

A Tale of Two Industries in Compliance

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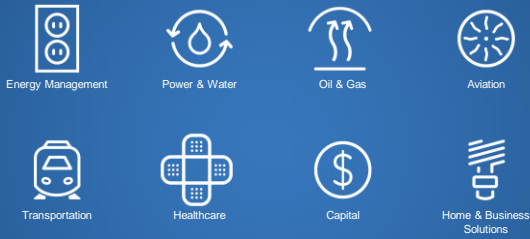


General Electric

Finding solutions in energy,
health and home, transportation and finance
Building, powering, moving, curing



Our business units

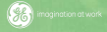


~\$147B Revenue in 2012



INTEGRITY: Everyday, Everywhere, Everyone

“One thing at GE remains as true today as a hundred years ago: GE’s reputation for unparalleled integrity is its most precious asset.”
~ Jeff Immelt



Compliance & Ethics at GE



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Foundations of Compliance at GE

GE's Compliance program is about: *The Spirit . . . Doing the right thing*
and *The Letter . . . 15 Policies:*



1. Improper Payments
2. Supplier Relationships
3. International Trade Controls
4. Money Laundering Prevention
5. Privacy
6. Working with Governments
7. Complying with Competition Laws
8. Fair Employment Practices
9. Environment, Health & Safety
10. Security & Crisis Management
11. Intellectual Property
12. Controversial
13. Conflicts of Interest
14. Insider Trading & Stock Tipping
15. Regulatory Excellence



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Leaders
Shape
Drive
Own
Culture





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Leadership engagement

GE Strategy

UK Ministry of
Justice



Adequate
Procedures

“Six Principles”:

1. Proportionate Procedures
2. Top-level commitment
3. Risk Assessment
4. Due diligence
5. Communication (including training)
6. Monitoring and review



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Energy Management



Who we are

As GE's electrification and automation business, we help our customers safely...

- Generate
- Transmit
- Distribute
- Convert
- Protect
- Automate
- Control
- Optimize

electricity.



Where we work

Employees in >530 cities, >65 countries

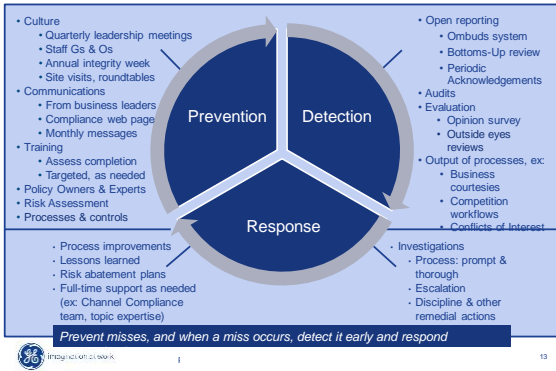


What we create

Our electrical and controls products, solutions and services.



EM Compliance Program Elements



GE Capital

Who we are

Commercial Loans & Leasing	Consumer	Real Estate	Aviation Services	Energy Fin'l. Service
Assets: \$182B	Assets: \$139B	Assets: \$46B	Assets: \$49B	Assets: \$19B
<ul style="list-style-type: none"> • Entered in '60's • Secured lender • Focus on middle market 	<ul style="list-style-type: none"> • Entered in '30's • Store cards and sales finance • Broad spread of risk 	<ul style="list-style-type: none"> • Entered in '70's • Secured loans • Own/operate quality assets 	<ul style="list-style-type: none"> • Entered in '60's • GE domain • Broad product set 	<ul style="list-style-type: none"> • Entered in '80's • GE domain • Essential assets

Businesses we know... decades of performance

Where we work

- Operating in 50+ countries
- 1 million commercial customers
- 60+ million consumer customers
- 50,000 employees
- 2012 Net Income: \$7.4 Billion
- 2012 Assets: \$538 Billion



What we create

- ✓ Diversified lender providing asset based lending & leasing
- ✓ Broad geographic distribution with 470,000 customers
- ✓ Organized by product & industry expertise... largest origination team in industry

Fleet Direct Lending Healthcare Sales Finance



Inventory Sponsor Equipment Bank Loan Franchise

Leader in eight U.S. Middle Markets



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GECC Compliance program elements

Governance – oversight and challenge



Organization, stature and objectivity



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Governance



Compliance Committee

- Review/challenge issues
- Oversee compliance program
- All key risk and program areas

Standard Reporting

- Issues & metrics – monthly/quarterly
- Compliance Scorecard – monitored quarterly/complied annually
- "Session D" - annually

Organization & Resources

Organization & Resources

- Program/Processes & Controls
- Investigations & Open Reporting
- Businesses/Regions
- Testing
- Key Risks, examples:
 - Anti-Money Laundering
 - Channel Partners



Sample policy areas for discussion:

- Improper payments
- Anti-money laundering
- Working with governments
- Fair employment practices



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Improper payments

RULE TO REMEMBER: Do not permit/engage in bribery/corruption of any kind

YOUR ROLE:

Payments and anything of value

- **Never offer, promise, make, or authorize a payment or the giving of anything of value to anyone in order to obtain an improper business advantage**
- **Remember that providing gifts, entertainment or anything else of value to government employees is highly regulated and often prohibited. Do not provide such gifts and entertainment unless you have received prior GE counsel approval**
- **Follow Corporate and business guidelines regarding gifts and entertainment and other business courtesies**

Political contributions

- **Never contribute company funds or other GE assets for political purposes without obtaining prior approval from Corporate Government Affairs, a company officer or GE counsel, as applicable**

Third Party relationships

- **Follow your business due diligence procedures and require that any third party representing GE be carefully selected and comply with this policy**
- **Treat with extreme caution a demand from a third party to receive its commission payment prior to winning a deal/contract**
- **Be wary of any suggestion to direct GE business through a specific representative or partner due to a "special relationship"**
- **Be suspicious of any request to make a payment to a person who is not related to the transaction being discussed — or a request that payments be made in another country**
- **Watch out for commissions that seem too large in relation to the services provided**



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Anti-money laundering

RULE TO REMEMBER: Always know your customer and be alert to possible illegal activity

- **Collect and understand documentation about prospective customers, agents and business partners to ensure that they are involved in legitimate business activities and that their funds come from legitimate sources**
- **Follow your business know your customer procedures and rules on collecting and verifying information from our customers and related parties**
- **Follow your business rules concerning acceptable forms of payment. Learn the types of payments that have become associated with money laundering (for example, payments on behalf of a customer from an unknown person)**
- **Be alert for and escalate any signs of potential money laundering or other illegal activities**

Examples:

- Attempts by a customer to provide false information to open an account
- Offers to pay in cash or overpayments followed by requests for refunds
- Orders, purchases or payments that are unusual or inconsistent with a customer's trade or business
- Unusually complex deal structures
- Unusual fund transfers to or from countries unrelated to the transaction
- Transactions that might have been structured to evade recording or reporting requirements



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