Track 2: Compliance

DATA Transparency 2018

Washington, D.C.

Mayflower Hotel * October 10

#DATA2018

workiva
Track 2: Modernizing Compliance Data for Efficiency and Transparency

Mark Reger, Former Deputy Controller, White House OMB, representing AGA
Former @OMBPress
Panel 1: Transforming Federal Grant Reporting

Stephanie Endy, Representative, Federal Demonstration Partnership

Julia Lane, PhD, Professor Wagner School, NYU
@nyuniversity

Yolanda Jones, Director, Grants Systems Modernization, HHS
@HHSgov

Natalie Rico, Senior Policy Analyst, Management Controls and Assistance, OFFM, White House OMB
@missnrico

Wagish Bhartiya, Senior Director of SaaS Business, REI Systems (moderator)
@REI_Systems
Compliance Data Demo: How the Legal Entity Identifier Brings Clarity to Compliance

Srinivas Bangarbale, CDO, CFTC
@CFTC

Robin Doyle, Managing Director, Office of Regulatory Affairs, JP Morgan
@jpmorgan

Steve Meizanis, Global Head, Bloomberg LEI (moderator)
@Bloomberg

Sponsored by Bloomberg
50 distinct entity identification systems

- Government ownership
  - EIN: 12
  - DUNS: 5
  - RSSD ID: 5
  - LEI: 4
  - CRD: 4
  - CAGE: 2
  - HTS: 2
  - EPA: 2
  - NFA
  - IATA
  - GS1
  - LIC and HIN
  - SCAC
  - MIC/MID

- Non-profit ownership
  - 2
- For-profit ownership
  - 2

36 single-regime systems owned by the government

Please see appendix for glossary of abbreviations.
Using LEI to Connect the Dots

How the Legal Entity Identifier Brings Clarity to Compliance

Srinivas Bangarbale
Chief Data Officer
Commodity Futures Trading Commission

October 10, 2018
Disclaimer

The views and content expressed in this presentation are those of the individual making the presentation and do not necessarily represent the views and positions of the Commodity Futures Trading Commission, its Commissioners or staff.
CFTC’s mission

The mission of the Commodity Futures Trading Commission (CFTC) is to foster open, transparent, competitive, and financially sound markets. By working to avoid systemic risk, the Commission aims to protect market users and their funds, consumers, and the public from fraud, manipulation, and abusive practices related to derivatives and other products that are subject to the Commodity Exchange Act (CEA).
What CFTC’s mission means

• Global markets – regulation is no longer “our markets vs. their markets”
• Improve real-time understanding of markets and systemic risks – common understanding of market and trade data essential
• Essential to connect dots across markets, participants and globally
• Need identifiers to knowing who (participant), what (product), when (time), where (venue/jurisdiction) and how (cleared/uncleared/bilateral)
CFTC’s use of identifiers in swaps data reporting

- Who (participant) – LEI
- What (product) – UPI (codified by CPMI/IOSCO)
- When (time) – UTC (as codified by CPMI/IOSCO)
- Where (venue/jurisdiction) – ISO standard identifiers for jurisdictions
- How (cleared/uncleared/bilateral) – Clearing Indicator (codified by CPMI/IOSCO)
LEI for swaps at CFTC

• Part 45 (and Part 46 for historical swaps)

§ 45.6 Legal entity identifiers
Each counterparty to any swap subject to the jurisdiction of the Commission shall be identified in all recordkeeping and all swap data reporting pursuant to this part by means of a single legal entity identifier as specified in this section.
## Who’s trading, when traded and when reported?

### Sample trade report

<table>
<thead>
<tr>
<th>Trade Repository</th>
<th>Venue</th>
<th>Execution Date</th>
<th>Counterparty 1 LEI</th>
<th>Counterparty 2 LEI</th>
<th>USI</th>
<th>Notional Currency</th>
<th>Notional Amount</th>
<th>Asset Class</th>
<th>Product</th>
<th>Reporting Counterparty LEI</th>
<th>Leg 1 Type</th>
<th>Leg 2 Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>XR1</td>
<td>XEF1</td>
<td>2017-11-05T08:15:30-05:00</td>
<td>XX3XXNXCXTX4XNXYXX99</td>
<td>X99XXOXPXXHXNXX6X9XX</td>
<td>90992507885X88S3X93X0.99294X999001990109</td>
<td>USD</td>
<td>246,070,000</td>
<td>InterestRate</td>
<td>InterestRate:IRSwap:FixedFwd</td>
<td>X99XXOXPXXHXNXX6X9XX</td>
<td>Fact</td>
<td>Fixed</td>
</tr>
</tbody>
</table>

Who’s responsible for reporting?

- **LEI of Counterparty 1**: XX3XXNXCXTX4XNXYXX99
- **LEI of Counterparty 2**: X99XXOXPXXHXNXX6X9XX

- **Parties’ location doesn’t matter**

- **Did they meet the reporting deadline?**
  - **Execution Date**: 2017-11-05T08:15:30-05:00
  - **Execution Date**: 2017-11-05T08:15:42-05:00

The views and content expressed in this presentation are those of the individual making the presentation and do not necessarily represent the views and positions of the Commodity Futures Trading Commission, its Commissioners or staff.
Who’s trading, where and what?

<table>
<thead>
<tr>
<th>Venue</th>
<th>Counterparty 1</th>
<th>Counterparty 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEF1</td>
<td>XX3XXNXCXTX4XNXYXX99</td>
<td>X99XXOXPXXHXNXX6X9XX</td>
</tr>
</tbody>
</table>

Venue

LEIs of counterparties

Asset Class and Product

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>InterestRate</td>
<td>InterestRate:IRSwap:FixedFloat</td>
</tr>
</tbody>
</table>
### How much risk are they aggregating?

<table>
<thead>
<tr>
<th>Counterparty 1</th>
<th>USI</th>
<th>Notional Value ($)</th>
</tr>
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<tbody>
<tr>
<td>XX3XXNCXCTX4XNYXX99 9099250788SBXBS3933L99Z94X99990019901099</td>
<td>246,070,000</td>
<td></td>
</tr>
<tr>
<td>XX3XXNCXCTX4XNYXX99 9099250788SBXBS3933L99Z94X99990019901100</td>
<td>750,000,000</td>
<td></td>
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<tr>
<td>XX3XXNCXCTX4XNYXX99 9099250788SBXBS3933L99Z94X99990019901111</td>
<td>379,000</td>
<td></td>
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<tr>
<td>XX3XXNCXCTX4XNYXX99 9099250788SBXBS3933L99Z94X99990019901112</td>
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<tr>
<td>XX3XXNCXCTX4XNYXX99 9099250788SBXBS3933L99Z94X99990019901113</td>
<td>24,934,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>1,034,369,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

Data used in this slide are illustrative and do not include any real trade or LEI data.
Identifiers are essential to connect the dots

- Identifiers are essential for data to be successfully used in regulation
- Without identifiers data will remain in silos and regulators will be hard-pressed to connect the dots
- LEI has been a lifesaver for the derivatives regulators in understanding activity in a market that is global in reach and vast in scope
Panel 2: Generating News From Compliance Data

Jo Guo, Data Director, Equity Data Methodology, Morningstar
@MorningstarInc

Ken Romano, Product Director, Associated Press
@kenromano

Steve Sternberg, Assistant Managing Editor for Health Initiatives, U.S. News and World Report
@StevenSternberg

Jonathan Elliott, Chief Operating Officer, RDG Filings (moderator)
@rdgfilings
Generating News/ Research from Compliance Data

October 2018
Who We Are
Morningstar, Inc.

Our mission is to create great products that help investors reach their financial goals.

We have about 5,000 employees in 27 countries worldwide, providing local market expertise.

Our clients range in size from individual investors all the way up to the world’s top asset management firms.

Data as of Mar. 31, 2018. Includes assets under management and advisement for Morningstar Investment Management LLC, Morningstar Investment Services LLC, Morningstar Investment Management Europe Ltd., Morningstar Investment Management Australia Ltd., Morningstar Investment Management South Africa (PTY) Ltd, and Ibbotson Associates Japan KK, all of which are subsidiaries of Morningstar, Inc. Advisory services listed are provided by one or more of these entities, which are authorized in the appropriate jurisdiction to provide such services.
News & Research from Financial Compliance Data
News & Research from Financial Compliance Data

Ford's Sales Dip In September Ahead Of 3rd Quarter Earnings
Seeking Alpha - Oct 7, 2018
Ford previously released second quarter earnings which showed a quarter revenue decrease of 2.4% down to $38.9 billion, while ...

UnitedHealth Group (UNH) Q3 Earnings Preview: What to Know ...
Yahoo Finance - 2 hours ago
The earnings report, which is expected to be released on October 16, ... to post quarterly earnings of $3.30 per share in its upcoming report, ...

AZZ (AZZ) Q2 Earnings and Revenues Lag Estimates
Zacks.com - 7 hours ago
View all

Is President Trump Right About Why Quarterly Earnings Reports Are ...
Kiplinger's Personal Finance - Oct 4, 2018
When companies release forecasts of their upcoming quarterly earnings, which isn’t required by the SEC, and then fail to hit that number, the ...

Earnings Preview: Delta Air Lines, Inc. Needs to Show Unit Revenue ...
Motley Fool - 8 hours ago
This caused the company to narrow its quarterly earnings per share forecast to a range of $1.70 to $1.80, near the middle of the initial guidance ...

VOXX International (VOXX) to Release Quarterly Earnings on ...
Fairfield Current - 8 hours ago
VOXX International (NASDAQ:VOXX) is scheduled to issue its quarterly earnings data after the market closes on Wednesday, October 10th.

US Stocks Slip, Dragged Lower by Materials Sector
Wall Street Journal - 36 minutes ago
The warnings dashed some of the stock market’s highflying expectations for companies’ third-quarter results and extended the latest rough ...

Helen of Troy Profit Jumps on Strong Sales of Core Brands
Wall Street Journal - 5 hours ago
Second-quarter profit rose to $44 million, or $1.66 a share, compared with $8.9 million, or 33 cents a share, a year earlier. Adjusted earnings ...

An Earnings Roadblock for Stocks
Wall Street Journal - Oct 3, 2018
Companies’ third-quarter results should be very good. That doesn’t mean they will be good enough for investors. Earnings season starts next ...

Bank Earnings: Expect Big Profits, But Buyer Beware
Wall Street Journal - 3 hours ago
Big U.S. banks are set to report their most profitable third quarter since the financial crisis. But underneath the blockbuster numbers are reasons ...

PPG Warns of Higher Costs, Weak Demand Hurting Profit
Wall Street Journal - 20 hours ago
PPG Industries Inc. on Monday warned it expects to report weak third- and fourth-quarter results, citing higher raw material costs along with ...

Source: Google Search
# News & Research from Financial Compliance Data

<table>
<thead>
<tr>
<th>Title</th>
<th>Collection</th>
<th>Author</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston Beer's Valuation Is Too Frothy</td>
<td>Stock Strategist</td>
<td>Sonia Vora</td>
<td>10/05/2018</td>
</tr>
<tr>
<td>Wide Moat Surrounds Pfizer’s Solid Foundation</td>
<td>Stock Strategist</td>
<td>Damien Conover</td>
<td>10/03/2018</td>
</tr>
<tr>
<td>Outlining AIG’s Path to Mediocrity</td>
<td>Stock Strategist</td>
<td>Brett Horn</td>
<td>09/26/2018</td>
</tr>
<tr>
<td>Intel’s Data Center Demise Is Overstated</td>
<td>Stock Strategist</td>
<td>Abhinav Davuluri</td>
<td>09/24/2018</td>
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<td>Mondelez Offers a Sweet Treat</td>
<td>Stock Strategist</td>
<td>Erin Lash</td>
<td>09/21/2018</td>
</tr>
<tr>
<td>Lithium Is Crown Jewel for SOM</td>
<td>Stock Strategist</td>
<td>Seth Goldstein</td>
<td>09/19/2018</td>
</tr>
<tr>
<td>We See Plenty of Upside in Bemis</td>
<td>Stock Strategist</td>
<td>Charles Gross</td>
<td>09/17/2018</td>
</tr>
<tr>
<td>Closer Look at Hess’ Guyana Stake Raises Our FVE</td>
<td>Stock Strategist</td>
<td>Dave Meats</td>
<td>09/12/2018</td>
</tr>
<tr>
<td>Brighter Future for FirstEnergy</td>
<td>Stock Strategist</td>
<td>Charles Fishman</td>
<td>09/07/2018</td>
</tr>
<tr>
<td>SEC Could Let More Small Investors Into Private Equity Fundraising</td>
<td>Stock Strategist</td>
<td>Dan Wasiolek</td>
<td>09/03/2018</td>
</tr>
<tr>
<td>Time for B&amp;H Investors to Take Profits off the Table</td>
<td>Stock Strategist</td>
<td>Jaime Katz</td>
<td>08/29/2018</td>
</tr>
</tbody>
</table>

**STOCK STRATEGIST**

**Boston Beer's Valuation Is Too Frothy**

*Sonia Vora ~ 05 Oct 2018*

Boston Beer’s (SAM) shares have rallied over the past year, up 72% versus a 16% decline for the brewers under our coverage and a 15% increase in the S&P 500 index. We attribute this recent strength to a recovery in the company’s volume, with the first quarter of 2018 marking a return to depletion growth for the first time since the third quarter of 2015, thanks to the success of recent innovations like Sam ’76, Angry Orchard Rosé Cider, and Truly Spiked & Sparkling.

While we agree that Boston Beer’s near-term prospects appear more favorable, as evidenced by improving volume trends in the first half of the year (depletions were up 11% versus down...
News & Research from Compliance Data (8-K, Item 5.02)

Departure of Directors

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 1, 2018, General Electric Company (“GE” or the “Company”) announced that the Board of Directors (the “GE Board”) appointed H. Lawrence Culp, Jr., 55, as Chairman and Chief Executive Officer (“CEO”), effective September 30, 2018. Mr. Culp succeeds John L. Flannery, 57, who resigned from the GE Board on September 30, 2018.

Culp biography. Mr. Culp has been a director on the GE Board since April 25, 2018, and he served as Lead Director from June 26, 2018 until this appointment as Chairman and CEO. In addition to serving as Chairman and CEO of GE, Mr. Culp is a Senior Advisor at Bain Capital Private Equity (since 2017), a Senior Lecturer at Harvard Business School (since 2015) and a director of T. Rowe Price (since 2015). Before that, he was CEO and President of Danaher Corporation from 2000-2014 and a Senior Advisor there from 2014-2016. For more information, see Mr. Culp’s biographical information on page 11 of GE’s Definitive Proxy Statement for the 2016 Annual Meeting of Shareowners filed with the SEC on March 12, 2018 (the “2018 Proxy Statement”), which is incorporated herein by reference.

Compensation. In connection with Mr. Culp’s appointment as CEO, the GE Board’s Management Development Committee set forth the terms of Mr. Culp’s compensation, which includes: (1) a base salary of $2,500,000 and annual target bonus of $2,500,000; (2) new restricted stock units (“RSUs”) that will have grant date fair values of $15,000,000, beginning in 2019; (4) a one-time performance award with good reason, and subject to proration in certain events) as a number of GE shares ranging from 400,000 to 800,000 average closing price over 30 consecutive trading days during the four-year period from October 1, 2018 to two times the sum of Mr. Culp’s base salary and target annual bonus opportunity, in the event that adjusted to reflect the effects of any spin-off transactions, extraordinary dividends or changes in capital structure of GE. Any amounts paid or benefits provided in connection with a term are non-competitive. For more information regarding the Company’s annual bonus and equity award programs, please see the Company’s 2018 proxy statement.

The material terms of Mr. Flannery’s separation agreement will be disclosed once they have been filed.

Other changes on GE Board. The GE Board appointed Thomas W. Horton, 57, as Lead Director at the 2018 annual meeting of GE shareholders and will rotate off the GE Board of Directors.”

Caution Concerning Forward-Looking Statements:

This document contains “forward-looking statements” — that is, statements related to future events if future results are materially different than those expressed in our forward-looking statements, see Form 8-K and quarterly reports on Form 10-Q. We do not undertake to update our forward-looking statements.
## News & Research from Compliance Data (DEF 14A Proxy Statement)

### Executive Compensation & Board Composition

#### Summary Compensation Table

<table>
<thead>
<tr>
<th>Name &amp; Principal Position</th>
<th>Year</th>
<th>Salary</th>
<th>Bonus</th>
<th>PSUs &amp; RSUs</th>
<th>Stock Options</th>
<th>LTPAs</th>
<th>Pension &amp; Deferred Comp.</th>
<th>All Other Comp.</th>
<th>SEC Total</th>
<th>Adjusted SEC Total***</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Flannery* Chairman &amp; CEO</td>
<td>2017</td>
<td>$1,737,500</td>
<td>$0</td>
<td>N/A</td>
<td>$2,076,000</td>
<td>$0</td>
<td>$3,255,222</td>
<td>$1,931,881</td>
<td>$9,000,603</td>
<td>$5,800,715</td>
</tr>
<tr>
<td>Jamie Miller* SVP &amp; CFO</td>
<td>2017</td>
<td>$1,335,417</td>
<td>$0</td>
<td>$1,180,930</td>
<td>$519,000</td>
<td>$0</td>
<td>$1,154,778</td>
<td>$237,738</td>
<td>$5,057,861</td>
<td>$3,903,083</td>
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<tr>
<td>David Joyce* Vice Chair &amp; CEO, Aviation</td>
<td>2017</td>
<td>$1,450,000</td>
<td>$1,385,000</td>
<td>$965,240</td>
<td>$692,000</td>
<td>$0</td>
<td>$673,999</td>
<td>$264,930</td>
<td>$5,161,196</td>
<td>$4,487,170</td>
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<tr>
<td>Jeff Immelt Former Chairman &amp; CEO</td>
<td>2016</td>
<td>$3,800,000</td>
<td>$4,320,000</td>
<td>$4,673,098</td>
<td>$2,142,000</td>
<td>$1,024,000</td>
<td>$3,580,288</td>
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<td>$21,324,024</td>
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<td>Jeff Bornstein Former Vice Chair &amp; CFO</td>
<td>2015</td>
<td>$3,800,000</td>
<td>$5,400,000</td>
<td>$6,238,786</td>
<td>$2,964,000</td>
<td>$7,614,000</td>
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<td>$32,973,847</td>
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<td>Beth Comstock* Former Vice Chair, Business Innovations</td>
<td>2017</td>
<td>$1,604,167</td>
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<td>$0</td>
<td>$5,650,499</td>
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<td>$9,029,359</td>
<td>$3,206,630</td>
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<tr>
<td>John Rice Vice Chair</td>
<td>2017</td>
<td>$2,800,000</td>
<td>$0</td>
<td>$965,240</td>
<td>$692,000</td>
<td>$0</td>
<td>$2,552,260</td>
<td>$1,137,886</td>
<td>$7,877,396</td>
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<td>John Rice Vice Chair</td>
<td>2016</td>
<td>$2,825,000</td>
<td>$3,278,000</td>
<td>$1,532,431</td>
<td>$750,000</td>
<td>$1,180,600</td>
<td>$4,184,304</td>
<td>$1,611,666</td>
<td>$15,162,001</td>
<td>$11,212,853</td>
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</tbody>
</table>

Source: GE DEF 14A
News & Research from Compliance Data (DEF 14A Proxy Statement)

Executive Compensation & Board Composition

By Greg Ryan – Law and Money Reporter, Boston Business Journal
Aug 27, 2018, 4:00am

Some Fidelity Investments funds voted this year against compensation received by General Electric Co. top GE executives, according to regulatory filings. The funds registered their opposition through votes cast by clients through their proxy ballots. “Say on pay” votes cast by corporate boards gauge investor sentiment on compensation.

Last year, Flannery earned $9 million in salary, of compensation, according to GE’s proxy filing executives at many other large companies. The listed in the proxy was former chief financial officer brought in $14.6 million.

Fidelity was in the minority on the pay question.

Source: Boston Business Journal

New GE CEO Larry Culp signs stock-heavy contract worth up to $300 million... CNBC - Oct 5, 2018
Larry Culp, named GE chairman and CEO on Monday, will receive a stock... was not turning around as quickly as its board of directors had hoped.

General Electric, fallen icon of corporate stability, names first outsider... Washington Post - Oct 1, 2018
(GE's board has 11 directors with Flannery's departure; the... of cars issued to executives and announced a review of its compensation policies.

3 things to know about GE's new CEO... Boston Business Journal - Oct 1, 2018
GE Abruptly Ousts CEO John Flannery, Replacing Him With Former General Electric ousts its CEO as it seeks a path forward... Danbury News Times - Oct 1, 2018
Fortune - Oct 1, 2018
GE replaces CEO of 1 year; announces $23 billion charge amid... In-Depth - Los Angeles Times - Oct 1, 2018

Source: Google Search
News & Research from Compliance Data (N-PX)

Fund Voting

Fund Votes in the News

- Outcry Triggers Funds to Reverse Stance on Gun Safety | Emily Laermer, BoardIQ, September 13th, 2018
- Fidelity Funds Opposed GE Executives’ Pay, Filings Show | Greg Ryan, Boston Business Journal, August 27th, 2018
- Norges Bank and RBC back successful gender balance resolution at Constellation Software | Carlos Tornero, Responsible Investor, May 4, 2018
- Climate Change: Big Investors Bring Big Clout to the Debate | Lewis Braham, Barrons, April 17, 2018
- Revealed: You're Finally Learning A Lot More About The Chasm Between CEO And Worker Pay | Bobbi Murray, Fast Company, April 10, 2018
- 10 Fund Shops Most Exposed to Guns | Emily Laermer, BoardIQ, March 13, 2018
- BlackRock/Vanguard support two climate resolutions? Show me the money in 2018! | Paul Hodgson, Responsible Investor, January 5, 2018
- Four Mutual Fund Giants Begin to Address Climate Change Risks in Proxy Votes: How About Your Funds? | Rob Berridge, Ceres, December 17, 2017
- Why Wall Street's Finally Pushing to Add Women on Boards | Laura Colby, Bloomberg Markets, December 6, 2017
- Sustainability Ratings Tell Half the Story | Lewis Braham, Barrons, October 7, 2017
- The firm that brought us 'Fearless Girl' was underpaying women, U.S. government says | Mary Hui, Washington Post, October 6, 2017
- Bank Behind Fearless Girl Statue Settles Gender Pay Dispute | Jordyn Holman, Bloomberg, October 5, 2017
- These 2 local firms got State Street's 'Fearless Girl' treatment | Greg Ryan, Boston Business Journal, September 10, 2017
- How the firm behind the Fearless Girl statue quietly opposed gender equality | Molly Redden, The Guardian, October 6, 2017
- Passive Investors Are the New Shareholder Activists | Reshma Kapadia, Barron's, July 8, 2017
- Principal tops rankings of proxy voting aligned with climate-risk mitigation issues | Barry B. Burr, Pensions & Investments, November 2, 2016
Last December, a powerful group of investors banded together to tackle the issue via a five-year global initiative called Climate Action 100+. The group consists of 279 investors — pension plans, insurers, mutual funds, and exchange-traded funds — with a collective $30 trillion in assets. It can wield enough financial clout to cause any tree-hugger-hating CEO to stand up and take notice.

Climate Action plans to encourage more than 100 companies to set emission-reduction targets and publish reports detailing how climate-change risks affect their business. The list includes companies from many pollution-heavy sectors — oil, Exxon Mobil (ticker: XOM); utilities, Duke Energy (DUK); cars, Toyota Motor (TM); miners, Rio Tinto (RIO) — and some more surprising ones, such as conglomerate Berkshire Hathaway (BRK.A) and food/beverage maker Nestle (NSRGY).

“The genesis of this movement goes back to 2015, when California pension plan Calpers did a carbon footprint of its equities portfolio,” says Christopher Davis, a senior director at Ceres, a sustainability nonprofit that is helping to coordinate the campaign. “It found that some 80 companies comprised 50% of the carbon emissions of its whole (10,000-) stock portfolio. Calpers decided to engage as many of those companies as possible, but a lot of them are based in other parts of the world. We work closely with Calpers, and we agreed to reach out to investor networks all over the world to see if they and their members were interested in making this a global initiative.”

Source: Barrons article — Big investors bring big clout to climate battle

Source: Fast Company
News & Research from Compliance Data – What Next
More identifiers and timeliness

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 1, 2018, General Electric Company (“GE” or the “Company”) announced that the Board of Directors had appointed Mr. Lawrence Culp, Jr., as Chairman and Chief Executive Officer (“CEO”), effective September 30, 2018. Mr. Culp succeeds John F. Flannery, 57, who resigned from the GE Board on September 30, 2018.

Culp biography. Mr. Culp has been a director of the GE Board since April 25, 2018, and he served as Lead Director from June 28, 2018 until this appointment as Chairman and CEO. In addition to serving as Chairman and CEO of GE, Mr. Culp is a Senior Advisor at Bain Capital Private Equity (since 2017), a Senior Lecturer at Harvard Business School (since 2015) and a director of T. Rowe Price (since 2015). Before that, he was CEO and President of Danaher Corporation from 2000-2014 and a Senior Advisor there from 2014-2016. For more information, see http://www.ge.com/investor-relations/ceo-biography.

Item 5.03. Changes in Control of Registrant.

On October 1, 2018, the Board of Directors of Abbott Laboratories (the “Company”) approved a separation agreement with Mr. John F. Flannery (the “Agreement”). The Agreement becomes effective as of September 30, 2018.

Compensation. In connection with Mr. Flannery’s appointment as CEO, the GE Board’s Management Development and Compensation Committee (the “MDCC”) approved the Company’s entry into an agreement with Mr. Culp. The new CEO will receive total compensation, which includes: (1) a base salary of $2,500,000 per year; (2) a target annual bonus opportunity at 100% of base salary; (3) annual equity awards in the form of performance share units (“PSUs”) that will have grant date fair values of $15,000,000; beginning in 2019, (4) a one-time inducement award of PSUs that will pay out (except in the case of a termination of employment by the Company for cause or by Mr. Culp without good reason, and subject to proration in certain events) as a number of GE shares ranging from 2.9 million to 7.5 million shares, based on a GE stock price appreciation target ranging from 50% to 150% using the highest average closing price over 30 consecutive trading days during the four-year period from October 1, 2018 to September 30, 2022, with no payout for stock price appreciation of less than 50%; and (5) cash severance in an amount equal to two times the sum of Mr. Culp’s base salary and target annual bonus opportunity, in the event that his employment is terminated by the Company without cause or by Mr. Culp for good reason. The inducement award of PSUs will be adjusted to reflect the effects of any spin-off transactions, extraordinary dividends or changes in capital structure that do not result in the receipt by the Company of reciprocal value. The Agreement also includes terms addressing the effect of a change of control of GE. Any amounts paid or benefits provided in connection with a termination of employment are subject to Mr. Culp’s execution of a release and compliance with customary employee covenants, including a non-compete. For more information regarding the Company’s annual bonus and equity award programs, see the 2018 Proxy Statement.

The material terms of Mr. Flannery’s separation agreement will be disclosed once they have been finalized.

Other changes on GE Board. The GE Board appointed Thomas W. Horton, 57, as Lead Director and Chair of the MDCC, succeeding Mr. Culp in each of these roles. Mr. Horton has been a director on the GE Board since April 25, 2018 and will replace the GE Board’s Audit Committee in connection with the changes. As a non-independent director, Mr. Culp will not serve on any of the Board’s standing committees.

Caution Concerning Forward-Looking Statements:

This document contains “forward-looking statements” – that is, statements related to future events that by their nature address matters that are, to different degrees, uncertain. For details on the uncertainties that may cause our actual future results to be materially different than those expressed in our forward-looking statements, see http://www.ge.com/investor-relations/disclaimer-caution-concerning-forward-looking-statements as well as our annual reports on Form 10-K and quarterly reports on Form 10-Q. We do not undertake to update our forward-looking statements.
Your mother is having surgery

Do you pick the small hospital with the quiet rooms?
Or a big, noisy academic medical center?

Not every hospital is a Best Hospital
“Economics is at heart a narrative art, a frame across which data points are woven into stories about how the world works.”

Nathan Heller, The New Yorker
The Geography of Life and Death

The First Hospital Death Rates

5/24/2007
## Data speak volumes

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<th>Volume</th>
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<th>Expected 30-day Mortality</th>
<th>Relative Risk - 30-day Mortality</th>
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</table>
Risks Are High at Low-Volume Hospitals

Patients at thousands of hospitals face greater risks from common operations, simply because the surgical teams don’t get enough practice.

By Steve Sternberg and Geoff Dougherty May 18, 2015, at 12:01 a.m.

As many as 11,000 deaths may have been prevented between 2010 and 2012 if patients who went to the lowest-volume fifth of the hospitals had gone to the highest-volume fifth.  GETTY IMAGES/EVIEEM

LIKE OTHER HOSPITALS IN thinly populated areas, Sterling Regional Medical Center does a bit of everything. The 25-bed Colorado hospital has its own heliport, delivers about 200 babies a year and is a training facility for the local ambulance service. But it has never done a heart attack procedure, the kind of emergency requiring a specialized team that the hospital’s doctors can’t provide.

The Denver Post and Wards Analytics, a health-care consulting firm, tracked a hospital’s volume of heart attack procedures in the first six months of 2015, using data from the Centers for Medicare & Medicaid Services. The goal: to determine whether there was a link between high-volume hospitals and better outcomes.

The researchers found that, compared with patients who went to the lowest-volume hospitals, those who went to the highest-volume hospitals had a 20 percent lower risk of dying within 30 days of the heart attack procedure. That finding held whether the patients were treated in a community hospital or a teaching hospital.

The findings are part of a National Quality Forum study of the outcomes of the most common hospital procedures. The report, due out this month, is expected to become a benchmark for measuring quality. That, in turn, will help doctors and hospitals set goals for performance and patients and their families make informed decisions.

The researchers analyzed data on 3.4 million heart attack patients. They report that the volume of heart attack cases may be a good measure for different kinds of surgery because hospitals are more likely than doctors to perform them, and that volume varies considerably, depending on the hospital’s location.

The researchers also found that the odds of dying after a heart attack procedure increase if the hospital is in a rural area, a teaching hospital or a tertiary care center. They noted that, for patients with heart attacks who did not undergo surgery, a hospital’s volume was not significantly related to mortality.

The researchers did not distinguish between elective and urgent heart attack procedures, even though doctors and hospitals have different strategies when it comes to improving outcomes.

For elective procedures, the team said, hospitals may be more likely to improve outcomes by means other than increasing volume, such as training doctors, improving technology and better preparing the patient for surgery.

For urgent procedures, the team said, volume could be a useful metric. Since there is no way to predict when a patient will need surgery, volume is one way to determine whether a hospital is prepared for such an event.

The researchers concluded that hospitals and health-care providers should consider using the findings in the study to guide practice and research. They also suggested that state and federal agencies consider the data in making decisions about hospital quality and patient outcomes.

The researchers said they have not determined the specific cause-and-effect relationship that volume has on patient outcomes. They also said that more research is needed to understand whether factors other than volume, such as hospital size and complexity, are related to mortality.

The findings will be published in an upcoming issue of the Journal of the American Medical Association. They are also expected to be included in a report to be released this month by the National Quality Forum, a nonprofit organization that sets standards for health-care quality.

The researchers said that they hope the findings will help doctors and hospitals to improve their performance, but that they do not recommend that patients seek treatment only at hospitals that perform the most procedures.

The researchers noted that hospitals that perform the most surgery do not always have the highest-quality outcomes, and that hospitals that perform fewer procedures may have other strengths.

The researchers said that they are also working on a study that will examine whether the findings can be generalized to other procedures, such as procedures for cancer patients.

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SECTION 3A: HOSPITAL AND SURGEON VOLUME STANDARD

Based on minimum hospital and surgeon volume standards first published in 2015 by researchers at Dartmouth-Hitchcock Medical Center, Michigan Medicine (University of Michigan) and Johns Hopkins Medicine, as well as information collected in 2017 from the Leapfrog Hospital Survey, peer-reviewed literature, and consultation with national experts, Leapfrog is implementing the following hospital and surgeon volume standards for 2018:

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Hospital Volume (minimum per 12-months or 24-month annual average)</th>
<th>Surgeon Volume (minimum per 12-months or 24-month annual average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bariatric surgery for weight loss</td>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>Esophageal resection for cancer</td>
<td>20</td>
<td>7</td>
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<td>Lung resection for cancer</td>
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<td>Pancreatic resection for cancer</td>
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<td>10</td>
</tr>
<tr>
<td>Open abdominal aortic aneurism repair</td>
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<td>10</td>
</tr>
<tr>
<td>Mitral valve repair and replacement</td>
<td>40</td>
<td>20</td>
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</table>

Hospitals will be asked to report on their total hospital volume over a 12-month period or their annual average over a 24-month period based on updated procedures and diagnosis codes that include several recommendations from participating hospitals and health systems. Hospitals can download an Excel Workbook which includes the list of procedure and diagnosis codes on the Survey and CPOE Materials webpage beginning April 1.

In addition, the list of high-risk procedures has been reduced from ten to eight. Leapfrog has eliminated total hip and total knee replacement for the 2018 Survey to allow for additional time in finalizing the recommended hospital and surgeon volume standards.

We are removing the individual surgeon volume questions due to the challenges hospitals reported in obtaining accurate volume data on surgeons that perform that surgery at multiple facilities. Instead, hospitals will be asked whether their process for privileging surgeons requires that the surgeon meet or exceed the minimum surgeon volume standards listed in the table above. See the updated questions below:
As a national leader in health care transparency and accountability, The Society of Thoracic Surgeons believes that the public has a right to know the quality of surgical outcomes.

To further this goal, the Society has established the STS Public Reporting initiative, which allows participants in the STS National Database to voluntarily report their surgical outcomes to the public on the STS website, the Consumer Reports website, or both.

Public Reporting is available for three of the STS National Database components:
Safety in Numbers

A U.S. News analysis shows children's lives could be saved by performing more surgeries for heart disease at high-volume hospitals.

By Steve Sternberg  Senior Writer  June 21, 2017, at 12:01 a.m.
Hospital Volume Linked to Death Rates

- **Expected Death Rate**
- **Actual Death Rate**

<table>
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Safety in Numbers: Low Volumes at Military Hospitals Imperil Patients

With few opportunities to hone their skills, military surgeons are inadvertently putting certain patients at risk for adverse outcomes.

By Steve Stemberg and Lindsay Huth  April 19, 2018, at 12:00 p.m.

U.S. News data shows that, in 2016 alone, surgeons performed three or fewer rectal cancer procedures at 25 military treatment facilities from William Beaumont Medical Center in El Paso, Texas, to Evans Army Community Hospital in Fort Carson, Colorado. (GETTY IMAGES)

SURGEONS IN EVERY branch of service in military hospitals worldwide perform complex, high-risk operations on active-duty personnel, their family members and some retirees in such small numbers that they may put patients at risk, a U.S. News & World Report investigation has found.
Military Hospitals Across the Country Perform High-Risk Surgeries in Low Numbers

Decades of research show that performing too few surgeries endangers the patients that hospitals serve. And at military hospitals nationwide, counts of high-risk procedures performed fell far below safety thresholds in 2016.

Comparing counts of 10 selected high-risk procedures performed in 2016 to safety thresholds

- All procedures below thresholds — 22 facilities
- Some procedures below thresholds — 20 facilities
- All procedures met thresholds — 0 facilities
Even Big Military Hospitals Often Perform Surgeries Below Safety Thresholds

Military officials say they’re concentrating surgeries at larger hospitals to reduce risk. But at the five largest military hospitals, many procedures were still performed in unsafe numbers in 2016.

Hospital Volumes for Most Procedures Fell Below Safety Thresholds

- Mitral Valve Repairs
- Lung Cancer Resections
- Rectal Cancer Resections
- Pancreatic Cancer Resections
- Complex Abdominal Aortic Aneurysm Repairs
- Bariatric Staple Surgeries
HEALTHIEST COMMUNITIES

An Rx for Lawyers

By Gaby Galvin  Oct. 2018

A health policy and legal expert says embedding attorneys in the health care system can help individual patients and underserved communities.
See below for a full list of the 80 individual metrics used.

**Collecting the Data**

U.S. News collaborated with the University of Missouri Center for Applied Research and Engagement Systems (CARES) – a research institution skilled in understanding natural resource systems, public health risks and community health assessment – to collect and analyze data.
Panel 3: Compliance Data to Empower Financial Markets

Dan Doney, CEO, Securrency
@Securrency

Chris Taggart, CEO, OpenCorporates
@CountCulture

Dave Lindsay, CEO, Delv
@delvglobal

John Truzzolino, Director of Business Development, Donnelley Financial Solutions
(moderator)
@donnelleyfin

Sponsored by Donnelley Financial Solutions
Closing Remarks

Reconvene in Grand Ballroom