

December 21, 2023

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *General Electric Company*
Shareholder Proposal of Martin Harangozo
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, General Electric Company (the “Company”), intends to omit from its proxy statement and form of proxy for its 2024 Annual Meeting of Shareholders (collectively, the “2024 Proxy Materials”) a shareholder proposal (the “Proposal”) and statement in support thereof (the “Supporting Statement”) received from Martin Harangozo (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2024 Proxy Materials with the Commission; and
- concurrently sent a copy of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of such correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

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THE PROPOSAL

The Supporting Statement is a diatribe directed to long-retired Company chief executive officers against whom the Proponent holds a personal grievance, and the Proposal, which has no relevance to the Company's current chief executive officer, recommends that senior executives be required to hold any shares they receive in connection with the exercise of stock options for the life of the executive. A copy of the Proposal and the Supporting Statement is attached to this letter as Exhibit A.

BASES FOR EXCLUSION

The Proposal May Be Excluded Under Rule 14a-8(i)(4) Because The Proposal Relates To The Redress Of A Personal Grievance And Is Designed To Benefit The Proponent In A Manner That Is Not In The Common Interest Of The Company's Shareholders.

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2024 Proxy Materials pursuant to Rule 14a-8(i)(4) because the Proposal relates to the redress of a personal grievance and is designed to benefit the Proponent in a manner that is not in the common interest of the Company's shareholders.

1. *Background.*

The Proposal is yet another chapter in the Proponent's annual effort to misuse the shareholder proposal process as a tactic to reassert and redress his personal grievance against the Company and former Company officers, which is not in the common interest of the Company's shareholders.

The Proposal is nearly identical to a proposal submitted by one of the Proponent's cohorts and included in the Company's proxy statement for its 2014 Annual Meeting of Shareholders.¹ Although the Proposal recommends generally that the Company require "senior executives [to] hold any shares they receive in connection with the exercise of stock options for the life of the executive," the Supporting Statement focuses almost exclusively on events occurring more than a decade ago and focuses on stock option-based compensation earned by two of the Company's former chief executive officers, who retired from the Company in 2001 and 2017, respectively. The Proposal has no relevance to the Company's current chief executive officer, who has not been granted any Company stock options. As

¹ See Notice of 2014 Annual Meeting & Proxy Statement, at p. 45, available at https://www.sec.gov/Archives/edgar/data/40545/000120677414000746/ge_def14a.htm.

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explained further in the Company's most recent proxy statement, since the Company's current chief executive officer was hired in 2018, all of his equity awards have been in the form of performance-based equity. By granting the Company's chief executive officer solely performance-based equity, the Company has tied the chief executive officer's compensation to long-term shareholder value creation. It is clear that the Proposal, which is focused on the Company's prior executive leaders and their compensation, is merely being used by the Proponent as a vehicle for the Proponent to again reassert and redress his personal grievance against the Company.

As explained in *General Electric Co.* (avail. Feb. 14, 2020; recon. denied Feb. 28, 2020) ("*General Electric 2020*"), the Proponent was hired by the Company in 1990, separated from the Company in 2011, and subsequently filed a claim against the Company under the Company's alternative dispute resolution process,² asserting various allegations related to his employment with the Company, and seeking monetary and other relief. *General Electric 2020* further explains that, commencing in 2012, the Company received shareholder proposals every year from the Proponent and some variation of four other individuals. While some of the shareholder proposals were facially neutral, several proposals raised claims relating to alleged inappropriate actions by then-management personnel and asserted the Proponent's perspective on such matters. The facts surrounding these submissions make clear that the Proponent coordinated proposal submissions to the Company in a manner designed to harangue the Company, vindicate the Proponent's perspective, and provide the Proponent a continual platform to redress his personal grievance by speaking at the Company's annual shareholder meetings.

As recently as this year, when the Company included the Proponent's facially neutral proposal in its 2023 proxy statement, the Proponent used his opportunity during the 2023 Annual Meeting of Shareholders to discuss his personal history with the Company and air his longstanding grievances against the Company, including allegations of improper dealings in stock options and stock by the Company's former chief executive officer. A copy of the relevant portion of the transcript from the Company's 2023 Annual Meeting of Shareholders is attached as Exhibit B. The Proponent has made similar remarks at prior meetings, including during both the 2022 and 2021 Annual Meetings of Shareholders. At both meetings, the Proponent discussed his personal history with the Company, aired his longstanding grievances against the Company, realleged a claim of inappropriate accounting, a grievance consistently raised by the Proponent in previous shareholder meetings, and

² The Company does not take issue with the Proponent's use of the Company's alternative dispute resolution process, which the Company views as an appropriate forum for employees to raise any grievances.

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derided former management (*e.g.*, alleging that his former supervisor “retaliated against those that questioned his accounting” and “lied under oath”); each of which has been consistently raised by the Proponent in other prior proposals. A copy of the relevant portion of the transcripts from the Company’s 2022 and 2021 Annual Meetings of Shareholders is attached as Exhibit C. Thus it is clear that the Proponent has used the shareholder proposal process, and the platform it provides, to speak at the Company’s annual meetings to continue to publicly assert his personal grievance against the Company under the guise of various corporate governance concerns. The Proponent’s submission of this year’s Proposal yet again resurrects that tactic to do the same.

While the Company’s shareholders have had to endure the Proponent’s games, they have not endorsed his efforts. The Proponent’s proposal at the Company’s 2023 Annual Meeting, seeking a sale of the Company (after the Company had already announced plans to split into three companies) received only 0.5% of the votes cast; his proposal at the Company’s 2022 Annual Meeting, requesting a cessation of all executive stock option programs and bonus programs received support of only 1.9% of the votes cast; and his proposal at the Company’s 2021 Annual Meeting, advocating that multiple director candidates be nominated received only 3.0% support. As with the Proposal, each of these proposals was a recycled and rehashed proposal that in two of the cases included supporting statements criticizing the Company’s chief executive officers, and that served only to provide the Proponent a platform to assert his personal grievances at the Company’s annual meetings.

2. *Analysis.*

Rule 14a-8(i)(4) permits the exclusion of shareholder proposals that are (i) related to the redress of a personal claim or grievance against a company or any other person, or (ii) designed to result in a benefit to a proponent or to further a personal interest of a proponent, which other shareholders at large do not share. The Commission has stated that Rule 14a-8(i)(4) is designed to “insure that the security holder proposal process [is] not abused by proponents attempting to achieve personal ends that are not necessarily in the common interest of the issuer’s shareholders generally.” Exchange Act Release No. 20091 (Aug. 16, 1983). In addition, the Commission has stated, in discussing the predecessor of Rule 14a-8(i)(4) (Rule 14a-8(c)(4)), that Rule 14a-8 “is not intended to provide a means for a person to air or remedy some personal claim or grievance or to further some personal interest. Such use of the security holder proposal procedures is an abuse of the security holder proposal process. . . .” Exchange Act Release No. 19135 (Oct. 14, 1982). Moreover, the Commission has noted that “[t]he cost and time involved in dealing with” a shareholder proposal involving a personal grievance or furthering a personal interest not shared by other

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shareholders is “a disservice to the interests of the issuer and its security holders at large.” Exchange Act Release No. 19135 (Oct. 14, 1982). Thus, Rule 14a-8(i)(4) provides a means to exclude shareholder proposals the purpose of which is to “air or remedy” a personal grievance or advance some personal interest.

The Commission also has confirmed that this basis for exclusion applies even to proposals phrased in terms that “might relate to matters which may be of general interest to all security holders.” Exchange Act Release No. 19135 (Oct. 14, 1982). In this regard, the Commission noted that for a while the Staff would require “the issuer [to] show a direct relationship between the subject matter of a proposal and the proponent’s personal claim or grievance,” but that “proponents and their counsel began to draft proposals in broad terms so that they might be of general interest to all security holders.” As a result, “a proposal, despite its being drafted in such a way that it might relate to matters which may be of general interest to all security holders, properly may be excluded under paragraph [(i)](4), if it is clear from the facts presented by the issuer that the proponent is using the proposal as a tactic designed to redress a personal grievance or further a personal interest.” Notably, in 1997, the Commission proposed to modify the administration of the personal grievance exclusion, under which the Staff would concur in exclusion “only if the proposal (including any supporting statement) on its face relates to a personal grievance or special interest.” See Exchange Act Release No. 39093 (Sept. 18, 1997). However, in light of shareholders’ opposition to the proposal, in 1998, the Commission determined not to revise the exclusion, and stated, “We have therefore decided not to implement the proposal, and will continue to administer the rule consistently with our current practice of making case-by-case determinations on whether the rule permits exclusion of particular proposals.”

Consistent with the foregoing standards announced by the Commission for the administration of Rule 14a-8(i)(4), the Staff on numerous occasions has concurred with the exclusion of a proposal that included a facially neutral resolution, but where the facts demonstrated that the proposal’s true intent was to further a personal interest or redress a personal claim or grievance. See *Sempra Energy* (avail Mar. 15, 2022) (concurring with the exclusion of a proposal to create a committee to oversee the company’s response to developments in human rights, where both the proposal’s supporting statement and facts surrounding the submission of the proposal indicated that the proponent was using the shareholder proposal process to assert his personal grievances against both the company and an affiliate of the company’s public accounting firm, based on the company’s affiliation with its public accounting firm); *General Electric 2020* (stating “[t]he Commission has explained that it ‘does not believe an issuer’s proxy materials are a proper forum for airing personal claims or grievances’”); *American Express Co. (Lindner)* (avail. Jan. 13, 2011) (concurring with the exclusion of a

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proposal to amend an employee code of conduct to include mandatory penalties for noncompliance when brought by a former employee who previously sued the company on several occasions for discrimination, defamation, and breach of contract); *State Street Corp.* (avail. Jan. 5, 2007) (concurring with the exclusion of a proposal that the company separate the positions of chairman and CEO and provide for an independent chairman when brought by a former employee after that employee was ejected from the company's previous annual meeting for disruptive conduct and engaged in a lengthy campaign of public harassment against the company and its CEO).

Notably, the Staff has concurred that proposals may be excluded pursuant to Rule 14a-8(i)(4) where the proposal and supporting statements are neutrally worded and do not explicitly reveal the underlying dispute or grievance, but where the proponent has a history of confrontation with the company and that history is indicative of a personal claim or grievance within the meaning of Rule 14a-8(i)(4). For example, in *MGM Mirage* (avail. Mar. 19, 2001) ("*MGM*"), the Staff concurred with the exclusion of a proposal that would require the company to adopt a written policy regarding political contributions and furnish a list of any of its political contributions submitted on behalf of a proponent who had filed a number of lawsuits against the company based on the company's decisions to deny the proponent credit at the company's casino and, subsequently, to bar the proponent from the company's casinos, among other things. The company argued that the proponent was using the proposal to further his personal agenda, none of which was referenced in the proposal or supporting statement. *See also Pfizer, Inc.* (avail. Jan. 31, 1995) (concurring with the exclusion of a proposal related to CEO compensation saying, "the staff has particularly noted that the proposal, while drafted to address other considerations, appears to involve one in a series of steps relating to the longstanding grievance against the [c]ompany by the proponent," where the proposal was submitted by a former employee who contested the circumstances of his retirement, claiming that he had been forced to retire as a result of illegal age discrimination); *International Business Machines Corp. (Ludington)* (avail. Jan. 31, 1994) (concurring with the exclusion of a proposal requesting a list of all groups and parties that receive corporate donations in excess of a specified amount, including "details and names pertinent to the gift," where the company pointed to the proponent's prior communications with the company over the past year trying to stop corporate donations to charities that the proponent believed supported illegal immigration, including a request that the company provide the names of individuals at the charities that the company had communicated with, and argued that the proposal was thus an attempt to gain information on the charities, harass them, and stop donations to them).

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The foregoing precedent, and the Commission's statements in the 1982 Release (which the Staff recently confirmed that it continues to abide by),³ demonstrate that Rule 14a-8(i)(4) contemplates looking beyond the four corners of a proposal for purposes of identifying the personal grievance to which the submission of the proposal relates. Exactly as described in the 1982 Release, the Proponent has drafted the Proposal in neutral terms so that it might be of general interest to all security holders, in an effort to circumvent the Rule 14a-8(i)(4) standard. Nevertheless, the Proponent's consistent year-over-year pattern of conduct reveals his true intentions to use the shareholder proposal process in order to air his personal grievances at the Company's annual meetings of shareholders. Given that the Supporting Statement is focused on long-retired former chief executive officers, and that the Proposal has no applicability to the current chief executive officer's equity compensation, there is no doubt that the Proposal is "designed to result in a benefit to a proponent or to further a personal interest of a proponent, which other shareholders at large do not share." From the outdated focus of the Proposal and Supporting Statement and the Proponent's extensive history with the Company and well-established pattern of conduct, including his statements at the Company's most recent annual meetings, it is clear that the Proposal is yet another attempt by the Proponent to redress his personal grievance. This sort of ongoing gamesmanship, deploying neutral language in proposals to eschew exclusion under Rule 14a-8(i)(4), does not serve the goals of the shareholder proposal process and is instead an abuse of the Commission's rules that should not be condoned.

In keeping with the well-established precedent, the Proposal is properly excludable under Rule 14a-8(i)(4) because "it is clear from the facts presented by the issuer that the proponent is using the proposal as a tactic designed to redress a personal grievance or further a personal interest." The Proposal was clearly submitted to achieve the Proponent's personal ends, which are not in the common interest of the Company's shareholders, and requiring the Company to include this Proposal would allow the Proponent to continue to subvert and abuse the Rule 14a-8 process to advance his personal interests that are not in the common interest of the Company's shareholders.

CONCLUSION

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2024 Proxy Materials, and we respectfully request that the Staff concur that the Proposal may be excluded under Rule 14a-8.

³ See Staff Legal Bulletin 14L (Nov. 3, 2021).

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We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8671, or Kira Schwartz, the Company's Executive Counsel, Corporate, Securities and Finance, at (617) 306-3079.

Sincerely,



Ronald O. Mueller

Enclosures

cc: Brandon Smith, Vice President, Chief Corporate, Securities and Finance Counsel,
General Electric Company
Kira Schwartz, Senior Counsel, Corporate, Securities and Finance, General Electric
Company
Martin Harangozo

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EXHIBIT A

From: [Martin Harangozo](#)
To: [Martin J \(GE Indust ConsInd\) Harangozo](#); [~CORP ShareholderProposals](#)
Subject: 2024 GE shareholder proposal. I intend to hold requisite number of shares until the close of the 2024 shareholder meeting. Martin Harangozo. You know me.
Date: Thursday, October 19, 2023 3:53:09 PM

Performance For Life

Whereas from 1892 to 2007, General Electric has appreciated on average nearly 7 percent. The last three decades however, General Electric experienced temporary unsustainable performance surge followed by drastic performance decline or free fall. General Electric valuation followed, enabling key executives to earn huge profits from performance swings, repositioning themselves favorably following General Electric performance free fall. The unsustainable performance surge included nineteen percent per share net earnings growth 2000 or twenty seven percent improvement over fifteen percent per share earnings 1999. Dividend increases were seventeen percent 1999, 2000. Some shareholders believed General Electric could consistently double share net earnings approximately every four years. Hundreds of executives earned hundreds of millions, justified by General Electric's valuation. Chief Executive Officer compensation was compared to company valuation increases. Mister Welch earned hundred twenty five million one year in part to company valuation. Mister Immelt sold 85,000 General Electric shares, many with prices over 57 near all time high price of around 60.

Following 2000 General Electric realizes hundreds of billions in valuation losses. The fantastic performance from the temporary unsustainable earnings surge is criticized by Wall Street journalist Kathryn Kranhold. General Electric per share net earnings growth becomes negative and declines by 37 percent in 2009.

A comparison of long term investor returns to Immelt highlight tremendous alignment opportunities. The investor purchasing shares Immelt sold on Oct 17, 2000, for 57.75 would in twelve years Oct 16, 2012 at share price of 23 experience decline of 60 percent. Immelt however can take comfort. When Immelt sold 40000 shares at 57.75, he could buy them at 6.67 earning handsomely 766 percent. Following company's performance free fall, Immelt buys at 9. Rising from 9 to 23 on Oct 16, 2012, earns Immelt additional hundred fifty percent yielding a total handsome gain over 2250 percent. The book "The Warren Buffet Way" Warren is quite content to hold securities infinitely so long as the prospective return in equity capital of the underlying business is satisfactory, management is competent and honest, and the market does not overvalue the business". By removing current opportunity to profit enormously from extreme performance swings driving accompanying valuation swings, management can be aligned to the long term investor, as the company has committed to return one half net earnings to shareholders in dividends.

This proposal recommends that General Electric improve its stock ownership and holding requirements so that senior executives hold any shares they receive in connection with the exercise of stock options for the life of the executive. This applies only to stock issuable upon exercise of currently unexercised options. The executive can earn the dividends and bequeath the shares.

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EXHIBIT B

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EXHIBIT C

