GENERAL ELECTRIC CO
Form DEF 14A
February 27, 2007
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ Definitive Proxy Statement
x Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

General Electric Company

(Name of Registrant as Specified In Its Charter)

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x No fee required.

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Notice of 2007

Annual Meeting

and

Proxy Statement

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In accordance with our security procedures, all persons attending the 2007 Annual Meeting must present an admission card and picture identification.

Please follow the advance registration instructions on the back cover of this proxy statement to obtain an admission card.

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General Electric Company

3135 Easton Turnpike

Fairfield, Connecticut 06828

February 28, 2007

Dear Shareowner,

You are invited to attend the 2007 Annual Meeting of Shareowners to be held on Wednesday, April 25, in Greenville, South Carolina.

The annual meeting will begin with a report on our operations, followed by discussion and voting on the matters set forth in the accompanying notice of annual meeting and proxy statement and discussion on other business matters properly brought before the meeting.

If you plan to attend the meeting, please follow the advance registration instructions on the back of this proxy statement. An admission card, which is required for admission to the meeting, will be mailed to you prior to the meeting.

Whether or not you plan to attend, you can ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone or by Internet, or by completing, signing, dating and returning your proxy form in the enclosed envelope.

Cordially,

Jeffrey R. Immelt

Chairman of the Board

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n To be voted on at the meeting

Every shareowner s vote is important. Please complete, sign, date and return your proxy form, or submit your vote and proxy by telephone or by Internet.

Printed on recycled paper using soybean ink

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Notice of 2007 Annual Meeting of Shareowners

10:00 a.m., April 25, 2007

Carolina First Center (formerly Palmetto Expo Center)

One Exposition Avenue

Greenville, South Carolina 29607

February 28, 2007

To the Shareowners:

General Electric Company s 2007 Annual Meeting of Shareowners will be held at the Carolina First Center (formerly Palmetto Expo Center), One Exposition Avenue, Greenville, South Carolina 29607, on April 25, 2007, at 10:00 a.m., to address all matters that may properly come before the meeting. Following a report on GE s business operations, shareowners will vote on:

(a) election of directors for the ensuing year;

(b) ratification of the selection of the independent auditor for 2007;

(c) approval of an amendment to the company s certificate of incorporation adopting majority voting in non-contested director elections;

(d) approval of the GE 2007 Long-Term Incentive Plan;

(e) approval of material terms of senior officers performance goals to qualify as performance-based compensation; and

(f) nine shareowner proposals set forth at pages 44 through 51 in the accompanying proxy statement.

Shareowners of record at the close of business on February 26, 2007, will be entitled to vote at the meeting and any adjournments.

Brackett B. Denniston III

Secretary

Proxy Statement

General Electric Company

3135 Easton Turnpike

Fairfield, Connecticut 06828

This proxy statement is furnished in connection with the solicitation of proxies by General Electric Company on behalf of the Board of Directors for the 2007 Annual Meeting of Shareowners. Distribution of this proxy statement and a proxy form to shareowners is scheduled to begin on or about February 28, 2007.

You can ensure that your shares are voted at the meeting by submitting your instructions by telephone or by Internet, or by completing, signing, dating and returning the enclosed proxy form in the envelope provided. Submitting your instructions or proxy by any of these methods will not affect your right to attend the meeting and vote. A shareowner who gives a proxy may revoke it at any time before it is exercised by voting in person at the annual meeting, by delivering a subsequent proxy or by notifying the inspectors of election in writing of such revocation.

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Election of Directors

At the 2007 Annual Meeting, 16 directors are to be elected to hold office until the 2008 Annual Meeting and until their successors have been elected and have qualified. The 16 nominees for election at the 2007 Annual Meeting are listed on pages 6 to 9, with brief biographies. They are all now GE directors. The Board of Directors has determined that the following 12 directors satisfy the New York Stock Exchange s definition of independent director and GE s more stringent director independence guidelines: James I. Cash, Jr., Ann M. Fudge, Claudio X. Gonzalez, Susan Hockfield, Andrea Jung, A.G. Lafley, Robert W. Lane, Ralph S. Larsen, Rochelle B. Lazarus, Sam Nunn, Robert J. Swieringa and Douglas A. Warner III. We do not know of any reason why any nominee would be unable to serve as a director. If any nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such other person as the Board may nominate.

GE is seeking shareowner approval of an amendment to the company s certificate of incorporation adopting majority voting, that, if approved by shareowners, would apply in non-contested director elections following the 2007 Annual Meeting. For a description of the proposal, see page 11.

James I. Cash, Jr., 59, Retired James E. Robison Professor of Business Administration, Harvard Graduate School of Business, Boston, Massachusetts. Director since 1997.

A graduate of Texas Christian University with MS and PhD degrees from Purdue University, Dr. Cash joined the faculty of Harvard Business School in 1976, where he served as chairman of the MBA program from 1992 to 1995, and served as chairman of HBS Publishing from 1998 until 2003. Dr. Cash retired from the Harvard Business School faculty in 2003. Dr. Cash is also a director of The Chubb Corporation, Microsoft Corporation, Wal-Mart Stores, Inc., and Phase Forward, Inc. He also serves as a trustee of the Bert King Foundation, Massachusetts General Hospital, Partners Healthcare, and the National Association of Basketball Coaches Foundation.

Sir William M. Castell, 59, Former Vice Chairman, General Electric Company. Director since 2004.

A graduate of the City of London College, Sir William joined Amersham plc in 1989 as Chief Executive. After GE acquired Amersham plc in April 2004, Sir William was appointed a vice chairman of the General Electric Company and became the CEO of GE Healthcare, the combination of the Amersham and the GE Medical businesses and, in July 2005, became the chairman of GE Healthcare. In April 2006 Sir William retired as a vice chairman of GE. Sir William was knighted in 2000 for services to the life sciences industry. He served in the United Kingdom from 1998 to 2003 as chairman of The Prince s Trust, a charity set up by the Prince of Wales in 1976. Sir William is currently chairman of the Wellcome Trust, a non-executive director of British Petroleum plc and a trustee of London s Natural History Museum. Sir William is an honorary fellow of Green College Oxford and an honorary fellow of the Academy of Medical Sciences. He has received honorary degrees from the University of Cardiff, King s College University of London, Brunel University and the University of Oxford.

Ann M. Fudge, 55, Former Chairman and Chief Executive Officer, Young & Rubicam Brands, global marketing communications network, New York, New York. Director since 1999.

Ms. Fudge received a BA degree from Simmons College and an MBA from Harvard University. Ms. Fudge served as the chairman and chief executive officer of Young & Rubicam from 2003 to 2006. Prior to joining Young & Rubicam, Ms. Fudge worked at General Mills and at General Foods, where she served in a number of positions including president of Kraft General Foods Maxwell House Coffee Company and president of Kraft s Beverages, Desserts and Post Divisions. Ms. Fudge is a director of Catalyst and The Rockefeller Foundation and is on the board of overseers of Harvard University.

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Claudio X. Gonzalez, 72, Chairman of the Board and Chief Executive Officer, Kimberly-Clark de Mexico, S.A. de C.V., Mexico City, and Director, Kimberly-Clark Corporation, consumer products. Director since 1993.

Mr. Gonzalez is a graduate of Stanford University. He was employed by Kimberly-Clark in 1956 and by Kimberly-Clark de Mexico in 1957. He was elected vice president of operations of Kimberly-Clark de Mexico in 1962 and executive vice president and managing director in 1966. He assumed his present position in 1973. Mr. Gonzalez is also a director of America Movil, Grupo Carso, Grupo ALFA, Grupo Mexico, Grupo Televisa, Home Depot, Inc., Kellogg Company, The Mexico Fund, Inc. and Investment Co. of America.

Susan Hockfield, 55, President of the Massachusetts Institute of Technology, Cambridge, Massachusetts. Director since 2006.

A graduate of the University of Rochester, Dr. Hockfield received her PhD in neuroscience from the Georgetown University School of Medicine. Following a postdoctoral fellowship at the University of California at San Francisco, she joined the scientific staff at the Cold Spring Harbor Laboratory in 1980. In 1985 Dr. Hockfield joined the faculty of Yale University, where she went on to serve as dean of the Graduate School of Arts and Sciences from 1998 to 2002 and as provost from 2003 to 2004. President of MIT since 2004, Dr. Hockfield is also a trustee of the Carnegie Corporation of New York and of the Woods Hole Oceanographic Institution.

Jeffrey R. Immelt, 51, Chairman of the Board and Chief Executive Officer, General Electric Company. Director since 2000.

Mr. Immelt joined GE in corporate marketing in 1982 after receiving a degree in applied mathematics from Dartmouth College and an MBA from Harvard University. He then held a series of leadership positions with GE Plastics in sales, marketing and global product development. He became a vice president of GE in 1989, responsible for consumer service for GE Appliances. He subsequently became vice president of worldwide marketing and product management for GE Appliances in 1991, vice president and general manager of GE Plastics Americas commercial division in 1992, and vice president and general manager of GE Plastics Americas in 1993. He became senior vice president of GE and president and chief executive officer of GE Medical Systems in 1996. Mr. Immelt became GE s president and chairman-elect in 2000, and chairman and chief executive officer in 2001. He is also a director of the Federal Reserve Bank of New York.

Andrea Jung, 48, Chairman of the Board and Chief Executive Officer, Avon Products, Inc., cosmetics, New York, New York. Director since 1998.

Ms. Jung, a graduate of Princeton University, joined Avon Products, Inc., a global beauty company, in 1994 as president, product marketing for Avon U.S. She was elected president, global marketing, in 1996, an executive vice president in 1997, president and a director of the company in 1998, chief operating officer from 1998 to 1999, chief executive officer in 1999 and chairman of the board in 2001. Previously, she was executive vice president, Neiman Marcus and a senior vice president for I. Magnin. Ms. Jung is also a director of Catalyst and a member and former chairman of the Cosmetic, Toiletry and Fragrance Association.

Alan G. (A.G.) Lafley, 59, Chairman of the Board, President and Chief Executive, Procter & Gamble Company, personal and household products, Cincinnati, Ohio. Director since 2002.

Mr. Lafley received a BA degree from Hamilton College and an MBA from Harvard University, following which time he joined Procter & Gamble. He was named a group vice president in 1992, an executive vice president in 1995 and, in 1999, president of global beauty care and North America. He was elected president and chief executive officer in 2000 and chairman of the board in 2002. He serves on the board of trustees of Hamilton College, the board of directors of Dell Inc., and is a member of the Lauder Institute Board of Governors (Wharton School of Arts & Sciences), The Business Roundtable and The Business Council.

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Robert W. Lane, 57, Chairman of the Board and Chief Executive Officer, Deere & Company, agricultural and forestry equipment, Moline, Illinois. Director since 2005.

A graduate of Wheaton College, Mr. Lane also holds an MBA from the University of Chicago. Mr. Lane joined Deere & Company in 1982 following a career in global banking, and has served Deere in leadership positions in its global construction equipment and agricultural divisions as well as at Deere Credit, Inc. He also has served as Deere s chief financial officer and president, and was elected chairman and chief executive officer in August 2000. Mr. Lane is a director of Verizon Communications Inc.

Ralph S. Larsen, 68, Former Chairman of the Board and Chief Executive Officer, Johnson & Johnson, pharmaceutical, medical and consumer products, New Brunswick, New Jersey. Director since 2002.

After graduating with a BBA from Hofstra University, Mr. Larsen joined Johnson & Johnson in 1962. In 1981, he left Johnson & Johnson to serve as president of Becton Dickinson s consumer products division and returned to Johnson & Johnson in 1983 as president of its Chicopee subsidiary. In 1986, Mr. Larsen was named a company group chairman and later that year became vice chairman of the executive committee and chairman of the consumer sector. He was elected a director in 1987 and served as chairman of the board and chief executive officer from 1989 to 2002. Mr. Larsen is also a director of Xerox Corporation and a trustee of the Robert Wood Johnson Foundation.

Rochelle B. Lazarus, 59, Chairman and Chief Executive Officer, Ogilvy & Mather Worldwide, advertising, New York, New York. Director since 2000.

A graduate of Smith College, Ms. Lazarus holds an MBA from Columbia University. She joined Ogilvy & Mather Worldwide, a multinational advertising agency, in 1971, becoming president of its U.S. direct marketing business in 1989. She then became president of Ogilvy & Mather New York and president of Ogilvy & Mather North America before becoming president and chief operating officer of the worldwide agency in 1995, chief executive officer in 1996 and chairman in 1997. Ms. Lazarus also serves as a director of Merck & Co., New York Presbyterian Hospital, American Museum of Natural History and the World Wildlife Fund, and is a member of the board of overseers of Columbia Business School.

Sam Nunn, 68, Co-Chairman and Chief Executive Officer, Nuclear Threat Initiative, Washington, D.C. Director since 1997.

After attending the Georgia Institute of Technology and serving in the U.S. Coast Guard, Mr. Nunn received an AB degree from Emory University in 1960 and an LLB degree from Emory Law School. He practiced law and served in the Georgia House of Representatives before being elected to the United States Senate in 1972, where he served as the chairman and ranking member on both the Senate Armed Services Committee and the Senate s Permanent Subcommittee on Investigations before retiring in 1997. He was a partner at King & Spalding from 1997 through 2003. He is the co-chairman and CEO of the Nuclear Threat Initiative and the chairman of the board of the Center for Strategic and International Studies. Mr. Nunn is a distinguished professor at the Sam Nunn School of International Affairs at Georgia Tech. He is also a director of Chevron Corporation, The Coca-Cola Company and Dell Inc.

Roger S. Penske, 70, Chairman of the Board, Penske Corporation, Penske Truck Leasing Corporation, and United Auto Group, Inc., Detroit, Michigan. Director since 1994.

After attending Lehigh University, Mr. Penske founded Penske Corporation in 1969. He became chairman of the board of Penske Truck Leasing Corporation in 1982 and chairman of the board of United Auto Group, Inc. in 1999. Mr. Penske is also a director of

Universal Technical Institute, Inc. He is a director of Detroit Renaissance, Inc., chairman of Downtown Detroit Partnership and a member of The Business Council.

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Robert J. Swieringa, 64, Anne and Elmer Lindseth Dean and Professor of Accounting, S.C. Johnson Graduate School of Management, Cornell University, Ithaca, New York. Director since 2002.

Dr. Swieringa received a BA degree from Augustana College, an MBA in accounting and economics from the University of Denver and a PhD in accounting and complex organizations from the University of Illinois. He taught accounting at Stanford s Graduate School of Business and at the Johnson Graduate School of Management at Cornell University before serving as a member of the Financial Accounting Standards Board from 1986 to 1996. He was then a professor in the practice of accounting at Yale s School of Management before becoming the ninth dean of the S.C. Johnson Graduate School of Management in 1997. Dr. Swieringa is currently a member of the American Accounting Association, and is a past president of its Financial Accounting and Reporting Section.

Douglas A. Warner III, 60, Former Chairman of the Board, J.P. Morgan Chase & Co., The Chase Manhattan Bank, and Morgan Guaranty Trust Company, investment banking, New York, New York. Director since 1992.

Following graduation from Yale University in 1968, Mr. Warner joined Morgan Guaranty Trust Company of New York, a wholly-owned subsidiary of J.P. Morgan Chase & Co. (formerly J.P. Morgan & Co. Incorporated). He was elected president and a director of the bank and its parent in 1990, serving as chairman and chief executive officer from 1995 to 2000, when he became chairman of the board of J.P. Morgan Chase & Co., The Chase Manhattan Bank and Morgan Guaranty Trust Company until his retirement in 2001. Mr. Warner is also a director of Anheuser-Busch Companies, Inc. and Motorola, Inc., a member of the board of counselors of The Bechtel Group, Inc., chairman of the board of managers and the board of overseers of Memorial Sloan-Kettering Cancer Center, a member of The Business Council, a trustee of the Pierpont Morgan Library, and a member of the Yale Investment Committee.

Robert C. Wright, 63, Vice Chairman of the Board and Executive Officer, General Electric Company, and Former CEO of NBC Universal, Inc. Director since 2000.

Mr. Wright graduated from the College of the Holy Cross and the University of Virginia School of Law. He joined GE in 1969 as a staff lawyer, leaving in 1970 for a judicial clerkship. He rejoined GE in 1973 as a lawyer for GE Plastics, subsequently serving in several management leadership positions with that business. In 1980, he became president of Cox Cable Communications, and rejoined GE in 1983 as vice president of the Housewares and Audio businesses. In 1984, he became president and chief executive officer of General Electric Financial Services and, in 1986, was elected president and chief executive officer of National Broadcasting Company, Inc. In 2000, he was elected chairman and chief executive officer of NBC and vice chairman of the board and executive officer of GE. He was the chairman and CEO of NBC Universal, Inc. from 2004 to 2007.

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Corporate Governance

Governance Principles. The Board of Directors Governance Principles, which include guidelines for determining director independence and qualifications for directors, are published in the Citizenship section of GE s website under Compliance and Governance at *www.ge.com/en/citizenship/govcomp/governance.htm.* This section of the website makes available all of GE s corporate governance materials, including board committee charters and statements of committee key practices. These materials are also available in print to any shareowner upon request. The Board regularly reviews corporate governance developments and modifies its Governance Principles, committee charters and key practices as warranted.

Director Independence. With 12 independent directors out of 16, the Board has satisfied its objective that at least two-thirds of the Board should consist of independent directors. For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with GE. The Board has established guidelines to assist it in determining director independence, which conform to, or are more exacting than, the independence requirements in the New York Stock Exchange listing standards. In addition to applying these guidelines, which are set forth in Section 4 of our Governance Principles and attached as Appendix B to this proxy statement, the Board will consider all relevant facts and circumstances in making an independence determination. The independent directors are named above under Election of Directors.

In the course of the Board s determination regarding the independence of each non-management director, it considered any transactions, relationships and arrangements as required by the company s independence guidelines. In particular, with respect to each of the most recent three completed fiscal years, the Board evaluated for:

- each of directors Gonzalez, Lafley and Lane, the annual amount of sales to GE by the company where he serves as an executive officer, and purchases by that company from GE, and determined that the amount of sales and the amount of purchases in each fiscal year was below one percent of the annual revenues of each of those companies;

- director Jung, (1) the annual amount of purchases from GE by the company where she serves as an executive officer, and determined that the amount of purchases in each fiscal year was below one percent of the annual revenues of that company, and (2) the total amount of that company s indebtedness to GE, and determined that the amount of indebtedness was below one percent of that company s total consolidated assets;

- director Hockfield, the annual amount of sales to GE by a company where one of her immediate family members serves as an executive officer, and determined that the amount of sales in each fiscal year was below one percent of the annual revenues of that company; and

- director Lazarus, the annual amount of sales to GE by the company where she serves as an executive officer, and determined that the amount of sales in each fiscal year was below one percent of the annual revenues of that company.

In addition, with respect to directors Cash, Fudge, Gonzalez, Hockfield, Jung, Lafley, Lane, Larsen, Lazarus, Nunn, Swieringa and Warner, the Board considered the amount of GE s discretionary charitable contributions to charitable organizations where he or she serves as an executive officer, director or trustee, and determined that GE s contributions constituted less than the greater of $200,000 or one percent of the charitable organization s annual consolidated gross revenues during the organization s last completed fiscal year.

All members of the Audit, Management Development and Compensation, and Nominating and Corporate Governance Committees must be independent directors as defined by the Board s Governance Principles. Members of the Audit Committee must also satisfy a separate Securities and Exchange Commission (SEC) independence requirement, which provides that they may not accept directly or indirectly any consulting, advisory or other compensatory fee from GE or any of its subsidiaries other than their directors compensation. As a policy matter, the Board has determined to apply a separate, heightened independence standard to members of both the Management Development and Compensation Committee and the Nominating and Corporate Governance Committee. No member of either committee may be a partner, member or principal of a law firm, accounting firm or investment banking firm that accepts consulting or advisory fees from GE or any of its subsidiaries.

Code of Conduct. All directors, officers and employees of GE must act ethically at all times and in accordance with the policies comprising GE s code of conduct set forth in the company s integrity manual, *The Spirit & The Letter,* which is published on GE s website at *www.ge.com/files/usa/citizenship/pdf/english.pdf* and which is available in print to any shareowner upon request. Under the Board s Governance Principles, the Board will not permit any waiver of any ethics policy for any director or executive officer. Amendments to the code related to certain matters will be published on the GE website as required under SEC rules, at *www.ge.com.* If an actual or potential conflict of interest arises for a director, the director will promptly inform the CEO and the presiding director. If a significant conflict exists and cannot be

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resolved, the director should resign. All directors are required to recuse themselves from any discussion or decision affecting their personal, business or professional interests.

Communicating Concerns to Directors. The Audit Committee and the non-management directors have established procedures to enable anyone who has a concern about GE s conduct or policies, or any employee who has a concern about the company s accounting, internal accounting controls or auditing matters, to communicate that concern directly to the Board, to the presiding director, to the non-management directors or to the Audit Committee. Such communications may be confidential or anonymous, and may be e-mailed, submitted in writing or reported by phone to special addresses and a toll-free phone number that are published on GE s website at *www.ge.com/en/citizenship/govcomp/contact.htm.* All such communications are promptly reviewed by GE s ombudsperson, and any concerns relating to accounting, internal accounting controls, auditing or officer conduct are sent immediately to the presiding director and to the chair of the Audit Committee. The status of all outstanding concerns addressed to the Board, the non-management directors, the presiding director or the Audit Committee is reported to the presiding director and the chair of the Audit Committee on a quarterly basis. The company s code of conduct prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern.

Voting Standards for the Election of Directors; Charter and Bylaw Amendments. Currently, directors are elected by a plurality vote. In this proxy statement, the company is seeking shareowner approval of an amendment to its certificate of incorporation requiring majority vote for the election of directors in non-contested elections, which is further described on page 38. If shareowners approve the amendment to the certificate of incorporation, the company will also amend its bylaws to conform its director resignation policy to the majority vote standard, so that an incumbent director who did not receive the requisite affirmative majority of the votes cast for his or her re-election would be required to tender his or her resignation to the Board. Under New York law, an incumbent director who is not re-elected may remain in office until his or her successor is elected or qualified, continuing as a holdover director until his or her position is filled by a subsequent shareowner vote or his or her earlier resignation or removal by a shareowner vote. The Board then will decide, through a process managed by the Nominating and Corporate Governance Committee and excluding the nominee in question, whether to accept the resignation at its next regularly scheduled meeting. The Board s explanation of its decision will be promptly disclosed on Form 8-K filed with the SEC. In addition, the company will amend its bylaws to implement an advance notice provision requiring that the company receive notice of a shareowner nominee or shareowner proposal in advance of a shareowners meeting in order for the matter to be voted on at that meeting. The bylaw amendments will be approved by Board action, and the charter and bylaw amendments will be disclosed on Form 8-K filed with the SEC.

Board of Directors and Committees

Our Board of Directors currently consists of 16 directors. Ralph S. Larsen is the Board s presiding director, whose responsibilities include those matters discussed in the Board s Governance Principles.

The Board held 10 meetings during 2006. No member attended fewer than 75% of the Board meetings or committee meetings on which the member sits. It is the Board s policy that the directors should attend our Annual Meeting of Shareowners absent exceptional cause. All of the directors then on the Board attended the 2006 Annual Meeting.

The Board has adopted written charters for each of its four standing committees: the Audit Committee, the Management Development and Compensation Committee, the Nominating and Corporate Governance Committee and the Public Responsibilities Committee. The Board has determined that all members of the Audit, Management Development and Compensation, and Nominating and Corporate Governance Committees are independent and satisfy the relevant SEC or GE additional independence requirements for the members of such committees.

Audit Committee. The members of the Audit Committee are directors Warner, who chairs the committee, Cash, Gonzalez, Lane and Swieringa. The Board has determined that Messrs. Gonzalez, Lane, Swieringa and Warner are audit committee financial experts, as defined under SEC rules. The Board has also determined that although Mr. Gonzalez currently sits on the audit committees of more than three public companies, these relationships do not impair his ability to serve effectively on GE s Audit Committee. This committee is primarily concerned with the integrity of the company s financial statements, the company s compliance with legal and regulatory requirements, the independence and qualifications of the independent auditor and the performance of the company s internal audit function and independent auditor. Its duties include: (1) selecting and overseeing the independent auditor; (2) reviewing the scope of the audit to be conducted by them, as well as the results of their audit; (3) overseeing our financial reporting activities, including our annual report, and the accounting standards and principles followed;

(4) approving audit and non-audit services provided to the company by the independent auditor; (5) reviewing the organization and scope of our internal

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audit function and our disclosure and internal controls; (6) reviewing, approving and ratifying transactions with related persons required to be disclosed under SEC rules; and (7) conducting other reviews relating to compliance by employees with GE policies and applicable laws. The Audit Committee met 15 times during 2006. The committee s report begins on page 36.

Management Development and Compensation Committee. The members of the Management Development and Compensation Committee are directors Larsen, who chairs the committee, Gonzalez, Jung, Nunn and Warner. This committee has two primary responsibilities: (1) to establish, review and approve CEO compensation and to review and approve other senior executive compensation; and (2) to monitor our management resources, structure, succession planning, development and selection process as well as the performance of key executives. It also oversees the GE 1990 Long-Term Incentive Plan and the Incentive Compensation Plan and any other compensation and stock-based plans. This committee met eight times during 2006. The committee s report begins on page 20. Additional information on the committee s processes and procedures for consideration of executive compensation are addressed in the Compensation Discussion and Analysis below.

Nominating and Corporate Governance Committee. The members of the Nominating and Corporate Governance Committee are directors Gonzalez, who chairs the committee, Hockfield, Jung, Lafley, Larsen, Lazarus and Warner. This committee s responsibilities include the selection of director nominees for the Board and the development and review of our Governance Principles. The committee also annually reviews director compensation and benefits; oversees the annual self-evaluations of the Board and its committees, as well as director performance and board dynamics; and makes recommendations to the Board concerning the structure and membership of the board committees. This committee held three meetings during 2006.

This committee will consider all shareowner recommendations for candidates for the Board, which should be sent to the Nominating and Corporate Governance Committee, c/o Brackett B. Denniston III, Secretary, General Electric Company, 3135 Easton Turnpike, Fairfield, Connecticut 06828. The general qualifications and specific qualities and skills established by the committee for directors are set forth in Section 3 of the Board s Governance Principles. In addition to considering candidates suggested by shareowners, the committee considers candidates recommended by current directors, company officers, employees and others. The committee screens all candidates in the same manner regardless of the source of the recommendation. The committee s review is typically based on any written materials provided with respect to the candidate. The committee determines whether the candidate meets the company s general qualifications and specific qualities and skills for directors and whether requesting additional information or an interview is appropriate.

Public Responsibilities Committee. The members of the Public Responsibilities Committee are directors Nunn, who chairs the committee, Cash, Castell, Fudge, Hockfield, Immelt, Lazarus, Penske and Wright. The purpose of the committee is to review and oversee GE positions on corporate social responsibilities and public issues of significance that affect investors and other key GE stakeholders. The committee met four times last year.

Meetings of Non-management Directors. The non-management directors met without any management directors or employees present three times last year. The presiding director, who is also the chair of the Management Development and Compensation Committee, chairs these meetings.

Compensation Discussion and Analysis

Overview

The goal of our named executive officer compensation program is the same as our goal for operating the company to create long-term value for our shareowners. Toward this goal, we have designed and implemented our compensation programs for our named executives to reward them for sustained financial and operating performance and leadership excellence, to align their interests with those of our shareowners and to encourage them to remain with the company for long and productive careers. Most of our compensation elements simultaneously fulfill one or more of our performance, alignment and retention objectives. These elements consist of salary and annual bonus, equity incentive compensation, a long-term performance program driven by the achievement of objective financial performance criteria, contingent earnings on deferred salary, retirement and other benefits. In deciding on the type and amount of compensation for each executive, we focus on both current pay and the opportunity for future compensation. We combine the compensation elements for each executive in a manner we believe optimizes the executive s contribution to the company.

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Compensation Objectives

Performance. Our five executives who are identified in the Summary Compensation Table on page 21 (whom we refer to as our named executives) have a combined total of 137 years with GE, during which they have held different positions and been promoted to increasing levels of responsibility. The amount of compensation for each named executive reflects his superior management experience, continued high performance and exceptional career of service to the company over a long period of time. Key elements of compensation that depend upon the named executive s performance include:

- a discretionary cash bonus that is based on an assessment of his performance against pre-determined quantitative and qualitative measures within the context of the company s overall performance;

- equity incentive compensation in the form of stock options, restricted stock units (RSUs) and performance share units (PSUs), the value of which is contingent upon the performance of the GE share price or other performance criteria, and subject to vesting schedules that require continued service with the company; and

- a long-term performance award program (LTPA) that is contingent upon achieving four specific financial goals for the overall company, over a three-year period.

Base salary and bonus are designed to reward annual achievements and be commensurate with the executive s scope of responsibilities, demonstrated leadership abilities, and management experience and effectiveness. Our other elements of compensation focus on motivating and challenging the executive to achieve superior, longer-term, sustained results.

Alignment. We seek to align the interests of the named executives with those of our investors by evaluating executive performance on the basis of key financial measurements which we believe closely correlate to long-term shareowner value, including revenue, organic revenue, operating profit, earnings per share, operating margins, return on total equity or total capital, cash flow from operating activities and total shareholder return. Key elements of compensation that align the interests of the named executives with shareowners include:

- equity incentive compensation, which links a significant portion of compensation to shareowner value because the total value of those awards corresponds to stock price appreciation and dividend rate, and in the case of PSUs, meeting company performance goals;

- the LTPA, which focuses on the growth of earnings per share, revenue, return on total capital and cash generated as key financial measurements and goals that drive long-term shareowner value; and

- stock ownership and holding requirements, which require our senior executives to accumulate and hold GE stock equal in value to a multiple of their base salary at the time the executive becomes subject to this requirement, and to hold any shares they receive in connection with the exercise of stock options for at least a year.

Retention. Due to the exceptional management training and experience offered by careers with GE, our senior executives are often presented with other professional opportunities, including ones at potentially higher compensation levels. We attempt to retain our executives by using continued service as a determinant of total pay opportunity. Key elements of compensation that require continued service to receive any, or maximum, payout include:

- our supplemental retirement program, which does not entitle executives to any benefit unless they remain employed with the company to age 60;

the extended vesting terms on elements of equity incentive compensation, including stock options, RSUs and PSUs; and

the LTPA, which pays out only if the executive remains with the company for the entire three- year performance period.

Implementing Our Objectives

Determining Compensation. We rely upon our judgment in making compensation decisions, after reviewing the performance of the company and carefully evaluating an executive s performance during the year against established goals, leadership qualities, operational performance, business responsibilities, career with the company, current compensation arrangements and long-term potential to enhance shareowner value. Specific factors affecting compensation decisions for the named executives include:

key financial measurements such as revenue, organic revenue, operating profit, earnings per share, operating margins, return on total equity or total capital, cash flow from operating activities and total shareholder return;

strategic objectives such as acquisitions, dispositions or joint ventures, technological innovation and globalization;

promoting commercial excellence by launching new or continuously improving products or services, being a leading market player and attracting and retaining customers;

achieving specific operational goals for the company or particular business led by the named executive, including improved productivity, simplification, risk management, and portfolio management;

achieving excellence in their organizational structure and among their employees; and

supporting GE values by promoting a culture of unyielding integrity through compliance with law and our ethics policies, as well as commitment to community leadership and diversity.

We generally do not adhere to rigid formulas or necessarily react to short-term changes in business performance in determining the amount and mix of compensation elements. We rely on the formulaic achievement of financial goals in only two instances: the four specific measurements that form the basis for payments under the LTPA and the performance targets of the PSUs granted to our CEO. We consider competitive market compensation paid by other companies, such as the Dow 30 companies, but we do not attempt to maintain a certain target percentile within a peer group or otherwise rely on those data to determine executive compensation. We incorporate flexibility into our compensation programs and in the assessment process to respond to and adjust for the evolving business environment.

We strive to achieve an appropriate mix between equity incentive awards and cash payments in order to meet our objectives. Any apportionment goal is not applied rigidly and does not control our compensation decisions; we use it as another tool to assess an executive s total pay opportunities and whether we have provided the appropriate incentives to accomplish our compensation objectives. Our mix of compensation elements is designed to reward recent results and motivate long-term performance through a combination of cash and equity incentive awards. We also seek to balance compensation elements that are based on financial, operational and strategic metrics with others that are based on the performance of GE shares. We believe the most important indicator of whether our compensation objectives are being met is our ability to motivate our named executives to deliver superior performance and retain them to continue their careers with GE on a cost-effective basis.

No Employment and Severance Agreements. Our named executives do not have employment, severance or change-of-control agreements. Our named executives serve at the will of the Board, which enables the company to terminate their employment with discretion as to the terms of any severance arrangement. This is consistent with the company s performance-based employment and compensation philosophy. In addition, our policies on employment, severance and retirement arrangements help retain our executives by subjecting to forfeiture significant elements of compensation that they have accrued over their careers at GE if they leave the company prior to retirement.

Role of MDCC and CEO. The Management Development and Compensation Committee of our Board (the MDCC) has primary responsibility for assisting the Board in developing and evaluating potential candidates for executive positions, including the CEO, and for overseeing the development of executive succession plans. As part of this responsibility, the MDCC oversees the design, development and implementation of the compensation program for the CEO and the other named executives. The MDCC evaluates the performance of the CEO and determines CEO compensation in light of the goals and objectives of the compensation program. The CEO and the MDCC together assess the performance of the other named executives and determine their compensation, based on initial recommendations from the CEO.

Our CEO and the senior vice president, human resources, assist the MDCC in reaching compensation decisions with respect to the named executives other than the CEO. The other named executives do not play a role in their own compensation determination, other than discussing individual performance objectives with the CEO.

Role of Compensation Consultant. Neither the company nor the MDCC has any contractual arrangement with any compensation consultant who has a role in determining or recommending the amount or form of senior executive or director compensation. Periodically, the company, through its human resources department, and the MDCC have discussed with Frederic W. Cook & Co., Inc. the design of programs that affect senior executive officer compensation. The company s named executives have not participated in the selection of any particular compensation consultant. Mr. Cook provides market intelligence on compensation trends along with his general views on specific compensation programs designed by our human resources personnel and management, with the oversight of the committee. Each year, for a nominal fee, GE participates in Mr. Cook s annual long-term incentive survey as well as in similar surveys conducted by other well-known compensation consultants as a means of understanding external market practices. Except for the foregoing, the company does not receive any other services from Mr. Cook. The company has not used the services of any other compensation consultant in matters affecting senior executive or director compensation. In the future, either the company or the MDCC may engage or seek the advice of other compensation consultants.

Equity Grant Practices. The exercise price of each stock option awarded to our senior executives under our long-term incentive plan is the closing price of GE stock on the date of grant, which is the date of the September MDCC meeting at which equity awards for senior executives are determined. PSUs and RSUs are also granted to our named executives at this meeting. Board and committee meetings are generally scheduled at least a year in advance. Scheduling decisions are made without regard to anticipated earnings or other major announcements by the company. We prohibit the repricing of stock options.

Share Ownership Guidelines. We require our named executives and other senior executives to own specified amounts of GE stock. The number of shares of GE stock that must be held is set at a multiple of the executive s base salary rate as of September 2002, when the Board adopted this requirement. For executives elected after September 2002, the number of shares depends upon their base salary effective with their promotion to a senior executive officer position. The ownership requirement is based upon the executive s position within the company the CEO has a 6X multiple, the Vice Chairmen have a 5X multiple and senior vice presidents have a 4X multiple. Individual and joint holdings of GE stock with immediate family members, including those shares held in the company s 401(k) plan and any deferred compensation accounts, count toward the guidelines. As of February 1, 2007, the named executives on average exceed their minimum stock ownership requirement by 188%.

In addition, our senior executives, including our named executives, are required to hold for at least one year any net shares of GE stock that they receive through the exercise of stock options. For this purpose, net shares means the number of shares obtained by exercising stock options, less the number of shares the executive sells to pay the exercise price, withholding taxes and any applicable brokerage commissions. The named executives stock ownership is shown in the Information on Stock Ownership Table on page 35. We prohibit short sales on GE stock, or the purchase or sale of options, puts, calls, straddles, equity swaps or other derivative securities that are directly linked to GE stock, by our named executives.

Tax Deductibility of Compensation. Section 162(m) of the Internal Revenue Code of 1986, as amended, imposes a $1 million limit on the amount that a public company may deduct for compensation paid to the company s CEO or any of the company s four other most highly compensated executive officers who are employed as of the end of the year. This limitation does not apply to compensation that meets the requirements under Section 162(m) for qualifying performance-based compensation (i.e., compensation paid only if the individual s performance meets pre-established objective goals based on performance criteria approved by shareowners). For 2006, the grants of stock options, RSUs and PSUs and the payments of annual bonuses and long-term performance awards were designed to satisfy the requirements for deductible compensation.

As required under the tax rules, the company must obtain shareowner approval every five years of the material terms of the performance goals for qualifying performance-based compensation, including annual bonuses, RSUs and the LTPA. We last received approval in 2002, and are again seeking shareowner approval as further described on page 42.

Potential Impact on Compensation from Executive Misconduct. If the Board determines that an executive officer has engaged in fraudulent or intentional misconduct, the Board would take action to remedy the misconduct, prevent its recurrence, and impose such discipline on the wrongdoers as would be appropriate. Discipline would vary depending on the facts and circumstances, and may include, without limit, (1) termination of employment, (2) initiating an action for breach of fiduciary duty, and (3) if the misconduct resulted in a significant restatement of the company s financial results, seeking reimbursement of any portion of performance-based or incentive compensation paid or awarded to the executive that is greater than would have been paid or awarded if calculated based on the restated financial results. These remedies would be in addition to, and not in lieu of, any actions imposed by law enforcement agencies, regulators or other authorities.

Elements Used to Achieve Compensation Objectives

Annual cash compensation

Base salary. Base salaries for our named executives depend on the scope of their responsibilities, their performance, and the period over which they have performed those responsibilities. Decisions regarding salary increases take into account the executive s current salary and the amounts paid to the executive s peers within and outside the company. Base salaries are reviewed approximately every 18 months, but are not automatically increased if the MDCC believes that other elements of compensation are more appropriate in light of our stated objectives. This strategy is consistent with the company s primary intent of offering compensation that is contingent on the achievement of performance objectives.

Bonus. Each December the CEO reviews with the MDCC the company s estimated full-year financial results against the financial, strategic and operational goals established for the year, and the company s financial performance in prior periods. Based on that review, the MDCC determines on a preliminary basis, and as compared to the prior year, an

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estimated appropriation to provide for the payment of cash bonuses to employees. Each GE business then receives an allocation for making individual award recommendations based on an assessment of that business s financial, strategic and operating results for the year. After reviewing the final full year results the following February, the MDCC and the Board approve total bonuses to be awarded from the maximum fund available. Bonuses are paid in February.

The MDCC, with input from the CEO with respect to the other named executives, uses discretion in determining for each individual executive the current year s bonus and the percent change from the prior year s bonus. They evaluate the overall performance of the company, the performance of the business or function that the named executive leads and an assessment of each executive s performance against expectations, which were established at the beginning of the year. The bonuses also reflect (and are proportionate to) the consistently increasing and sustained annual financial results of the company. We believe that the annual bonus rewards the high-performing executives who drive these results and incents them to sustain this performance over a long GE career.

The salaries paid and the annual bonuses awarded to the named executives in 2006 are discussed below and shown in the Summary Compensation Table on page 21.

Equity awards

Stock options and RSUs. The company s equity incentive compensation program is designed to recognize scope of responsibilities, reward demonstrated performance and leadership, motivate future superior performance, align the interests of the executive with our shareowners and retain the executives through the term of the awards. We consider the grant size and the appropriate combination of stock options and RSUs when making award decisions. The amount of equity incentive compensation granted in 2006 was based upon the strategic, operational and financial performance of the company overall and reflects the executives expected contributions to the company s future success. Existing ownership levels are not a factor in award determination, as we do not want to discourage executives from holding significant amounts of GE stock.

We have expensed stock option grants under Statement of Financial Accounting Standards 123, Share-Based Payment (SFAS 123) since 2002, and adopted SFAS 123, as revised, in 2004 (SFAS 123R) beginning in 2006. When determining the appropriate combination of stock options and RSUs, our goal is to weigh the cost of these grants with their potential benefits as a compensation tool. We believe that providing combined grants of stock options and RSUs effectively balances our objective of focusing the named executives on delivering long-term value to our shareowners, with our objective of providing value to the executives with the equity awards. Stock options only have value to the extent the price of GE stock on the date of exercise exceeds the exercise price on grant date, and thus are an effective compensation element only if the stock price grows over the term of the award. In this sense, stock options are a motivational tool. Unlike stock options, RSUs offer executives the opportunity to receive shares of GE stock on the date the restriction lapses. In this regard, RSUs serve both to reward and retain executives, as the value of the RSUs is linked to the price of GE stock on the date the RSU lapses. In order to better balance upside potential with volatility, we have determined that the total number of shares of GE stock awarded should be divided equally between stock options and RSUs, with stock options converting to RSUs on a 3-to-1 basis. From time to time as an additional incentive to continue their superior performance and service with GE, we also grant our senior executives RSUs under the company s RSU Career Retention Program. None of the named executives received any such grants in 2006.

Other than the CEO, each of the named executives received grants of stock option and RSU awards in 2006. The stock options granted become exercisable in five equal annual installments beginning one year after the grant date and have a maximum ten-year term. We believe that this vesting schedule aids the company in retaining executives and motivating longer-term performance. Provided the executives continue employment, half of the RSUs granted to our executives will vest and convert into shares of GE stock after three years from the date of grant, with the remaining half vesting five years from the date of grant. During the restricted period, each RSU entitles the executive to receive quarterly payments from the company equal to the quarterly dividends on one share of GE stock, thereby recognizing both the current income generation and future change in stock price consistent with GE shareowners. Under the terms of the company s long-term incentive plan, unvested stock options and RSUs are forfeited if the executive voluntarily leaves GE, and are generally vested if the executive reaches age 60 and retires prior to the scheduled vesting.

PSUs. Since 2003, we have compensated the CEO with PSUs in lieu of any other equity incentive compensation because the MDCC and the CEO believe that the CEO s equity incentive compensation should be fully at risk and based on key performance measures that are aligned with investors. The receipt of shares underlying PSUs is determined entirely by the performance of the company against two key metrics: an internal metric that measures the cash-producing capability of the company and an external metric that measures the performance of the company against a broad market index.

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PSUs will convert into shares of GE stock at the end of the five-year performance period only if the specified performance objectives have been achieved. Half of the PSUs will convert into shares of GE stock only if GE s cash flow from operating activities, adjusted to exclude the effect of unusual events, has grown an average of 10% or more per year over the five-year performance period. Otherwise, they will be cancelled. The remaining PSUs will convert into shares of GE stock only if GE s total shareowner return meets or exceeds that of the S&P 500 over the five-year performance period. Otherwise, they will be cancelled. For this purpose, total shareowner return for the PSUs awarded in September 2006 means the cumulative total return on GE stock and the S&P 500 index, respectively, from December 31, 2005 to December 31, 2010, calculated in the same manner as the five-year performance graph shown in our Form 10-K filed with the SEC.

For PSUs granted before September 2006, during the performance period each PSU entitles the CEO to receive quarterly payments from the company equal to the quarterly dividends on one share of GE stock. Beginning with PSUs granted in September 2006, GE will accumulate dividend equivalents equal to the quarterly dividends on one share of GE stock. Mr. Immelt is entitled to receive those dividend equivalents (without interest) only on shares he actually earns at the end of the performance period based upon satisfaction of the performance targets. If Mr. Immelt leaves GE prior to the end of the performance period, the PSUs and dividend accruals will be forfeited.

The number of PSUs granted to our CEO, and the number of stock options and RSUs granted to our other named executives in 2006, and the value of those awards determined in accordance with SFAS 123R, are shown in the Grants of Plan-Based Awards Table on page 23.

Other elements

LTPA. Beginning in 1994, contingent long-term performance awards have been granted every three years to our senior executive officers and other select leaders. These awards provide a strong incentive for achieving specified financial performance goals that the company considers to be consistent with our business strategy and important contributors to long-term shareowner value. While the plan under which these awards are granted allows for them to be settled in stock, we believe paying these awards in cash appropriately balances the cash and equity components of long-term compensation opportunities and is an excellent way to reward the attainment of these performance objectives. These long-term performance awards also encourage retention as they are subject to forfeiture if the executive s employment terminates for any reason other than death, disability or retirement before the end of the performance period.

In March 2006, we granted contingent long-term performance awards that will be payable in 2009 only if the company achieves, on an overall basis for the three-year 2006 2008 period, specified goals based on four equally weighted business measurements. These business measurements are: (a) average earnings per share growth rate; (b) average revenue growth rate; (c) cumulative return on total capital; and (d) cumulative cash flow from operating activities. The MDCC adopted these performance goals because we believe they are key indicators of our financial and operational success and are key drivers of long-term shareowner value. Measurement of business results against the goals is adjusted to exclude the effect of pension costs on income as well as to account for the effects of unusual events.

Awards will be paid based on achieving threshold, target or maximum levels for any of the four measurements. For example, the named executives will receive only one-quarter of the threshold payment if the company, at the end of the three-year period, satisfies only a single threshold goal for a single measurement. We set the goals at levels that reflected our internal, confidential business plan at the time the awards were established. These goals are within the ranges we have publicly disclosed to date for 2006 and 2007, and accordingly require a high level of financial performance over the three-year period to be achieved. As was the case with the awards granted for the 2003 to 2005 performance period, with payouts disclosed in the 2006 proxy statement, the goals for the 2006 to 2008 performance period are challenging but achievable.

The awards are based on a multiple of the named executive s base salary in effect in February 2006 and the annual bonus awarded in February 2006 for the 2005 period. The potential payment in 2009 as a multiple of salary and bonus at February 2006, for each named executive, is .75X at threshold, 1.50X at target and 2.00X at maximum. The amount of potential payouts, assuming all four measurements are met at either threshold, target or maximum levels over the three-year period, are indicated in the Grants of Plan-Based Awards Table on page 23.

Deferred Compensation. The company has offered both a periodic deferred salary plan and an annual deferred bonus plan with only the deferred salary plan providing the payment of an above-market rate of interest as defined by the SEC. These plans are available to approximately 4,000 eligible employees in the company who are subject to U.S. federal

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income taxes. They are intended to promote retention by providing a long-term savings opportunity on a tax-efficient basis. A deferred salary plan has been offered every three years and is viewed as a strong retention tool for our eligible executives because they generally must remain with the company for at least five years from the time of deferral to receive any interest on deferred balances. Individuals who are named executives at the time a salary deferral plan is initiated will not be offered the opportunity to participate. Accordingly, Messrs. Immelt and Wright did not participate in the 2006 deferred salary plan. The deferred bonus plan allows executives to defer up to 100% of their annual bonus in GE stock units, S&P 500 index units or cash units. Under this plan, payouts will commence following termination of employment. As no above-market rates are earned on any of the deferred bonus, earnings on those deferrals are not shown in the Summary Compensation Table. Several named executives have elected to defer both salary and bonus over their long careers at GE and have therefore accumulated the deferred compensation amounts shown in the Nonqualified Deferred Compensation Table on page 30. The amounts deferred are unfunded and unsecured obligations of the company, receive no preferential standing, and are subject to the same risks as any of the company s other general obligations.

Pension Plans. An important retention tool is the company s pension plans. We balance the effectiveness of these plans as a compensation and retention tool with the cost to the company of providing them. The company provides annual retirement benefits under the GE Pension Plan, the GE Supplementary Pension Plan and the GE Excess Benefit Plan. The GE Pension Plan is a broad-based tax-qualified plan under which employees generally are eligible to retire with unreduced benefits at age 60 or later.

The company also offers the GE Supplementary Pension Plan to approximately 4,000 eligible employees, including the named executives, to increase their retirement benefits above amounts available under the GE Pension Plan. Unlike the GE Pension Plan, the Supplementary Pension Plan is an unfunded, unsecured obligation of the company and is not qualified for tax purposes. The benefit formula under these plans is described in the Pension Benefits Table on page 28. The Supplementary Pension Plan is a strong retention tool because executives are generally not eligible for such benefits if they leave the company prior to reaching age 60.

Other Compensation. We provide our named executives with other benefits, reflected in the All Other Compensation column in the Summary Compensation Table on page 21, that we believe are reasonable, competitive and consistent with the company s overall executive compensation program. We believe that these benefits generally allow our executives to work more efficiently and in the case of the tax and financial counseling services program, help them to optimize the value received from all of the compensation and benefit programs offered. The costs of these benefits constitute only a small percentage of each named executive s total compensation, and include premiums paid on life insurance policies and company contributions to deferred salary and bonus accounts. We also provide the following: use of a car leased by the company; use of car services; installation and maintenance of home security systems; financial counseling and tax preparation services with an associated tax gross-up; GE appliances and lighting products provided in connection with the Executive Products and Lighting Program; company match on charitable donations above what is offered to other employees and annual physical examinations. In addition, these executives may use company aircraft for personal travel on a limited basis.

Pursuant to