Nominating and Corporate Governance Committee Key Practices

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The Nominating and Corporate Governance Committee has adopted the following key practices to assist it in undertaking the functions and responsibilities set forth in its charter:

1. Method of Evaluating Board and Committee Effectiveness. The committee will oversee the following self-evaluation process, which will be used by the board and by each committee of the board to determine their effectiveness and opportunities for improvement. All of the board and committee self-evaluations should be done annually at the November board and committee meetings. Every October, an independent expert in corporate governance will contact each director soliciting comments with respect to both the full board and any committee on which the director serves, as well as director performance and board dynamics. These comments will relate to the large question of how the board can improve its key functions of overseeing personnel development, financials, other major issues of strategy, risk, integrity, reputation and governance. In particular, for both the board and the relevant committee, the process will solicit ideas from directors about:

a. improving prioritization of issues;

b. improving quality of written, chart and oral presentations from management;

c. improving quality of board or committee discussions on these key matters;

d. identifying how specific issues in the past year could have been handled better;

e. identifying specific issues which should be discussed in the future; and

f. identifying any other matter of importance to board functioning.

The independent expert in corporate governance will then work with the committee chairs and the presiding director to organize the comments received around options for changes at either board or committee level. At the November board and committee meetings, time will be allocated to a discussion of - and decisions relating to - the actionable items.

2. Principles for Board Compensation. In recommending to the board the compensation and benefits for non-management directors, the committee will be guided by the following goals: compensation should fairly pay directors for work required for a company of GE's size and scope; compensation should align directors' interests with the long-term interests of shareowners; and the structure of the compensation should be simple, transparent and easy for shareowners to understand. In implementing these goals, the committee will adhere to the following practices, with specific compensation amounts to be determined at the end of each year by the board, based on the recommendation of the committee:

a. Board Compensation. Annual compensation will be paid to non- management directors at the end of each quarter of service, 40% in cash and 60% in deferred stock units (DSUs). Each DSU will be equal in value to a share of GE common stock and is fully vested upon grant, but will not have voting rights. DSUs will accumulate quarterly

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dividend equivalent payments, which shall be reinvested into additional DSUs. The DSUs will be paid out in cash to non-management directors beginning one year after they leave the board. Directors may elect to take their DSU payments as a lump sum or in payments spread out for up to ten years. Therefore, for their tenure on the board and for one year following board service, 60% of the non-management directors' annual compensation will be aligned with the long-term interests of GE shareowners because the value of their DSUs will increase or decrease in line with changes in the price of GE shares. There are no meeting fees because attendance is expected at all scheduled board and committee meetings, and at the Annual Meeting of Shareowners, absent exceptional cause.

b. Committee Compensation. Additional compensation, equal to 10% of the annual compensation, will be paid to directors serving on the Audit Committee and the Management Development and Compensation Committee. These additional payments will be made due to the workload and broad-based responsibilities of these two committees. Directors serving on both committees will receive additional compensation equal to 20% of their annual compensation. These additional payments will be made in the same 40%/60% proportion between cash and DSUs, respectively, and will be payable in the same manner as the annual compensation.

c. Deferral of Cash Fees. If they wish, non-management directors may defer some or all of their annual cash compensation in DSUs.

d. Benefits. The following benefits will be provided to the non- management directors:

i. Charitable Award. GE maintains a plan that permits each director to designate up to five charitable organizations (excluding a director's private foundation) to share in a $1 million contribution to be made by the Company upon the director's termination of service. The directors do not receive any financial benefit from this program since the charitable deductions accrue solely to the Company. To avoid any appearance that a director might be unduly influenced by the prospect of receiving this benefit at retirement, the award vests upon the commencement of board service.

ii. Matching Gifts. Non-management directors are able to participate in the GE Foundation's Matching Gifts Program on the same terms as GE's senior executive officers. Under this program, the GE Foundation will match up to $50,000 a year in contributions by the director to an institution of higher education or other charity approved by the GE Foundation.

iii. Executive Products and Lighting Program. Non-management directors participate in the Company's Executive Products and Lighting Program on the same basis as senior executive officers. Under this program, upon request, directors can receive GE appliances or other products. Income is imputed based on the fair market value of the products received.

e. Stock Option Holding Period Requirement. There is no stock option plan for non-management directors. Since 2003, DSUs have been the only equity-based compensation awarded to the non-management directors. Any outstanding stock options held by non-management directors from prior years' grants are subject to the same holding period requirement as stock options held by senior executives. Specifically, like the senior executives, the non-management directors are required to hold for at least one year the net shares obtained from exercising stock options after selling sufficient shares to cover the exercise price, taxes and broker commissions.

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f. Stock Ownership Requirement. All non-management directors are required to hold at least $500,000 worth of Company stock and/or DSUs while serving as a director of GE. Directors will have five years to attain this ownership threshold.

3. Director Nominee Qualifications and Process. The committee will consider shareowner recommendations for candidates for the board sent to the Nominating and Corporate Governance Committee, c/o Brackett B. Denniston III, Secretary, General Electric Company, 3135 Easton Turnpike, Fairfield, CT 06828. The committee's minimum qualifications and specific qualities and skills required for directors are set forth in section 3 of GE's Governance Principles. In addition to considering candidates suggested by shareowners, the committee considers potential candidates recommended by current directors, Company officers, employees and others. The committee considers all potential candidates in the same manner regardless of the source of the recommendation.

4. Approval of Certain Related Person Transactions. The committee shall review and approve or ratify any transaction between the Company and a related person, which is required to be disclosed under the rules of the SEC. For purposes of this practice the terms "transaction" and "related person" have the meaning contained in Item 404 of Regulation S-K. In the course of its review and approval or ratification of a transaction, the committee shall consider:

a. the nature of the related person's interest in the transaction;

b. the material terms of the transaction, including without limitation, the amount and type of transaction;

c. the importance of the transaction to the related person;

d. the importance of the transaction to the Company;

e. whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the Company; and

f. any other matters the committee deems appropriate.

Any committee member who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting such approval or ratification, provided, however, that such director may be counted in determining the presence of a quorum at a meeting of the committee which considers the transaction.

5. Conflict of Interest and Officers' Benefit and Expense Review. The committee will review at least annually the corporate audit staff's audit of the application of GE's Conflicts of Interest policy to the Company's directors or executive officers.

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