

U.S. Political Contributions, Disclosure & Trade Associations

The success of GE depends significantly on sound public policies at the national, state and local levels. Governments, through advancing their legitimate regulatory and political interests, affect the commercial environment in which GE operates. Every day, issues vital to our ability to recognize value for the company's stakeholders are debated and decided in the U.S. Congress, in state legislatures and in local forums across the country — issues such as trade, taxes, energy, healthcare, environment and legal liability, to name a few.

GE participates in the political process through contributions from the GE Political Action Committee (GEPAC) and through company contributions where legal and appropriate under state law.

As part of its oversight role in public policy and corporate social responsibility, the Public Responsibilities Committee of the Board of Directors reviews at least annually the company's policies and practices related to political contributions.

Federal U.S. law prohibits companies from contributing to candidates for federal office, but many states allow corporate contributions to state and local candidates, committees, political organizations and ballot issue campaigns. As described in the company's code of conduct, *The Spirit & The Letter*, any contribution of company funds or other assets for political purposes in the United States must be approved in advance by the GE Vice President for Governmental Relations. Political contributions made with company funds outside the United States must be approved by both the GE Vice President of Governmental Relations and the Vice President for International Law and Policy, or by their designees. In 2006, GE established a Corporate Oversight Committee comprised of eight senior GE officers to oversee GE policies governing corporate political contributions and contribution activity. The Corporate Oversight Committee receives reports on GE political contribution activities regularly from the GE Vice President of Government Relations.

GE and GEPAC make bipartisan contributions to political candidates and initiatives that support the advancement of the company's policies and programs and promote innovation, sustainable economic growth and the interests of the industries in which GE operates. In determining which candidates and initiatives to support, GE and GEPAC representatives balance, among other factors, the views promoted by a candidate or ballot initiative, the quality and effectiveness of the candidate or organization to which the contribution is made and the appropriateness of the GE level of involvement in the election or ballot initiative. With respect to particular candidates, the company considers, among other factors:

- The personal characteristics of a particular candidate (including the candidate's integrity and effectiveness).

- Whether the candidate sits on a committee that addresses legislation affecting GE businesses or the global economy.
- Whether the candidate represents a state or district within which a GE business operates or is located.
- The candidate's committee standing and ranking.
- The candidate's elected political leadership position and voting record.

In 2007, GE contributed \$605,484 to political candidates and initiatives as identified in the chart here. GE also belongs to a number of trade associations at the national, state and local levels. Beginning in 2007, for each association from which GE receives a notice that the association has or will spend \$25,000 or more of GE payments in a fiscal year on non-deductible lobbying and/or political expenditures under Internal Revenue Code ("Code") Section 162(e), we will ask the trade association to identify the portion of those payments used in connection with participation or intervention in a political campaign on behalf of (or in opposition to) any candidate for public office, as defined under Subsection 162(e)(1)(B) of the Code. We will include in our political contributions report any responses we receive to such requests.

GE has long had political action committees, GEPAC and the Connecticut Political Action Committee (ConnPAC), so that GE employees, acting together, can support candidates who share the company's interests, values and goals. ConnPAC was discontinued in 2007 due to changes in Connecticut state campaign finance laws. GE employees manage GEPAC in a way that is completely consistent with the company's commitment to integrity.

GEPAC is an independent entity that raises voluntary contributions from eligible GE employees and supports candidates for the U.S. Senate and House of Representatives and selected state candidates. In addition, contributions to certain national party organizations and presidential campaigns are made when appropriate. GEPAC also makes contributions to certain state office candidates so long as federal PAC contributions are permitted to state candidates in accordance with state laws. These states currently include Ohio, Pennsylvania, Wisconsin, Kentucky, North Carolina, South Carolina and Texas. In 2007, GEPAC raised more than \$1.25 million from more than 2,600 employees and contributed \$1.05 million to federal and \$227,250 to state candidates in the United States. The Federal Election Commission regulates GEPAC's activities. Reports detailing its activities are available on the FEC web site at www.fec.gov.

GEPAC is a non-partisan, voluntary fund supported by GE employees who choose to participate in the political process by pooling their resources to elect candidates who share the values and goals of the company and its employees. A committee, which is made up of employees nominated from GE businesses and corporate components, directs contributions. The GEPAC Board sets overall budget targets. Day-to-day decisions are delegated to a subcommittee of the GEPAC Board. GEPAC retains counsel to ensure compliance with the spirit and letter of all applicable laws and regulations.

Trade associations and memberships

GE has not received notice from any trade association that payments have been used in connection with participation or intervention in a political campaign on behalf of (or in opposition to) any candidate for public office, as defined under Subsection 162(e)(1)(B) of the Code.