



**Secretary of State**  
**Corporate Disclosure Statement**  
**(Domestic Stock and Foreign Corporations)**

SI-PT

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**FILED**  
**Secretary of State**  
**State of California**  
**JUN 22 2020**

**IMPORTANT - Read Instructions before completing this form.**

**Filing Fee** - There is no fee for filing the Corporate Disclosure Statement.

**Copy Fees** - First page \$1.00; each additional page \$0.50;  
 Certification Fee - \$5.00

This Space For Office Use Only

1. **Corporate Name** (Enter the **exact** name of the corporation as it is recorded with the California Secretary of State.)

GENERAL ELECTRIC COMPANY

2. **7-Digit Secretary of State Entity (File) Number**

C 0 0 0 0 2 5 1

3. **Jurisdiction** (Enter the state, foreign country or other place where the corporation is formed)

NEW YORK

**4. Independent Auditor**

4a. Name of the Independent Auditor that prepared the most recent auditor's report.

KPMG LLC

4b. Description of other services, if any, performed by the Independent Auditor named in Item 4a.

2018, 2019 & 2020 to date: audit related services including assurance services, carve-out audits for M&A due diligence & tax services.

4c. Name of the Independent Auditor employed by the corporation on the date of this statement, if different from Item 4a.

**5. Reporting Compliance with California Corporations Code Sections 301.3 and 2115.5.**

5a. Check the applicable statement for the **current** calendar year (select only one box):

- ☒ The corporation has **not** moved its principal executive office either into California from another state or out of California into another state.  
☐ The corporation has moved its principal executive office **into** California from another state.  
☐ The corporation has moved its principal executive office **out** of California into another state.

5b. **Total** number of directors on the corporation's **current** Board of Directors (select only one box):

- ☒ 6 or more  
☐ 5  
☐ 4 or fewer

5c. Number of **female** directors on the corporation's **current** Board of Directors (select only one box):

- ☒ 3 or more  
☐ 2  
☐ 1  
☐ 0

**6. Required Statutory Disclosures**

6a. Has an order for relief been entered in a bankruptcy case with respect to the corporation during the preceding 10 years?

☐ Yes ☒ No

6b. Has the corporation or any of its subsidiaries been a party to, or any of their property been subject to, any material pending legal proceedings, as specified by Item 103, Part 229 of SEC Regulation S-K? If yes, attach a description.

☒ Yes ☐ No

6c. Has the corporation been found legally liable in any material legal proceeding during the preceding five years? If yes, attach a description.

☐ Yes ☒ No

- CONTINUE ON NEXT PAGE -  
 (Page 1 of 2)

**Corporate Disclosure Statement**  
**(Domestic Stock and Foreign Corporations)**  
 (Page 2 of 2)

**7. Directors**

| Names of Directors                | Compensation     | Shares | Options | Bankruptcy  | Fraud   |
|-----------------------------------|------------------|--------|---------|---|---|
| 1) <u>SEBASTIEN M. BAZIN*</u>     | <u>313,584</u>   |        |         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 2) <u>W. GEOFFREY BEATTIE*</u>    | <u>1,135,900</u> |        |         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 3) <u>H. LAWRENCE CULP JR.*</u>   |                  |        |         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 4) <u>FRANCISCO D'SOUZA*</u>      | <u>331,833</u>   |        |         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 5) <u>EDWARD GARDEN*</u>          | <u>312,313</u>   |        |         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 6) <u>THOMAS HORTON*</u>          | <u>366,225</u>   |        |         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 7) <u>RISA LAVIZZO-MOUREY*</u>    | <u>320,507</u>   |        |         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 8) <u>CATHERINE LESJAK*</u>       | <u>274,036</u>   |        |         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 9) <u>JAMES MULVA*</u>            | <u>1,112,798</u> |        |         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 10) <u>PAULA ROSPUT REYNOLDS*</u> | <u>339,156</u>   |        |         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 11) <u>LESLIE SEIDMAN*</u>        | <u>343,185</u>   |        |         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 12) <u>JAMES TISCH*</u>           | <u>297,940</u>   |        |         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 13) _____                         |                  |        |         | <input type="checkbox"/> Yes <input type="checkbox"/> No            | <input type="checkbox"/> Yes <input type="checkbox"/> No            |
| 14) _____                         |                  |        |         | <input type="checkbox"/> Yes <input type="checkbox"/> No            | <input type="checkbox"/> Yes <input type="checkbox"/> No            |
| 15) _____                         |                  |        |         | <input type="checkbox"/> Yes <input type="checkbox"/> No            | <input type="checkbox"/> Yes <input type="checkbox"/> No            |
| 16) _____                         |                  |        |         | <input type="checkbox"/> Yes <input type="checkbox"/> No            | <input type="checkbox"/> Yes <input type="checkbox"/> No            |

**8. Executive Officers**

| 8a. Names of Executive Officers                              | Compensation      | Shares        | Options          | Bankruptcy  | Fraud   |
|--|-------------------|---------------|------------------|---|---|
| 1) <u>JAMIE MILLER**</u>                                     | <u>10,470,160</u> | <u>90,000</u> | <u>380,290</u>   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 2) <u>KEVIN COX**</u>  | <u>13,835,629</u> | <u>60,000</u> | <u>1,657,530</u> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 3) <u>DAVID JOYCE**</u>                                      | <u>23,846,422</u> | <u>0</u>      | <u>0</u>         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 4) <u>RUSSELL STOKES**</u>                                   | <u>10,516,422</u> | <u>70,000</u> | <u>295,780</u>   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 5) <u>MICHAEL HOLSTON**</u>                                  | <u>7,006,828</u>  | <u>55,000</u> | <u>232,400</u>   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 8b. Chief Executive Officer (if not named in 8a)             | Compensation      | Shares        | Options          | Bankruptcy  | Fraud   |
| <u>H. LAWRENCE CULP JR.**</u>                                | <u>24,553,788</u> | <u>0</u>      | <u>0</u>         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 8c. Additional Executive Officers (if not named in 8a or 8b) |                   |               |                  | <input type="checkbox"/> Bankruptcy                                 | <input type="checkbox"/> Fraud                                      |
| 1) _____   |                   |               |                  | <input type="checkbox"/> Bankruptcy                                 | <input type="checkbox"/> Fraud                                      |
| 2) _____   |                   |               |                  | <input type="checkbox"/> Bankruptcy                                 | <input type="checkbox"/> Fraud                                      |
| 3) _____   |                   |               |                  | <input type="checkbox"/> Bankruptcy                                 | <input type="checkbox"/> Fraud                                      |

**9. Loans to Members of the Board of Directors**

| Names of Directors | Description of Loan including Amount and Terms |
|--------------------|--|
| 1) _____           | _____  |
| 2) _____           | _____  |

If additional space is needed, place the additional information on only one side of a standard letter-sized piece of paper (8 1/2 x 11) clearly marked as an attachment to the Corporate Disclosure Statement and attach the extra page(s) to the completed Corporate Disclosure Statement.

By submitting this Corporate Disclosure Statement to the Secretary of State, the corporation certifies the information contained herein, including any attachments, is true and correct.

BRIAN SANDSTROM

Type or Print Name of Person Completing the Form

*Brian Sandstrom*  
 Signature

Executive Counsel

and Attesting Secretary

Title

May 20, 2020

Date

**GENERAL ELECTRIC COMPANY - Corporate Disclosure Statement Attachment**

Additional Information in Response to Item 7 and Item 8.

\* In response to Item 7, non-employee directors receive annual compensation of \$275,000, 40% in cash and 60% in deferred stock units (DSUs). The lead director receives an additional \$50,000. Directors serving on the Audit Committee receive an additional \$35,000 and Management Development & Compensation Committee members receive an additional \$25,000. Directors serving on the Governance & Public Affairs Committee receive an additional \$10,000. Members of the Special Litigation Committee receive an additional \$20,000. Upon retirement, directors elected in 2015 or earlier are eligible to designate to a maximum of five charitable organizations a share of up to \$1 million of GE contribution. Directors have the option of deferring some or all of their cash compensation into DSUs. Compensation reported for non-employee directors is "Total Compensation" for fiscal year 2019 as specified in Item 402(k) of SEC Regulation S-K.

\*\* In response to Item 8, for the one director who is a GE executive officer and the other five most highly paid GE executive officers, compensation reported is "Total Compensation" for fiscal year 2019 as specified in Item 402(c) of SEC Regulation S-K.

**GENERAL ELECTRIC COMPANY – Corporate Disclosure Statement Attachment**

## Additional Information in Response to Item 6b

Below are excerpts from GE's Form 10-Q for the quarterly period ended March 31, 2020 and GE's Form 10-K for the fiscal year ended December 31, 2019, each as filed with the SEC, that describe GE's current legal proceedings as specified by Item 103 of SEC Regulation S-K:

**GENERAL ELECTRIC COMPANY – 10-Q**

The following information supplements and amends the discussion of Legal Matters in Note 23 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2019; refer to that discussion for information about previously reported legal matters that are not updated below. In the normal course of our business, we are involved from time to time in various arbitrations, class actions, commercial litigation, investigations and other legal, regulatory or governmental actions, including the significant matters described below that could have a material impact on our results of operations. In many proceedings, including the specific matters described below, it is inherently difficult to determine whether any loss is probable or even reasonably possible or to estimate the size or range of the possible loss, and accruals for legal matters are not recorded until a loss for a particular matter is considered probable and reasonably estimable. Given the nature of legal matters and the complexities involved, it is often difficult to predict and determine a meaningful estimate of loss or range of loss until we know, among other factors, the particular claims involved, the likelihood of success of our defenses to those claims, the damages or other relief sought, how discovery or other procedural considerations will affect the outcome, the settlement posture of other parties and other factors that may have a material effect on the outcome. For these matters, unless otherwise specified, we do not believe it is possible to provide a meaningful estimate of loss at this time. Moreover, it is not uncommon for legal matters to be resolved over many years, during which time relevant developments and new information must be continuously evaluated.

**Alstom legacy matters.** In November 2015, we acquired the Thermal, Renewables and Grid businesses from Alstom. Prior to the acquisition, the seller was the subject of two significant cases involving anti-competitive activities and improper payments: (1) in January 2007, Alstom was fined €65 million by the European Commission for participating in a gas insulated switchgear cartel that operated from 1988 to 2004 (that fine was later reduced to €59 million), and (2) in December 2014, Alstom pled guilty in the United States to multiple violations of the Foreign Corrupt Practices Act and paid a criminal penalty of \$772 million. As part of GE's accounting for the acquisition, we established a reserve amounting to \$858 million for legal and compliance matters related to the legacy business practices that were the subject of these and related cases in various jurisdictions, including the previously reported legal proceedings in Israel that are described below. The reserve balance was \$846 million and \$875 million at March 31, 2020 and December 31, 2019, respectively.

Regardless of jurisdiction, the allegations relate to claimed anti-competitive conduct or improper payments in the pre-acquisition period as the source of legal violations and/or damages. Given the significant litigation and compliance activity related to these matters and our ongoing efforts to

resolve them, it is difficult to assess whether the disbursements will ultimately be consistent with the reserve established. The estimation of this reserve involved significant judgment and may not reflect the full range of uncertainties and unpredictable outcomes inherent in litigation and investigations of this nature, and at this time we are unable to develop a meaningful estimate of the range of reasonably possible additional losses beyond the amount of this reserve. Damages sought may include disgorgement of profits on the underlying business transactions, fines and/or penalties, interest, or other forms of resolution. Factors that can affect the ultimate amount of losses associated with these and related matters include the way cooperation is assessed and valued, prosecutorial discretion in the determination of damages, formulas for determining fines and penalties, the duration and amount of legal and investigative resources applied, political and social influences within each jurisdiction, and tax consequences of any settlements or previous deductions, among other considerations. Actual losses arising from claims in these and related matters could exceed the amount provided.

In September 2013, the Israeli Antitrust Authority issued a decision whereby Alstom, Siemens AG and ABB Ltd. were held liable for an alleged anti-competitive arrangement in the gas-insulated switchgears market in Israel. While there was no fine in connection with that decision, claimants brought two civil actions in 2013 seeking damages of approximately \$950 million and \$600 million, respectively, related to the alleged conduct underlying the decision that are pending before the Central District Court in Israel. The court in March 2020 approved a settlement agreement reached by the parties, but the settlement remains subject to appeal to the Supreme Court of Israel.

**Shareholder and related lawsuits.** In December 2018, a putative class action (the Varga case) was filed in the U.S. District Court for the Northern District of New York naming GE and a former GE executive officer as defendants in connection with the oversight of the GE RSP. It alleges that the defendants breached fiduciary duties under the Employee Retirement Income Security Act of 1974 (ERISA) by failing to advise GE RSP participants that GE Capital insurance subsidiaries were allegedly under-reserved and continued to retain a GE stock fund as an investment option in the GE RSP. The plaintiffs seek unspecified damages on behalf of a class of GE RSP participants and beneficiaries from January 1, 2010 through January 19, 2018 or later. In March 2020 the court granted GE's motion to dismiss the case, and in April 2020 the plaintiffs filed an appeal with the Second Circuit.

In August 2019, a putative class action (the Tri-State case) was filed in the Delaware Court of Chancery naming as defendants GE and the former Board of Directors of Baker Hughes Incorporated (BHI). It alleges fraud, aiding and abetting breaches of fiduciary duty, and aiding and abetting breaches of duty of disclosure by GE based on allegations regarding financial statements that GE provided the former BHI board, management and shareholders in connection with BHI's merger with GE's Oil and Gas Business in July 2017. The plaintiff seeks damages on behalf of BHI shareholders during the period between October 7, 2016 and July 5, 2017. In October 2019, the City of Providence filed a complaint containing allegations substantially similar to those in the Tri-State complaint. The cases were consolidated in November 2019, and in December 2019, the plaintiffs filed an amended consolidated complaint which is similar to the prior complaints but does not include fraud claims against GE. In February 2020, GE and the other defendants filed a motion to dismiss the amended consolidated complaint.

These cases are at an early stage; we believe we have defenses to the claims and are responding accordingly.

**Bank BPH.** As previously reported, GE Capital's subsidiary Bank BPH, along with other Polish banks, has been subject to ongoing litigation in Poland related to its portfolio of floating rate residential mortgages, with cases brought by individual borrowers seeking relief related to their foreign currency-denominated mortgages in various courts throughout Poland. Approximately 86% of the Bank BPH portfolio is indexed to or denominated in foreign currencies (primarily Swiss francs), and the total portfolio had a carrying value of \$2.4 billion at March 31, 2020. In October 2019, the European Court of Justice (ECJ) issued a decision about the approach to remedy in a case involving another Polish bank's foreign currency loans, and in January 2020, a pending case involving a Bank BPH loan was referred to the ECJ. While there remains significant uncertainty as to how the prior ECJ decision, or a future decision on the Bank BPH case, will influence the Polish courts as they consider individual cases, we are observing an increase in the number of lawsuits brought against Bank BPH and other banks in Poland with similar portfolios that may continue in future reporting periods. We have observed more findings of liability and more severe remedies being ordered against Polish banks. We also believe there is a potential for unifying rules of decision to emerge regarding both the finding of liability and approach to remedy that could change our estimate of the potential effects of borrower litigation. Future adverse developments in the potential for legislative relief or in litigation across the Polish banking industry as a result of ECJ decisions or otherwise could result in losses related to these loans in future reporting periods.

#### GENERAL ELECTRIC COMPANY – 10-K

In the normal course of our business, we are involved from time to time in various arbitrations, class actions, commercial litigation, investigations and other legal, regulatory or governmental actions, including the significant matters described below that could have a material impact on our results of operations. In many proceedings, including the specific matters described below, it is inherently difficult to determine whether any loss is probable or even reasonably possible or to estimate the size or range of the possible loss, and accruals for legal matters are not recorded until a loss for a particular matter is considered probable and reasonably estimable. Given the nature of legal matters and the complexities involved, it is often difficult to predict and determine a meaningful estimate of loss or range of loss until we know, among other factors, the particular claims involved, the likelihood of success of our defenses to those claims, the damages or other relief sought, how discovery or other procedural considerations will affect the outcome, the settlement posture of other parties and other factors that may have a material effect on the outcome. For these matters, unless otherwise specified, we do not believe it is possible to provide a meaningful estimate of loss at this time. Moreover, it is not uncommon for legal matters to be resolved over many years, during which time relevant developments and new information must be continuously evaluated.

**WMC.** During the fourth quarter of 2007, we completed the sale of WMC, our U.S. mortgage business. WMC substantially discontinued all new loan originations by the second quarter of 2007, and was never a loan servicer. In connection with the sale, WMC retained certain representation and warranty obligations related to loans sold to third parties prior to the disposal of the business and contractual obligations to repurchase previously sold loans that had an early payment default. All claims received by WMC for early payment default have either been resolved or are no longer being

pursued. The remaining claims that were active during 2019 were brought by securitization trustees or administrators seeking recovery from WMC for alleged breaches of representations and warranties on mortgage loans that serve as collateral for residential mortgage-backed securities (RMBS). These claims were resolved as part of the Chapter 11 bankruptcy case described below.

In January 2019, we announced an agreement in principle with the United States to settle the investigation by the U.S. Department of Justice (DOJ) regarding potential violations of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) by WMC and GE Capital, and in April 2019, the parties entered into a definitive settlement agreement. Under the agreement, which concludes this investigation, GE, without admitting liability or wrongdoing, paid the United States a civil penalty of \$1,500 million.

In April 2019, WMC commenced a case under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. WMC subsequently filed a Chapter 11 plan seeking an efficient and orderly resolution of all claims, demands, rights, and/or liabilities to be asserted by or against WMC as the debtor. GE Capital provided approximately \$14 million of debtor-in-possession financing to fund administrative expenses associated with the Chapter 11 proceeding. In August 2019, we reached a settlement with WMC to resolve potential claims that WMC may have had against certain GE entities. This settlement was incorporated into and approved as part of the Chapter 11 plan that the Bankruptcy Court approved in November 2019. The Chapter 11 plan also incorporated the resolution of the claims at issue in the previously reported lawsuit that the TMI Trust Company (TMI), as successor to Law Debenture Trust Company of New York, brought against WMC in the United States District Court for the District of Connecticut with respect to approximately \$800 million of mortgage loans. The Chapter 11 plan became effective in December 2019, and GE Capital's membership interests in WMC were extinguished pursuant to the plan. In total, we paid approximately \$207 million to WMC in connection with the settlement of potential claims that WMC may have had against us, as discussed above. As of December 31, 2019, we had no further liabilities to WMC. As a condition to the settlement agreement described above, GE Capital provided WMC \$39.5 million of exit financing that is secured by other remaining assets of WMC.

**Alstom legacy legal matters.** On November 2, 2015, we acquired the Thermal, Renewables and Grid businesses from Alstom. Prior to the acquisition, the seller was the subject of two significant cases involving anti-competitive activities and improper payments: (1) in January 2007, Alstom was fined €65 million by the European Commission for participating in a gas insulated switchgear cartel that operated from 1988 to 2004 (that fine was later reduced to €59 million), and (2) in December 2014, Alstom pled guilty in the United States to multiple violations of the Foreign Corrupt Practices Act and paid a criminal penalty of \$772 million. As part of GE's accounting for the acquisition, we established a reserve amounting to \$858 million for legal and compliance matters related to the legacy business practices that were the subject of these and related cases in various jurisdictions, including the previously reported legal proceedings in Israel and Slovenia that are described below. The reserve balance was \$875 million and \$889 million at December 31, 2019 and 2018, respectively.

Regardless of jurisdiction, the allegations relate to claimed anti-competitive conduct or improper payments in the pre-acquisition period as the source of legal violations and/or damages. Given the significant litigation and compliance activity related to these matters and our ongoing efforts to

resolve them, it is difficult to assess whether the disbursements will ultimately be consistent with the reserve established. The estimation of this reserve involved significant judgment and may not reflect the full range of uncertainties and unpredictable outcomes inherent in litigation and investigations of this nature, and at this time we are unable to develop a meaningful estimate of the range of reasonably possible additional losses beyond the amount of this reserve. Damages sought may include disgorgement of profits on the underlying business transactions, fines and/or penalties, interest, or other forms of resolution. Factors that can affect the ultimate amount of losses associated with these and related matters include the way cooperation is assessed and valued, prosecutorial discretion in the determination of damages, formulas for determining fines and penalties, the duration and amount of legal and investigative resources applied, political and social influences within each jurisdiction, and tax consequences of any settlements or previous deductions, among other considerations. Actual losses arising from claims in these and related matters could exceed the amount provided.

In September 2013, the Israeli Antitrust Authority issued a decision whereby Alstom, Siemens AG and ABB Ltd. were held liable for an alleged anti-competitive arrangement in the gas-insulated switchgears market in Israel. While there was no fine in connection with that decision, claimants brought civil actions in 2013 seeking damages of approximately \$950 million and \$600 million, respectively, related to the alleged conduct underlying the decision that are pending before the Central District Court in Israel. The parties have been working to finalize a settlement, which is subject to court approval, and we anticipate a decision from the court in the first half of 2020.

In connection with alleged improper payments by Alstom relating to contracts won in 2006 and 2008 for work on a state-owned power plant in Šoštanj, Slovenia, the power plant owner in January 2017 filed an arbitration claim for damages of approximately \$430 million before the International Chamber of Commerce Court of Arbitration in Vienna, Austria. In February 2017, a government investigation in Slovenia of the same underlying conduct proceeded to an investigative phase overseen by a judge of the Celje District Court.

**Shareholder and related lawsuits.** Since November 2017, several putative shareholder class actions under the federal securities laws have been filed against GE and certain affiliated individuals and consolidated into a single action currently pending in the U.S. District Court for the Southern District of New York (the Hachem case). In October 2019, the lead plaintiff filed a fifth amended consolidated class action complaint naming as defendants GE and current and former GE executive officers. It alleges violations of Sections 10(b) and 20(a) and Rule 10b-5 of the Securities Exchange Act of 1934 related to insurance reserves and accounting for long-term service agreements and seeks damages on behalf of shareholders who acquired GE stock between February 27, 2013 and January 23, 2018. GE filed a motion to dismiss in December 2019.

Since February 2018, multiple shareholder derivative lawsuits have also been filed against current and former GE executive officers and members of GE's Board of Directors and GE (as nominal defendant). Two shareholder derivative lawsuits are currently pending: the Bennett case, which was filed in Massachusetts state court, and the Cuker case, which was filed in New York state court. These lawsuits have alleged violations of securities laws, breaches of fiduciary duties, unjust enrichment, waste of corporate assets, abuse of control and gross mismanagement, although the specific matters underlying the allegations in the lawsuits have varied. The allegations in the

Bennett case relate to substantially the same facts as those underlying the securities class action described above, and the allegations in the Cuker case relate to alleged corruption in China. The Bennett complaint also includes a claim for professional negligence and accounting malpractice against GE's auditor, KPMG. The plaintiffs seek unspecified damages and improvements in GE's corporate governance and internal procedures. The Bennett case has been stayed pending final resolution of another shareholder derivative lawsuit (the Gammel case) that was previously dismissed. In August 2019, the Cuker plaintiffs filed an amended complaint. In September 2019, GE filed a motion to dismiss the amended complaint.

In June 2018, a lawsuit (the Bezio case) was filed in New York state court derivatively on behalf of participants in GE's 401(k) plan (the GE Retirement Savings Plan (RSP)), and alternatively as a class action on behalf of shareholders who acquired GE stock between February 26, 2013 and January 24, 2018, alleging violations of Section 11 of the Securities Act of 1933 based on alleged misstatements and omissions related to insurance reserves and performance of GE's business segments in a GE RSP registration statement and documents incorporated therein by reference. In November 2018, the plaintiffs filed an amended derivative complaint naming as defendants GE, former GE executive officers and Fidelity Management Trust Company, as trustee for the GE RSP. In January 2019, GE filed a motion to dismiss, and in November 2019, the court dismissed the remaining claims and the plaintiffs filed a notice of appeal. In December 2019, the plaintiffs filed a second amended derivative complaint, and in January 2020, GE filed a motion to dismiss.

In July 2018, a putative class action (the Mahar case) was filed in New York state court naming as defendants GE, former GE executive officers, a former member of GE's Board of Directors and KPMG. It alleged violations of Sections 11, 12 and 15 of the Securities Act of 1933 based on alleged misstatements related to insurance reserves and performance of GE's business segments in GE Stock Direct Plan registration statements and documents incorporated therein by reference and seeks damages on behalf of shareholders who acquired GE stock between July 20, 2015 and July 19, 2018 through the GE Stock Direct Plan. In February 2019, this case was dismissed. In March 2019, plaintiffs filed an amended derivative complaint naming the same defendants. In April 2019, GE filed a motion to dismiss the amended complaint. In October 2019, the court denied GE's motion to dismiss and stayed the case pending the outcome of the Hachem case. In November 2019, the plaintiffs moved to re-argue to challenge the stay, and GE cross-moved to re-argue the denial of the motion to dismiss and filed a notice of appeal.

In October 2018, a putative class action (the Houston case) was filed in New York state court naming as defendants GE, certain GE subsidiaries and current and former GE executive officers and employees. It alleges violations of Sections 11, 12 and 15 of the Securities Act of 1933 and seeks damages on behalf of purchasers of senior notes issued in 2016 and rescission of transactions involving those notes. This case has been stayed pending resolution of the motion to dismiss the Hachem case.

In December 2018, a putative class action (the Varga case) was filed in the U.S. District Court for the Northern District of New York naming GE and a former GE executive officer as defendants in connection with the oversight of the GE RSP. It alleges that the defendants breached fiduciary duties under the Employee Retirement Income Security Act of 1974 (ERISA) by failing to advise GE RSP participants that GE Capital insurance subsidiaries were allegedly under-reserved and continued to

retain a GE stock fund as an investment option in the GE RSP. The plaintiffs seek unspecified damages on behalf of a class of GE RSP participants and beneficiaries from January 1, 2010 through January 19, 2018 or later. In April 2019, GE filed a motion to dismiss.

In February 2019, two putative class actions (the Birnbaum case and the Sheet Metal Workers Local 17 Trust Funds case) were filed in the U.S. District Court for the Southern District of New York naming as defendants GE and current and former GE executive officers. In April 2019, the court issued an order consolidating these two actions. In June 2019, the lead plaintiff filed an amended consolidated complaint. It alleges violations of Section 10(b) and 20(a) of the Securities Exchange Act of 1934 based on alleged misstatements regarding GE's H-class turbines and goodwill related to GE's Power business. The lawsuit seeks damages on behalf of shareholders who acquired GE stock between December 4, 2017 and December 6, 2018. In August 2019, the lead plaintiff filed a second amended complaint. In September 2019, GE filed a motion to dismiss the second amended complaint.

In February 2019, a securities action (the Touchstone case) was filed in the U.S. District Court for the Southern District of New York naming as defendants GE and current and former GE executive officers. It alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Section 1707.43 of the Ohio Securities Act and common law fraud based on alleged misstatements regarding insurance reserves, GE Power's revenue recognition practices related to long term service agreements, GE's acquisition of Alstom, and the goodwill recognized in connection with that transaction. The lawsuit seeks damages on behalf of six institutional investors who purchased GE common stock between August 1, 2014 and October 30, 2018 and rescission of those purchases. This case has been stayed pending resolution of the motion to dismiss the Hachem case.

As previously reported by Baker Hughes, in March 2019, two derivative lawsuits were filed in the Delaware Court of Chancery naming as defendants GE, directors of Baker Hughes (including former members of GE's Board of Directors and current and former GE executive officers) and Baker Hughes (as nominal defendant), and the court issued an order consolidating these two actions (the Schippnick case). The complaint as amended in May 2019 alleges, among other things, that GE and the Baker Hughes directors breached their fiduciary duties and that GE was unjustly enriched by entering into transactions and agreements related to GE's sales of approximately 12% of its ownership interest in Baker Hughes in November 2018. The complaint seeks declaratory relief, disgorgement of profits, an award of damages, pre- and post-judgment interest and attorneys' fees and costs. In May 2019, the plaintiffs voluntarily dismissed their claims against the directors who were members of the Baker Hughes Conflicts Committee and a former Baker Hughes director. In October 2019, the Court denied the remaining defendants' motions to dismiss, except with respect to the unjust enrichment claim against GE, which has been dismissed. In November 2019, the defendants filed their answer to the complaint, and a special litigation committee of the Baker Hughes Board of Directors moved for an order staying all proceedings in this action pending completion of the committee's investigation of the allegations and claims asserted in the complaint. In December 2019, the court granted a six-month stay.

In August 2019, a putative class action (the Tri-State case) was filed in the Delaware Court of Chancery naming as defendants GE and the former Board of Directors of Baker Hughes Incorporated (BHI). It alleges fraud, aiding and abetting breaches of fiduciary duty, and aiding and abetting

breaches of duty of disclosure by GE based on allegations regarding financial statements that GE provided the former BHI board, management and shareholders in connection with BHI's merger with GE's Oil and Gas Business in July 2017. The plaintiff seeks damages on behalf of BHI shareholders during the period between October 7, 2016 and July 5, 2017. In October 2019, the City of Providence filed a complaint containing allegations substantially similar to those in the Tri-State complaint. The cases were consolidated in November 2019, and in December 2019, the plaintiffs filed an amended consolidated complaint which is similar to the prior complaints but does not include fraud claims against GE.

These cases are at an early stage; we believe we have defenses to the claims and are responding accordingly.

**SEC investigation.** In late November 2017, staff of the Boston office of the U.S. Securities & Exchange Commission (SEC) notified us that they are conducting an investigation of GE's revenue recognition practices and internal controls over financial reporting related to long-term service agreements. Following our investor update in January 2018 about the increase in future policy benefit reserves for GE Capital's run-off insurance operations, the SEC staff expanded the scope of its investigation to encompass the reserve increase and the process leading to the reserve increase. Following our announcement in October 2018 about the expected non-cash goodwill impairment charge related to GE's Power business, the SEC expanded the scope of its investigation to include that charge as well. We are providing documents and other information requested by the SEC staff, and we are cooperating with the ongoing investigation. Staff from the DOJ are also investigating these matters, and we are providing them with requested documents and information as well.

**Other GE Retirement Savings Plan class actions.** Four putative class action lawsuits have been filed regarding the oversight of the GE RSP, and those class actions have been consolidated into a single action in the U.S. District Court for the District of Massachusetts. The consolidated complaint names as defendants GE, GE Asset Management, current and former GE and GE Asset Management executive officers and employees who served on fiduciary bodies responsible for aspects of the GE RSP during the class period. Like similar lawsuits that have been brought against other companies in recent years, this action alleges that the defendants breached their fiduciary duties under ERISA in their oversight of the GE RSP, principally by retaining five proprietary funds that plaintiffs allege were underperforming as investment options for plan participants and by charging higher management fees than some alternative funds. The plaintiffs seek unspecified damages on behalf of a class of GE RSP participants and beneficiaries from September 26, 2011 through the date of any judgment. In August and December 2018, the court issued orders dismissing one count of the complaint and denying GE's motion to dismiss the remaining counts. We believe we have defenses to the claims and are responding accordingly.

**Bank BPH.** As previously reported, GE Capital's subsidiary Bank BPH, along with other Polish banks, has been subject to ongoing litigation in Poland related to its portfolio of floating rate residential mortgages, with cases brought by individual borrowers seeking relief related to their foreign currency-denominated mortgages in various courts throughout Poland. Approximately 86% of the Bank BPH portfolio is indexed to or denominated in foreign currencies (primarily Swiss francs), and the total portfolio had a carrying value of \$2.5 billion at December 31, 2019. In October 2019, the

European Court of Justice (ECJ) issued a decision about the approach to remedy in a case involving another Polish bank's foreign currency loans, and in January 2020, a pending case involving a Bank BPH loan was referred to the ECJ. While there remains significant uncertainty as to how the prior ECJ decision, or a future decision on the Bank BPH case, will influence the Polish courts as they consider individual cases, we are observing an increase in the number of lawsuits brought against Bank BPH and other banks in Poland with similar portfolios that may continue in future reporting periods. We also believe there is a potential for unifying rules of decision to emerge regarding both the finding of liability and approach to remedy that could change our estimate of the potential effects of borrower litigation. Future adverse developments in the potential for legislative relief or in litigation across the Polish banking industry as a result of ECJ decisions or otherwise could result in losses related to these loans in future reporting periods.