PROXY PAPER

GENERAL ELECTRIC COMPANY

NYSE: **GE**

ISIN: **US3696041033**

MEETING DATE: 04 MAY 2021

RECORD DATE: 08 MARCH 2021

PUBLISH DATE: 15 APRIL 2021

INDEX MEMBERSHIP: S&P 100; S&P 500; S&P GLOBAL 100; RUSSELL 1000; RUSSELL 3000; DOW JONES COMPOSITE AVERAGE

SECTOR: INDUSTRIALS

INDUSTRY: INDUSTRIAL CONGLOMERATES

COUNTRY OF TRADE: UNITED STATES

COUNTRY OF INCORPORATION: UNITED STATES

HEADQUARTERS: MASSACHUSETTS

VOTING IMPEDIMENT: NONE

COMPANY DESCRIPTION

General Electric Company operates as a high-tech industrial company in the United States, Europe, Asia, the Americas, the Middle East, and Africa. It operates through Power, Renewable Energy, Aviation, Healthcare, and Capital segments.

2021 ANNUAL MEETING

PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Election of Directors	FOR	**FOR**	
1.01	Elect Sébastien Bazin	FOR	**FOR**	
1.02	Elect Ashton B. Carter	FOR	**FOR**	
1.03	Elect H. Lawrence Culp, Jr.	FOR	**FOR**	
1.04	Elect Francisco D'Souza	FOR	**FOR**	
1.05	Elect Edward P. Garden	FOR	**FOR**	
1.06	Elect Thomas W. Horton	FOR	**FOR**	
1.07	Elect Risa Lavizzo-Mourey	FOR	**FOR**	
1.08	Elect Catherine Lesjak	FOR	**FOR**	
1.09	Elect Paula Rosput Reynolds	FOR	**FOR**	
1.10	Elect Leslie F. Seidman	FOR	**FOR**	
1.11	Elect James S. Tisch	FOR	**FOR**	
2.00	Advisory Vote on Executive Compensation	FOR	**AGAINST**	• **Excessive granting practices in light of COVID-19**
3.00	Ratification of Auditor	FOR	**FOR**	
4.00	Reverse Stock Split	FOR	**FOR**	
5.00	Shareholder Proposal Regarding Double Board Nominees	AGAINST	**AGAINST**	
6.00	Shareholder Proposal Regarding Independent Chair	AGAINST	**FOR**	• **An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda**
7.00	Shareholder Proposal Regarding Climate Action 100+ Net Zero Indicator	FOR	**FOR**	

ENGAGEMENT ACTIVITIES

Glass Lewis held the following engagement meetings within the past year:

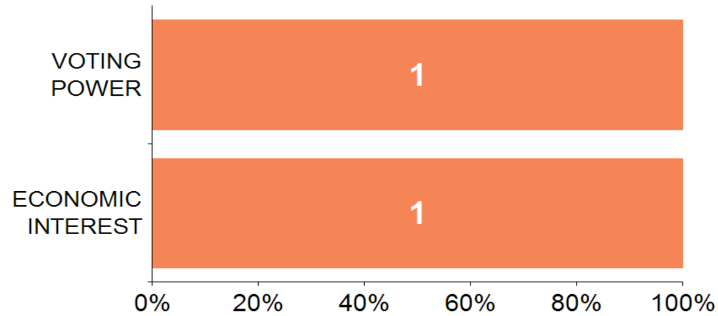
ENGAGED WITH	MEETING DATE	ORGANIZER	TYPE OF MEETING	TOPICS DISCUSSED
Issuer	06 November 2020	Issuer	Teleconference/Web-Meeting	Board-Related, Compensation/Remuneration, Environmental and Social
SHP Proponent	17 February 2021	Shareholder Proposal Proponent	Teleconference/Web-Meeting	Environmental and Social, Shareholder Proposal
Issuer	09 March 2021	Issuer	Teleconference/Web-Meeting	Compensation/Remuneration

For further information regarding our engagement policy, please visit http://www.glasslewis.com/engagement-policy/.

SHARE BREAKDOWN

	1
SHARE CLASS	Common Stock
SHARES OUTSTANDING	8,784.7 M
VOTES PER SHARE	1
INSIDE OWNERSHIP	0.20%
STRATEGIC OWNERS**	0.30%
FREE FLOAT	99.70%

SOURCE CAPITAL IQ AND GLASS LEWIS. AS OF 14-APR-2021



TOP 20 SHAREHOLDERS

	HOLDER	OWNED*	COUNTRY	INVESTOR TYPE
1.	T. Rowe Price Group, Inc.	7.76%	United States	Traditional Investment Manager
2.	The Vanguard Group, Inc.	7.36%	United States	Traditional Investment Manager
3.	BlackRock, Inc.	6.45%	United States	Traditional Investment Manager
4.	FMR LLC	4.98%	United States	Traditional Investment Manager
5.	State Street Global Advisors, Inc.	3.97%	United States	Traditional Investment Manager
6.	Capital Research and Management Company	1.85%	United States	Traditional Investment Manager
7.	Geode Capital Management, LLC	1.47%	United States	Traditional Investment Manager
8.	Eagle Capital Management, LLC	1.42%	United States	Traditional Investment Manager
9.	Hotchkis and Wiley Capital Management, LLC	1.32%	United States	Hedge Fund Manager/CTA
10.	Northern Trust Global Investments	1.10%	United Kingdom	Traditional Investment Manager
11.	Pzena Investment Management, Inc	1.02%	United States	Traditional Investment Manager
12.	BNY Mellon Asset Management	0.83%	United States	Traditional Investment Manager
13.	Norges Bank Investment Management	0.75%	Norway	Government Pension Plan Sponsor
14.	UBS Asset Management	0.65%	Switzerland	Traditional Investment Manager
15.	Legal & General Investment Management Limited	0.62%	United Kingdom	Traditional Investment Manager
16.	Vulcan Value Partners LLC	0.59%	United States	Traditional Investment Manager
17.	Harris Associates L.P.	0.51%	United States	Traditional Investment Manager
18.	Allianz Asset Management AG	0.51%	Germany	Traditional Investment Manager
19.	Charles Schwab Investment Management, Inc.	0.50%	United States	Traditional Investment Manager
20.	Strategic Advisers, Inc	0.49%	United States	Traditional Investment Manager

**COMMON STOCK EQUIVALENTS (AGGREGATE ECONOMIC INTEREST) SOURCE: CAPITAL IQ. AS OF 14-APR-2021*
***CAPITAL IQ DEFINES STRATEGIC SHAREHOLDER AS A PUBLIC OR PRIVATE CORPORATION, INDIVIDUAL/INSIDER, COMPANY CONTROLLED FOUNDATION, ESOP OR STATE OWNED SHARES OR ANY HEDGE FUND MANAGERS, VC/PE FIRMS OR SOVEREIGN WEALTH FUNDS WITH A STAKE GREATER THAN 5%.*

SHAREHOLDER RIGHTS

	MARKET THRESHOLD	COMPANY THRESHOLD[1]
VOTING POWER REQUIRED TO CALL A SPECIAL MEETING	N/A	10.00%
VOTING POWER REQUIRED TO ADD AGENDA ITEM	1.00%[2]	1.00%[2]
VOTING POWER REQUIRED FOR WRITTEN CONSENT	N/A	100.00%

[1]N/A INDICATES THAT THE COMPANY DOES NOT PROVIDE THE CORRESPONDING SHAREHOLDER RIGHT.
[2]SHAREHOLDERS MUST OWN THE CORRESPONDING PERCENTAGE OR SHARES WITH MARKET VALUE OF AT LEAST $2,000 FOR AT LEAST ONE YEAR.

COMPANY PROFILE

FINANCIALS

	1 YR TSR	3 YR TSR AVG.	5 YR TSR AVG.
GE	*-2.7%*	*-12.6%*	*-16.8%*
S&P 500	*18.4%*	*14.2%*	*15.2%*
PEERS*	*9.9%*	*0.5%*	*0.3%*

MARKET CAPITALIZATION (MM USD)	94,607
ENTERPRISE VALUE (MM USD)	153,565
REVENUES (MM USD)	79,619

*ANNUALIZED SHAREHOLDER RETURNS. *PEERS ARE BASED ON THE INDUSTRY SEGMENTATION OF THE GLOBAL INDUSTRIAL CLASSIFICATION SYSTEM (GICS). FIGURES AS OF 31-DEC-2020. SOURCE: CAPITAL IQ*

EXECUTIVE COMPENSATION

CHANGE IN CEO PAY	1 YR	3 YR	5 YR
	198%	*1369%*	*173%*

SAY ON PAY FREQUENCY	*1 Year*	**COMPENSATION GRADE 2020**	*F*
GLASS LEWIS STRUCTURE RATING	*Fair*	**GLASS LEWIS DISCLOSURE RATING**	*Fair*
SINGLE TRIGGER CIC VESTING	*Yes*	**EXCISE TAX GROSS-UPS**	*No*
CLAWBACK PROVISION	*Yes*	**OVERHANG OF INCENTIVE PLANS**	*8.51%*

CORPORATE GOVERNANCE

ELECTION METHOD	*Majority w/ Resignation Policy*	**CEO START DATE**	*September 2018*
CONTROLLED COMPANY	*No*	**AVERAGE NED TENURE**	*4 years*
DUAL-CLASS VOTING	*No*	**% OF WOMEN ON BOARD**	*36.4%*
STAGGERED BOARD	*No*	**ALLOWS PROXY ACCESS**	*Yes*
COMBINED CHAIR/CEO	*Yes*	**VIRTUAL-ONLY MEETING**	*Yes*
INDIVIDUAL DIRECTOR SKILLS MATRIX DISCLOSED	*Yes*		

ANTI-TAKEOVER MEASURES

POISON PILL	*No*
APPROVED BY SHAREHOLDERS/EXPIRATION DATE	*N/A; N/A*

AUDITORS

AUDITOR: KPMG **TENURE:** 112 YEARS

MATERIAL WEAKNESS(ES) IDENTIFIED IN PAST 12 MONTHS	*No*
RESTATEMENT(S) IN PAST 12 MONTHS	*No*

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Electrical & Electronic Equipment

FINANCIALLY MATERIAL TOPICS:

- *Business Ethics*
- *Energy Management*
- *Product Safety*
- *Materials Sourcing*
- *Hazardous Waste Management*
- *Product Lifecycle Management*

COMPANY REPORTS TO SASB/EXTENT OF DISCLOSURE: No; Not Applicable

CURRENT AS OF APR 15, 2021

ENVIRONMENTAL, SOCIAL & GOVERNANCE PROFILE

ESG Risk Rating

Negligible	Low	Med	High	**Severe** ▼

All data and ratings provided by:

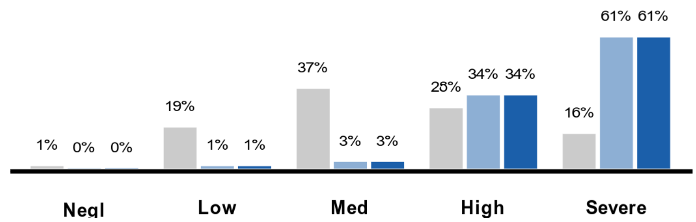
SUSTAINALYTICS

Data Received On: **April 03, 2021**

Rating Overview

The company is at severe risk of experiencing material financial impacts from ESG factors, due to its high exposure and average management of material ESG issues. Notably, its overall risk is higher since it is materially exposed to significantly more ESG issues than most companies in our universe. The company is noted for its strong corporate governance performance, which is reducing its overall risk. Despite its management policies and programmes, the company has experienced a high level of controversies.

ESG Risk Rating Distribution



Relative Performance

	Rank*	Percentile*
Global Universe	12192 of 13681	**89th**
Industrial Conglomerates (Industry Group)	40 of 108	**37th**
Conglomerates (Subindustry)	40 of 108	**37th**

** 1st = lowest risk*

Exposure to ESG Risk

Low	Medium	**High** ▼

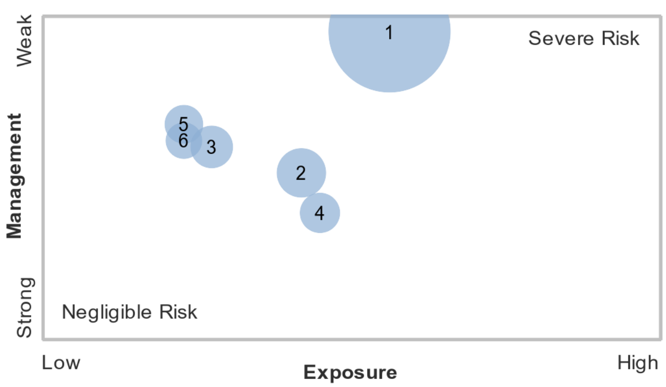
Management of ESG Risk

Strong	**Average** ▼	Weak

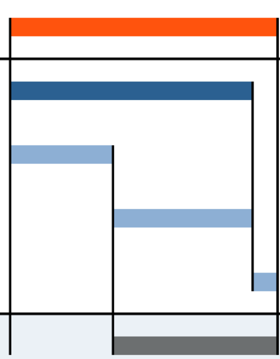
Top Material Issues

Top Material Issues	ESG Risk Rating
▲3 1 Business Ethics	Severe
▲3 2 Product Governance	Med
3 Resource Use	Low
4 Corporate Governance	Low
▲3 5 E&S Impact of Products and Services	Low
6 Data Privacy and Security	Low

▲ = *Noteworthy Controversy Level*



Risk Details



Exposure	
Company Exposure	The company's sensitivity or vulnerability to ESG risks.
Management	
Manageable Risk	Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
Managed Risk	Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.
Management Gap	Measures the difference between material ESG risk that could be managed by the company and what the company is managing.
Unmanageable Risk	Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.
ESG Risk Rating	
Overall Unmanaged Risk	Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

NOTEWORTHY CONTROVERSIES

SEVERE

The Event has a severe impact on the environment and society, posing serious business risks to the company. This category represents exceptional egregious corporate behavior, high frequency of recurrence of incidents, very poor management of ESG risks, and a demonstrated lack of willingness by the company to address such risks.

- **No severe controversies**

HIGH

The Event has a high impact on the environment and society, posing high business risks to the company. This rating level represents systemic and/or structural problems within the company, weak management systems and company response, and a recurrence of incidents.

- **No high controversies**

SIGNIFICANT

The Event has a significant impact on the environment and society, posing significant business risks to the company. This rating level represents evidence of structural problems in the company due to recurrence of incidents and inadequate implementation of management systems or the lack of.

- **Bribery and Corruption**
- **Weapons**
- **Quality and Safety**

NO PRODUCT INVOLVEMENT

Alcoholic Beverages | Oil Sands | Arctic Drilling | Genetically Modified Plants & Seeds | Pesticides | Adult Entertainment | Gambling | Tobacco | Controversial Weapons | Thermal Coal

* Range values represent the percentage of the Company"s revenue. N/A is shown where Sustainalytics captures only whether or not the Company is involved in the product.

DISCLAIMER

All data and ratings provided by:

SUSTAINALYTICS

https://www.sustainalytics.com/

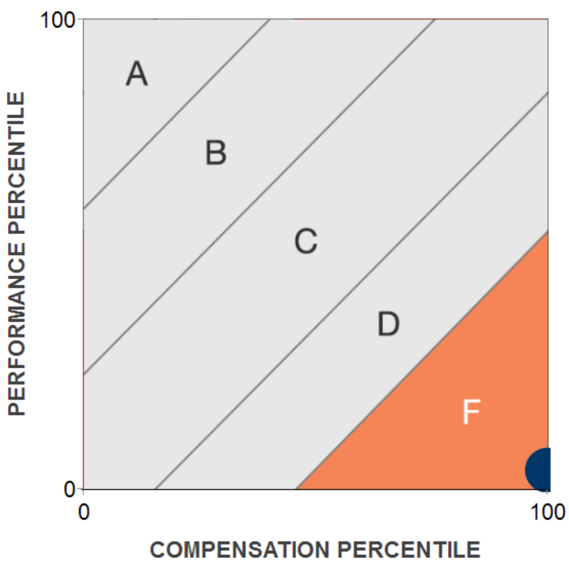
PAY-FOR-PERFORMANCE

General Electric Company's executive compensation received an **F** grade in our proprietary pay-for-performance model. The Company paid more compensation to its named executive officers than the median compensation for a group of companies selected based on Glass Lewis' peer group methodology and CGLytics' company data.The CEO was paid significantly more than the median CEO compensation of these peer companies. Overall, the Company paid significantly more than its peers, but performed significantly worse than its peers.

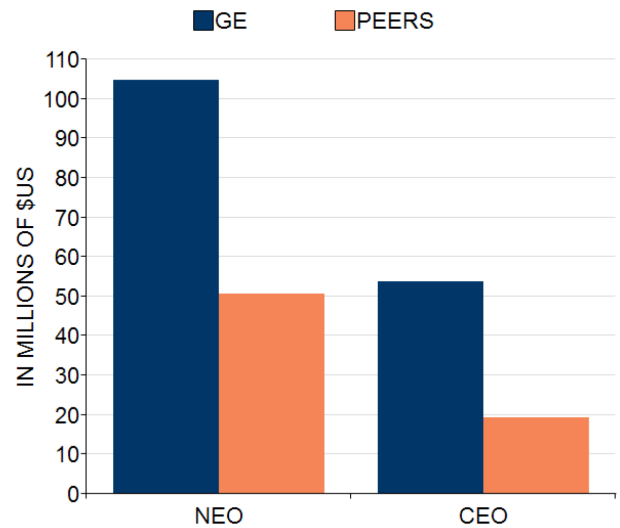
HISTORICAL COMPENSATION GRADE		
	FY 2020:	F
	FY 2019:	F
	FY 2018:	F

FY 2020 CEO COMPENSATION		
	SALARY:	$653,409
	GDFV EQUITY:	$74,710,015
	NEIP/OTHER:	$19,950
	TOTAL:	$75,383,374

FY 2020 PAY-FOR-PERFORMANCE GRADE



3-YEAR WEIGHTED AVERAGE COMPENSATION

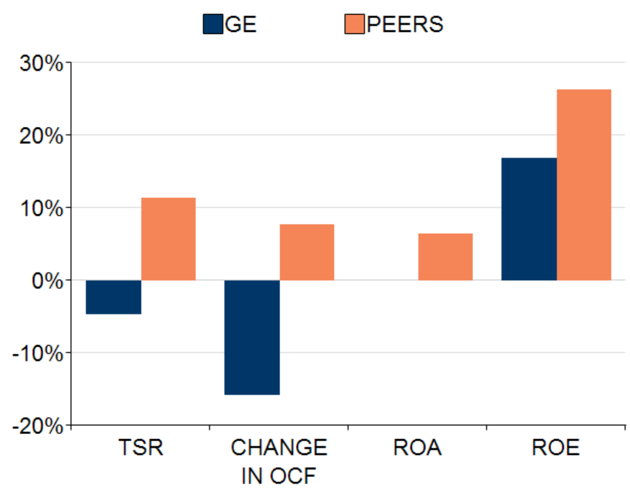


GLASS LEWIS PEERS VS PEERS DISCLOSED BY COMPANY

GLASS LEWIS	GE
Raytheon Technologies Corporation*	Abbott Laboratories
Honeywell International Inc.*	Medtronic plc
Lockheed Martin Corporation*	DuPont de Nemours, Inc.
Caterpillar Inc.*	Chevron Corporation
3M Company*	General Motors Company
International Business Machines Corporation*	Exxon Mobil Corporation
The Boeing Company*	United Parcel Service, Inc.
Deere & Company*	HP Inc.
General Dynamics Corporation*	Johnson Controls International plc
Northrop Grumman Corporation*	
Johnson & Johnson*	
Pepsico, Inc.	
Cisco Systems, Inc.*	
Ford Motor Company*	
Intel Corporation*	

ALSO DISCLOSED BY GE

SHAREHOLDER WEALTH AND BUSINESS PERFORMANCE

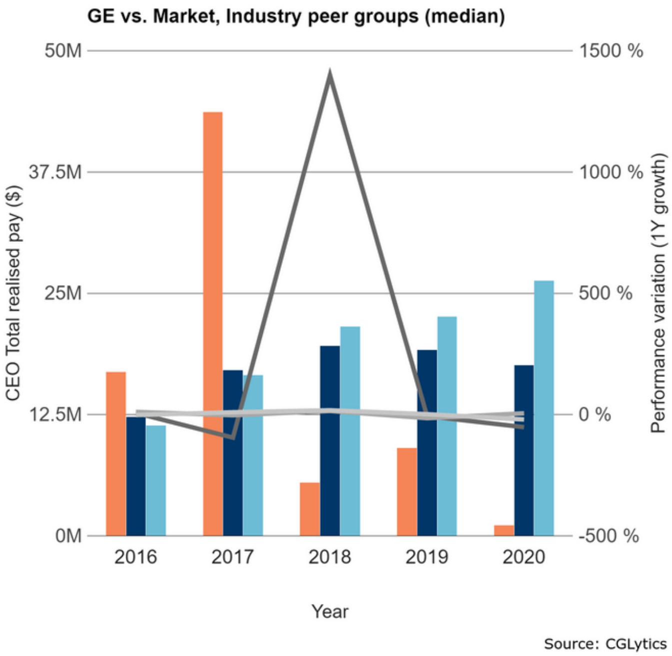


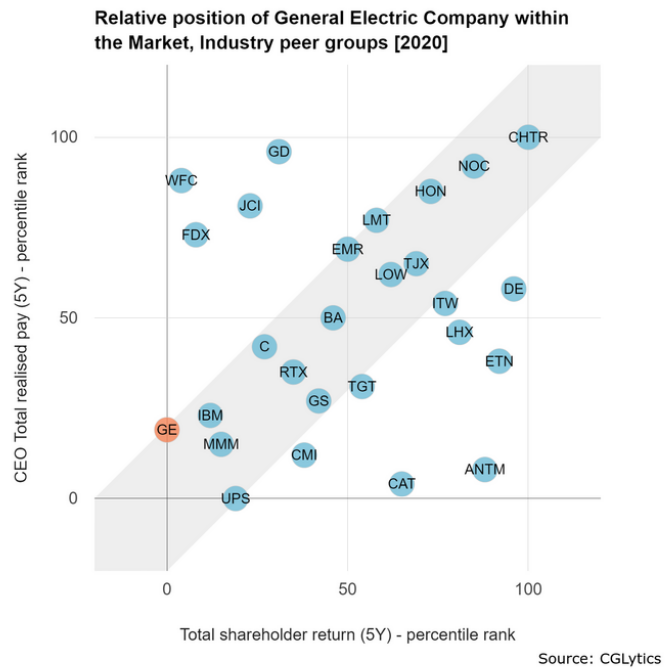
Analysis for the year ended 12/31/2020. Performance measures, except ROA and ROE, are based on the weighted average of annualized one-, two- and three-year data. Compensation figures are weighted average three-year data calculated by Glass Lewis. Data for Glass Lewis' pay-for-performance tests are sourced from CGLytics and company filings, including proxy statements, annual reports, and other forms for pay. Performance and TSR data are sourced from Capital IQ and publicly filed annual reports. For Canadian peers, equity awards are normalized using the grant date exchange rate and cash compensation data is normalized using the fiscal year-end exchange rate.

Glass Lewis peers are based on Glass Lewis' proprietary peer methodology, which considers both country-based and sector-based peers, along with each company's disclosed peers, and are updated in February and August. Peer data is based on publicly available information, as well as information provided to Glass Lewis during the open submission periods. The "Peers Disclosed by Company" data is based on public information in proxy statements and on companies' submissions. Glass Lewis may exclude certain peers from the Pay for Performance analysis based on factors such as trading status and/or data availability.

For details on the Pay-for-Performance analysis and peer group methodology, please refer to Glass Lewis' Pay-for-Performance Methodology & FAQ.

COMPENSATION ANALYSIS





Total realised pay (GE)	Total realised pay (Market)	Total realised pay (Industry)	EBITDA (GE)	EBITDA (Market)	EBITDA (Industry)

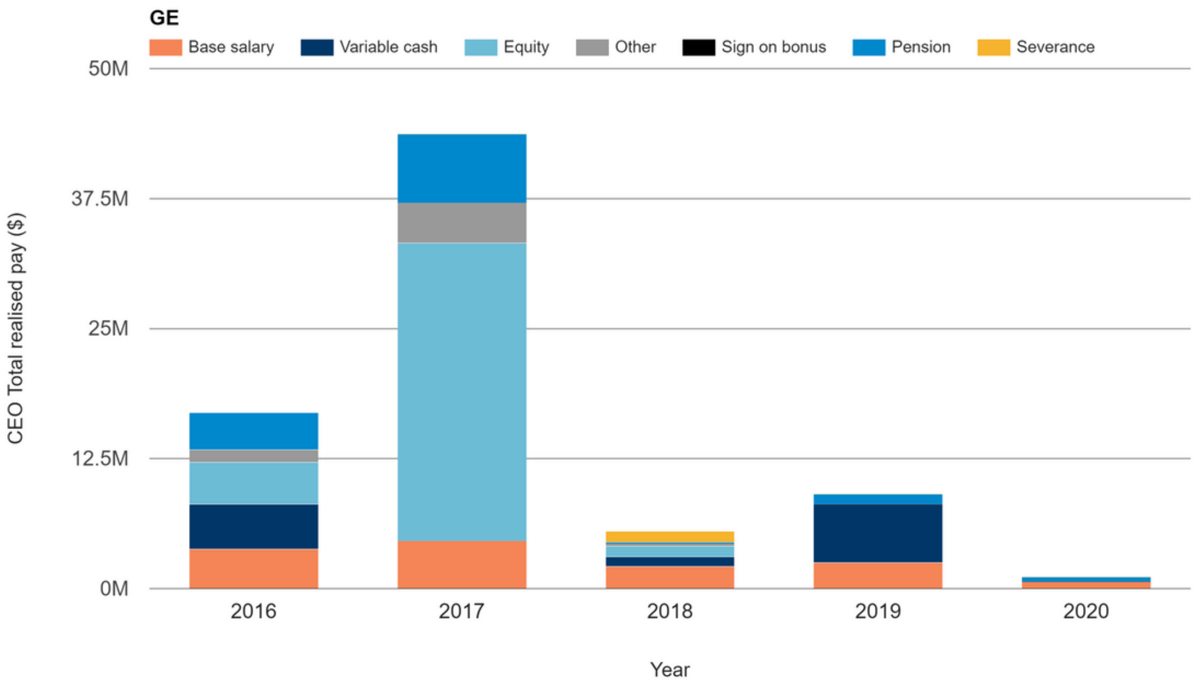
** All financial metrics are plotted at fiscal year growth rates in the graphs above. Absolute values are found in the tables below.*

Year	Total realised pay ($)* GE	Market (Median)	Industry (Median)	EBITDA ($)* GE	Market (Median)	Industry (Median)	ROA GE	Market (Median)	Industry (Median)	ROIC GE	Market (Median)	Industry (Median)
2016	16.9	12.3	11.4	16,945.0	7,618.0	3,821.6	1.4%	5.7%	6.3%	2.4%	13.9%	13.3%
2017	43.7	17.1	16.6	850.0	7,398.0	4,187.0	-0.9%	6.0%	7.2%	-1.6%	12.2%	12.1%
2018	5.5	19.6	21.6	12,735.0	8,508.0	4,928.0	1.2%	6.1%	7.5%	2.2%	11.6%	12.9%
2019	9.1	19.2	22.6	11,932.0	7,232.0	5,003.0	1.4%	4.9%	7.1%	2.9%	9.7%	12.7%
2020	1.1	17.6	26.3	5,732.0	7,614.0	3,987.0	0.0%	3.6%	6.2%	-0.1%	9.1%	9.8%

** Values provided in millions.*

List of companies

Market peer group	Anthem, Inc. (ANTM), Caterpillar Inc. (CAT), Charter Communications, Inc. (CHTR), Citigroup Inc. (C), FedEx Corporation (FDX), International Business Machines Corporation (IBM), Lockheed Martin Corporation (LMT), Lowe's Companies, Inc. (LOW), Raytheon Technologies Corporation (RTX), Target Corporation (TGT), The Boeing Company (BA), The Goldman Sachs Group, Inc. (GS), The TJX Companies, Inc. (TJX), United Parcel Service, Inc. (UPS), Wells Fargo & Company (WFC)
Industry peer group	3M Company (MMM), Caterpillar Inc. (CAT), Cummins Inc. (CMI), Deere & Company (DE), Eaton Corporation plc (ETN), Emerson Electric Co. (EMR), General Dynamics Corporation (GD), Honeywell International Inc. (HON), Illinois Tool Works Inc. (ITW), Johnson Controls International plc (JCI), L3Harris Technologies, Inc. (LHX), Lockheed Martin Corporation (LMT), Northrop Grumman Corporation (NOC), Raytheon Technologies Corporation (RTX), The Boeing Company (BA)



Source: CGLytics

Year	Total realised pay ($)	Base salary ($)	Variable cash ($)	Equity ($)	Other ($)	Sign on bonus ($)	Pension ($)	Severance ($)
2016	16,910,542	3,800,000	4,320,000	4,025,116	1,185,138	0	3,580,288	0
2017	43,676,487	4,601,894	0	28,640,617	3,805,344	0	6,628,632	0
2018	5,520,191	2,125,000	937,500	1,018,178	228,224	0	148,789	1,062,500
2019	9,088,788	2,500,000	5,600,000	0	19,600	0	969,188	0
2020	1,137,158	653,409	0	0	19,950	0	463,799	0

For further information on the peers and methodology, or to submit feedback, please see our FAQs.

The Compensation Analysis is based on Glass Lewis' proprietary methodology using CGLytic's proprietary platform. The intellectual property rights to the platform are vested exclusively in CGLytics, the brand under which Diligent Corporation operates and provides these services. Compensation figures are standardized and calculated by CGLytics based on information disclosed by the Company and its peers in their disclosures and proxy materials. For realizable pay reported for European and Australian companies, equity awards are normalized using the vesting date share price or when not disclosed by the Company using the year end share price. For U.S. and Canadian companies, realized pay is recorded as publicly disclosed in company proxy statements. Financial data deployed within the CGLytics platform is normalized and based on information provided by Capital IQ. CGLytics is a specialist provider of governance research and data analytics. It provides real time data and powerful analytical tools, for independent analysis of corporate governance practices of leading listed companies across the globe, in a single convenient solution. Diligent Corporation and/or its affiliates and suppliers do not make any representation or warranty, express or implied, of any nature, and do not accept any responsibility or liability of any kind, including with respect to the accuracy, completeness or suitability for any purpose of the information contained herein arising from the use of the CGLytics platform in connection with this Proxy Paper in any manner whatsoever.

EXEMPT SOLICITATION

On April 6, 2021, CtW Investment Group, which works with pension funds sponsored by affiliates of unions, filed an exempt solicitation urging shareholders to vote against compensation committee members Sébastien Bazin, Francisco D'Souza, Edward Garden, Thomas Horton (board chair), and Paula Reynolds. CtW cited the following as immediate concerns:

- In exchange for a 2-year contract extension through August 2024 (the original was through Sept. 2022), the Compensation Committee substantially lowered, by nearly 50%, the stock price appreciation hurdles associated with Mr. Culp's original new hire performance equity grant in 2018 by canceling that award and granting a new one in 2020.
- The award has a grant date value approximately $59 million at target and, if the new hurdles are achieved, would be potentially worth at $46.5 million at threshold, $124 million at target, and a staggering $232.5 million at maximum. Astonishingly, the threshold performance hurdle is 12% lower than the stock price when Mr. Culp was hired. Also, this portion of the award has already been earned less than a year into the performance period and is currently worth over $118 million.
- Mr. Culp's performance share unit (PSU) award is in addition to his ordinary-course annual equity compensation which is already $15 million per year.

COMPLETION OF AUDIT TENURE PROCESS

KMPG's relationship with the Company as its independent registered public accounting firm will end at this year's annual meeting after a tenure of 112 years. As discussed in prior Proxy Papers, KPMG's extensive tenure, coupled with certain other concerns, has caused Glass Lewis to question KPMG's effectiveness and relationship with the Company. The Company previously faced questions about its accounting in 2009 and eventually settled civil fraud and accounting charges with the SEC through a $50 million penalty (Peter J. Henning. "Accounting Investigation Adds to Challenges Facing G.E." *New York Times*. February 2, 2018).

In fiscal year 2017, the Company paid $142.9 million to KPMG for audit, audit-related and tax fees, which was the highest reported payout to the Company's auditor since at least 2000 (before which, Company filings did not include audit fees). KPMG's fees for 2017 were 59% higher than those from the previous year, which the proxy statement largely attributed to the Company's merger with Baker Hughes including a $30 million audit of the Company's oil and gas business in anticipation of the deal. The total fees paid to KPMG for 2018 are slightly lower at $133.3 million. (Shareholders should bear in mind that fees paid in to KPMG in 2018 cover audit work for two separate public companies (GE and Baker Hughes, a GE company) and include work for carve-out audits necessary to support the Company's portfolio transformation.) Total fees paid to KPMG in 2019 were $79.1 million.

On December 14, 2018, the Company announced that the audit committee would be moving forward with a tender process for the appointment of the Company's independent audit firm. That process has since drawn to a close, with Deloitte & Touche being selected as the Company's new auditor going forward. As such, shareholders will vote at this year's annual meeting on the ratification of Deloitte as the Company's auditor for fiscal year 2021 (Proposal 3.00).

LEGAL AND REGULATORY PROCEEDINGS

The Company is involved in a number of ongoing legal proceedings and regulatory matters, some of which are detailed below. In our view, although legal disputes are common to many companies, shareholders should be concerned with any type of lawsuit or regulatory investigation involving the Company, as such matters could potentially expand in scope and prove to dampen shareholder value. As such, in the event that members of management or the board are implicated in any such legal proceedings, we may consider recommending that shareholders oppose the election of certain directors on that basis. However, due to the ongoing nature of the matters discussed below, we do not feel that any such action is necessary at this time. We will continue to monitor the proceedings going forward.

SEC Investigation of Accounting Practices

On January 24, 2018, the Company disclosed in an investor conference call that the U.S. Securities & Exchange Commission ("SEC") have been conducting an investigation on the Company as of late November 2017. Specifically, the SEC is scrutinizing the Company's revenue recognition practices and internal controls over financial reporting related to long-term service agreements within the Company's Power, Aviation, Transportation and Oil and Gas segments. The Company reported revenue of $122 billion in fiscal year 2017, with approximately $15.2 billion being dedicated to such service contracts, including contracts in liability position totaling $3.0 billion (Thomas Gryta. "SEC Has Opened Probe of

GE's Accounting." *Wall Street Journal*. January 24, 2018).

The scope of the investigation expanded to the reserve increase for the Company's run-off insurance operations following a Company investor update on January 16, 2018. The Company reported an increase in future policy benefit reserves of $8.9 billion and $0.6 billion of related intangible asset write-offs for the fourth quarter of 2017, resulting in a consequent after-tax charge of $6.2 billion to the Company's earnings.

As reported in a Form 8-K filed on December 9, 2020, the Company reached a settlement with the SEC pursuant to which the Company neither admitted nor denied the findings in the administrative order issued by the SEC in connection with the settlement. Under the settlement, the Company paid a civil penalty of $200 million and consented to an order requiring it to cease and desist from violations of specified provisions of the federal securities laws. Additionally, the Company agreed to cooperation obligations and to report during a one-year period to the SEC about compliance related to its Power business and GE Capital's run-off insurance operations.

Shareholder Securities Class Action Lawsuits

The Company is subject to and in various stages of numerous putative shareholder class actions and derivative lawsuits filed against the Company, certain affiliated individuals, current and former Company executive officers and members of the board of directors. Several actions since 2017 were consolidated into a single action currently pending in the U.S. District Court for the Southern District of New York, which allege violations of SEC rules related to insurance reserves and accounting for long-term service agreements, violations of securities laws, breaches of fiduciary duties, unjust enrichment, waste of corporate assets, abuse of control and gross mismanagement. In January 2021, the court granted the Company's motion to dismiss as to a majority of the claims, specifically all claims related to insurance reserves and accounting for long-term service agreements, with the exception of certain claims about historic disclosures related to factoring in the Power business that survive as to GE and its former CFO Jeffrey S. Bornstein. All other individual defendants have been dismissed from that case.

SEC NO-ACTION RELIEF

On September 28, 2020, Martin Harangozo submitted a shareholder proposal and accompanying image for the Company's 2021 annual meeting to request that the Company's proxy feature at minimum two candidates for each available board seat. On December 18, 2020, the Company sent a no-action request to the SEC regarding its intention to exclude the image and the portion of the supporting statement that references the image from its 2021 ballot on the basis that it is false and misleading, rendering the proposal vague and indefinite. On February 12, 2021, the SEC verbally granted the Company's request for no-action relief.

1.00: ELECTION OF DIRECTORS

FOR

PROPOSAL REQUEST: Election of eleven directors

ELECTION METHOD: Majority w/ Resignation Policy

RECOMMENDATIONS & CONCERNS:

FOR: H. Culp, Jr. ; **S. Bazin** ; **A. Carter** ; **F. D'Souza** ; **E. Garden** ; **T. Horton** ; **R. Lavizzo-Mourey** ; **C. Lesjak** ; **P. Reynolds** ; **L. Seidman** ; **J. Tisch**

BOARD OF DIRECTORS

UP	NAME	AGE	GENDER	GLASS LEWIS CLASSIFICATION	COMPANY CLASSIFICATION	OWNERSHIP**	COMMITTEES AUDIT	COMP	GOV	NOM	E&S^	TERM START	TERM END	YEARS ON BOARD
✔	H. Lawrence Culp, Jr.* *·CEO* *·Chair*	58	M	Insider [1]	Not Independent	Yes						2018	2021	3
✔	Sébastien Bazin*	59	M	Independent [2]	Independent	Yes		✔	✔	✔	✔	2016	2021	5
✔	Ashton Carter	66	M	Independent	Independent	Yes	✔X					2020	2021	1
✔	Francisco D'Souza	52	M	Independent	Independent	Yes	✔X	✔				2013	2021	8
✔	Edward Garden	59	M	Independent	Independent	Yes		✔				2017	2021	4
✔	Thomas Horton *·Lead Director*	59	M	Independent [3]	Independent	Yes		C	✔	✔	✔	2018	2021	3
✔	Risa Lavizzo-Mourey	66	F	Independent	Independent	Yes			C	C	C	2017	2021	4
✔	Catherine Lesjak	62	F	Independent	Independent	Yes	✔X		✔	✔	✔	2019	2021	2
✔	Paula Rosput Reynolds	64	F	Independent	Independent	Yes	✔X	✔				2018	2021	3
✔	Leslie Seidman	58	F	Independent	Independent	Yes	CX					2018	2021	3
✔	James Tisch*	68	M	Independent [4]	Independent	Yes			✔	✔	✔	2010	2021	11

C = Chair, * = Public Company Executive, X = Audit Financial Expert, = Withhold or Against Recommendation

1. Chair and CEO.
2. Chair and CEO of AccorHotels, which conducted business with the Company in amounts of less than 1% of AccorHotel's revenue in fiscal year 2020.
3. Lead director. Partner of Global Infrastructure Partners, which conducted business with the Company in amounts of less than 1% of Global Infrastructure Partners' revenue in fiscal year 2020.
4. President and CEO of Loews Corporation, which conducted business with the Company in amounts of less than 1% of Loews' revenue in fiscal year 2020. Loews is also in debt to the Company for an amount less than 1% of the Company's assets.

***Percentages displayed for ownership above 5%, when available*
^Indicates board oversight responsibility for environmental and social issues. If this column is empty it indicates that the Company has not provided explicit disclosure concerning the board's role in overseeing environmental and social issues.

NAME	ATTENDED AT LEAST 75% OF MEETINGS	PUBLIC COMPANY EXECUTIVE	ADDITIONAL PUBLIC COMPANY DIRECTORSHIPS
H. Lawrence Culp, Jr.	Yes	Yes	None
Sébastien Bazin	Yes	Yes	(2) Accor C E; Huazhu Group Limited
Ashton Carter	Yes	No	(1) Delta Air Lines, Inc.
Francisco D'Souza	Yes	No	(1) MongoDB, Inc.
Edward Garden	Yes	No	(1) Invesco Ltd.
Thomas Horton	Yes	No	(2) Walmart Inc.; EnLink Midstream Partners, LP
Risa Lavizzo-Mourey	Yes	No	(2) Intel Corporation; Merck & Co., Inc.
Catherine Lesjak	Yes	No	(2) SunPower Corporation; PROS Holdings, Inc.
Paula Rosput Reynolds	Yes	No	(2) BP PLC; National Grid UK C
Leslie Seidman	Yes	No	(1) Moody's Corporation
James Tisch	Yes	Yes	(3) Loews Corporation E; CNA Financial Corporation; Diamond Offshore Drilling, Inc.

C = Chair, E = Executive

MARKET PRACTICE

INDEPENDENCE AND COMPOSITION	GE*	REQUIREMENT	BEST PRACTICE
Independent Chair	No	No[1]	Yes[5]
Board Independence	91%	Majority[2]	66.7%[5]
Audit Committee Independence	100% ; Independent Chair	100%[3]	100%[5]
Compensation Committee Independence	100% ; Independent Chair	100%[2]	100%[5]
Nominating Committee Independence	100% ; Independent Chair	100%[2]	100%[5]
Percentage of women on board	36%	N/A[4]	N/A[4]
Directors' biographies	Proxy Statement		

** Based on Glass Lewis Classification*

1. *NYSE Listed Company Manual*
2. *Independence as defined by NYSE listing rules*
3. *Securities Exchange Act Rule 10A-3 and NYSE listing rules*
4. *No current marketplace listing requirement*
5. *CII*

Glass Lewis believes that boards should: (i) be at least two-thirds independent; (ii) have standing audit, compensation and nomination committees comprised solely of independent directors; and (iii) designate an independent chair, or failing that, a lead independent director.

GLASS LEWIS ANALYSIS

We believe it is important for shareholders to be mindful of the following:

DIVERSITY POLICIES AND DISCLOSURE

FEATURE	COMPANY DISCLOSURE
Director Race and Ethnicity Disclosure	Aggregate
Diversity Considerations for Director Candidates	Gender and race/ethnicity
"Rooney Rule" or Equivalent	Yes
Director Skills Disclosure (Tabular)	Matrix
***Overall Rating: Exemplary**	
Percentage of Racial/Ethnic Minorities on Board (If Available): 18.2%	

*For more information, including detailed explanations of how Glass Lewis assesses these features, please see Glass Lewis' *Approach to Diversity Disclosure Ratings*.

The Company has provided exemplary disclosure of its board diversity policies and considerations. Areas to potentially improve this disclosure are as follows:

Race and Ethnicity Disclosure - The Company has not disclosed the racial/ethnic diversity of directors in a way that is delineated from other diversity measures and on an individual basis. Glass Lewis believes that shareholders benefit from clear disclosure of racial/ethnic board diversity on an individual basis.

DIRECTOR COMMITMENTS

We note the following director commitments:

- Director Bazin serves as CEO of AccorHotels while serving on a total of three public company boards. The Company discloses that AccorHotels and Huazhu Group (formerly China Lodging Group) have entered into a strategic alliance, pursuant to which Huazhu Group is the master franchiser for AccorHotel's economy hotel business in China and owns a stake in AccorHotels' luxury and upscale operating platform in China.
- Director Tisch serves as CEO of Loews Corporation while serving on a total of four public company boards. The three other public company boards on which Mr. Tisch serves are all within Loews's reportable segments. CNA Financial is 89.6% owned and Diamond Offshore Drilling is 53% owned by Loews.

While we are ordinarily concerned by the number of board memberships held by these directors, we believe the Company has provided sufficient disclosure to assuage concerns in this regard. We note that director Tisch and Bazin's executive roles overlap extensively and are integrally connected to their respective board services, and are therefore unlikely to increase time commitments or fiduciary duties the same way service on unaffiliated public company boards would. Additionally, the Company details in its proxy disclosure that its policy places limits on director service on other public company boards and public audit committees, as well as a restriction that the lead director cannot serve as lead, chair or CEO of another public Company. In light of these factors as well as the fact that we have not identified any attendance concerns during these directors' tenures on the Company board, we do not believe these outside commitments preclude these nominees from dedicating the time necessary to fulfill the responsibilities required of directors.

PAY-FOR-PERFORMANCE CONCERNS

Our pay-for-performance analysis indicates that the Company has been deficient in aligning pay with performance. The members of the compensation committee have the responsibility of designing and reviewing all aspects of the compensation program for the Company's executive officers; in our opinion, a sustained disconnect between pay and performance may be a signal that the committee is not effectively serving shareholders in this regard. At this time, we refrain from recommending that shareholders oppose the election of any members of the compensation committee on this basis. Rather, we believe shareholders should use the advisory resolution on executive compensation to express their concern regarding the Company's compensation practices.

RECOMMENDATIONS

We do not believe there are substantial issues for shareholder concern as to any of the nominees.

We recommend that shareholders vote **FOR** all nominees.

2.00: ADVISORY VOTE ON EXECUTIVE COMPENSATION

AGAINST

PROPOSAL REQUEST:	Approval of Executive Pay Package	**PAY FOR PERFORMANCE GRADES:**	**FY 2020** F **FY 2019** F **FY 2018** F
PRIOR YEAR VOTE RESULT (FOR):	73.2%	**RECOMMENDATION:**	AGAINST
STRUCTURE:	Fair		
DISCLOSURE:	Fair		

EXECUTIVE SUMMARY

SUMMARY ANALYSIS

The Company's actions for the year in review include reasonable responses to a challenging situation, but also a return to concerning practices in form of the revised award for Mr. Culp. While there is some cause for encouragement regarding the Company's handling of the year in review, the size and structure of the latter grant ultimately lead us to recommend against this proposal.

COMPENSATION HIGHLIGHTS

- STI: Performance-based; most recent awards paid out below target for most NEOs.
  - The 2020 corporate performance scorecard metrics were all below threshold, but the Company determined to fund that pool at 80% of target. The CEO voluntarily forfeited his award
- LTI: Performance-based and time-based; most recently completed performance cycle paid out at 0%
- One-time: Sign-on awards, severance benefits, discretionary awards, retention awards granted during the past fiscal year
  - Mr. Strazik's received $2.85M related to a special incentive award from December 2018. This prior award is reflected in the Summary Compensation as 2020 pay, but accordingly excluded from the other tables below
  - Mr. Culp and several other NEOs received leadership awards intended to promote retention and, for Mr. Culp, in connection with modifications to his employment agreement. The reported value of the CEO award was $57.1 million

MATERIAL CHANGES

- For 2021:
  - The PSU metrics under the LTIP were restructured to center on EPS and free cash flow, with relative TSR remaining as a modifier.
  - Safety was added as a metric to the STIP
- For 2020, the Company adopted a peer group for pay benchmarking purposes
- For the 2020 STIP, organic margin expansion and organic revenue growth replaced earnings and earnings per share as performance metrics to best reflect how the businesses are managed internally.
- For the 2020 LTIP, the TSR comparator index was revised from the S&P 500 Index to the S&P 500 Industrials Index
- Due to the negative impacts of the COVID-19 pandemic on the Company, Mr. Culp chose to forfeit his annual bonus and his salary for the remainder of 2020.

SUMMARY COMPENSATION TABLE

NAMED EXECUTIVE OFFICERS	BASE SALARY	BONUS & NEIP	EQUITY AWARDS	TOTAL COMP
Larry Culp *Chairman and CEO*	$653,409	-	$72,054,874	$73,192,032
Carolina Dybeck Happe *SVP and CFO*	$1,250,000	$1,325,000	$19,915,109	$23,769,025
Jamie Miller *Former SVP and CFO*	$1,087,500	$875,000	$6,195,389	$8,941,645
Kieran Murphy *SVP, GE and CEO Healthcare*	$1,186,657	$1,699,805	$9,791,658	$13,080,452
John Slattery *SVP, GE and CEO Aviation*	$588,768	$1,375,000	$4,497,219	$11,234,138
Scott Strazik *SVP, GE and CEO Gas Power*	$925,000	$3,675,000	$8,169,670	$15,951,902

CEO to Avg NEO Pay: 5.01: 1

CEO SUMMARY

	2020 LARRY CULP	2019 LARRY CULP	2018 LARRY CULP
Total CEO Compensation	$73,192,032	$24,553,788	$15,398,827
1-year TSR	-2.7%	54.0%	-55.4%
CEO to Peer Median *	3.6:1	1.2:1	N/A
Fixed/Perf.-Based/Discretionary **	0.9% / 99.1% / 0.0%	10.7% / 89.3% / 0.0%	N/A

* Calculated using Company-disclosed peers. ** Percentages based on the CEO Compensation Breakdown values.

CEO COMPENSATION BREAKDOWN

FIXED	**Cash**		**$0.7M**
	Salary		$653,409
	Benefits / Other		$19,950
		Total Fixed	$0.7M

PERFORMANCE-BASED	**Performance Shares**		**$59.9M**
	Leadership Awards (one-off)		$59.9M*
	Target/Maximum	9.3M shares / 13.9M shares	
	Metrics	Share Price	
	Performance Period	30 consecutive trading days	
	Additional Vesting / Deferral Period	4 years (see note)	
	PSUs		**$15.0M**
	Long-Term Incentive Compensation (LTI)		$15.0M
	Target/Maximum	1.3M shares / 2.3M shares	
	Metrics	TSR	
	Performance Period	3 years	
	Additional Vesting / Deferral Period	-	
	Cash		**$0.0M**
	Annual Bonuses (STI)		$0
	Target/Maximum	150% of base salary / 300% of base salary	
	Metrics	Free Cash Flow, Organic Margin Expansion, Organic Revenue Growth, Individual Performance	
	Performance Period	1 year	
	Additional Vesting / Deferral Period	-	
		Total Performance-Based	$74.9M

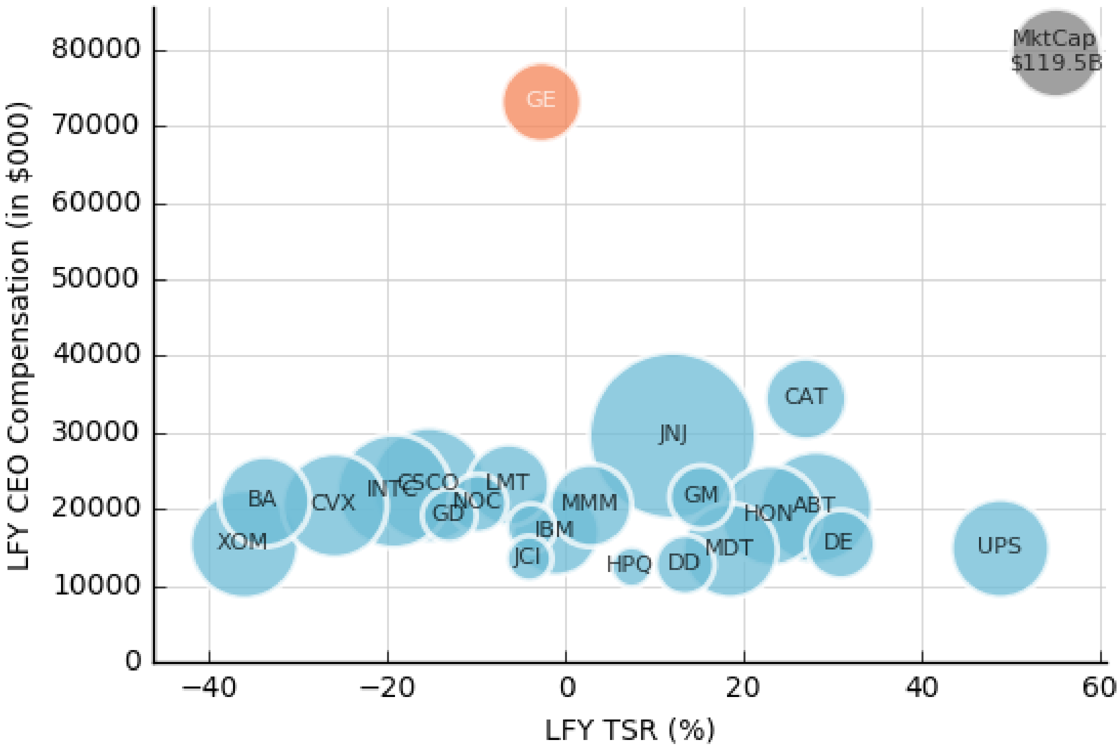
Awarded Incentive Pay	**$74.9M**
Total Pay Excluding change in pension value and NQDCE	**$75.5M**

* Reflects the target number of shares and the grant date closing share price

PEER GROUP REVIEW [1 2 3 4]

The Company benchmarks NEO compensation to a peer group consisting of 23 companies. Total NEO compensation is not benchmarked to a specific percentile of the peer group.

	MARKET CAP	REVENUE	CEO COMP	1-YEAR TSR	3-YEAR TSR	5-YEAR TSR
75th PERCENTILE OF PEER GROUP	$162.6B	$82.6B	$22.2M	18.5%	9.6%	13.9%
MEDIAN OF PEER GROUP	$106.5B	$53.0B	$20.5M	0.8%	3.3%	9.8%
25th PERCENTILE OF PEER GROUP	$52.2B	$34.6B	$15.6M	-13.1%	-6.5%	3.8%
COMPANY	$94.6B (37th %ile)	$79.6B (72nd %ile)	$73.2M (Highest)	-2.7% (46th %ile)	-12.6% (4th %ile)	-16.8% (Lowest)



1 Market capitalization figures are as of fiscal year end dates. *Source: Capital IQ*

2 Annual revenue figures are as of fiscal year end dates. *Source: Capital IQ*

3 Annualized TSR figures are as of fiscal year end dates. *Source: Capital IQ*

4 Annual CEO compensation data based on the most recent proxy statement for each company.

EXECUTIVE COMPENSATION STRUCTURE - SYNOPSIS

FIXED

Base salaries did not increase significantly during the past fiscal year.

SHORT-TERM INCENTIVES

ANNUAL BONUSES

AWARDS GRANTED (PAST FY)	*Cash*
TARGET PAYOUTS	*150% of base salary for the CEO and up to 125% of base salary for the other NEOs*
MAXIMUM PAYOUTS	*200% of target*
ACTUAL PAYOUTS	*No award for the CEO and up to 143% of base salary for the other NEOs*

Performance is measured over one year.

Awards are paid based on corporate or business-unit bonus pools. The pool funding is formulaic but subject to committee adjustment. Individual awards are proportional to the relevant pool and subject to modification based on individual performance. The metrics below reflect the corporate-level pool which covers Mr. Culp and Mses. Happe and Miller. Messrs. Slattery, Strazik and Murphy respectively participated in the Aviation, Gas Power and Healthcare plans.

The performance range is 0% to 150% of target for the pools in which the NEOs participated, and the individual performance modifier may range from 0% to 150%. In any event, payouts are capped at 200% of target.

Due to the negative impact of the COVID-19 pandemic on Corporate and business unit performance, upwards discretion was applied to fund the bonus pools at 80% for Corporate, 65% for Aviation, and 80% for Gas Power. Before adjustment, Corporate and Aviation performance were below the threshold level (0% funding) and Gas Power performance was 75% of target. Although the Healthcare business performed strongly in 2020, negative discretion was applied to the Healthcare bonus pool to a 125% payout level in light of the profitability of healthcare demand for the business unit, down from 138%.

		FREE CASH FLOW	ORGANIC MARGIN EXPANSION	ORGANIC REVENUE GROWTH	INDIVIDUAL PERFORMANCE
METRICS FOR CORPORATE NEOS		Absolute	Absolute	Absolute	Absolute
	Weighting	50%	25%	25%	Modifier (0% to 125%)
	Threshold Performance	\$1.9B	9 bps	0.5%	N/A
	Target Performance	\$3.0B	37 bps	1.5%	N/A
	Maximum Performance	\$4.4B	74 bps	4.5%	N/A
	Actual Performance	(\$4.4B)	(520 bps)	(13%)	N/A

LONG-TERM INCENTIVES

LONG-TERM INCENTIVE COMPENSATION

AWARDS GRANTED (PAST FY)	*PSUs, RSUs and stock options*
TARGET PAYOUTS	*PSUs: 1,324,527 shares for the CEO and up to 650,675 shares for the other NEOs*
MAXIMUM PAYOUTS	*PSUs: 2,317,922 shares for the CEO and up to 1,138,681 shares for the other NEOs*
TIME-VESTING PAYOUTS	*RSUs: Up to 92,736 shares for the non-CEO NEOs* *Stock Options: Up to 408,720 shares for the non-CEO NEOs*

PSU performance is measured over three years.

RSU awards vest over three years.

Stock option awards vest over three years.

METRICS FOR PSUS		TSR
		Relative to S&P 500 Industrials Index
	Weighting	100%
	Threshold Performance	35th %ile
	Target Performance	55th %ile
	Maximum Performance	80th %ile

LEADERSHIP AWARDS (ONE-TIME GRANTS)	
AWARDS GRANTED (PAST FY)	*Performance shares, PSUs and RSUs*
TARGET PAYOUTS	*9,295,352 performance shares for the CEO and 1,093,920 PSUs for Ms. Happe*
MAXIMUM PAYOUTS	*13,943,028 performance shares for the CEO and 1,640,880 PSUs for Ms. Happe*
TIME-VESTING PAYOUTS	*RSUs: Up to 771,605 shares each for Messrs. Strazik and Murphy*

Performance is measured over a rolling period of 30 consecutive trading days for up to five years (four years with the possibility of extension to five for performance shares). Ms. Happe's PSUs vest 50% in each of 2024 and 2025, subject to performance, and Mr. Culp's performance shares vest 100% in 2024, subject to performance

RSU awards vest over four years (50% in 2023 and 50% in 2024)

The Company granted these special awards to several executives in September 2020 as retention awards and, in the case of Mr. Culp, in connection to the extension of his employment agreement. These awards are also delineated in the One-Time Payments Table below. Awards are subject to adjustment in the case of spin-offs or extraordinary dividends.

The grant of Leadership Awards to Mr. Culp was made concurrently with the effective forfeiture of his 2018 inducement grants.

METRICS		SHARE PRICE
		Absolute
	Weighting	100%
	Threshold Performance	$10.01
	Target Performance	$13.34
	Maximum Performance	$16.68

ONE-TIME PAYMENTS

NEO	TYPE OF PAYMENT	AWARD	PERF. PERIOD	VESTING PERIOD	VALUE
Scott Strazik	Leadership Awards	RSUs	N/A	4 years	$4,876,544
Carolina Dybeck Happe	Sign-on*	Stock options	N/A	4 years	$8,000,000
	Leadership Awards	PSUs	See above	See above	$6,913,574**
Kieran Murphy	Leadership Awards	RSUs	N/A	4 years	$4,876,544
John Slattery	Sign-on	Cash	N/A	N/A	$1,000,000
	Sign-on*	Stock options	N/A	3 years	$1,500,000
Jamie Miller	Severance	Cash	N/A	N/A	$688,889
Larry Culp	Leadership Awards	Performance shares	See above	See above	$59,862,077**

* Reflects a make-whole grant
** Reflects the target award at the grant date closing share price

RISK-MITIGATING POLICIES

CLAWBACK POLICY	*Yes - Limited*
ANTI-HEDGING POLICY	*Yes*
STOCK OWNERSHIP GUIDELINES	*Yes - all NEOs*

SEPARATION & CIC BENEFITS

HIGHEST SEVERANCE ENTITLEMENT	*2x base salary and bonus*
CIC EQUITY TREATMENT	*Legacy single-trigger acceleration, double-trigger going forward*
EXCISE TAX GROSS-UPS	*No*

OTHER FEATURES

LFY CEO TO MEDIAN EMPLOYEE PAY RATIO *	*1,357:1*
E&S METRICS	*No*
BENCHMARK FOR CEO PAY	*No specific benchmark*

* Highest disclosed, if applicable

GLASS LEWIS ANALYSIS

This proposal seeks shareholder approval of a non-binding, advisory vote on the Company's executive compensation. Glass Lewis believes firms should fully disclose and explain all aspects of their executives' compensation in such a way that shareholders can comprehend and analyze the company's policies and procedures. In completing our assessment, we consider, among other factors, the appropriateness of performance targets and metrics, how such goals and metrics are used to improve Company performance, the peer group against which the Company believes it is competing, whether incentive schemes encourage prudent risk management and the board's adherence to market best practices. Furthermore, we also emphasize and evaluate the extent to which the Company links executive pay with performance.

PROGRAM FEATURES [1]

POSITIVE

- LTIP performance-based
- STIP performance-based
- STI-LTI payout balance
- Anti-hedging policy
- Clawback policy for NEOs
- Executive stock ownership guidelines for NEOs

NEGATIVE

- Large one-time awards for the CEO
- Significant disconnect between pay and performance
- Internal pay inequity
- Single-trigger CIC equity benefits**

[1] Both positive and negative compensation features are ranked according to Glass Lewis' view of their importance or severity

** This feature has been eliminated from future arrangements, and only remains in legacy agreements

AREAS OF FOCUS

VARIABLE COMPENSATION

Single Metric

Policy Perspective: The use of a single performance metric under the LTI plan may only reflect a narrow view of company results rather than providing a fuller view of overall performance.

Analyst Comment: The Company has indicated that it will introduce new metrics for the 2021 LTIP, addressing this concern going forward.

OTHER ISSUES

Internal Pay Inequity

Policy Perspective: The CEO's compensation during the past fiscal year was more than four times the average compensation received by other NEOs. In Glass Lewis' view, a high level of executive pay inequity, as in this case, may be an indicator of serious long-term problems with a company's compensation practices and more broadly, its board-level management and oversight.

Analyst Comment: This result is partially influenced by the large one-time grant for the CEO and further complicated by the NEO transitions over the past year.

Shareholder Disapproval
Policy Perspective: Given the high support enjoyed by a significant majority of firms that put forth say-on-pay proposals, we consider support levels below 80% to represent a meaningful level of shareholder concern. Accordingly, companies should engage with their shareholders and take steps proportional to the level and persistence of disapproval.

Analyst Comment: The Company has disclosed considerable engagement efforts with shareholders and has made several favorable changes to its pay program for 2020. The Company also indicated that it engaged with shareholders regarding the Leadership Awards. The inclusion of additional LTIP metrics for 2021 is positive, though the potential overlap with the STIP metrics (at least as were in effect for 2020) and the uncertainty regarding the design of the relative TSR modifier require further review going forward. Ultimately, we are encouraged by the board's engagement efforts in response to the 2020 shareholder vote and some of these structural changes.

Upward Discretion Exercised on Short-Term Incentives
Policy Perspective: In Glass Lewis' view, discretionary adjustments can indicate a lack of resolve on the part of the compensation committee to put incentive awards truly "at risk" and can even undermine the integrity of the pay program. Shareholders accordingly should carefully evaluate any deviation from formulaic incentive plan outcomes.

Analyst Comment: The Company has provided a fair discussion of its considerations in this regard, and we note the varying performance levels and directionality of the discretion over different business units' pools (including reductions in some cases) for the past year as well as for 2019. The nil-payouts for the CEO further warrant consideration, although shareholders should nonetheless consider carefully the board's actions in this regard given the margin of the shortfalls in corporate performance and the overall context of the pandemic.

ONE-TIME PAYMENTS AND BENEFITS

Severance Benefits for Ms. Miller
Policy Perspective: As previously disclosed, the Company provided for severance benefits for Ms. Miller in early 2020 including severance payments equivalent to one year's salary and target bonus as well as certain equity award modifications. While Ms. Miller did not have any contractual severance entitlements prior to the separation agreement, we note that the sum total of the benefits is not inappropriate for this market in size or structure. The Company has also provided meaningful discussion of the context for the benefits and its considerations in offering them. Accordingly, we do not believe that the terms of this arrangement warrant shareholder concern.

MR. CULP'S LEADERSHIP AWARD

Background
Mr. Culp joined the Company on September 30, 2018 as the Company's first external CEO in its history. The Company entered into an employment agreement with him, another historically uncommon practice for the Company, with a term of four years. In connection with his appointment and among other benefits, Mr. Culp received an inducement award of 5 million shares, reflecting a grant date target value of some $37.85 million. In early 2020, the Company took stock of the pandemic's impact and determined that the ongoing business transformation would take longer to achieve than expected. It furthermore came to believe that the retentive value of the inducement award was significantly diminished, with its share price targets set at several multiples of the Company's share price range in the second and third quarter of 2020. The Company also notes the significant progress in its transformation plan as well as Mr. Culp's substantial contributions in steering that progress.

With those factors in mind, the board sought to extend the term of the CEO's employment agreement, and entered into an amended agreement providing for two additional years of service with the option for another one-year extension. The Company also determined to grant performance shares that were aligned with the new service period but largely similar to the structure of the prior grant. This similarity was intended to support his retention, and alternatives were considered but not implemented. Mr. Culp also relinquished any rights to the original inducement PSUs.

Award Size and Structure
The CEO's Leadership Award covers roughly 9.3 million shares at target, with a payout range of 50% to 150% of target as well as the possibility for no payouts. Performance is measured on a rolling basis for up to four years with the possibility of extension, and earned shares may not vest prior to the fourth anniversary of the grant. In the event of a change in control, the award will vest on a single-trigger basis based on the highest of the performance actually achieved, the per-share consideration for any such transaction, and the target or threshold performance level (for transactions prior to or after August 18, 2022, respectively).

The award is considerably larger than the initial inducement award in terms of grant date target value. The August 2020 award was worth some $59.9 million at the grant date, as compared with some $37.85 million on for the inducement award. The target amount of shares is also greater as well, with the additional 4.3 million shares reflecting some 85% of the target shares covered by the inducement award. However, while the grant date values are widely disparate, the two awards' realizable values are extremely close at the different performance levels based on the targeted prices and the associated payouts in shares. This result is attributable to the higher number of shares and the lower targeted performance conditions:

		Threshold	Target	Maximum
2018 Inducement Grant	Share Price Goal	$18.60	$24.80	$31.00
	Realizable Value*	$46.5M	$124.0M	$232.5M
2020 Leadership Award	Share price Goal	$10.01	$13.34	$16.68
	Realizable Value*	$46.5M	$124.0M	$232.6M

** Realizable value reflects the number of shares eligible to vest at that performance level, valued at the targeted share price for that performance level*

In short, the revised award provides Mr. Culp with the same amount of compensation in dollars for creating less shareholder value, even as the revised grant allows for greater upside opportunity (and dilution) on account of the higher number of shares covered.The long-term value of the Company's turnaround efforts and the longer total time required to earn the same realized value qualify this assessment, but we maintain that such an approach is not necessarily favorable. Furthermore and illustrative of this upside opportunity, share price performance at the threshold goal for the original award (share price of $18.60) would result in a realizable value of $259.3 million under the Leadership Award, reflecting more than the 550% of the realizable value of the 2018 inducement award for achieving the same result indicated in the table.

The degree by which the goals were reduced also merits attention. Each performance level's goal was cut by approximately 46%, with the result that the highest performance level is set lower than the minimum threshold goal for the inducement award. When measured against Mr. Culp's time in the role, the target does not reflect clearly exceptional share price performance. More strikingly, the threshold condition would allow for significant awards even if the Company's share price failed to appreciate from when Mr. Culp was entrusted with the CEO role over a four-year period:

	Share Price Appreciation Since:	At Threshold	At Target	At Maximum
2018 Inducement Grant	Grant Date	+146%	+228%	+310%
	CEO Start Date*	+65%	+120%	+175%
2020 Leadership Award	Grant Date	+55%	+107%	+159%
	CEO Start Date*	-11%	+18%	+48%

** Based on the closing share price on September 28, 2018, the last trading day before Mr. Culp's appointment as chair and CEO on September 30, 2018*

The potential impression of the robustness of the threshold goal for the Leadership Award relative to the grant date is also undermined by the Company's performance since the fourth quarter of 2020. At the time of writing, the Company's share price remains above the target performance level, some eight months after the grant of the 2020 award.

2020 PAY FOR PERFORMANCE: F

Policy Perspective: "F" grades in the Glass Lewis pay-for-performance model indicate a potentially severe disconnect between pay and performance, based on a significant deficit between the company's performance ranking relative to executive pay levels among peers.

Analyst Comment: This result is in part influenced by the Leadership Award to Mr. Culp. We accordingly recognize that relative pay levels between the Company and its peers may not be neatly comparable in spite of the three-year lookback period.

CONCLUSION

The upward discretion exercised by the board and the one-time awards for executives in transition deserve shareholder consideration, but are not so concerning as to warrant a vote against this proposal absent other concerns. The decisions around Mr. Culp's Leadership Award, however, do in our view merit a negative recommendation.

The context of the pandemic and the need to retain top executives in a concurrent turnaround effort are indeed worth considering as extenuating circumstances, and the longer service period and vesting requirement for Mr. Culp are also favorable factors. The diminished retentive power and potential discouragement relating to awards with goals that are perceived as unattainable represent meaningful concerns, but shareholders should consider whether the structure of the initial award increases or decreases the likelihood of such outcomes. We believe that the combination of a single, absolute performance goal with high targets attached to a large award can create retention risks when performance is weak, regardless of whether the cause is exogenous or endogenous. The use of a rolling share price hurdle furthermore allows for significant awards to be "banked" and eventually earned even if strong performance is not sustained. Such a feature in turn creates a risk that pay outcomes and long-term performance will not be aligned, which we see as a particularly meaningful consideration in the context of long-term transformation efforts.

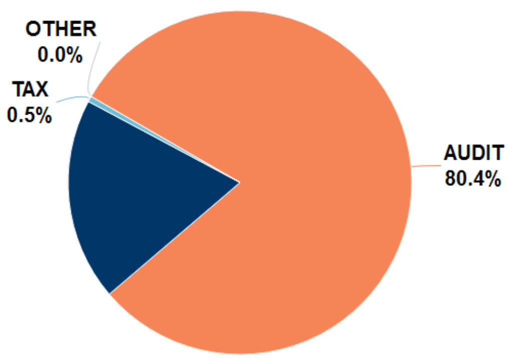
Ultimately, while the board's intention of retaining the CEO deserves specific consideration, we remain uncomfortable with the approach of providing for the same realized compensation in strict dollar terms in exchange for reduced shareholder value creation and based on a structure with otherwise identical potential issues.

We recommend that shareholders vote **AGAINST** this proposal.

3.00: RATIFICATION OF AUDITOR

FOR

PROPOSAL REQUEST:	Approval of Deloitte & Touche	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	88.9%	**FOR-** No material concerns	
BINDING/ADVISORY:	Advisory		
REQUIRED TO APPROVE:	Majority of votes cast		
AUDITOR OPINION:	Unqualified		



AUDITOR FEES

	2020	2019	2018
Audit Fees:	$61,600,000	$61,100,000	$63,700,000
Audit-Related Fees:	$14,600,000	$13,900,000	$40,200,000
Tax Fees:	$400,000	$4,100,000	$700,000
All Other Fees:	$ 0	$ 0	$ 0
Total Fees:	$76,600,000	$79,100,000	$104,600,000
Auditor:	KPMG	KPMG	KPMG

Years Serving Company:	112
Restatement in Past 12 Months:	No
Alternate Dispute Resolution:	No
Auditor Liability Caps:	No
Lead Audit Partner:	David Patrick Milligan
Critical Audit Matter(s):	4 • Evaluation of revenue recognition on certain long-term service agreements • Evaluation of premium deficiency testing to assess the adequacy of future policy benefit reserves • Evaluation of the carrying value of goodwill in the Additive and GECAS reporting units • Evaluation of the effects of particular tax positions

GLASS LEWIS ANALYSIS

As discussed in prior Proxy Papers, Glass Lewis has questioned the Company's long-standing relationship with KPMG after the Company faced questions about its accounting and was forced to settle certain civil fraud and accounting charges with the SEC. The Company ultimately commenced an audit tender process in 2019 which has now concluded with the selection of Deloitte as its new auditor. The audit committee's decision to launch the tender process and ultimately select a new auditor were made following significant engagement with shareholders since 2018. The Company notes that shareholders' positive response to the commencement of the tender process resulted in a significant increase in its auditor ratification vote to 89% of votes cast in favor of ratifying KPMG for 2019 versus 65% support in 2018.

In light of the foregoing, we believe that the Company has responded appropriately to shareholder concerns regarding its independent auditor relationship. We believe that rotating auditors is an important safeguard against the relationship between the auditor and the Company becoming too close, resulting in a lack of oversight due to complacency or conflicts of interest.

We recommend that shareholders vote **FOR** the ratification of the appointment of Deloitte & Touche as the Company's auditor for fiscal year 2021.

4.00: REVERSE STOCK SPLIT

FOR

PROPOSAL REQUEST:	Reverse stock split	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	N/A	**FOR-**	No material concerns
BINDING/ADVISORY:	Advisory		
REQUIRED TO APPROVE:	Majority of shares outstanding		

PROPOSAL SUMMARY

PROPOSED RATIO	1-for-8
PROPORTIONALLY REDUCES AUTHORIZED SHARES?	Yes

BOARD'S PERSPECTIVE

The board believes that the reverse stock split will increase the marketability and liquidity of the Company's common stock. The board and management believe that the current market price of the Company's common stock does not reflect the Company's value and may have a negative effect on the marketability of existing shares. Additionally, the Company states that the purposes of the reverse stock split are to decrease the number of shares outstanding to a number more typical of companies with comparable market capitalization and to increase the per share trading price of the Company's Common Stock to a price range more typical of companies with comparable market capitalization.

GLASS LEWIS ANALYSIS

We agree with the board that it is in the best interest of the Company to reduce the number of shares of common stock outstanding and thereby attempt to proportionally raise the per share price of the Company's common stock. On April 1, 2021, the Company's common stock closed at $13.28. A higher stock price may help to increase investor interest, attract and retain employees and improve the Company's ability to raise additional capital through equity offerings.

We recommend that shareholders vote **FOR** this proposal.

5.00: SHAREHOLDER PROPOSAL REGARDING DOUBLE BOARD NOMINEES

AGAINST

PROPOSAL REQUEST:	That the Company's proxy feature a minimum of two candidates for each available board seat	**SHAREHOLDER PROPONENT:**	Martin Harangozo
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
AGAINST - Not in the best interests of shareholders

GLASS LEWIS REASONING

- Nominating multiple candidates to a single board seat may discourage directors from serving on the board.

PROPOSAL SUMMARY

Text of Resolution: *Resolved: This proposal recommends the proxy features at minimum two candidates for each available board seat.*

Proponent's Perspective

- The Company has lost nearly all its valuation in the last two decades;
- Replacing the CEO has had no substantial positive effect in restoring the Company's valuation, or growing it to the broader market; and
- Electing board directors where each board seat has only one option has no performance merit.

Board's Perspective

- The governance committee currently employs a rigorous and thorough process for selecting the candidates that it nominates to serve on the board;
- The governance committee carefully evaluates all individuals recommended as candidates to the board, including individuals suggested by shareholders, in light of multiple factors including each such individual’s industry and operations experience, finance and accounting experience, investor experience, technology experience, risk management experience, government and regulatory experience, global business experience, and experience in the industries in which the Company participates;
- The governance committee and board endeavor to have an experienced, qualified board with high personal integrity and character and diversity of thought and expertise in relevant areas; and
- The unique approach suggested in this proposal may result in individual nominees being considered in isolation and may produce a board of directors that fails to represent a diversity of experiences and viewpoints.

GLASS LEWIS ANALYSIS

Glass Lewis recognizes that, in an attempt to address lack of access to the ballot, shareholders sometimes propose that the board give shareholders a choice of directors for each open board seat in every election. However, we believe that policies requiring a selection of multiple nominees for each board seat would discourage prospective directors from accepting nominations. Furthermore, a prospective director could not be confident that he or she is the board’s clear choice or that he or she would be elected. Therefore, in our view, this process may not lead to the best possible directors serving on the board.

We recommend that shareholders vote **AGAINST** this proposal.

6.00: SHAREHOLDER PROPOSAL REGARDING INDEPENDENT CHAIR

FOR

PROPOSAL REQUEST:	That the chair of the board be an independent director	**SHAREHOLDER PROPONENT:**	Kenneth Steiner
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	26%	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:

FOR -
- An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda

GLASS LEWIS REASONING

- An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda without the management conflicts that a CEO or other executive insiders often face, leading to a more proactive and effective board of directors;
- Separation of the roles of chair and CEO eliminates the conflict of interest that inevitably occurs when a CEO is responsible for self-oversight; and
- The presence of an independent chair fosters the creation of a thoughtful and dynamic board that is not dominated by the views of senior management.

PROPOSAL SUMMARY

Text of Resolution: *Shareholders request that our Board of Directors adopt a policy, and amend our governing documents as necessary to require that the Chairman of the Board of Directors to be an independent member of the Board whenever possible including the next Chairman of the Board transition.*

If the Board determines that a Chairman who was independent when selected is no longer independent, the Board shall select a new Chairman who satisfies the requirements of the policy within a reasonable amount of time. This policy is not intended to violate any employment contract but recognizes that the Board has broad power to renegotiate an employment contract.

Proponent's Perspective

- Support for proposals to appoint an independent board chair received 17% higher support at U.S. companies in 2020;
- Since management performance setbacks often result in higher support for this proposal topic, the mere submission of this proposal may be an incentive for the chair to perform better leading up to the 2021 annual meeting; and
- It is important to have an independent board chair to help make up for the widespread substitution of online shareholder meetings for in-person meetings, which are tightly controlled by management.

Board's Perspective

- Because circumstances may change over time, it is important for Company directors to maintain flexibility to select the most appropriate board leadership structure;
- At the time of the most recent CEO transition in September 2018, the board considered appointing a director from among its members as independent chair and promoting an internal candidate or hiring an outside candidate as CEO, however, the board determined that appointing Mr. Culp to serve as CEO and chair was in the best interests of the Company and its shareholders; and
- The lead director role is designed to empower the independent directors to serve as a check on management and has clearly defined roles and responsibilities.

GLASS LEWIS ANALYSIS

Glass Lewis believes that the appointment of a chair of the board who is independent of management, i.e. not also serving as CEO, is nearly always preferable to having a single individual lead both the board and the executive team. We view an independent chair as better able to oversee the executives of the Company and set a pro-shareholder agenda without the inherent conflicts that a CEO or other executive insiders face. This, in turn, leads to a more proactive, responsive and effective board of directors.

For more information on empirical evidence concerning the separation of chair and CEO, please see Glass Lewis' *In-Depth: Independent Board Chair*.

We recognize that the board has a lead director whose role and responsibilities include:

- Providing leadership to the board in any situation where the chair's role may be perceived to be in conflict and chairing board meetings in the absence of the chair;

- Approving the agenda (with the ability to add agenda items), schedule, and information sent to directors and calling additional meetings as needed;
- Calling and leading independent director meetings, which are scheduled at least three times per year (in addition to the numerous informal sessions that occur throughout the year) without any management directors or Company employees present;
- Regularly meeting with the chair and serving as liaison between the chair and the independent directors (although every director has direct access to the chair);
- Making himself/herself available as the primary board contact for direct communication with the Company's significant shareholders;
- Working with the governance committee to guide the board's governance processes, including succession planning, the annual board self-evaluation, and the annual chair's evaluation;
- Overseeing the board's periodic review and evaluation of its leadership structure;
- Advising the governance committee in choosing committee chairs; and
- Performing other functions at the board's request.

(2021 DEF 14A, p. 15).

We recognize that the Company has appointed a lead independent director and has listed the duties and responsibilities of the position, providing some independent board leadership to balance the power of the combined chair and CEO. However, we ultimately believe vesting a single person with both executive and board leadership concentrates too much responsibility in a single person and inhibits independent board oversight of executives on behalf of shareholders. We believe adopting a policy requiring an independent chair may therefore serve to protect shareholder interests by ensuring oversight of the Company on behalf of shareholders is led by an individual free from the insurmountable conflict of overseeing oneself. We believe that this resolution is reasonably crafted and that shareholders should support this proposal.

We recommend that shareholders vote **FOR** this proposal.

7.00: SHAREHOLDER PROPOSAL REGARDING CLIMATE ACTION 100+ NET ZERO INDICATOR

FOR

PROPOSAL REQUEST:	That the Company report on meeting the criteria of the Climate Action 100+ Net Zero Indicator	**SHAREHOLDER PROPONENT:**	As You Sow on behalf of Long View Funds and Putney School Inc Endowment Inv Mgr (S), with co-filer
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
FOR - In the best interests of shareholders

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Electrical & Electronic Equipment

FINANCIALLY MATERIAL TOPICS:

- *Business Ethics*
- *Energy Management*
- *Product Safety*
- *Materials Sourcing*
- *Hazardous Waste Management*
- *Product Lifecycle Management*

GLASS LEWIS REASONING

- In its response to this proposal, the Company states that it has been working toward the publication of a sustainability report later this year that will include a discussion of its approach to GHG emissions reductions as well as the requested reporting about whether the Company intends to set the specific type of goal that this proposal defines and the Company's rationale; and
- Particularly given board support for this measure, we believe shareholders should support this proposal.

PROPOSAL SUMMARY

Text of Resolution: *Resolved: Shareholders request the Board of Directors issue a report, at reasonable expense and excluding confidential information, evaluating and disclosing if and how the company has met the criteria of the Net Zero Indicator, or whether it intends to revise its policies to be fully responsive to such Indicator.*

Supporting Statement: Proponents suggest, at Company discretion, the report also include any rationale for a decision not to set and disclose goals in line with the Net Zero Indicator.

Proponent's Perspective

- In response to material climate risk, the steering committee of the Climate Action 100+ initiative, a coalition of more than 500 investors with over $47 trillion in assets, issued a Net Zero Company Benchmark ("Benchmark") calling on the largest carbon-emitting companies to work toward reducing GHG emissions to net zero, improving climate governance, and providing specific climate related financial disclosures;
- Failure to comply with Benchmark goals and disclosures is likely to pose a material risk to the Company and its shareholders, in particular the failure to clearly disclose whether the Company has adopted net zero GHG reduction goals across its full range of emissions;
- A core indicator of company alignment with the Paris Agreement is disclosure on whether the company has set an ambition to achieve net zero GHG emissions by 2050 or sooner and whether any such emissions ambition statement explicitly includes Scopes 1, 2, and, when applicable, the most relevant Scope 3 emissions;
- While the Company has committed to achieving carbon neutrality for its facilities and operations by 2030 (Scopes 1 and 2), it has not reported an ambition to reduce its Scope 3 product emissions, the largest component of its GHG emissions.

As You Sow has provided additional information regarding its rationale in support of this proposal.

Board's Perspective

- Action against climate change is a primary strategic focus for the Company, with governance oversight by the board and an energy transition steering committee that includes the CEO, energy business CEOs, and other Company leaders;
- In 2020, the Company announced a new goal of achieving carbon neutrality for its own operations by 2030 and announced that it is planning an exit from the new build coal power market;
- The International Energy Agency projects that electricity demand will rise globally by nearly 50% through 2040, and addressing these needs simultaneously will require a broad array of technologies and significant advances in technology;
- In ongoing shareholder engagements, the Company sees how many shareholders are keenly interested in the ways it and other companies are addressing climate change;
- The Company evaluates GHG emissions reporting and goals on an ongoing basis and has not to date set a goal that encompasses Scope 3 emissions or that meets the criteria of the "Net Zero Indicator" as defined in this proposal;
- The Company has been working toward the publication of a sustainability report later this year that will include discussion of its approach to GHG emissions reductions, and, in response to this proposal, will include the requested reporting about whether the Company intends to set the specific type of goal that this proposal defines and the Company's rationale; and
- An exercise of setting specific GHG emissions reduction goals that include activities outside the Company's operations

depends on the range of potential pathways for decarbonization, the timelines for deployment of technologies over a long time horizon, the speed of research and innovation efforts, the impacts of government policies, and other factors that could significantly affect the Company's approach and are not yet known.

GLASS LEWIS ANALYSIS

In general, we believe it is prudent for management to assess its potential exposure to all risks, including environmental and social concerns and regulations pertaining thereto in order to incorporate this information into its overall business risk profile. When there is no evidence of egregious or illegal conduct that might suggest poor oversight or management of environmental or social issues that may threaten shareholder value, Glass Lewis believes that management and reporting of environmental and social issues associated with business operations are generally best left to management and the directors who can be held accountable for failure to address relevant risks on these issues when they face re-election.

In this case, the Company is a high-tech industrial company that operates worldwide through its four industrial segments: power, renewable energy, aviation and healthcare, and its financial services segment, and capital. It serves customers in over 170 countries, and manufacturing and service operations are carried out at 82 manufacturing plants located in 28 states in the U.S. and Puerto Rico and at 149 manufacturing plants located in 34 other countries (2020 10-K, p.4). Given the nature and scope of the Company's operations, it could be subject to significant risks with respect to both climate change and the regulatory implications or investor pressures that come as a result of climate change.

For more information concerning climate change conventions and regulations, please see *Glass Lewis' In-Depth: Climate Change*.

CLIMATE-RELATED RISKS

The Company addresses climate-related risk in its most recent 10-K, including stating that it must anticipate and respond to market and technological changes driven by broader trends, including decarbonization efforts in response to climate change. For example, the Company states that the significant decreases in recent years in the levelized cost of energy for renewable sources of power generation (such as wind and solar), along with ongoing changes in government, investor, customer, and consumer policies, commitments, preferences, and considerations related to climate change in some cases have adversely affected, and are expected to continue to affect, the demand for and the competitiveness of products and services related to fossil fuel-based power generation, including sales of new gas turbines and the utilization and servicing needs for existing gas power plants. Continued shifts toward greater penetration by renewables in both new capacity additions and the proportionate share of power generation, particularly depending on the pace and timeframe for such shifts across different markets globally, could have a material adverse effect on the performance of the Company's power business and its consolidated results (pp.45-50).

The Company also states in its most recent 10-K that trends related to the global energy transition and decarbonization, including the relative competitiveness of different types of product and service offerings within and across the Company's energy and aviation businesses will continue to be impacted in ways that are uncertain by factors such as the pace of technological developments and related cost considerations, the levels of economic growth in different markets around the world, and the adoption of climate change-related policies such as carbon taxes, cap and trade regimes, increased efficiency standards, GHG emission reduction commitments, and incentives or mandates for particular types of energy or policies that impact the availability of financing for certain types of projects at the national and sub-national levels or by private actors. Further, the Company states that it is subject to a wide variety of laws, regulations, and government policies, including those related to climate change and GHG emissions, that could change in significant ways (pp.45-50).

CLIMATE ACTION 100+ NET ZERO COMPANY BENCHMARK

Launched in December 2017 in the wake of the Paris Agreement, Climate Action 100+ is an investor-led initiative composed of more than 570 investors responsible for over $54 trillion in AUM who engage companies on improving climate change governance, cutting emissions, and strengthening climate-related financial disclosures. In early 2020, Climate Action 100+ worked with EY to develop an initial framework for capturing and structuring the data needed to gauge company performance on climate transition. The work involved 50 signatory investors, investor network experts, leading climate research and data organizations, and corporate stakeholders. The framework became the Climate Action 100+ Net-Zero Company Benchmark ("the Benchmark"), which seeks to assess the performance of focus companies against the initiative's goals.

Published in March 2021, the first set of assessments includes 159 focus list companies and evaluates them across 10 disclosure indicators. This proposal relates to Disclosure Indicator 1, that the Company establish an ambition to have net-zero GHG emissions by 2050 or sooner, measured by whether: (i) the company has made a qualitative net-zero GHG emissions ambition statement that explicitly includes at least 95% of Scope 1 and 2 emissions; and (ii) the company's net zero GHG emissions ambition covers the most relevant Scope 3 GHG emissions categories for the company's sector, where applicable.

COMPANY DISCLOSURE

Although it does not provide a formal sustainability report, the Company provides 2019 ESG data and a GRI index, a climate change statement, and its GHG inventory methodology, among other disclosures. In October 2020, the Company announced that it is aiming to achieve carbon neutrality across its operations by 2030. It states that the majority of its progress toward the goal will lead through absolute reductions of direct emissions and energy use via new operational investment, waste elimination, and smart power sourcing. Additionally, the Company announced in September 2020 that it intends to exit the new build coal power market, subject to applicable consultation requirements.

Regarding oversight of climate-related issues, the Company states that the governance and public affairs committee supports the full board's oversight of strategy, risks, and opportunities related to climate change by reviewing and discussing with management relevant regulatory, governance, market, or other trends within the scope of the committee's oversight related to climate change that could significantly affect the Company.

According to CA100+, the Company's net zero by 2050 ambition explicitly includes at least 95% of Scope 1 and 2 emissions, although it does not cover the most relevant Scope 3 GHG emissions categories in its sector. In the Company's case, CA100+ has indicated that the use of sold product, Category 11 of the GHG protocol, but excluding electricity use of sold product, comprise the Company's applicable Scope 3 emissions for the purposes of the Benchmark's metrics.

Summary	
GRI/SASB-Indicated Sustainability Disclosure	GRI
Analyst Note	While the Company's aim to be net zero by 2050 does not encompass Scope 3 emissions, it states that it will disclose whether it intends to set such a goal in reporting due this year, and the board supports this proposal.

RECOMMENDATION

Particularly for companies with the Company's size and scope, we believe that a best effort should be made to ensure that its CapEx and strategy take into account issues related to climate change. We believe that issues, including extreme weather patterns, a more stringent regulatory framework on climate-related issues, and changing public perceptions on account of climate change can all have real and disruptive effects on companies. Accordingly, we believe that the Company should appropriately respond to climate-related risk.

In this case, the shareholder proposal is requesting that the Company issue a report evaluating and disclosing if and how it has met the criteria of the CA100+ Net Zero Indicator or whether it intends to revise its policies to be fully responsive to such Indicator. According to the Climate Action 100+ Net Zero Company Benchmark, the Company meets all criteria for its qualitative net-zero GHG emissions ambition statement that explicitly includes at least 95% of its Scope 1 and 2 emissions, but it fails to include relevant Scope 3 emissions. In its response to this proposal, the Company states that it has been working toward the publication of a sustainability report later this year that will include a discussion of its approach to GHG emissions reductions as well as the requested reporting about whether the Company intends to set the specific type of goal that this proposal defines and the Company's rationale. We recognize that the provision of this disclosure should meaningfully respond to the request of this proposal. Accordingly, and given the board's favorable recommendation for this measure, we believe that shareholders should support for this proposal.

We recommend that shareholders vote **FOR** this proposal.

COMPETITORS / PEER COMPARISON

	GENERAL ELECTRIC COMPANY	RAYTHEON TECHNOLOGIES CORPORATION	HONEYWELL INTERNATIONAL INC.	LOCKHEED MARTIN CORPORATION
Company Data (MCD)				
Ticker	GE	RTX	HON	LMT
Closing Price	$13.28	$77.28	$216.80	$371.02
Shares Outstanding (mm)	8,784.7	1,510.0	695.5	278.7
Market Capitalization (mm)	$116,660.2	$116,695.8	$150,784.7	$103,407.8
Enterprise Value (mm)	$175,618.2	$143,435.8	$159,969.7	$113,554.8
Latest Filing (Fiscal Period End Date)	12/31/20	12/31/20	12/31/20	12/31/20
Financial Strength (LTM)				
Current Ratio	1.6x	1.2x	1.5x	1.4x
Debt-Equity Ratio	2.10x	0.46x	1.30x	2.20x
Profitability & Margin Analysis (LTM)				
Revenue (mm)	$79,619.0	$56,587.0	$32,637.0	$65,398.0
Gross Profit Margin	17.0%	15.9%	32.1%	13.3%
Operating Income Margin	-0.2%	4.4%	20.4%	13.6%
Net Income Margin	7.2%	-6.2%	14.6%	10.4%
Return on Equity	16.9%	-5.0%	26.7%	149.6%
Return on Assets	-0.0%	1.0%	6.7%	11.3%
Valuation Multiples (LTM)				
Price/Earnings Ratio	22.3x	-	32.3x	15.1x
Total Enterprise Value/Revenue	2.2x	2.5x	4.9x	1.7x
Total Enterprise Value/EBIT	-	57.7x	24.0x	12.8x
Growth Rate* (LTM)				
5 Year Revenue Growth Rate	-7.2%	0.2%	-3.3%	10.0%
5 Year EPS Growth Rate	28.5%	-	2.2%	19.8%
Stock Performance (MCD)				
1 Year Stock Performance	88.6%	-15.4%	67.1%	9.6%
3 Year Stock Performance	-1.5%	-38.6%	50.0%	9.8%
5 Year Stock Performance	-58.4%	-22.7%	91.5%	66.3%

Source: Capital IQ

MCD (Market Close Date): Calculations are based on the period ending on the market close date, 04/01/21.
LTM (Last Twelve Months): Calculations are based on the twelve-month period ending with the Latest Filing.
*Growth rates are calculated based on a compound annual growth rate method.
A dash ("-") indicates a datapoint is either not available or not meaningful.

VOTE RESULTS FROM LAST ANNUAL MEETING MAY 5, 2020

Source: 8-K (sec.gov) dated May 11, 2020

RESULTS

NO.	PROPOSAL	FOR	AGAINST/WITHHELD	ABSTAIN	GLC REC
1.1	Elect Sébastien Bazin	82.61%	17.09%	0.30%	For
1.2	Elect Ashton B. Carter	98.98%	0.74%	0.28%	For
1.3	Elect H. Lawrence Culp, Jr.	95.20%	4.26%	0.54%	For
1.4	Elect Francisco D'Souza	96.19%	3.52%	0.29%	For
1.5	Elect Edward P. Garden	97.33%	2.38%	0.29%	For
1.6	Elect Thomas W. Horton	94.77%	4.93%	0.30%	For
1.7	Elect Risa Lavizzo-Mourey	97.28%	2.25%	0.48%	For
1.8	Elect Catherine Lesjak	98.16%	1.58%	0.26%	For
1.9	Elect Paula Rosput Reynolds	97.11%	2.62%	0.27%	For
1.10	Elect Leslie F. Seidman	98.18%	1.55%	0.27%	For
1.11	Elect James S. Tisch	82.09%	17.63%	0.28%	For
2.0	Advisory Vote on Executive Compensation	73.18%	26.20%	0.62%	For
3.0	Ratification of Auditor	88.92%	10.78%	0.30%	Against

SHAREHOLDER PROPOSALS*

NO.	PROPOSAL	FOR	AGAINST	GLC REC
4.0	Shareholder Proposal Regarding Independent Chair	25.98%	74.02%	For

*Abstentions excluded from shareholder proposal calculations.

APPENDIX

Questions or comments about this report, GL policies, methodologies or data? Contact your client service representative or go to www.glasslewis.com/public-company-overview/ for information and contact directions.

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