	\$ 34	\$ 49	\$ 36
Equity method investment income .....	27	7	18
Other items, net <sup>(a)</sup> .....	62	5	10
<b>Total other income (expense) – net</b> .....	<b><u>\$ 123</u></b>	<b><u>\$ 61</u></b>	<b><u>\$ 64</u></b>

- (a) Other items primarily consists of licensing and royalty income and realized foreign exchange gains and losses related to derivatives.

**NOTE 17. RELATED PARTIES**

GE provides the Company with significant corporate, infrastructure and shared services. Some of these services will continue to be provided by GE to the Company on a temporary basis after the separation is completed under transition services agreements. Accordingly, as described in Note 1, “Description of the Business and Basis of Presentation,” certain corporate and shared costs have been charged on the basis of direct usage by the Company as follows:

- (a) Employees of the Company participate in pensions and benefit plans that are sponsored by GE. The Company was charged \$237 million, \$296 million, and \$310 million for the years ended December 31, 2021, 2020, and 2019, respectively. These costs are charged directly to the Company based on the specific employee eligibility for those benefits. See Note 10, “Postretirement Benefit Plans” for further information.
- (b) GE grants various employee benefits to its group employees, including those of the Company, under the GE Long-Term Incentive Plan. These benefits primarily include stock options and restricted stock units. Compensation expense associated with this plan was \$76 million, \$80 million, and \$74 million for the years ended December 31, 2021, 2020, and 2019, respectively, which are included primarily in Selling, general and administrative in the combined Statements of Income. These costs are charged directly to the Company based on the specific employees receiving awards.

Additionally, certain GE Corporate Costs are charged to the Company based on allocation methodologies as follows:

- (a) Centralized services such as public relations, investor relations, treasury and cash management, executive management, security, government relations, community outreach and corporate internal audit services are charged to the Company on a pro rata basis of GE’s estimates of each company’s usage at the beginning of the fiscal year and are recorded in Selling, general and administrative. Costs of \$56 million, \$67 million, and \$71 million for the years ended December 31, 2021, 2020, and 2019, respectively, were recorded in the combined Statements of Income.
- (b) Costs associated with employee medical insurance totaling \$132 million, \$137 million, and \$139 million for the years ended December 31, 2021, 2020, and 2019, respectively, were charged to the Company based on employee headcount and are recorded in Cost of product, Cost of services, Selling, general and administrative, or Research and development based on the employee population.



- (c) Information technology, finance, insurance, research, supply chain, human resources, tax, and facilities activities are charged to the Company based on headcount, revenue, or other allocation methodologies. The Company incurred expenses for these services of \$455 million, \$503 million, and \$685 million for the years ended December 31, 2021, 2020, and 2019, respectively, which are primarily included in Selling, general and administrative and Research and development in the combined Statements of Income.

Management believes that the expense and cost allocations have been determined on a basis that is a reasonable reflection of the utilization of services provided or the benefit received by the Company during 2021, 2020, and 2019. The amounts that would have been, or will be incurred, on a stand-alone basis could materially differ from the amounts allocated due to economies of scale, difference in management judgment, a requirement for more or fewer employees, or other factors. Management does not believe, however, that it is practicable to estimate what these expenses would have been had the Company operated as an independent entity, including any expenses associated with obtaining any of these services from unaffiliated entities. In addition, the future results of operations, financial position and cash flows could differ materially from the historical results presented herein.

The Company participates in factoring programs, the majority of which were discontinued in 2021. The Company factored U.S. and non-U.S. receivables through WCS on a recourse and nonrecourse basis pursuant to various factoring and servicing agreements. See Note 5, "Receivables" for further information.

The Company participates in centralized GE Treasury programs. This arrangement is not reflective of the manner in which the Company would have financed its operations had it been a stand-alone business separate from GE during the periods presented. Long-term intercompany financing, including strategic financing, and centralized cash management arrangements, are used to fund expansion or certain working capital needs. All adjustments relating to certain transactions among the Company, GE and GE entities, which include the transfer of the balance of cash to GE, transfer of the balance of cash held in centralized cash management arrangements to GE, settlement of certain intercompany debt between the Company and GE or GE entities, and pushdown of all costs of doing business that were paid on behalf of the Company by GE or GE entities, are excluded from the asset and liability balances in the combined Statements of Financial Position. These amounts have instead been reported within Net parent investment as a component of equity. As of December 31, 2021 and 2020, respectively, aggregate related party liabilities (net) of \$195 million and \$139 million were reclassified to Net parent investment in the combined Statements of Financial Position.

The Company's related party revenues were not significant for the years ended December 31, 2021, 2020, and 2019. The majority of related party revenues were generated from sales made to former GE industrial business units.

#### **NOTE 18. DISCONTINUED OPERATIONS**

In February 2019, we announced an agreement to sell our BioPharma business to Danaher Corporation. On March 31, 2020, we completed the sale for \$20,718 million, after certain working capital adjustments. The consideration consisted of \$20,301 million in cash and \$417 million of pension liabilities that were assumed by Danaher Corporation. The combined Statements of Income present the results of the BioPharma business as discontinued operations in the historical periods prior to sale, as further disclosed below.

**RESULTS OF DISCONTINUED OPERATIONS**

Years ended December 31	2021	2020	2019
Sales of products .....	\$—	\$ 785	\$ 3,113
Sales of services .....	—	45	176
<b>Total revenues</b> .....	<b>—</b>	<b>830</b>	<b>3,289</b>
Cost of products .....	—	230	1,035
Cost of services .....	—	28	96
Selling, general and administrative .....	—	142	559
Research and development .....	—	44	169
<b>Operating income of discontinued operations</b> .....	<b>—</b>	<b>386</b>	<b>1,430</b>
Non-operating income (loss) <sup>(a)</sup> .....	—	(7)	37
Gain on disposal .....	16	12,782	—
<b>Income of discontinued operations before income taxes</b> .....	<b>16</b>	<b>13,161</b>	<b>1,467</b>
Benefit (provision) for income taxes <sup>(b)</sup> .....	2	(1,317)	(1,596)
<b>Income (loss) from discontinued operations, net of taxes before deduction for noncontrolling interests</b> .....	<b>18</b>	<b>11,844</b>	<b>(129)</b>
Net (income) loss attributable to noncontrolling interests . . .	—	(5)	1
<b>Income (loss) of discontinued operations, net of taxes</b> . . .	<b>\$ 18</b>	<b>\$ 11,839</b>	<b>\$ (128)</b>

(a) Non-operating income (loss) includes Interest and other financial charges – net, Non-operating benefit costs, and Other (income) expense – net related to the discontinued operations of the BioPharma business.

(b) The income tax provision recognized in 2019 is driven primarily by accelerated taxes in association with the sale of the BioPharma business.

**NOTE 19. SUBSEQUENT EVENTS**

The Company has evaluated events and transactions that occurred after the date of our accompanying combined Statements of Financial Position through July 29, 2022, the date these financial statements were available for issuance, for potential recognition or disclosure in the combined financial statements. There were no material recognized or unrecognized subsequent events.

**GE HEALTHCARE**  
**A BUSINESS OF GENERAL ELECTRIC COMPANY**  
**CONDENSED COMBINED STATEMENTS OF INCOME (UNAUDITED)**

<i>For the six months ended June 30 (\$ in millions)</i>	<b>2022</b>	<b>2021</b>
Sales of products .....	\$ 5,690	\$ 5,512
Sales of services .....	3,137	3,180
<b>Total revenues</b> .....	<b>8,827</b>	<b>8,692</b>
Cost of products .....	3,829	3,553
Cost of services .....	1,524	1,593
<b>Gross profit</b> .....	<b>3,474</b>	<b>3,546</b>
Selling, general and administrative .....	1,839	1,739
Research and development .....	495	391
<b>Total operating expenses</b> .....	<b>2,334</b>	<b>2,130</b>
<b>Operating income</b> .....	<b>1,140</b>	<b>1,416</b>
Interest and other financial charges – net .....	16	24
Non-operating benefit (income) costs .....	(3)	1
Other (income) expense – net .....	(45)	(53)
<b>Income from continuing operations before income taxes</b> .....	<b>1,172</b>	<b>1,444</b>
Provision for income taxes .....	(284)	(261)
<b>Net income from continuing operations</b> .....	<b>888</b>	<b>1,183</b>
Income from discontinued operations, net of taxes .....	12	7
<b>Net income</b> .....	<b>900</b>	<b>1,190</b>
Net (income) loss attributable to noncontrolling interests .....	(26)	(21)
<b>Net income attributable to GE HealthCare</b> .....	<b>\$ 874</b>	<b>\$ 1,169</b>

The accompanying notes are an integral part of these unaudited condensed combined financial statements.

**GE HEALTHCARE**  
**A BUSINESS OF GENERAL ELECTRIC COMPANY**  
**CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**

<i>For the six months ended June 30 (\$ in millions)</i>	<u>2022</u>	<u>2021</u>
<b>Net income attributable to GE HealthCare</b> .....	<b>\$ 874</b>	<b>\$ 1,169</b>
Net (income) loss attributable to noncontrolling interests .....	(26)	(21)
<b>Net income</b> .....	<b>900</b>	<b>1,190</b>
<b>Other comprehensive income (loss):</b>		
Currency translation adjustments – net of taxes .....	(625)	3
Benefit plans – net of taxes .....	(2)	6
Investment securities and cash flow hedges – net of taxes .....	15	31
<b>Other comprehensive income (loss)</b> .....	<b>(612)</b>	<b>40</b>
<b>Comprehensive income</b> .....	<b>288</b>	<b>1,230</b>
Comprehensive (income) loss attributable to noncontrolling interests .....	(26)	(21)
<b>Comprehensive income attributable to GE HealthCare</b> .....	<b>\$ 262</b>	<b>\$ 1,209</b>

The accompanying notes are an integral part of these unaudited condensed combined financial statements.

**GE HEALTHCARE**  
**A BUSINESS OF GENERAL ELECTRIC COMPANY**  
**CONDENSED COMBINED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**

<i>(\$ in millions)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Cash, cash equivalents, and restricted cash . . . . .	\$ 525	\$ 556
Receivables – net of allowances of \$108 and \$107 . . . . .	3,253	3,227
Due from related parties . . . . .	22	32
Inventories . . . . .	2,237	1,946
Contract and other deferred assets . . . . .	866	802
All other current assets . . . . .	505	437
<b>Current assets</b> . . . . .	<b>7,408</b>	<b>7,000</b>
Property, plant, and equipment – net . . . . .	2,161	2,235
Goodwill . . . . .	12,819	12,892
Other intangible assets – net . . . . .	1,701	1,847
Deferred income taxes . . . . .	1,344	1,287
All other assets . . . . .	1,031	1,047
<b>Total assets</b> . . . . .	<b>\$26,464</b>	<b>\$26,308</b>
Short-term borrowings . . . . .	\$ 6	\$ 6
Accounts payable . . . . .	2,702	2,540
Due to related parties . . . . .	149	189
Contract liabilities . . . . .	1,881	1,864
All other current liabilities . . . . .	1,955	2,162
<b>Current liabilities</b> . . . . .	<b>6,693</b>	<b>6,761</b>
Long-term borrowings . . . . .	30	31
Compensation and benefits . . . . .	682	751
Deferred income taxes . . . . .	375	385
All other liabilities . . . . .	1,410	1,484
<b>Total liabilities</b> . . . . .	<b>9,190</b>	<b>9,412</b>
<b>Redeemable noncontrolling interests</b> . . . . .	<b>220</b>	<b>220</b>
Net parent investment . . . . .	18,680	17,692
Accumulated other comprehensive income (loss) – net . . . . .	(1,649)	(1,037)
<b>Total equity attributable to GE HealthCare</b> . . . . .	<b>17,031</b>	<b>16,655</b>
Noncontrolling interests . . . . .	23	21
<b>Total equity</b> . . . . .	<b>17,054</b>	<b>16,676</b>
<b>Total liabilities, redeemable noncontrolling interests and equity</b> . . . . .	<b>\$26,464</b>	<b>\$26,308</b>

The accompanying notes are an integral part of these unaudited condensed combined financial statements.

**GE HEALTHCARE**  
**A BUSINESS OF GENERAL ELECTRIC COMPANY**  
**CONDENSED COMBINED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**

<i>(\$ in millions)</i>	Net parent investment	Accumulated other comprehensive income (loss) – net	Equity attributable to noncontrolling interests	Total equity
<b>Balances as of January 1, 2022</b> .....	<b>\$17,692</b>	<b>\$(1,037)</b>	<b>\$ 21</b>	<b>\$16,676</b>
Net income .....	874	—	7	881
Currency translation adjustments – net of taxes .....	—	(625)	—	(625)
Benefit plans – net of taxes .....	—	(2)	—	(2)
Investment securities and cash flow hedges – net of taxes .....	—	15	—	15
Transfers from Parent .....	114	—	—	114
Changes in equity attributable to noncontrolling interests .....	—	—	(5)	(5)
<b>Balances as of June 30, 2022</b> .....	<b><u>\$18,680</u></b>	<b><u>\$(1,649)</u></b>	<b><u>\$ 23</u></b>	<b><u>\$17,054</u></b>

<i>(\$ in millions)</i>	Net parent investment	Accumulated other comprehensive income (loss) – net	Equity attributable to noncontrolling interests	Total equity
<b>Balances as of January 1, 2021</b> .....	<b>\$15,566</b>	<b>\$(839)</b>	<b>\$ 24</b>	<b>\$14,751</b>
Net income .....	1,169	—	7	1,176
Currency translation adjustments – net of taxes .....	—	3	—	3
Benefit plans – net of taxes .....	—	6	—	6
Investment securities and cash flow hedges – net of taxes .....	—	31	—	31
Transfers (to) Parent .....	(1,193)	—	—	(1,193)
Changes in equity attributable to noncontrolling interests .....	—	—	(5)	(5)
<b>Balances as of June 30, 2021</b> .....	<b><u>\$15,542</u></b>	<b><u>\$(799)</u></b>	<b><u>\$ 26</u></b>	<b><u>\$14,769</u></b>

The accompanying notes are an integral part of these unaudited condensed combined financial statements.

**GE HEALTHCARE**  
**A BUSINESS OF GENERAL ELECTRIC COMPANY**  
**CONDENSED COMBINED STATEMENTS OF CASH FLOWS (UNAUDITED)**

<i>For the six months ended June 30 (\$ in millions)</i>	<b>2022</b>	<b>2021</b>
Net income	\$ 900	\$ 1,190
Income (loss) from discontinued operations, net of taxes	12	7
<b>Net income from continuing operations</b>	<b>\$ 888</b>	<b>\$ 1,183</b>
Adjustments to reconcile Net income from continuing operations to Cash from (used for)		
operating activities		
Depreciation and amortization of property, plant, and equipment	112	111
Amortization of intangible assets	204	205
Provision for income taxes	284	261
Cash paid during the year for income taxes	(443)	(262)
Changes in operating assets and liabilities, excluding the effects of acquisitions and dispositions:		
Receivables	(161)	(550)
Due from related parties	(1)	12
Inventories	(447)	(152)
Contract and other deferred assets	(96)	18
Accounts payable	282	302
Due to related parties	(48)	16
Contract liabilities	84	5
All other operating activities	(209)	(109)
<b>Cash from (used for) operating activities – continuing operations</b>	<b>449</b>	<b>1,040</b>
<b>Cash flows – investing activities</b>		
Additions to property, plant, and equipment	(159)	(110)
Dispositions of property, plant, and equipment	3	12
Additions to internal-use software	—	(5)
Net cash payments for businesses purchased	—	(26)
All other investing activities	(29)	(16)
<b>Cash from (used for) investing activities – continuing operations</b>	<b>(185)</b>	<b>(145)</b>
<b>Cash flows – financing activities</b>		
Net decrease in borrowings (maturities of 90 days or less)	—	(4)
Newly issued debt (maturities longer than 90 days)	—	—
Repayments and other reductions (maturities longer than 90 days)	(1)	(6)
Transfers to Parent	(225)	(1,050)
All other financing activities	(54)	(19)
<b>Cash from (used for) financing activities – continuing operations</b>	<b>(280)</b>	<b>(1,079)</b>
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash	(15)	(11)
<b>Increase (decrease) in cash, cash equivalents, and restricted cash</b>	<b>(31)</b>	<b>(195)</b>
Cash, cash equivalents, and restricted cash at beginning of year	561	1,012
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 530</u>	<u>\$ 817</u>

The accompanying notes are an integral part of these unaudited condensed combined financial statements.

**GE HEALTHCARE**  
**A BUSINESS OF GENERAL ELECTRIC COMPANY**  
**NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (UNAUDITED)**

(U.S. Dollars in millions unless otherwise stated)

**NOTE 1. BASIS OF PRESENTATION**

**BASIS OF PRESENTATION.** GE HealthCare (“the Company,” “our,” or “we”) historically operated as a consolidated business of General Electric Company (“GE” or “Parent”). The unaudited condensed combined financial statements have been derived from the consolidated financial statements and accounting records of GE, including the historical cost basis of assets and liabilities comprising the Company, as well as the historical revenues and direct costs, and allocations of indirect costs attributable to the operations of the Company, using the historical accounting policies applied by GE. These unaudited condensed combined financial statements do not purport to reflect what the results of operations, comprehensive income, financial position, or cash flows would have been had the Company operated as a separate, stand-alone entity during the periods presented. These unaudited condensed combined financial statements should be read in conjunction with the financial statements and notes included in our audited combined financial statements for the year ended December 31, 2021.

The unaudited condensed combined financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) and present the historical results of operations, comprehensive income, and cash flows for the six months ended June 30, 2022 and 2021, and the financial position as of June 30, 2022 and December 31, 2021.

We have prepared the accompanying unaudited condensed combined financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) applicable to interim financial statements. Accordingly, certain information related to our significant accounting policies and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These unaudited condensed combined financial statements reflect, in the opinion of management, all material adjustments (which include only normally recurring adjustments) necessary to fairly state, in all material respects, our financial position, results of operations and cash flows for the periods presented.

All intercompany balances and transactions within the Company have been eliminated in the unaudited condensed combined financial statements. As described in Note 16, “Related Parties,” certain transactions between the Company and GE have been included in these unaudited condensed combined financial statements.

The unaudited condensed combined Statements of Financial Position reflect all of the assets and liabilities of GE that are specifically identifiable as being directly attributable to the Company, including Net parent investment as a component of equity. Net parent investment represents GE’s historical investment in the Company and includes accumulated net income attributable to the Company, and the net effect of transactions with GE and its subsidiaries. Certain financing transactions with GE are non-cash in nature and therefore have not been reflected in the unaudited condensed combined Statements of Cash Flows.

GE uses a centralized approach to cash management and financing of its operations. These arrangements may not be reflective of the way the Company would have financed its operations had it been a separate, stand-alone entity during the periods presented. The centralized cash management arrangements are excluded from the asset and liability balances in the unaudited condensed combined Statements of Financial Position. These amounts have instead been included in Net parent investment as a component of equity. GE’s third-party debt and related interest expense have not been attributed to the Company because the Company is not the legal obligor of the debt and the borrowings are not specifically identifiable to the Company.

The unaudited condensed combined Statements of Income include expense allocations for certain corporate, infrastructure, and shared services expenses provided by GE on a centralized basis (“GE Corporate Costs”), including, but not limited to finance, supply chain, human resources, information technology, insurance,



employee benefits, and other expenses that are either specifically identifiable or clearly applicable to the Company. These expenses have been allocated to the Company on the basis of direct usage when identifiable, with the remainder allocated on a pro rata basis using an applicable measure of headcount, revenue or other allocation methodologies that are considered to be a reasonable reflection of the utilization of services provided or the benefit received by GE HealthCare during the periods presented. However, the GE Corporate Costs allocations may not be indicative of the actual expense that would have been incurred had the Company operated as an independent, stand-alone public entity, nor are they indicative of the Company’s future expenses. See Note 16, “Related Parties,” for further information.

**ESTIMATES AND ASSUMPTIONS.** The preparation of the unaudited condensed combined financial statements in conformity with U.S. GAAP requires management to make estimates based on assumptions about current, and for some estimates, future, economic, and market conditions, which affect the reported amounts and related disclosures in the unaudited condensed combined financial statements. We base our estimates and judgments on historical experience and on various other assumptions and information that we believe to be reasonable under the circumstances. Although our estimates contemplate current and expected future conditions, as applicable, it is reasonably possible that actual conditions could differ from our expectations, which could materially affect our results of operations, financial position, and cash flows.

While there has not been a material impact to our accounting estimates as of June 30, 2022 and December 31, 2021 and the results for the six months ended June 30, 2022 and 2021, a number of estimates could be affected by the ongoing Coronavirus Disease 2019 (“COVID-19”) pandemic. The severity, magnitude, and duration, as well as the economic consequences of the COVID-19 pandemic, are uncertain and difficult to predict. As a result, our accounting estimates and assumptions may change over time in response to COVID-19. Such changes could result in future impairments of goodwill, intangible assets, long-lived assets, and investment securities, incremental credit losses on receivables, a decrease in the realizability of our tax assets, or an increase in our related obligations as of the time of a relevant measurement event.

**ACCOUNTING CHANGES.** The Company did not adopt any new accounting standards during the six months ended June 30, 2022 that had a material impact on the Company’s unaudited condensed combined financial statements. In addition, there are no recently issued but not yet adopted accounting pronouncements that are expected to materially impact the Company’s unaudited condensed combined financial statements.

**NOTE 2. REVENUE RECOGNITION**

**CONTRACT AND OTHER DEFERRED ASSETS.** Contract assets primarily reflect revenue recognized on contracts in excess of billings based on contractual terms. Contract assets are classified as current or non-current based on the amount of time expected to lapse until the Company’s right to consideration becomes unconditional. Other deferred assets consist of costs to obtain contracts, primarily commissions, and other cost deferrals for shipped products and deferred service, labor and direct overhead costs.

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Contract assets . . . . .	\$ 496	\$ 433
Other deferred assets . . . . .	370	369
<b>Contract and other deferred assets . . . . .</b>	<b>866</b>	<b>802</b>
Non-current contract assets <sup>(a)</sup> . . . . .	25	19
Non-current other deferred assets <sup>(a)</sup> . . . . .	75	77
<b>Total contract and other deferred assets . . . . .</b>	<b>\$ 966</b>	<b>\$ 898</b>

(a) Non-current contract and other deferred assets are included in All other assets in our unaudited condensed combined Statements of Financial Position.

**CONTRACT LIABILITIES.** Contract liabilities primarily include customer advances and deposits received when orders are placed and billings in advance of completion of performance obligations. Contract liabilities are classified as current or non-current based on the periods over which remaining performance obligations are expected to be satisfied and fulfilled with our customers.

As of June 30, 2022 and December 31, 2021, contract liabilities were approximately \$2,485 million and \$2,496 million, respectively, of which the non-current portion of \$604 million and \$632 million, respectively, was included in All other liabilities. Contract liabilities decreased by \$11 million in 2022 primarily due to timing of customer advances and deposits and related order fulfillment. Revenue recognized related to the contract liabilities at the beginning of the year was approximately \$1,083 million and \$1,105 million for the six months ended June 30, 2022 and 2021, respectively.

**REMAINING PERFORMANCE OBLIGATIONS.** As of June 30, 2022, the aggregate amount of the contracted revenues allocated to our unsatisfied (or partially unsatisfied) performance obligations was \$14,284 million. We expect to recognize revenue as we satisfy our remaining performance obligations as follows: 1) product-related remaining performance obligation of \$4,628 million of which 97% is expected to be recognized within two years, and the remaining thereafter; and 2) services-related remaining performance obligations of \$9,656 million of which 64% and 95% is expected to be recognized within two and five years, respectively, and the remaining thereafter.

### NOTE 3. SEGMENT INFORMATION

Our operating activities are managed through four operating segments: Imaging, Ultrasound, Patient Care Solutions (“PCS”), and Pharmaceutical Diagnostics (“PDx”). These segments have been identified based on the nature of the products sold and how the Company manages its operations.

The performance of these segments is principally measured based on revenues and an earnings metric defined as Income from continuing operations before income taxes, less Interest and other financial charges – net, Non-operating benefit (income) costs, restructuring costs, acquisition and disposition related charges, gains and losses on business dispositions, Spin-Off and separation costs, amortization of acquisition-related intangible assets, and investment revaluation gains and losses (“Segment EBIT”).

The following table disaggregates Total revenues to external customers by segment and product category:

#### **TOTAL REVENUES**

<b><u>Six months ended June 30</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Imaging		
Radiology .....	\$ 3,982	\$ 3,953
Interventional Guidance .....	778	692
<b>Total Imaging .....</b>	<b>4,760</b>	<b>4,645</b>
<b>Total Ultrasound .....</b>	<b>1,643</b>	<b>1,539</b>
PCS		
Monitoring Solutions .....	1,033	1,072
Life Support Solutions .....	396	400
<b>Total PCS .....</b>	<b>1,429</b>	<b>1,472</b>
<b>Total PDx .....</b>	<b>962</b>	<b>1,014</b>
<b>Other<sup>(a)</sup> .....</b>	<b>33</b>	<b>22</b>
<b>Total revenues .....</b>	<b><u>\$ 8,827</u></b>	<b><u>\$ 8,692</u></b>

- (a) Financial information not presented within the reportable segments, shown within the Other category, represents the HealthCare Financial Services (“HFS”) business which does not meet the definition of an operating segment.

**SEGMENT EBIT**

<u>Six months ended June 30</u>	<u>2022</u>	<u>2021</u>
Segment EBIT		
Imaging .....	\$ 512	\$ 598
Ultrasound .....	412	417
PCS .....	146	181
PDx .....	253	372
Other <sup>(a)</sup> .....	(5)	(1)
	<b>1,318</b>	<b>1,567</b>
Restructuring costs .....	(22)	(59)
Acquisition, disposition related charges .....	(29)	—
Gain (loss) on business dispositions/divestments .....	3	4
Spin-Off and separation costs .....	—	—
Amortization of acquisition-related intangible assets .....	(63)	(45)
Investment revaluation gain (loss) .....	(22)	2
Interest and other financial charges – net .....	(16)	(24)
Non-operating benefit income (costs) .....	3	(1)
<b>Income from continuing operations before income taxes</b> .....	<b><u>\$ 1,172</u></b>	<b><u>\$ 1,444</u></b>

- (a) Financial information not presented within the reportable segments, shown within the Other category, represents the HealthCare Financial Services (“HFS”) business and certain other investments which do not meet the definition of an operating segment.

**NOTE 4. RECEIVABLES**

**CURRENT RECEIVABLES.**

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
<b>Current customer receivables<sup>(a)</sup></b> .....	<b>\$ 3,040</b>	<b>\$ 3,028</b>
Non-income based tax receivables .....	164	163
Other sundry receivables .....	157	143
<b>Sundry receivables</b> .....	<b>321</b>	<b>306</b>
Allowance for credit losses .....	(108)	(107)
<b>Total receivables – net</b> .....	<b><u>\$ 3,253</u></b>	<b><u>\$ 3,227</u></b>

- (a) Accruals for chargebacks are primarily related to our PDx business and are recorded as a reduction to current customer receivables. Chargebacks are generally settled through issuance of credits, typically within one month of initial recognition. Balances related to chargebacks were \$138 million and \$129 million as of June 30, 2022 and December 31, 2021, respectively.

*Sales of customer receivables.* During 2021, the Company discontinued the majority of its factoring programs. As of June 30, 2022 and December 31, 2021, GE’s Working Capital Solutions (“WCS”) business no longer holds any of the Company’s receivables. Separately from the factoring programs that have been discontinued, the Company from time to time sells current or long-term receivables to third parties in response to customer-sponsored requests or programs, to facilitate sales, or for risk mitigation purposes.

Activity related to customer receivables sold by the Company is as follows:

	<u>2022</u>	<u>2021</u>
<b>Balance at January 1</b> .....	<b>\$ 15</b>	<b>\$ 1,628</b>
GE HealthCare businesses sales to WCS and third parties <sup>(a)</sup> . . .	5	3,834
Collections and other activities .....	(14)	(4,637)
Reclassification from long-term customer receivables .....	1	7
<b>Balance at June 30</b> .....	<b><u>\$ 7</u></b>	<b><u>\$ 832</u></b>

- (a) Sales to WCS are considered related party and were \$3,828 million for the six months ended June 30, 2021. There were no sales to WCS for the six months ended June 30, 2022.

**LONG-TERM RECEIVABLES.** Long-term receivables are included in All other assets in our unaudited condensed combined Statements of Financial Position.

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Long-term customer receivables .....	\$ 91	\$ 83
Sundry receivables .....	55	49
Non-income based tax receivables .....	31	37
Allowance for credit losses .....	(30)	(31)
<b>Total long-term receivables – net</b> .....	<b><u>\$ 147</u></b>	<b><u>\$ 138</u></b>

#### NOTE 5. FINANCING RECEIVABLES

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Loans, net of deferred income .....	\$ 24	\$ 25
Investment in financing leases, net of deferred income .....	71	77
Allowance for credit losses .....	(2)	(3)
<b>Current financing receivables – net<sup>(a)</sup></b> .....	<b><u>\$ 93</u></b>	<b><u>\$ 99</u></b>
Loans, net of deferred income .....	40	41
Investment in financing leases, net of deferred income .....	136	149
Allowance for credit losses .....	(4)	(4)
<b>Non-current financing receivables — net<sup>(a)</sup></b> .....	<b><u>\$ 172</u></b>	<b><u>\$ 186</u></b>

- (a) Current financing receivables and non-current financing receivables are included in All other current assets and All other assets, respectively, in our unaudited condensed combined Statements of Financial Position.

Total financing receivables classified as held for sale were \$2 million and \$17 million as of June 30, 2022 and December 31, 2021, respectively. Total financing receivables sold were \$24 million and \$70 million for the six months ended June 30, 2022 and 2021, respectively.

At June 30, 2022, 8%, 7%, and 7% of financing receivables were over 30 days past due, over 90 days past due, and on nonaccrual, respectively, with the vast majority of nonaccrual financing receivables secured by collateral. At December 31, 2021, 5%, 4%, and 5% of financing receivables were over 30 days past due, over 90 days past due, and on nonaccrual, respectively.

## NOTE 6. LEASES

**OPERATING LEASE LIABILITIES.** Our combined operating lease liabilities, included in All other current liabilities and All other liabilities in our unaudited condensed combined Statements of Financial Position, were \$337 million and \$366 million, as of June 30, 2022 and December 31, 2021, respectively. Expense related to our operating lease portfolio, primarily related to our long-term fixed leases, was \$96 million and \$93 million for the six months ended June 30, 2022 and 2021, respectively.

## NOTE 7. GOODWILL AND OTHER INTANGIBLE ASSETS

### *CHANGES IN GOODWILL BALANCES*

	<u>Imaging</u>	<u>Ultrasound</u>	<u>PCS</u>	<u>PDx</u>	<u>Total</u>
<b>Balance at January 1, 2022</b> .....	<b>\$ 4,433</b>	<b>\$ 3,876</b>	<b>\$ 2,049</b>	<b>\$ 2,534</b>	<b>\$ 12,892</b>
Foreign exchange and other <sup>(a)</sup> .....	(46)	(15)	(11)	(1)	(73)
<b>Balance at June 30, 2022</b> .....	<b><u>\$ 4,387</u></b>	<b><u>\$ 3,861</u></b>	<b><u>\$ 2,038</u></b>	<b><u>\$ 2,533</u></b>	<b><u>\$ 12,819</u></b>

- (a) Other includes purchase accounting adjustments related to the acquisition of BK Medical which closed on December 21, 2021. There were no significant changes for the six months ended June 30, 2022 to the preliminary fair values that were recognized as of December 31, 2021.

We assess the possibility that a reporting unit's fair value has been reduced below its carrying amount due to the occurrence of events or circumstances between annual impairment testing dates. We did not identify any reporting units that required an interim impairment test since the last annual impairment testing date.

Substantially all other intangible assets are subject to amortization. Intangible assets decreased in the first half of 2022, primarily as a result of amortization partially offset by additions of capitalized software. Amortization expense was \$204 million and \$205 million for the six months ended June 30, 2022 and 2021, respectively.

## NOTE 8. BORROWINGS

**BORROWINGS.** The Company had total long-term borrowings of \$30 million and \$31 million as of June 30, 2022 and December 31, 2021, respectively. The Company had total short-term borrowings of \$6 million as of both June 30, 2022 and December 31, 2021 of which \$5 million and \$6 million, respectively, represent the current portion of long-term borrowings. These borrowings consist of bank borrowings and a product financing arrangement.

The bank borrowings pertain to agreements made between the Company and Austrian-based banks that are guaranteed by the Austrian Research Promotion Agency and have maturities ranging from 2023 through 2026. These borrowings are used to fund R&D initiatives of the Company. As of June 30, 2022 and December 31, 2021, the weighted-average interest rate on long-term bank borrowings was 0.47% and 0.53%, respectively. Interest expense recognized for these arrangements was not significant for the six months ended June 30, 2022 and 2021. Interest expense is included in Interest and other financial charges – net in the unaudited condensed combined Statements of Income.

The non-bank borrowings pertain to a product financing arrangement between the Company and a third-party supplier whereby the supplier agreed to purchase inventory on the Company's behalf. The Company signed a non-cancellable, non-returnable ("NCNR") agreement to purchase the inventory from the supplier. The NCNR agreement was assigned to a bank as collateral for the financing that the supplier received from a bank to purchase the supplier's inventory. The price that the Company paid the supplier for the inventory included the

original price from the supplier plus management fees and financing costs. Interest expense recognized for these arrangements was not significant for the six months ended June 30, 2022 and 2021.

**LETTERS OF CREDIT, GUARANTEES AND OTHER COMMITMENTS.** As of June 30, 2022 and December 31, 2021, the Company had unused letters of credit, bank guarantees, bid bonds and surety bonds of approximately \$774 million and \$808 million, respectively, related to certain commercial contracts. Additionally, we have approximately \$54 million and \$63 million of guarantees as of June 30, 2022 and December 31, 2021, respectively, primarily related to residual value guarantees on equipment sold to third-party finance companies. Our unaudited condensed combined Statements of Financial Position reflect a liability of \$4 million and \$5 million as of June 30, 2022 and December 31, 2021, respectively, related to these guarantees. For credit-related guarantees, we estimate our expected credit losses related to off-balance sheet credit exposure consistent with the method used to estimate the allowance for credit losses on financial assets held at amortized cost.

**NOTE 9. POSTRETIREMENT BENEFIT PLANS**

**PENSION BENEFITS AND RETIREE HEALTH AND LIFE BENEFITS SPONSORED BY GE.**

Certain employees are covered under various pension and retiree health and life plans sponsored by GE, including principal pension plans, other pension plans, and principal retiree benefit plans. We have not recorded any liabilities associated with our participation in these plans in our unaudited condensed combined Statements of Financial Position as of June 30, 2022 and December 31, 2021. Expenses associated with our employees' participation in the U.S. GE principal pension and principal retiree benefit plans, which represent the majority of related expense, were \$49 million for both the six months ended June 30, 2022 and 2021. Expenses associated with our employees' participation in the U.S. Retirement Savings Plan represent the employer matching contributions for GE HealthCare employees and were \$66 million and \$65 million for the six months ended June 30, 2022 and 2021, respectively. Expenses associated with our employees' participation in GE's non-U.S. based pension were \$16 million and \$9 million for the six months ended June 30, 2022 and 2021, respectively.

**PENSION PLANS SPONSORED BY GE HEALTHCARE.** In addition to these GE-sponsored plans, certain of our employees also are covered by pension plans sponsored by the Company.

*Cost of our benefits plans.*

<u>Six months ended June 30</u>	<u>2022</u>	<u>2021</u>
<b>Service cost – Operating</b> .....	<b>\$ 10</b>	<b>\$ 12</b>
Interest cost .....	9	7
Expected return on plan assets .....	(14)	(14)
Amortization of net loss (gain) .....	3	9
Amortization of prior service cost (credit) .....	(2)	(2)
<b>Service cost – Non-operating</b> .....	<b>\$ (4)</b>	<b>\$ —</b>
<b>Net periodic expense</b> .....	<b>\$ 6</b>	<b>\$ 12</b>

**NOTE 10. INCOME TAXES**

Our income tax rate was 24% and 18% for the six months ended June 30, 2022 and 2021, respectively. The tax rate for 2022 is higher than the U.S. statutory rate primarily due to the cost of global activities, including the US taxation on international operations and from state taxes. The tax rate for 2021 is lower than the U.S. statutory rate primarily due to the deferred tax benefit recorded related to the enactment of changes in the United Kingdom tax law in Q2 2021, specifically the future increase in the United Kingdom corporate tax rate.

The Company is currently being audited in a number of jurisdictions for tax years 2004 through 2020, including China, Norway, France, Germany, the United Kingdom, and the U.S.

**NOTE 11. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) – NET**

	<u>Currency translation adjustment</u>	<u>Benefit Plans</u>	<u>Cash flow hedges</u>	<u>Total AOCI</u>
<b>January 1, 2022</b> .....	<b>\$ (969)</b>	<b>\$(100)</b>	<b>\$ 32</b>	<b>\$(1,037)</b>
AOCI before reclasses – net of taxes of \$(14), \$(10) and \$(2) .....	(625)	(2)	32	(595)
Reclasses from AOCI – net of taxes of \$-, \$- and \$- .....	—	—	(17)	(17)
<b>June 30, 2022</b> .....	<b>\$(1,594)</b>	<b>\$(102)</b>	<b>\$ 47</b>	<b>\$(1,649)</b>

	<u>Currency translation adjustment</u>	<u>Benefit Plans</u>	<u>Cash flow hedges</u>	<u>Total AOCI</u>
<b>January 1, 2021</b> .....	<b>\$(643)</b>	<b>\$(180)</b>	<b>\$(16)</b>	<b>\$(839)</b>
AOCI before reclasses – net of taxes of \$(5), \$- and \$(8) .....	3	1	22	26
Reclasses from AOCI – net of taxes of \$-, \$(3) and \$(2) .....	—	5	9	14
<b>June 30, 2021</b> .....	<b>\$(640)</b>	<b>\$(174)</b>	<b>\$ 15</b>	<b>\$(799)</b>

**NOTE 12. DERIVATIVES AND HEDGING**

	<u>June 30, 2022</u>			<u>December 31, 2021</u>		
	<u>Gross Notional</u>	<u>All other current assets</u>	<u>All other current liabilities</u>	<u>Gross Notional</u>	<u>All other current assets</u>	<u>All other current liabilities</u>
<b>Foreign exchange contracts, accounted for as hedges</b> .....	<b>\$ 1,519</b>	<b>\$ 88</b>	<b>\$ 42</b>	<b>\$ 2,463</b>	<b>\$ 49</b>	<b>\$ 11</b>
Foreign exchange contracts .....	3,449	61	47	7,510	29	37
Embedded derivatives .....	1,222	—	4	789	6	8
Commodity exchange .....	22	8	1	24	3	—
<b>Derivatives not accounted for as hedges</b> .....	<b>4,693</b>	<b>69</b>	<b>52</b>	<b>8,323</b>	<b>38</b>	<b>45</b>
<b>Total derivatives</b> .....	<b>\$ 6,212</b>	<b>\$ 157</b>	<b>\$ 94</b>	<b>\$ 10,786</b>	<b>\$ 87</b>	<b>\$ 56</b>

**CASH FLOW HEDGES.** Cash flow hedges primarily relate to foreign exchange contracts. Gains recognized in AOCI related to cash flow hedges were \$32 million and \$22 million for the six months ended June 30, 2022 and 2021, respectively.

Changes in the fair value of cash flow hedges are recorded in AOCI and recorded in earnings in the period in which the hedged transaction occurs. The total amount in AOCI related to cash flow hedges of forecasted transactions was a \$47 million gain at June 30, 2022. We expect to reclassify \$51 million of gains to earnings in the next 12 months contemporaneously with the earnings effects of the related forecasted transactions. Net gains (losses) reclassified from AOCI into earnings were \$17 million and \$(9) million for the six months ended June 30, 2022 and 2021, respectively. At June 30, 2022, the maximum term of derivative instruments that hedge forecasted transactions was approximately 2 years.

The table below presents the gains (losses) of our derivative financial instruments in the unaudited condensed combined Statements of Income:

<u>Six months ended June 30</u>	<u>2022</u>		<u>2021</u>	
	<u>Cost of products</u>	<u>Other (income) expense - net</u>	<u>Cost of products</u>	<u>Other (income) expense - net</u>
Effects of cash flow hedges . . . . .	\$ 17	\$ —	\$ (9)	\$ —
Effects of fair value hedges . . . . .	(72)	—	(5)	7
Effects of derivatives not designated as hedges . . . . .	—	29	—	5

**NOTE 13. COMMITMENTS, GUARANTEES, PRODUCT WARRANTIES, AND OTHER LOSS CONTINGENCIES**

**GUARANTEES.** The Company has off-balance sheet credit exposure through standby letters of credit, bank guarantees, bid bonds, and surety bonds. See Note 8, “Borrowings” for further information. In addition, GE has provided parent company guarantees in certain jurisdictions where we lack the legal structure to issue the requisite guarantees required on certain projects.

**PRODUCT WARRANTIES.** We provide for estimated product warranty expenses when we sell the related products. Because warranty accruals are estimates that are based on the best available information, mostly historical claims experience, claims costs may differ from amounts provided. An analysis of changes in the liability for product warranties follows.

	<u>2022</u>
<b>Balance at January 1</b> . . . . .	<b>\$ 161</b>
Current-year provisions . . . . .	131
Expenditures . . . . .	(104)
Other changes . . . . .	(5)
<b>Balance at June 30</b> . . . . .	<b><u>\$ 183</u></b>

As of June 30, 2022 and December 31, 2021, warranty obligations are primarily expected to be incurred in less than 12 months and therefore are classified as a current liability in All other current liabilities.

**LEGAL MATTERS.** In the normal course of our business, we are involved from time to time in various arbitrations; class actions; commercial, intellectual property, and product liability litigation; government investigations; investigations by competition/antitrust authorities; and other legal, regulatory, or governmental actions, including the significant matter described below that could have a material impact on our results of operations. In many proceedings, including the specific matter described below, it is inherently difficult to determine whether any loss is probable or even reasonably possible or to estimate the size or range of the possible loss, and accruals for legal matters are not recorded until a loss for a particular matter is considered probable and reasonably estimable. Given the nature of legal matters and the complexities involved, it is often difficult to predict and determine a meaningful estimate of loss or range of loss until we know, among other factors, the particular claims involved, the likelihood of success of our defenses to those claims, the damages or other relief sought, how discovery or other procedural considerations will affect the outcome, the settlement posture of other parties, and other factors that may have a material effect on the outcome. For such matters, unless otherwise specified, we do not believe it is possible to provide a meaningful estimate of loss at this time. Moreover, it is not uncommon for legal matters to be resolved over many years, during which time relevant developments and new information must be continuously evaluated.



***Contracts with Iraqi Ministry of Health***

In 2017, a number of U.S. Service members, civilians, and their families brought a complaint in the U.S. District Court for the District of Columbia (the “District Court”) against a number of pharmaceutical and medical device companies, including GE Healthcare and certain affiliates, alleging that the defendants violated the U.S. Anti-Terrorism Act. The complaint seeks monetary relief and alleges that the defendants provided funding for an Iraqi terrorist organization through their sales practices pursuant to pharmaceutical and medical device contracts with the Iraqi Ministry of Health. In July 2020, the District Court granted defendants’ motions to dismiss and dismissed all of the plaintiffs’ claims. In January 2022, a panel of the U.S. Court of Appeals for the District of Columbia Circuit reversed the District Court’s decision. In February 2022, the defendants requested review of the decision by all of the judges on the U.S. Court of Appeals for the District of Columbia Circuit.

**NOTE 14. RESTRUCTURING AND OTHER ACTIVITIES**

Restructuring and other activities relate primarily to costs incurred to reduce headcount and consolidate facilities. For segment reporting, restructuring and other activities are not allocated.

As a result of restructuring initiatives, we recorded expenses of \$22 million and \$59 million for the six months ended June 30, 2022 and 2021, respectively. These restructuring initiatives will result in additional expenses post-June 30, 2022 that did not meet the requirements for accrual as of June 30, 2022, estimated to be approximately \$4 million, primarily related to employee-related separation costs. Restructuring expenses are included as part of Cost of products, Cost of services, or Selling, general and administrative, as appropriate, in the unaudited condensed combined Statements of Income.

<u>Six months ended June 30</u>	<u>2022</u>	<u>2021</u>
Employee termination costs . . . . .	\$ 18	\$ 44
Facility and other exit costs . . . . .	4	11
Asset write-downs . . . . .	—	4
<b>Total Restructuring and other activities . . . . .</b>	<b><u>\$ 22</u></b>	<b><u>\$ 59</u></b>

Liabilities related to restructuring are primarily included in All other current liabilities and totaled \$25 million and \$58 million as of June 30, 2022 and December 31, 2021, respectively.

**NOTE 15. SUPPLEMENTAL FINANCIAL INFORMATION**

***CASH, CASH EQUIVALENTS, AND RESTRICTED CASH***

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Cash and cash equivalents . . . . .	\$ 523	\$ 554
Short-term restricted cash . . . . .	2	2
<b>Total cash, cash equivalents, and restricted cash as presented on the unaudited condensed combined Statements of Financial Position . . . . .</b>	<b>525</b>	<b>556</b>
Long-term restricted cash <sup>(a)</sup> . . . . .	5	5
<b>Total cash, cash equivalents, and restricted cash as presented on the unaudited condensed combined Statements of Cash Flows . . . . .</b>	<b><u>\$ 530</u></b>	<b><u>\$ 561</u></b>

(a) Long-term restricted cash is presented in All other assets on the unaudited condensed combined Statements of Financial Position.

## INVENTORIES

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Raw materials .....	\$1,132	\$ 900
Work in process .....	110	104
Finished goods .....	995	942
<b>Inventories .....</b>	<b><u>\$2,237</u></b>	<b><u>\$1,946</u></b>

Certain inventory items are not included above as they are long-term in nature and therefore have been classified within All other assets in the unaudited condensed combined Statements of Financial Position.

## PROPERTY, PLANT, AND EQUIPMENT – NET

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Original cost .....	\$ 4,633	\$ 4,693
Less accumulated depreciation and amortization .....	(2,804)	(2,816)
<b>Property, plant, and equipment – net, exclusive of right-of-use operating lease assets .....</b>	<b><u>\$ 1,829</u></b>	<b><u>\$ 1,877</u></b>
Right-of-use operating lease assets – net .....	332	358
<b>Property, plant, and equipment – net .....</b>	<b><u>\$ 2,161</u></b>	<b><u>\$ 2,235</u></b>

**ALL OTHER CURRENT AND NON-CURRENT ASSETS.** All other current assets primarily includes prepaid expenses and deferred costs, financing receivables, and derivative instruments. All other assets primarily includes equity method and other investments, financing receivables, long-term customer and sundry receivables, long-term inventories, and long-term contract and other deferred assets.

**ALL OTHER CURRENT AND NON-CURRENT LIABILITIES.** All other current liabilities and All other liabilities primarily include liabilities related to employee compensation and benefits, income taxes payable and uncertain tax positions, sales allowances, equipment project, and other commercial liabilities, operating lease liabilities, environmental and asset retirement obligations, and product warranties.

## OTHER INCOME (EXPENSE) – NET

<u>Six months ended June 30</u>	<u>2022</u>	<u>2021</u>
Net interest and investment income (expense) .....	\$(12)	\$20
Equity method investment income .....	9	5
Other items, net <sup>(a)</sup> .....	48	28
<b>Total other income (expense) – net .....</b>	<b><u>\$ 45</u></b>	<b><u>\$53</u></b>

- (a) Other items primarily consists of licensing and royalty income and realized foreign exchange gains and losses related to non-qualifying derivatives.

## NOTE 16. RELATED PARTIES

GE provides the Company with significant corporate, infrastructure and shared services. Some of these services will continue to be provided by GE to the Company on a temporary basis after the separation is

completed under transition services agreements. Accordingly, as described in Note 1, “Basis of Presentation,” certain corporate and shared costs have been charged on the basis of direct usage by the Company as follows:

- (a) Employees of the Company participate in pensions and benefit plans that are sponsored by GE. The Company was charged \$123 million and \$125 million for the six months ended June 30, 2022 and 2021, respectively. These costs are charged directly to the Company based on the specific employee eligibility for those benefits.
- (b) GE grants various employee benefits to its group employees, including those of the Company, under the GE Long-Term Incentive Plan. These benefits primarily include stock options and restricted stock units. Compensation expense associated with this plan was \$39 million for both the six months ended June 30, 2022 and 2021 which are included primarily in Selling, general and administrative in the unaudited condensed combined Statements of Income. These costs are charged directly to the Company based on the specific employees receiving awards.

Additionally, certain GE Corporate Costs are charged to the Company based on allocation methodologies as follows:

- (a) Centralized services such as public relations, investor relations, treasury and cash management, executive management, security, government relations, community outreach and corporate internal audit services are charged to the Company on a pro rata basis of GE’s estimates of each company’s usage and are recorded in Selling, general and administrative. Costs of \$26 million and \$28 million for the six months ended June 30, 2022 and 2021, respectively, were recorded in the unaudited condensed combined Statements of Income.
- (b) Costs associated with employee medical insurance totaling \$60 million and \$66 million for the six months ended June 30, 2022 and 2021, respectively, were charged to the Company based on employee headcount and are recorded in Cost of product, Cost of services, Selling, general and administrative, or Research and development based on the employee population.
- (c) Information technology, finance, insurance, research, supply chain, human resources, tax, and facilities activities are charged to the Company based on headcount, revenue, or other allocation methodologies. The Company incurred expenses for these services of \$220 million and \$241 million for the six months ended June 30, 2022 and 2021, respectively, which are primarily included in Selling, general and administrative and Research and development in the unaudited condensed combined Statements of Income.

Management believes that the expense and cost allocations have been determined on a basis that is a reasonable reflection of the utilization of services provided or the benefit received by the Company during the six months ended June 30, 2022 and 2021. The amounts that would have been, or will be incurred, on a stand-alone basis could materially differ from the amounts allocated due to economies of scale, difference in management judgment, a requirement for more or fewer employees, or other factors. Management does not believe, however, that it is practicable to estimate what these expenses would have been had the Company operated as an independent entity, including any expenses associated with obtaining any of these services from unaffiliated entities. In addition, the future results of operations, financial position and cash flows could differ materially from the historical results presented herein.

The Company participates in factoring programs, the majority of which were discontinued in 2021. The Company factored U.S. and non-U.S. receivables through WCS on a recourse and nonrecourse basis pursuant to various factoring and servicing agreements.

The Company participates in centralized GE Treasury programs. This arrangement is not reflective of the manner in which the Company would have financed its operations had it been a stand-alone business separate from GE during the periods presented. Long-term intercompany financing, including strategic financing, and

centralized cash management arrangements, are used to fund expansion or certain working capital needs. All adjustments relating to certain transactions among the Company, GE and GE entities, which include the transfer of the balance of cash to GE, transfer of the balance of cash held in centralized cash management arrangements to GE, settlement of certain intercompany debt between the Company and GE or GE entities, and pushdown of all costs of doing business that were paid on behalf of the Company by GE or GE entities, are excluded from the asset and liability balances in the unaudited condensed combined Statements of Financial Position. These amounts have instead been reported within Net parent investment as a component of equity. As of June 30, 2022 and December 31, 2021, respectively, aggregate related party liabilities (net) of \$52 million and \$195 million were reclassified to Net parent investment in the unaudited condensed combined Statements of Financial Position.

The Company's related party revenues were not significant for the six months ended June 30, 2022 and 2021. The majority of related party revenues were generated from sales made to former GE industrial business units.

#### **NOTE 17. SUBSEQUENT EVENTS**

The Company has evaluated events and transactions that occurred after the date of our accompanying Statement of Financial Position through September 13, 2022, the date these unaudited condensed combined financial statements were available for issuance, for potential recognition or disclosure in the unaudited condensed combined financial statements. There were no material recognized or unrecognized subsequent events.