

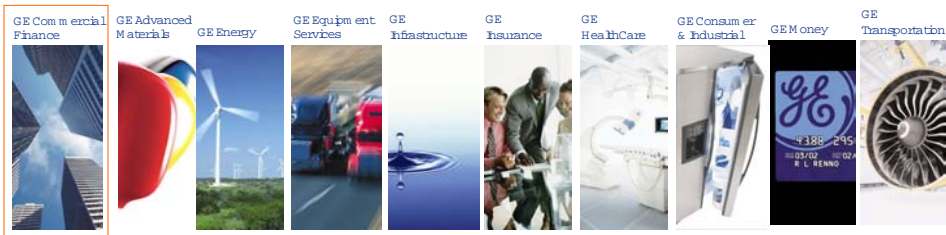
GE Commercial Finance

Maximizing Business Performance - Through Compliance

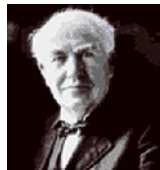
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The Businesses of GE

A Technology, Services & Financial Company



- 11 Businesses in Over 100 Countries
- ~\$150B in Revenues (45% International)
- 300,000 Employees Worldwide
- AAA-Rated by S&P and Moody's
- Fortune 50 Company ...110 years old



GENBC /
Universal



GE Commercial Financial Services

Financial products and services for businesses of all sizes around the globe



Globally

- > \$280 billion assets
- Operating in > 35 countries
- Over 30,000 employees
- Backed by GE Capital's AAA rating

Solutions Provided:

- Equipment Financing
- Healthcare Financial Services
- Corporate Financial Services
- Transportation Financial Services
- Fleet Services
- Real Estate
- Insurance

GE-CFS— Itself A Fortune 20 Business

GE - World's "Most Respected" Company

- No. 1 Most Respected Company for 7th consecutive year
- No. 1 For Governance
- The only company continuously selected for the Dow Jones Stock Index since its commencement in 1896

“

After all these years, they have never been brought into disrepute.

“

The complexity of their business makes their ability to stay out of trouble more impressive.

Fortune

Financial Times

Financial Times/PricewaterhouseCoopers
survey of 935 CEOs worldwide Nov 2004

Compliance Misses Can Dramatically Affect Stock Price

Dutch Ahold	JP Morgan Chase	Tyco International	Worldcom
Execs investigated for inflating earnings	Congressional investigators claim JP Morgan helped Enron hide debt.	Tyco chairman Dennis Kozlowski quits amid scandal re: tax evasion.	Worldcom discloses false reporting of profits for previous 5 years.
Stock ↓ 60% Overnight	Stock ↓ 20% Overnight	Stock ↓ 25% Overnight	Stock ↓ 90% Overnight

Study: Investors Assign >20% Integrity Premium

“

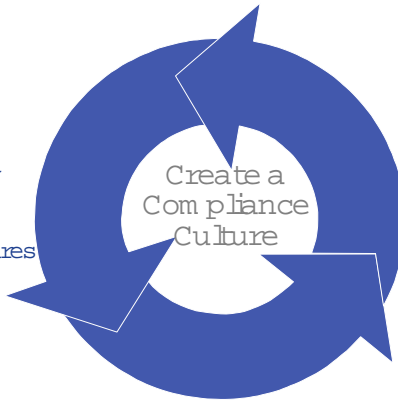
Nothing—not making the numbers, competitiveness or direct orders from a superior—should ever compromise our commitment to integrity.

Jeff Immelt, CEO, GE

Create a "Virtuous" Cycle

Prevention

- Senior Management Commitment
- Risk Assessment
- Policies and Procedures
- Training



Detection

- Compliance Reviews
- Monitoring - Dashboards
- Ombudsperson Network
- Compliance Audits

Response

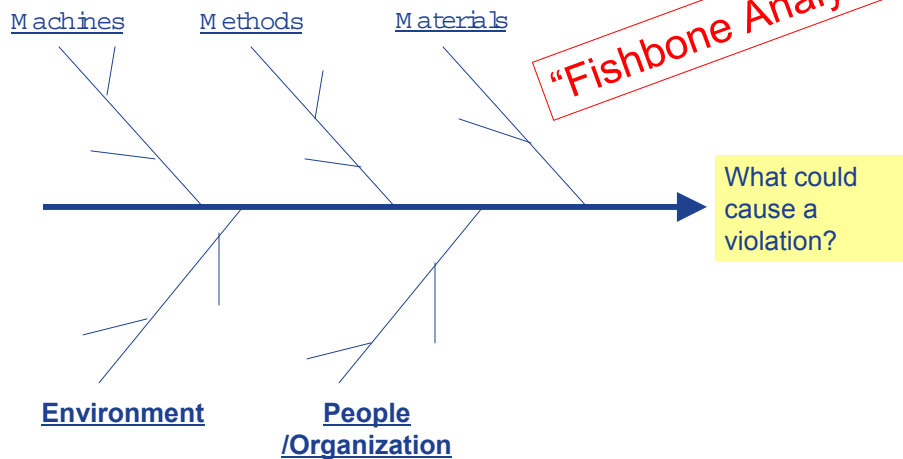
- Investigation
- Employee Discipline
- Communication
- Systems Improvement

COMFIN Compliance Goals & Objectives 2005

<p>CEO/GM Direct Reports</p> <p>CEO/GM to select a few items from this menu for select DREs/BoH</p>	<ul style="list-style-type: none"> • Establish a Proactive Compliance Organization & Culture 	<ul style="list-style-type: none"> • Resource/infrastructure gaps identified in Session D timely filled • Compliance is included in evaluation of new business initiatives/products and processes, S1 and S2, Session C • CEO/GM and DR compliance messages at least monthly • 90% + are aware of How to Raise a Concern and of "No Retaliation"
<ul style="list-style-type: none"> • Specific Compliance Goals set at beginning of year for each employee and manager • Managers held to a higher standard • Employees are measured - and compensated - at end of year based on achievement of Goals • Part of employee's employment record 		
	<ul style="list-style-type: none"> • Any material policy/legal breaches or adverse findings and risks found in 05 audits (internal and external) had been previously identified and are being adequately addressed 	



Find Root Causes for Priority Issues



Identify Root Causes ➡ Effective Measures to Cure the Causes

Messages by Leaders

- All Staff Meetings Include Compliance Remarks by Leader.
- Intranet, Posters, and Wall Cards.
- Periodic Rewards & Recognition of Employees with Outstanding Compliance Achievements.
- Announce Details of Disciplinary Actions... show employees where the "Lines" are.
- Promote Ombuds System - No retaliation, "Don't be Shy"
- Compliance Training - Invest Resources and Time

Ops Dashboard - Microsoft Internet Explorer

Address: http://powersuite2.corporate.ge.com/gecomfin/comp/cockpit/index.cfm?SupCat=HR&qtr=2

Dashboard Generated: 7/22/2004 04:20 PM

GE Commercial Finance Compliance

Compliance Metrics Dashboard

GE Commercial Finance

2004 Quarter 2 [Qtr 2]

Bus Dev/Intgrn Ldr | Comm Officer | CFO | Compl Officer | COO/Chief Risk Officer | HR | Gen Counsel | Ombuds | Priv Ldr/CIO | Sals

Please mouse-over the metric labels in the header row to view complete details of each metric

Business	% NEW HRES ACKNWLDG S&L	% SAL ARIED EMP FILED COI	% TRE EMPL ACKNWLDG IN 30 DAYS OF H	% NEW HRES ACKNWLDG PROPRIETARY IN	% LEVEL I TRNG COMPLTD	% LEVEL II TRNG COMPLTD	% CLT T COMPL
Capital Aviation Services Josh van Hulst	100	Percent of salaried employees filed COI / readnowledgment questionnaires in previous 18 months	100	100	100	100	100
Commercial Equipment Financing Andrew Hinton	100		100	100	100	100	98.6
Corporate Financial Services Lesley Apt	98.2	99.9	100	100	100	100	100
Energy Financial Services Jennifer D. Byrnes	100	100	100	100	100	100	100
European Equipment Finance Simon Ramage	100	96	100	100	100	97.6	98.9
Fleet Services Amy Hasbargen	100	100	100	100	100	100	100
Healthcare Financial Services Erik Schmidt	100	100	100	100	100	100	100
Real Estate Lucy Brown	97	99.6	100	55.9	96.8	99.4	100
Vendor Financial Services Alfred Spencer	100	100	98.4	100	100	100	100

NA All business entities' inputs are 0s - At least one entity is active for metric
One or more business entities with no inputs - At least one entity is active for metric

Set Metrics to Ensure Processes Stay Fixed

Done Local Intranet

Start | Inbox - Mic... | Hottopics... | Questions... | latest sess... | Commercia... | Ops Dash... | 100% | 5:28 PM

Managing Compliance

- Clear, repeated message from the top...dedicate real resources
- Compliance part of Performance Evaluations
- Training...provide the tools, specify precisely what each employee must do
- Ombuds program – anonymous, no retaliation policy, promote culture of early disclosure and make it easy (e.g. website)
- Self-Assessment/Process mapping/Root Cause Analysis
- Change Acceleration Process– Enlist the Right Stakeholders
- Metrics and Auditing: track, measure key priorities

Questions?

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