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EDITED TRANSCRIPT

General Electric Co Annual Shareholders Meeting

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CORPORATE PARTICIPANTS

H. Lawrence Culp, Jr. *General Electric Company - Chairman & CEO*
Michael J. Holston *General Electric Company - Senior VP, General Counsel & Secretary*

CONFERENCE CALL PARTICIPANTS

John Chevedden
Michael Barbera

PRESENTATION

Operator

Good morning, and welcome to the 2020 Annual Meeting of Shareholders of General Electric Company. We do not expect any technical difficulties today. However, in the event we lose audio or webcast connection and we are unable to provide any updates, please wait 10 minutes for resolution. Please refer to the GE Investor Relations website at www.ge.com/proxy for updates. The polls are open. To vote, click on the Vote Here button at the bottom right corner of the webcast screen. The polls will remain open until the conclusion of the balloting portion of the meeting.

With that, I'll turn it over to GE to begin the meeting.

(presentation)

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Good morning. Thank you to all our shareholders and guests for joining us today. This is Mike Holston, GE's Senior Vice President, General Counsel and Secretary. Before we begin, I'd like to note that during the meeting today, we may make forward-looking statements about our expectations or predictions about the future. Because these statements are based on current assumptions and factors that involve risks and uncertainties, GE's actual performance and results may differ materially from what is said here today. Please refer to our 2019 annual report on Form 10-K, the first quarter 10-Q and other subsequent filings the company may make with the SEC for detailed discussions of principal risks and uncertainties that could cause such differences.

The agenda for today's meeting is shown on the screen in front of you and is also available for download from the meeting site. The rules of conduct, the GE proxy statement and our annual report are also available for download from the bottom of the screen for the webcast. Our rules of conduct are designed to ensure that we have a fair and orderly meeting. We'll start with an update on company operations from our Chairman and CEO, Larry Culp. Following Larry's presentation, we will move on to the formal part of the meeting, including voting on the management and shareholder proposals that are set forth in the proxy that was distributed to shareholders and that is also available on the meeting website.

Next, we will conduct balloting and hear from the inspector of elections with the preliminary vote tallies. Following the formal portion of the meeting, we will proceed to answer shareholder questions that comply with the rules of conduct. Questions can be submitted in writing in the lower left-hand corner of the webcast screen.

Now I'd like to welcome Larry to get us started with an update on the company. Larry?

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Mike, thank you, and good morning, everyone, and thanks for joining us here today. We filmed that video you just saw earlier this year before the environment we find ourselves in now. But I love it because it captures the grit, resilience and purpose of the GE team, and those qualities are more critical today than ever. With that, let me welcome you to the 2020 GE Annual Meeting of Shareholders. I hope you and yours are healthy and safe.

We were looking forward to welcoming you to our new home field in Boston, but everyone's safety is our number one priority. So we're running the meeting differently this year. You have stuck with us through some tough times, and it's not lost on me that you're here with us now. It has been my privilege to hear your passion for this company, your ideas, your frustrations over these past 19 months, both encouragement and tough love in good measure. Today, as we navigate a new challenge that none of us could have foreseen, I recognize that it takes fortitude and commitment to stick with us still. And I thank you for that.

Before I turn to the formal meeting, I'd like to acknowledge a few members of the GE family that we lost this year. Starting with Jack Welch, who passed in March. Jack was at the heart of this company for many decades and reshaped GE and much of the entire business world. I think the best way we can pay tribute to Jack going forward is to continue to strengthen GE with an eye toward winning.

And I also want to recognize two other incredible leaders we lost recently. Walter Robb, a legendary engineer who Jack tapped to lead GE's medical equipment business; and John Lammas, a brilliant thinker who served most recently as Vice President for Engineering at GE Gas Power. We thank them for their many contributions to our company and to the world, and our prayers are with their families.

Today, the GE team is focused most immediately on three things: First, protecting the safety of our employees around the world. Safety is at the cornerstone of everything we do, and it comes into focus even more at a time like this. We have a dedicated team working daily to ensure the safety of our employees and align with various government directives and medical guidelines in real time. This effort is critical given the essential nature of our work. I'd like to thank our employees for all they are doing out in the field and in our factories to deliver for our customers and support essential services like hospitals, power generation, national defense and the airlines.

Our second priority is continuing to serve these customers. Take for example the work done at GE Healthcare, where the teams have been on the front lines combating COVID-19 since the beginning of this pandemic. We're not the biggest player in the ventilator space to be sure, but its demand for this life-saving equipment reached unprecedented levels, more than 100 volunteers from different parts of the GE family joined forces with our team in Madison, Wisconsin, to help produce them.

Take Brian Kost of Waukesha, Wisconsin. Brian is a former GE design engineer for diagnostics, 35 years of service with our company. He came out of retirement to help. Because of people like Brian, our team at Madison has doubled our production of ventilators and plans to double them again by the end of next month.

Our third priority is preserving our strength. We closed the first quarter of 2020 with $47 billion of cash, including $20 billion from the closing of the sale of BioPharma. We've taken some actions to tend to our balance sheet, while being mindful to preserve flexibility, especially important today amid the uncertainty of COVID-19.

As we move forward, the first and most important step to make sure that we come out a better, stronger GE on the other side of this pandemic is to embrace our reality. This means different things for different businesses, but we recognize that we face significant headwinds and the duration is still unknown. Difficult but foundational because we know that undue optimism won't serve us particularly well today.

Next, redefine winning. We came into 2020 with momentum and a plan to deliver profitable growth, margin expansion and cash generation. Now we need to redefine what it means to win in 2020 and to do it in a way that both focuses and inspires our teams. For example, we talked in our earnings report last week about how we are working to improve decremental margin performance through the course of the year. There are many other definitions of winning, but that's one that certainly was not part of our framing back in January, but it's a priority now.

And then finally, execute the plan. We are moving with speed and taking difficult but necessary actions to mitigate the impact of COVID-19 on GE. For example, we are taking more than $2 billion of cost actions and more than $3 billion of cash actions to improve our overall financial health. Tough actions to take, but we need to be smart, so we're positioned for recovery, all the while making sure we don't lose what makes GE great.

This is where our lean transformation becomes incredibly important. Relentless customer focus, making every day count, continuously eliminating waste, prioritizing. These principles will serve us very well as we aim to maximize each precious resource.

So that's our model. Embrace reality, redefine winning and execute our plan. It's easy to say but hard to do. I learned this leading through

9/11 and the 2008 global financial crisis, though I'm not sure it's a model I could claim ownership of. But if we do these things, I think we're going to come out of this as a stronger GE.

Times like this, especially in GE's situation, allow us to accelerate our transformation. So what does that really mean? It's not just about survival. We want to continue to play the game long term. We aren't starting from scratch though. When I spoke with you all last year, I talked about 2019 being a reset year for the company. We focused on two priorities: Improving our financial position and strengthening our businesses.

First, on improving our financial position. As you know, we took a series of decisive actions to reduce industrial debt by $7 billion and capital debt by an equal amount in 2019. So far this year, we've reduced industrial debt by a further $7 billion and capital debt by $4 billion. We remain committed to our leverage goals although we expect achieving them will take longer given the current environment.

In 2019, we also set out to strengthen our businesses, operating under the belief that the people closest to the customer can best serve them. To that end, we began to shift the center of gravity and accountability to the businesses. And we laid the foundation to apply lean more systematically across GE, driving better results and, in turn, I believe, a stronger culture. This journey continues, and we have more work to do. But I'm confident that this underlying reset gave us a running start for what we face today. And I see in our response to COVID-19 signs of how we are moving faster now.

The steps we're taking, as painful as some of them may be, will make us more nimble, more customer-centric and ultimately more effective on the other side of this pandemic. Already, I'm seeing our Aviation teams doubling down on lean to reduce inventories in light of demand changes. Our Renewable Energy teams are adopting digital technologies faster now so they can remotely serve our customers, more capital discipline across the board, and new leaders are coming up to speed faster and with real impact. So while the road ahead is going to be challenging, we are leaning into our new operating model. We're embracing reality, redefining winning and executing our plan. And if we do it right, we will put ourselves in a stronger position to create value for our people, for our customers and for you, our shareowners.

Now let me share with you what we're seeing in the businesses.

In 2019, Aviation celebrated its 100th year of operation. It closed the year strong with over $270 billion in backlog and an installed base of more than 64,000 commercial and military engines. Aviation continued to innovate, introducing advanced technologies in both commercial and military markets. And the team worked hard to support our customers through the grounding of the 737 MAX. Never wavering in our commitment to safety, while navigating near-term industry disruption.

Today, the picture in light of COVID-19 is, in a word, challenging. Airlines are conserving cash, often deferring orders, not flying their current fleets and decreasing their maintenance spend. It's difficult to predict when air travel fully will resume, but the reality is it will not be soon. So we're adjusting our cost structure to ensure Aviation will remain well positioned when the industry recovers. And when it does, we'll be there with the largest and youngest installed base of all engine manufacturers.

Healthcare performed well in 2019, and it is at the center of an ecosystem striving for precision health. Our Edison software platform brings together our machines with software, analytics and artificial intelligence. This drives personalization and efficiency in health care, so clinicians can focus their time on life-saving work. Healthcare has done tremendous work serving customers on the front lines combating COVID-19. While demand has surged for certain products, it has fallen for others, including those in our high-margin Pharmaceutical Diagnostics business.

Healthcare had already developed a plan for how it was going to accrete margins following the sale of BioPharma, which provided good margin support the last several years. Now Healthcare is moving faster, taking several hundred million dollars in cost and cash actions as it also mitigates the impacts from COVID-19.

The performance of our Power business in 2019 demonstrates the type of improvements I think are possible across our company. We started by separating Gas Power from the Power Portfolio businesses to improve visibility and accountability. Both Gas Power and Power

Portfolio are focused on continuing to drive daily improvement, integrate lean and improve our commercial execution.

In Gas Power, the team reduced fixed cost by 10% and further focused the projects it pursues, setting evaluation standards across price, terms and scope. Gas Power also launched its new 7HA.03, now the world's largest and most efficient gas turbine. Today, as we look at the impact of COVID-19, we're seeing some outages delayed and travel restrictions in effect for field services, and we're monitoring new unit orders and services.

Moving to Renewable Energy. We saw mixed performance last year. I think about the dynamics at play in Renewable Energy in three parts. First, Onshore Wind is our most established profitable business and it is meeting high customer demand and growing internationally. Second, we're investing in innovation in fast-growing markets. For example, the Offshore Wind team successfully installed a prototype for our Haliade-X in October, and it is already breaking records for power production by a wind turbine.

Third, in Grid Solutions and Hydro, new leaders there are focused on making improvements. Turning to today's environment, COVID-19 impact has been limited in Renewable Energy so far. Performance and project execution remain key areas of focus for the team as it positions itself to serve clean energy markets that are expected to grow over the coming decades.

So this is GE, four mission-critical industrial businesses, each with growing backlogs and sizable installed bases, where services represent more than half of our revenue and give us daily opportunities to serve our customers.

GE Capital, while it faces COVID-19 related challenges of its own, brings financing capabilities that catalyze new growth for our customers. And if you look at what ties GE together, the mortar between the bricks, advanced material science and technology, industrial software and services, our local capability and our global organization still helps set GE apart.

We're focused on solidifying our financial position, continuing to strengthen our businesses and delivering long-term profitable growth. And as we manage GE for the long term, we're driving a culture centered on humility, transparency and focus. We have a strong leadership team, more than two-thirds of whom are new to their roles since I started.

We also have a smaller and more focused Board today. They bring fresh perspective, diversity of thought and the right experience to help us navigate through tough situations like today's COVID-19 challenges. Additionally, as outlined in our proxy, the Board has made significant efforts to engage with our shareholders, collect feedback and take action.

Let me close with this. I came into this role with great respect for this company and a keen desire to be part of its transformation. On a recent call with our employees, someone asked me how I stayed so confident amidst these new challenges. I'll tell you what I told the team. Look at our underlying strengths, our customer relationships, our service networks, our technology, our installed base the world over, let alone our people. These are the same strengths I shared with you last year. And atop this bedrock, the GE team showed in 2019 that we're capable of making real progress. And what's different today than a year ago is that this is no longer only a GE story. This is a global worldwide challenge. We'd never wish for it, but this company, as you saw in that video at the beginning, prides itself on rising to the occasion. This is a fight where we can ultimately show the world what GE is all about.

While many unknowns still remain, there are customers, there are users, there are patients who need us to succeed. Planes will fly again. Health care will normalize and modernize, and the world still needs efficient, resilient energy. I'm confident we have what it takes to continue rising to the challenge of building a world that works.

With that, I'd like to go ahead and start the official business for the meeting by introducing my colleagues on the Board of Directors and our new nominee for the Board this year. Each of them is joining us on the line today.

Our directors are Sébastien Bazin, Chairman and CEO of AccorHotels, our Director since 2016; Frank D'Souza, former CEO of Cognizant Technology Solutions, our Director since 2013; Ed Garden, Chief Investment Officer and Co-Founder of Trian Fund Management, our Director since 2017; Tom Horton, partner at Global Infrastructure Partners and the former Chairman and CEO of American Airlines, our Director since 2018. Tom is our lead Director and Chair of the Management Development and Compensation Committee. Risa

Lavizzo-Mourey, professor at the University of Pennsylvania and the former President and CEO of Robert Wood Johnson Foundation, our Director since 2017. Risa is Chair of the Governance and Public Affairs Committee; Cathie Lesjak, former CFO of HP, our Director since 2019; Leslie Seidman, former Chairman of the Financial Accounting Standards Board, our Director since 2018. Leslie is Chair of the Audit Committee; Jim Tisch, President and CEO of Loews, our Director since 2010; Paula Rosput Reynolds, President and CEO of PreferWest and former Chairman and CEO of AGL Resources and Safeco Insurance Company, our Director since 2018.

Also joining us today is Secretary Ashton Carter, Director of the Belfer Center for Science and International Affairs at the Harvard Kennedy School and a former U.S. Secretary of Defense. Ash is nominated for election to the Board at this meeting.

I'll now hand it back to Mike to walk us through the formal part of the meeting and the voting matters that are set forth in the proxy. Mike?

Michael J. Holston *General Electric Company - Senior VP, General Counsel & Secretary*

Thank you, Larry. I'm advised that this meeting is properly convened, that we have a quorum and that the proposed resolutions presented in the proxy statement are filed as part of these proceedings. We have received proxies representing a majority of the outstanding shares eligible to vote, and the management proxy committee has voted that those shares -- has voted those shares in accordance with shareholder wishes.

As the operator noted at the beginning of the meeting, the polls are now open. If you have not already voted your shares or wish to change your vote, you may do so by clicking on the Vote Here button at the bottom right corner of the webcast screen. The polls will remain open until the conclusion of the balloting portion of the meeting.

The independent inspectors of election are representatives of First Coast Results, and the inspectors have taken the oath of office required by law. We'll take up the election of directors and the management proposals first. Then we'll turn to the shareholder proposal. After presentation of the management and shareholder proposals, we will address questions that are specific to those topics. There will also be time later in the meeting for submission of questions for other business matters. But first, we'll address the items in the proxy statement.

First is the election of directors. I place before the meeting to serve as directors for the coming year the 11 individuals who were introduced by Larry at the start of the meeting and whose backgrounds and qualifications are described in more detail in the proxy statement. Your Board of Directors recommends a vote for each of the director nominees.

The next item is the proposal to approve our named executives' compensation. Your Board of Directors recommends a vote for the approval of our named executives' compensation.

Last up for the management proposals is ratification of KPMG as independent auditors for 2020. We have with us on the line today, Dave Milligan, KPMG's lead audit partner for the GE Audit, and Lynne Doughtie, U.S. Chairman and CEO for KPMG. Your Board of Directors recommend a vote for the ratification of KPMG as independent auditors for 2020.

We will address any questions on these management proposals in a few minutes after we hear the shareholder proposal and before the conclusion of balloting.

Let's now consider the single shareholder proposal listed in the agenda. I understand that John Chevedden is on the line today to present the shareholder proposal on the appointment of an independent chair on behalf of Kenneth Steiner.

Operator, please open the line for Mr. Chevedden.

John Chevedden

This is John Chevedden. Can you hear me okay?

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Yes, we can.

John Chevedden

This proposal is for an Independent Board Chairman and sponsored by Kenneth Steiner of Great Neck, New York. Shareholders request that the Board of Directors adopt the policy and amend the governing documents as necessary to require that the Chairman of the Board be an independent member of the Board whenever possible. This means that one person would be the Chairman, another person would be the CEO at General Electric. This proposal topic won 52% at Boeing one week ago today, or yesterday. This proposal topic also won impressive 41% support at the 2018 General Electric Annual Meeting, even though it was not a fair election for this topic. The Chairman of the GE Governance Committee approved the spending of shareholder money on glossy advertisements to oppose this proposal topic. This 41% support may have represented majority support from the GE shareholders who have access to independent proxy voting advice.

Related to this proposal, the 2019 management statement next to this proposal topic did not name any recent enhancement in the role of the Lead Director. And the GE Lead Director, Thomas Horton, was one of seven GE Directors who received from 6% to 9% in negative votes in 2019. This is more than three times the negative votes received by each of three other GE Directors.

A weak Lead Director is all the more reason to have an Independent Board Chairman. It is also important to have an Independent Board Chairman because GE had four inside-related directors: Mr. Garden, Mr. D'Souza, Mr. Bazin and Ms. Lavizzo. These four directors were in the same class as the GE Lead Director, Mr. Horton, each receiving 6% to 9% in negative votes in 2019.

An Independent Chairman is best positioned to build up the oversight capabilities of the new directors on the GE Board, while the CEO addresses the more than challenging day-to-day issues facing GE. Please vote yes, Independent Board Chairman.

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Thank you, Mr. Chevedden. The Board recommends against this proposal for the reasons set forth on page 60 of the proxy.

Those are the management proposals and the shareholder proposal. So if you'd like to ask a question about the proposals, please enter them on the portal. Please note there will be an opportunity for more general Q&A on matters that are unrelated to these proposals after the formal agenda items.

Seeing no questions on the proposals, let's turn to agenda item number three, balloting. For any shareholders who are online who have not yet voted, the polls will be closing momentarily. If you have already submitted a vote, there is no need to enter it again. Any votes submitted during the meeting will be reflected in the final vote results, which we will report after the meeting.

This concludes the review of the matters to be voted on. The polls are now closed. I believe the inspectors of election are ready to announce the outcome of the voting. Let's go to the inspector's report.

Michael Barbera of First Coast Results is on the line to present the report of the inspectors. Mr. Barbera, do you have a report for us?

Michael Barbera

Yes, I do. Mr. Secretary, the inspectors of election have completed an initial count of the votes cast at this meeting in person or by proxy. Proxies representing approximately 6,497,000,000 shares or 74.3% of the total shares eligible to vote were received. Other shares have been voted at this meeting by ballot or by proxy. On the basis of our initial count, the inspector of election announce the following results.

Directors each received at least 4.3 billion favorable votes and all nominees have been elected. The management proposal on the advisory approval of our named executives' compensation, for is 73.7% of shares voted, against 26.3%. The ratification of KPMG as independent auditor for 2020, for is 89.3% of shares voted, against 10.7%. The shareowner proposal requiring the Chairman of the Board to be independent, in favor 25.9% of shares voted, against 74.1%.

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

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Thank you, Mr. Barbera. That concludes the formal portion of the meeting. And with that, I'll turn the meeting back over to Larry.

QUESTIONS AND ANSWERS

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Thanks, Mike. Now we will turn to agenda item #5 and proceed to answer questions that have been submitted in accordance with the rules of conduct. As we noted earlier, we solicited questions from shareholders in advance of the meeting, and many of you responded. I'd like to spend a few minutes responding to your questions before we turn to questions that have been submitted during the course of the meeting.

We've received a handful of questions on our response to COVID-19. Daryl Lehman asked, "If any of the GE employees were furloughed due to COVID, what if any changes in compensation do the management board or officers take?"

Daryl, we have had some tough and difficult decisions, especially in Aviation. Rest assured, we do not take these decisions lightly. We understand they have a real impact, and I'm deeply proud of the work all of our employees are doing during this time. When we announced these actions in late March, I announced that I would forgo my salary in its entirety for the rest of the year, starting on April 1. In addition, David Joyce, the Head of our Aviation business, has forgone half of his salary. We recently established an employee relief fund and more than 75 senior GE leaders have contributed portions of their salary to support those affected by the crisis. I'm inspired by the support that our employees have shown each other.

Shareholder Ann Walker asks, "With the global pandemic raging without end in sight, please state corporate positions regarding safeguards for both compensation and health care coverage for the employees of the companies."

We have worked hard to put GE on firmer financial footing over the past year-and-a-half, and we are better positioned to weather this crisis as a result. We continue taking aggressive steps to ensure a strong future for the company, which means a strong future for our employees. Most business units and corporate functions have taken steps, including freezes on hiring and promotions to mitigate reductions. Unfortunately, though, we have had to lay off some employees. Impacted employees received severance payments and have access to company subsidized health care benefits, in some cases, for up to one year.

A handful of shareholders asked about our future strategy in capital structure, specifically one shareholder asks, "Why do you have so much debt?"

I'm smiling, and that's the sad reality of doing this by way of a conference call rather than in person. But frankly, our current debt loads reflect historic borrowing that became too large relative to the earnings potential of the company over time. We've made progress improving our financial position in 2019, reducing industrial debt by $7 billion and capital debt by an equal amount. Rest assured, we remain committed to achieving our deleveraging goal of less than 2.5 times industrial net debt-to-EBITDA in industrial and less than 4 times debt-to-equity in capital. We remain committed to our deleveraging targets, but expect it will take a longer period of time than previously announced due to the uncertainty associated with COVID-19. We want to maintain a high level of cash and maximize our flexibility at this point as we evaluate next steps in executing these deleveraging priorities.

Another shareholder asks, "What has kept GE from advancing, no matter what the effort being put into it year after year?"

Well, I can't comment on efforts prior to my joining GE, but I know we entered 2020 with momentum as a result of the hard work of GE employees and the actions we took to strengthen our balance sheet. Obviously, the world changed with COVID-19, and we've had to embrace that new reality and adjust. But overall, our priorities remain clear.

Our first priority has been improving our financial position, and we've moved quickly on asset sales and to reduce leverage. More recently, you can see we closed the BioPharma transaction, we paid some debt maturities and extended others and refinanced our revolving credit facility, all to prudently manage our liquidity and risk in this uncertain environment. We also need to strengthen our businesses and part of that means shifting resources and accountability away from corporate, empowering our businesses and giving them more accountability.

We're getting back to basics on operations, implementing lean manufacturing practices. We're changing the culture at GE focused on transparency, candor and humility to address those challenges that we face. So despite the near-term pressures and the unknowns associated with COVID-19, I'm confident about the plan we have in place to preserve GE's strengths and create more shareholder value over the long term. This pandemic is providing the opportunity, painful as it certainly is, to accelerate the transformation beyond just cost actions so that when we do see those long-term trends that benefit our businesses reemerge, we'll be well positioned to return to growth.

Another shareholder asks, "When can we expect GE to be back in business for real and consequently to give a reasonable dividend?"

Well, we're in business every day. And as I said earlier, we're in the middle of a multiyear transformation that requires us to significantly deleverage to keep the company safe before we can allocate capital to increase the dividend. The COVID-19 pandemic has thrown another set of challenges at us, but I'm confident that we can overcome them. In time, we hope to be back in a position where we can pay a dividend in line with our peers.

Eric Boatwright asks, "Can we have further consideration of the business breakup? There are likely several businesses in GE that independents can benefit them and shareholders."

We have taken a number of actions over the last few years to focus our portfolio and to move businesses out of GE, where we thought it made sense, including our Transportation business and Baker Hughes, which we currently own 37% of, and our plan is to continue selling that interest down in an orderly manner over time.

As I noted a moment ago, we're also moving the center of gravity from corporate to the businesses to make them operate more independently and with greater accountability. As I said today, our operating model right now is to embrace our reality, redefine winning and execute the plan. And while we'll always consider structural moves that make GE stronger, I come back to the size and strength of our installed base, where our leading technology and long duration service contracts really set us apart. And the opportunity in front of us to drive improvements within the set of businesses we have here today.

Retiree shareholder, Richard Zuker, asks, "How can a company once #1 in the world sink to its current level?"

I vividly recall receiving a similar question last year. And as I noted then, I don't think we have time to do a full accounting of all that has happened in the past. The company has been impacted by a confluence of things that happened and are happening, some inside the company, some outside the company, that none of us would have ever wished for.

Again, given the opportunity, there are certainly some decisions we may have made differently, but that's not our reality. As I noted a moment ago, what the team and I are focused on is looking ahead, embracing that reality, redefining winning and executing a plan to drive long-term value for the GE shareholder.

Another shareholder asks, "What proportion of your spending is for the military?"

Our primary work with the military is in our Military Systems business within GE Aviation, a business that generated $4.4 billion of revenue relative to GE Aviation's overall $33 billion in 2019. Last year, our Aviation business saw a total of $1.8 billion of R&D spending, which includes our own dollars and funding from customers and partners. Half of that came from partners and customers, a majority of which was funded by the U.S. government and directed to that military systems business.

Similar to prior years, we had a number of questions from our retiree shareholders on a number of topics, and I'll address each of them in turn.

We've received questions from Bill Freeda, Alex Brown and Kevin Mahar about the program designed for the Retiree Reimbursement Account, or RRA, including whether we would consider expanding the eligibility for the RRA to additional retirees, increasing the amount of the yearly reimbursement and the cost of doing so.

As I mentioned at last year's meeting, we understand the history of how these determinations were made as well as the present day challenges. This decision was made a few years back, and I don't see us revisiting it.

Bill Freeda also asked whether members of the Board would be available to join them for the retirees' yearly meeting in Schenectady to discuss retiree issues.

We'll have to assess how we convene that meeting this fall in light of COVID-19, but as we currently see it, we don't envision expanding the participants to include the Board.

Retiree shareholder Andrew Gori asks whether we might reinstate the matching gift for charitable giving by retirees for up to $1,000 per year.

The decision to stop funding this program was a difficult decision for the GE Foundation Board, which is made after careful consideration, recognizing the need to balance our support for our communities with returning the company to a position of financial strength. We have focused the Foundation's giving on a more limited number of programs, including STEM education, health care programs, workforce diversity initiatives and maintaining matching gifts for employees. I understand that doesn't necessarily make this news easier to absorb from a personal standpoint, but I don't see us -- I don't foresee us revisiting the decision.

Retiree shareholder Melody Jackson asked whether we might offer an option to retirees again as we did at the end of last year to accept a lump sum in lieu of future pension payments.

In short, no decisions have been made about offering a lump sum option again in the future.

Bill Freeda asked where retirees might go for questions on benefits following the retirement of Marybeth Stevens-Carhidi in Schenectady this coming June after 25 years of service.

Personally, I'd like to thank Marybeth and her colleagues for providing such fantastic service to our retirees. We will post the details on where retirees can go for those services after Marybeth's retirement on our OneHR website, and we'll also reach out directly to those shareholders who asked the question.

Inderpal Gumer writes, "Cut the expenses by reducing number of directors, reduce overhead. Investors are hurting. How could I become a director of the company?"

Well, we have taken significant action over the last several years to reduce the size of the Board from a high of 18 directors in 2017 to the 11 nominees before you today, which is in line with the average board size for the S&P 500. Most of our director compensation is in the form of stock units that do not pay out until after a director retires. The proxy explains our process for reviewing director nominations at the Governance and Public Affairs Committee, including nominations by shareholders.

Retiree shareholder, Dennis Rocheleau, writes, "Based on information given to me by reliable sources, namely former GE employees with knowledge of the underlying activity, I believe that former CEO, Jeffrey Immelt has not been fully forthright regarding his use of a second empty jet on certain trips. Furthermore, elements of possible fraud, certainly deliberate misrepresentation existed in the administration of this dubious practice. Therefore, I would like to know the status of GE's investigation of this abuse of company resources and when we shareowners can expect a full report on it, similar to what other corporations have done in analogous situations."

Good morning, Dennis. This practice was stopped several years ago, and we are taking a disciplined approach to cost and expenses across the company. We have looked into this activity and based on our findings, I do not expect any further action.

I understand that we have received a statement from Amna Khan of the New York City Comptroller's office, and on behalf of the Climate Action 100 initiative. Mike, I'll hand it back to you to read the statement.

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Thanks, Larry. Here's the statement. "This statement is made on behalf of the Comptroller of the City of New York, the lead investor for the Climate Action 100+ dialogue with General Electric and other investors who have also joined us in this dialogue. Climate Action 100+ is an investor initiative that aims to partner with companies to reduce greenhouse gas emissions, enhance corporate governance of climate risk and strengthen climate-related financial disclosures. We appreciate the robust and productive engagement that Climate Action 100+ investors had with General Electric management this past year. With the recent warning from the Intergovernmental Panel on Climate Change that global greenhouse gas emissions must decline 45% by 2030 and to net 0 by 2050, we each have a responsibility to reduce emissions in line with these requirements.

As one of the world's leading industrial innovators, GE has both the capacity and the responsibility to do so. We ask the Board and senior management to take action to: develop a transition plan to reduce greenhouse gas emissions across the value chain, consistent with the Paris Agreement's goal of limiting global average temperature increase to well below 2 degrees Celsius and to pursue efforts to limit the increase to 1.5 degrees Celsius above preindustrial levels; provide enhanced corporate disclosure in line with the final recommendation of the Task Force on Climate-Related Financial Disclosures and; implement a strong climate governance framework, which clearly articulates the Board's accountability and oversight of climate change risks and opportunities.

We commend GE for the actions it has already taken to address climate change, but partial measures will not prevent the systemic risks resulting from climate change, so we urge the company to set targets to curb its Scope 1 and Scope 2 operational greenhouse gas emissions in line with the goals of the Paris Agreement.

However, we would especially urge the company to set Paris-aligned targets to curb its Scope 3 downstream missions, including the emissions associated with the construction of new coal and natural gas-fired power plants. In particular, the company's plans to provide the technology for 19 new coal-fired power plants are inconsistent with achieving the 45% emissions reductions, which the IPCC says are required by 2030 to stabilize global temperatures at safe levels. By building these plants, the company is trading near-term returns for the prospect of unsustainable medium to long-term damage to the global economy.

Instead, GE should take full advantage of its considerable capacity to prosper in the transition to a low-carbon future. GE should aggressively market its wind generation and grid management capabilities and champion such next-generation solutions as renewable hydrogen. Doing so, the company could show the way for other industrial and energy services leaders in aligning near-term goals with long-term sustainable growth."

That completes the statement.

Larry, I'll hand it back to you for the GE response.

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Mike, thanks, and thank you for the statement, Ms. Khan. As we disclosed in the proxy, the Board has established a climate governance framework that is focused on the energy transition and this has been a key focus for us over the last year. To note, we have reduced our Scope 1 and Scope 2 emissions by 23% between 2011 and 2018 and are in the process of updating our greenhouse gas emission targets, which we will publish later this year. We also believe GE is uniquely positioned to deliver technologies to meet the Paris emissions reduction targets, introducing new, more fuel-efficient products such as our GE9X engine, our 4-megawatt hour Reservoir storage unit and our Haliade-X offshore turbine are key to our competitiveness and define now how we succeed in the market. We will continue to innovate and develop our portfolio to be a major force in the transition to a decarbonized economy.

I believe that concludes our responses to those questions that were submitted in advance. Mike, I'll hand it back to you to take us through the questions that have been submitted during the course of this meeting.

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Thanks, Larry. First, we have two questions related to KPMG. The first question is why was KPMG retained?

I will read the second statement. "Mr. Chairman, the carpenter union pension funds with combined assets of $70 billion have a collective ownership position of 1,652,000 shares of company common stock. As long-term shareholders, we appreciate and commend the efforts of the company to address the difficulties faced by employees, customers and other important stakeholders during the COVID-19 pandemic. We are very confident in the GE Board and management leadership team to effectively navigate the considerable market turmoil associated with the pandemic. We have engaged the company at various times on the issue of audit firm independence.

Could you or the Chair of the Audit Committee address the status of the process underway to assess the appropriateness of selecting a new audit -- new independent auditor? Thank you, Mr. Chairman."

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Well, we appreciate both those questions. And certainly, the conversation with the carpenters union. I would say this. For a company as large and as complex as GE is, as we've talked through this with the Audit Committee, as a management team with the full Board, of course, we believe it's important to handle the potential transition to a new auditor with great care. And as a process, because of our complexity and size, this one we don't want to rush. No decision has been made, but let me give you a little bit of an update with respect to the process, the evaluation process itself.

The Audit Committee is working toward completing the tender process in the middle of this year. We're asking shareholders to ratify KPMG as our auditor just for this year, as we have in years past. There are other firms that are bidding on the audit. They are currently service providers for GE and we need to ensure that they can conclude and transition away from those services if they, as a new firm, is selected to ensure their independence.

And keeping KPMG through the end of the year has also been important for several other reasons, including completing some of the portfolio moves that we're making as well as ensuring a smooth handoff since much of the financial organization and the Audit Committee members are also relatively new in their roles, including our new CFO.

So hopefully, that gives you a little bit of a sense as to the work we're doing, the work that's underway and the thinking behind it. But again, thank you for both of those questions.

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Thanks, Larry. Our next question is the following: "What are your business plans going forward with respect to business development and market share in each category?"

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Well, we've talked about a good bit of this already. But if I quickly go through the businesses, clearly, in Aviation, we're in a place where we have really refreshed all of the important primary engine platforms and have been working over the last couple of months to make sure we not only are supporting our airframe and airline customers with those new technologies in mind, but in turn, helping them adjust to the pandemic environment. But this is a business that I think once we get through the headwinds here that we face will continue to be an outstanding performer for GE.

Healthcare, again, has benefited in some product categories, patient monitors, CT scanners, ventilators and the like, but in other areas has been hit hard. I would say the conversation with the Healthcare team has really been more about commercial execution. And I've just been very excited about the disciplined creative programming that I have seen from this business. There are also a number of organizational moves that we've made that I think position us well. Again, we have to get through the pandemic in order to see the fruits of those investments and that hard work.

But I think the combination of our leading technology, the commitments we're making to digital and the commercial improvements really do have Healthcare, post BioPharma, poised for growth. People think, well, with BioPharma gone, what's really left? It's a $17 billion leading med tech business with a lot of opportunities. So it's a business that we can be excited about.

And I think Power and Renewables again occupy different places on the Energy spectrum. We certainly have seen a tremendous turnaround in the Gas Power business the last year or so.

We want to make sure we continue to get both Gas Power and the Power Portfolio to a place where they're making consistent positive contributions to GE. And in Renewables, as I indicated, really is a combination of three different opportunities, but there's no question that in Wind, we have tremendous tailwinds, pardon the pun, in both Onshore and Offshore. Our challenge is to make sure we generate positive returns for you as our shareholders. That's primarily an organic agenda today. Given the financial position, we don't necessarily see ourselves doing a lot from a business development perspective. But we'll keep our eyes open should the right opportunity present themselves. Mike?

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Thanks, Larry. Next question relates to the pension. "If the current round of pension buybacks doesn't lower the obligatory debt enough, what is planned to lower that sector of debt?"

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

I suspect the reference there is to the buyouts that Melody Jackson referenced in her question. So let me just assume that's the case. I would say simply that, again, we remain committed to our deleveraging targets overall. What we did last year with the buyouts and some other actions was to see what we could do to balance honoring the pension obligations that we do have and finding a way to lower the impact they have on our leverage levels. And we'll continue to do that. But as I said in response to Melody Jackson's question, no plans at this point to offer additional buyouts.

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Thanks, Larry. Next question relates to Aviation. "How many flight hours has the GE engine accumulated on the 777X?"

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Well, we appreciate this question. It's an important question because with all of the COVID-19 induced pressures in Aviation, at times, I think we run the risk of forgetting that we've got a lot of good things going on, particularly with respect to technology. I think that the first 777X has had now 30 successful test flights. The engines have performed very well. So while I don't have an engine hour count, that hopefully gives you a sense of the performance. I believe that we are ready to go with our partner, Boeing, on a second plane. The engines are ready to go there as well. So we're excited about the program and look forward to continuing to make that kind of progress.

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Our next question is, "How many shareholders have accessed this meeting online?"

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Well, fortunately, we know the answer to that. And if you can believe it, we have 940 people who are dialed in. It's quite a turn out. I don't know how that compares to prior years, but we appreciate everybody taking time this morning to dial in. And hopefully, you found the formal part of the meeting, the presentation and update and the Q&A sessions useful.

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Next question, "What would you say to people and institutions that have held GE stock for 20 years?"

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Well, that's a complicated question, Mike. I would say that if you've been with us for 20 years, we appreciate the support and the loyalty. But I can only imagine what that ride has been like. I've only been here for, what, 19 months now. And as we look forward, and that's really, I think, where this team today is, we're looking forward. We do think we have a running start into this situation that gives us an opportunity to perform well on a relative basis from here.

I spoke earlier to a lot of the improvements that we already see. I think this operating model of embracing our reality is important, hard not to given the daily headlines, but I think we've moved quickly to recognize that some of our businesses, primarily Aviation, are going to see pressure as a result and we're taking all of the appropriate actions.

My hope is that as time passes and as we get back to whatever our next new normal environment is likely to be, that we will see planes in the air again, right? We will hopefully modernize health care, and we will continue along the energy transition. Those are all critical opportunities for GE. So as we work our way through this, my hope is we're accelerating the transformation of the company that we started almost two years ago, not only in terms of the cost structure and the way we manage risk but really to make sure people see the real strength of this company in terms of our team and our technology and the nature of our customer relationships all around the world, but we need a little bit more time. Mike?

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Thanks, Larry. We have another question about debt. And the question is, "What interest rate would GE pay for new debt?"

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Well, I think the simple answer is, a simple market-based competitive spread over Treasuries is the way that debt gets priced for GE and everyone else.

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Thanks, Larry. Next question, "Would you consider buying a defense company in the future?"

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Well, as I indicated, we're probably not going to be hyperactive on the business development front anytime soon. And I would rarely -- well, I think I've made a practice never to speak prospectively about M&A. But you can rest assured that both organically and inorganically, we're looking for opportunities all the time, but we need to be mindful of the opportunities that we can execute on.

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Thanks, Larry. And the next question goes to GE Healthcare and about ventilators in particular. The question is, "How many ventilators does GE make? And where are they made?"

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Well, Mike, maybe if I may, ventilators have obviously gotten a lot of publicity here over the last several months. And understandably so, ventilators are an important part of taking care of those most impacted by COVID-19. But I think that it's really important to understand that we do so much more, have been doing so much more than simply providing ventilators here, really since the early days in Wuhan. Be it our CT scanners, our patient monitors, our x-ray equipment, our anesthesia products, a lot of our point-of-care ultrasound as well, our digital solutions have really been force multipliers in hospitals. So there are a number of products that we provide that have been maybe less publicized, but not necessarily less important in the fight against COVID-19.

When we talk about ventilators, we talk about two different products. There's our CARESCAPE R860 ventilator product. That's the one that we make in Madison, Wisconsin, where we've doubled our production already and plan to double it again by the end of the month. There's another ventilator that is a simplified version, it goes by the model A-E that is a function of our collaboration with Ford and the UAW. So all of -- we don't -- we haven't discussed exact numbers on these products as we would others. But we're happy to have the opportunity to play particularly timely role with ventilators and, of course, the other products.

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Thanks, Larry. We've got one more question we'll be taking here and it's related to our Power business. It's a long one. I'll read it. "With respect to the Power Portfolio sector, one, how did the Nuclear business perform during 2019, i.e., what percent of overall income was attributed to this area? Two, was the Nuclear sector profitable? And if so, to what degree? And three, does GE have any new orders for new nuclear plant under contract or pending at this time? And if so, please provide the split between U.S. and outside of U.S.?" Bit of a mouthful there, Larry, and a lot of detail, but I think you have the gist of the question.

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Yes, I do. I'm just writing down what you said, another disadvantage of the format. I think I got it. I think I got it. I think I would say with respect to the Nuclear business, it is one of the three businesses within the Power Portfolio. As you might imagine, probably the steadiest performer of the three, just given the nature of the Nuclear business.

I don't think we break out the absolute or the relative profitability of the three pieces of the Power Portfolio. But we do talk to that from time to time. It's a modest -- the largest part of the Power Portfolio is the Steam business that Michael Keroullé and his team run and run well. Nuclear and Power Conversion are smaller parts of that group of companies.

With respect to the new order side of it, there are ongoing conversations about not only orders but new technologies there in addition to the large driver of revenue in that business, which is aftermarket services. So I think that's probably what we can share on the Nuclear business here this morning. And Mike, did you say that's...

Michael J. Holston ***General Electric Company - Senior VP, General Counsel & Secretary***

Yes. That concludes the Q&A portion, Larry. So with that, I'll turn it back to you for concluding remarks.

H. Lawrence Culp, Jr. ***General Electric Company - Chairman & CEO***

Great, great. Thank you, Mike. Well, I'll just wrap up. Thanks to all of you who submitted questions again, all nearly 1,000 of you who have joined us here this morning. The Board and I remain dedicated to working to protect and grow your investment. We take that very seriously, and we do thank you for your confidence in us. It's a privilege to serve as your Chairman and CEO.

Operator

This now concludes the meeting. Thank you for joining, and have a pleasant day.