
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): January 23, 2013

LOCKHEED MARTIN CORPORATION

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

1-11437
(Commission
File Number)

52-1893632
(IRS Employer
Identification No.)

6801 Rockledge Drive
Bethesda, Maryland
(Address of principal executive offices)

20817
(Zip Code)

(301) 897-6000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02(e) Compensatory Arrangements of Certain Officers

The Management Development and Compensation Committee (the "Committee") has reviewed the Corporation's executive compensation program, including input as to that program received from stockholders following the Corporation's 2012 annual meeting.

On January 24, 2013, the Board of Directors (the "Board"), acting upon the recommendation of the Committee, amended the Lockheed Martin Corporation 2006 Management Incentive Compensation Plan (Performance Based) (the "Incentive Compensation Plan") and the Lockheed Martin 2011 Incentive Performance Award Plan (the "2011 Plan"). The 2011 Plan was approved by the Corporation's stockholders at the Corporation's April 2011 Annual Meeting. As the changes are not dilutive, the changes to the 2011 Plan do not constitute material changes under New York Stock Exchange listing standards; accordingly, stockholder approval was not required. Additionally, the Board ratified the actions of the Committee described below.

At a Committee meeting held on January 23, 2013, the Committee approved long-term incentive ("LTI") award packages under the 2011 Plan, as recommended for amendment to the Board, for executives that differ materially from LTI packages granted in prior years. The changes are intended to increase the percentage of long-term incentive compensation that is performance-based versus time-based. Consistent with prior years, the target value for each executive officer's LTI grant continues to reflect the Corporation's executive compensation philosophy as described in the Compensation Discussion and Analysis section of the Corporation's 2012 Definitive Proxy Statement and will be further described in that section of the Corporation's 2013 Definitive Proxy Statement. Also consistent with past years, LTI grants are intended to be structured so as to fall within the exception to Section 162(m) of the Internal Revenue Code applicable to performance-based compensation pursuant to a shareholder-approved plan.

The components of the LTI grants, however, changed materially. In 2012, LTI grants consisted of restricted stock units (RSUs), stock options and long-term incentive performance (LTIP) awards. The 2013 LTI awards do not include stock options. 2013 awards consist of RSUs, performance stock units (PSUs) and LTIP awards. The relative proportion of RSUs, PSUs and LTIP awards varies by position. For the Chief Executive Officer and President, Executive Vice President and Chief Financial Officer and the Executive Vice President of each of the Corporation's business segments, that allocation is 30% to RSUs, 50% to PSUs and 20% to LTIP awards, although the precise percentage will vary slightly as a consequence of rounding. For the other executive officers, the allocation was approximately 50% to RSUs, 10% to PSUs and 40% to LTIP awards.

In conjunction with its approval of the LTI grants, the Committee also approved related forms of award agreements. The form of RSU award agreement varies from that in 2012 in the following material respects:

- The provisions relating to termination of employment were changed to provide that, if an employee is laid off or retires at least six months after the date upon which RSUs are granted, he or she will not forfeit the RSUs and will instead vest on the regular vesting date, the third anniversary of the date of grant. The definition of retirement was also changed for the 2013 grants such that an employee is considered to have retired if he or she is at least 65 years of age or is at least 55 years of age with ten years of service. Under prior grants, an employee was considered to have retired if he or she was eligible to receive a pension under a defined benefit plan, or had attained at least 65 years of age or was at least 55 years of age with five years of service. The other provisions relating to termination of employment were not changed.
- A new double trigger provision was added addressing the vesting of RSUs in the event of a change in the control of the Corporation. Provided that the acquirer or successor assumes the RSUs, the RSUs will continue to vest on the third anniversary of their grant date unless the employee terminates his or her employment for "good reason," as this term is defined in the award agreement, or is involuntarily terminated other than for "cause," as this term is defined in the award agreement. Vesting pursuant to the double trigger is at 100% of the grant. If the acquirer or successor does not assume the RSUs, vesting of the RSUs will occur upon consummation of the change in control.

As PSUs were not awarded in 2012, the form of PSU award agreement is entirely new.

- PSUs are structured similarly to LTIP awards in that they provide a target award comprised of the same three performance metrics with the same percentage allocation measured over the same three-year performance period, January 1, 2013 until December 31, 2015, as is true of LTIP awards. PSU awards provide that 50% of the target is measured by the Corporation's three-year average cumulative total stockholder return (TSR) as measured on a percentile scale relative to a specified group of peer companies. In 2013, the peer group is composed of those companies comprising the Standard & Poor's Aerospace and Defense Index. The Corporation is not included in the rankings for the purpose of the calculation. Twenty-Five percent of the target is measured by the Corporation's cumulative cash flow from operations and 25% is measured by return on invested capital (ROIC), each measured over the performance period and against targets set by the Committee. As is the case with LTIP awards, payouts may range from zero to 200% of target. PSU awards differ from LTIP awards in that, for LTIP awards, a weighted average of the performance against each of the three metrics is multiplied against the LTI target value assigned to that recipient's LTIP. For PSUs, the LTI target value is allocated among the three metrics and the target value assigned to each is then converted into a number of target shares based on the grant date value determined for each metric. Instead of using a weighted average as with LTIP awards, the number of shares paid under PSUs at the end of the three-year performance period will be the sum of the shares earned under each metric. Because the Corporation's relative performance under each metric is likely to vary, the actual percentage of the award ultimately paid out under each metric is likely to vary substantially from a 50%, 25%, 25% distribution. Additionally, there will be a lesser variation from the 50%, 25%, 25% distribution as the result of rounding to state the targets in whole shares and because payments will be made in whole shares.

- PSU award agreements limit payouts in certain circumstances. First, if the Corporation's TSR is negative, the TSR metric is limited to 100% of the target TSR performance even if the Corporation's relative performance would have resulted in a higher percentage. Second, the maximum payout for performance against each metric measured in the number of shares paid out is 200% of the target shares for that metric. Third, the maximum payout for performance against each metric measured in terms of the fair market value of the shares paid out is 400% of the fair market value of those shares on the date of grant.
- PSU awards include the right to a cash payment equal to the dividends that would have been paid to the recipient had he or she owned the shares ultimately awarded at the end of the performance period for the whole of that period. This is similar to RSUs which provide for the payment of accrued dividend equivalents upon the vesting of the RSUs.
- With certain exceptions, PSU awards require that the recipient remain employed by the Corporation through the last day of the vesting period in order to receive a payout. The primary exception is where the recipient's employment with the Corporation is terminated as a result of divestiture, total disability, layoff or retirement as these terms are defined in the award agreement or the recipient's death. In such instances, the recipient will vest in a fraction of the award as detailed in the award agreement.
- PSU awards contain the same double trigger as do 2013 RSU and LTIP awards in the event of a change in the control of the Corporation. Vesting is based on each of the PSU targets.
- As do 2013 RSU and LTIP awards, 2013 PSU awards contain post-employment conduct agreements.

The form of LTIP agreement differs from that in 2012 in the following material respects:

- A new double trigger addressing the vesting of LTIP awards in the event of a change in the control of the Corporation was added consistent with that added to the form of RSU award agreements except that vesting is based on the LTIP target.

As in 2012, LTIP awards provide that 50% of the LTIP target is measured by the Corporation's three-year average cumulative TSR as measured on a percentile scale relative to those companies comprising the Standard & Poor's Aerospace and Defense Index. The Corporation is not included in the rankings for the purpose of the calculation. As in 2012, 25% of the target is measured by the Corporation's cumulative cash flow from operations and 25% is measured by ROIC, each as against targets adopted by the Committee. LTIP awards are paid in cash.

The foregoing summary description of the form of the PSU agreement and changes to the RSU and LTIP agreements is not intended to be complete and is qualified in its entirety by reference to the complete text of the form of RSU agreement, form of PSU agreement and form of LTIP agreement attached as Exhibits 10.3, 10.4 and 10.5, respectively, to this Form 8-K each of which is incorporated herein by reference.

As previously drafted, the 2011 Plan allowed accelerated vesting at retirement, but not in the case of layoff, and prohibited continued vesting after termination of employment. In conjunction with the changes in the RSU and LTIP forms of award agreement and the terms of the new PSU form of award agreement, the Board amended Section 6(b)(1) of the 2011 Plan to allow prorated vesting or continued vesting after an employee is laid off or retires as described above. The foregoing summary description of the amendment to Section 6(b)(1) of the 2011 Plan is not intended to be complete and is qualified in its entirety by reference to the complete text of the 2011 Plan attached as Exhibit 10.1 to this Form 8-K and incorporated herein by reference.

The Incentive Compensation Plan was also amended. Under the Incentive Compensation Plan the individual performance of an employee within the plan over the year is evaluated as against metrics set by that employee and approved by his or her supervisor (or the Compensation Committee in the case of the Chief Executive Officer). Proposed awards must be approved by the Committee. The material amendments fell into four general categories.

First, the Corporation adopted a new performance management system first applicable to the 2012 performance of the Corporation's employees in 2012 known as LMCommit. Various amendments were made to the Incentive Compensation Plan to better integrate it with LMCommit.

Second, under the Incentive Compensation Plan as previously drafted, in addition to a participant's own performance for the year, a factor in determining whether any bonus was to be paid and, if so, its size was the performance of the business segment to which the participant is assigned, or the Corporation as a whole for participants assigned to the Corporate Headquarters. The Incentive Compensation Plan as amended now provides a three factor formula encompassing the participant's performance, that of his or her business segment and that of the Corporation or enterprise as a whole. Enterprise performance will be weighted slightly more than the other two factors. For Corporate Headquarters employees, the factors will be the same except that the business segment factor will represent the average of the factors assigned to all of the business segments adjusted at the discretion of the Committee up or down by 0.05 to take into account unique corporate situations such as an acquisition. The maximum payable is capped at 200% of target.

Third, increased emphasis was placed on financial, strategic and operational metrics with financial metrics carrying a 60% weighting and strategic and operational 20% each. As in prior years, the Committee retains discretion in choosing and approving metrics, assigning weightings to the metrics, assessing individual performance and in applying the average business segment performance to the Corporate Headquarters.

Fourth, the Committee was provided additional flexibility in setting target levels for participants. These will be set based upon target levels for comparable positions at companies in the comparator group for elected officers or other industry surveys used by

the Corporation to determine executive compensation for other participants. Target levels will generally be set by reference to the 50th percentile of the market. Following amendment of the Incentive Compensation Plan, the Committee reviewed the market data for the named executive officers and approved a target level for Mr. Tanner of 105% for 2013 annual incentive payments. The Committee did not change the target levels approved for Ms. Hewson (175%) and Mr. Stevens (150%) in November 2012. New target levels were not approved for Mr. Heath and Ms. Maguire due to their retirements.

The foregoing summary description of the amendments to Incentive Compensation Plan is not intended to be complete and is qualified in its entirety by reference to the complete text of the amended Incentive Compensation Plan attached as Exhibit 10.2 to this Form 8-K and incorporated herein by reference.

Item 5.03 Amendment of Bylaws

On January 24, 2013, Lockheed Martin Corporation's Board of Directors amended the Corporation's Bylaws. The Bylaws, as amended, are attached as Exhibit 3.1 to this Form 8-K and are incorporated by reference. The following Sections of the Bylaws were amended:

- Section 2.04 to remove a provision that the Chairman of the Board shall serve as the Chairman of the Executive Committee and preside at all meetings of the Executive Committee. The purpose of this amendment was consistency with the amendments removing references to committee charters.
- Section 2.06 to provide that the Lead Director has authority to approve the topics and schedules of Board meetings, approve information sent to the Board and call a special meeting of independent directors.
- Sections 3.01 through and including Section 3.07 were deleted in their entirety. These Sections described the charters of the Executive Committee (Section 3.01), Strategic Affairs and Finance Committee (Section 3.02), Audit Committee (Section 3.03), Ethics and Sustainability Committee (Section 3.04), Management Development and Compensation Committee (Section 3.05), Nominating and Corporate Governance Committee (Section 3.06) and Classified Business and Security Committee (Section 3.07). The remaining Sections of Article III Committees, Section 3.08 through and including Section 3.10, were renumbered as Sections 3.01 (Committees), Section 3.02 (Meetings of Committees) and Section 3.03 (Action by Unanimous Consent). New York Stock Exchange rules require the posting on the Corporation's website of the charters of the Audit, Management Development and Compensation, and Nominating and Governance committees. The Corporation intends to continue its practice of posting the charters of all of the committees on the Corporation's website.

Item 8.01 Election to Executive Committee

On January 24, 2013, the Board of Directors elected Marillyn A. Hewson to the Executive Committee of the Board of Directors.

Item 5.02(b) Retirement of Named Executive Officer

On January 24, 2013, Lockheed Martin announced that Joanne M. Maguire will step down as the Executive Vice President of the Corporation's Space Systems business segment on April 1, 2013 in anticipation of her retirement. On January 23, 2013, the Board of Directors elected Richard F. Ambrose to succeed Ms. Maguire as the Executive Vice President of Space Systems, effective April 1, 2013. Mr. Ambrose currently serves as the Vice President and Deputy for Space Systems, reporting to Ms. Maguire. Ms. Maguire will remain an employee of the Corporation until May 1, 2013 to assist in the transition. A copy of the press release announcing the actions is filed as Exhibit 99.1 to this Form 8-K and is incorporated by reference.

The Corporation expects to negotiate a Retirement Transition Agreement with Ms. Maguire. The terms of any such agreement have not been finalized but are expected to provide generally for a payment to be made to Ms. Maguire as part of a transition arrangement contingent upon her executing a written release of claims and agreeing to post-employment covenants concerning, among other things, non-disparagement, maintenance of the confidentiality of the Corporation's proprietary information and cooperation in any litigation against or investigations of the Corporation.

Item 8.01 Retirement of Executive Officer

On January 24, 2013, Lockheed Martin also announced that Linda R. Gooden will step down as Executive Vice President of the Corporation's Information Systems & Global Solutions business segment on April 1, 2013 in anticipation of her retirement. On January 23, 2013, the Board of Directors elected Sondra L. Barbour to succeed Ms. Gooden as the Executive Vice President of Information Systems & Global Solutions, effective April 1, 2013. Ms. Barbour currently serves as Senior Vice President and Chief Information Officer, reporting to Mr. Bruce L. Tanner, the Corporation's Executive Vice President and Chief Financial Officer. Ms. Gooden will remain an employee of the Corporation until May 1, 2013 to assist in the transition. A copy of the press release announcing the actions is filed as Exhibit 99.1 to this Form 8-K and is incorporated by reference.

The Corporation expects to enter into a Retirement Transition Agreement with Ms. Gooden. The terms of any such agreement have not been finalized but are expected to provide generally for a payment to be made to Ms. Gooden as part of a transition arrangement contingent upon her executing a written release of claims and agreeing to post-employment covenants concerning, among other things, non-disparagement, maintenance of the confidentiality of the Corporation's proprietary information and cooperation in any litigation against or investigations of the Corporation.

Item 9.01 Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	Bylaws of the Corporation, as amended effective January 24, 2013, marked to show changes
10.1	Lockheed Martin Corporation 2011 Incentive Performance Plan, as amended effective January 24, 2013, marked to show changes
10.2	Lockheed Martin Corporation 2006 Management Incentive Compensation Plan (Performance Based), as amended effective January 24, 2013

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- 10.3 Form of Restricted Stock Unit Award Agreement (2013 to 2015 Performance Period)
 - 10.4 Form of Performance Stock Unit Award Agreement (2013 to 2015 Performance Period)
 - 10.5 Form of Long-Term Incentive Performance Award Agreement (2013 to 2015 Performance Period)
 - 99.1 Press Release of Lockheed Martin Corporation, dated January 24, 2013, announcing the retirement of Joanne M. Maguire and naming Richard F. Ambrose, Executive Vice President, Space Systems and announcing the retirement of Linda R. Gooden and naming Sondra L. Barbour, Executive Vice President, Information Systems & Global Solutions

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LOCKHEED MARTIN CORPORATION

By /s/ Stephen M. Piper
Stephen M. Piper
Vice President and Associate General Counsel

January 28, 2013

BYLAWS
OF
LOCKHEED MARTIN CORPORATION
As Amended January 24, 2013

(Incorporated under the laws of Maryland, August 29, 1994, and herein referred to as the "Corporation")

ARTICLE I
STOCKHOLDERS

Section 1.01. ANNUAL MEETINGS. The Corporation shall hold an annual meeting of stockholders for the election of directors and the transaction of any other business as is within the powers of the Corporation and is properly brought before the meeting at such date and time as shall be determined by the Board of Directors. Failure to hold an annual meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts.

Section 1.02. SPECIAL MEETINGS.

(a) Call of Special Meeting. At any time in the interval between annual meetings, special meetings of the stockholders may be called by the Chairman of the Board, the Chief Executive Officer or the President, or by the Board of Directors or the Executive Committee. Subject to the provisions of this Section 1.02, special meetings of stockholders also shall be called by the Secretary of the Corporation for the purpose of acting upon any matter that properly may be considered at a meeting of stockholders upon the written request of (i) a person who, individually, is the beneficial owner of shares of capital stock of the Corporation entitled to cast ten percent (10%) or more of the votes entitled to be cast at the meeting, or (ii) persons who, in the aggregate, are the beneficial owners of shares of capital stock of the Corporation entitled to cast twenty-five percent (25%) or more of the votes entitled to be cast at the meeting.

(b) Stockholder Special Meeting Requests. Any person or persons who beneficially own shares of the capital stock of the Corporation and who seek a special meeting of stockholders in accordance with subsection (a) of this Section 1.02 (collectively, "Stockholder Proponents") shall deliver a written notice to the Secretary of the Corporation at the principal executive offices of the Corporation that sets forth (i) the name and address of the Stockholder Proponents and any Associated Person, the class and number of shares of capital stock of the Corporation that are beneficially owned by the Stockholder Proponents and any Associated Person, and, if the Stockholder Proponents are not stockholders of record, satisfactory written evidence of the Stockholder Proponents' beneficial ownership of such shares of capital stock of the Corporation, (ii) a description of the business desired to be brought before the special meeting, the reasons for proposing such business at the meeting and any interest in such business of the Stockholder

Proponents or any Associated Person (including any anticipated benefit to the Stockholder Proponents or any Associated Person therefrom), (iii) a description of (A) any agreement, arrangement or understanding (including and derivative or short position, profits interests, options, hedging transactions, borrowing or lending of securities or proxy or voting agreements) in effect at the time of the giving of the notice or at any time during the six (6) month period then ending, by or on behalf of the Stockholder Proponents or any Associated Person, the effect or intent of which is to manage risk or benefit from changes in the price of any securities issued by the Corporation, or to increase or decrease the voting power of any such person in respect of securities issued by the Corporation, or (B) any direct or indirect economic interest of the Stockholder Proponents or any Associated Person in the Corporation (including by virtue of an existing or prospective commercial or contractual relationship with the Corporation), other than an interest arising solely out of the ownership of securities issued by the Corporation, and (iv) all other information relating to the Stockholder Proponents or any Associated Person that would be required to be disclosed in connection with the solicitation of proxies for the matters proposed to be considered at the special meeting of stockholders pursuant to Regulation 14A (or any successor provision) under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any Stockholder Proponent may revoke his, her or its request for a special meeting of stockholders at any time by written notice delivered to the Secretary of the Corporation. In the event a written revocation or revocations have been delivered to the Secretary of the Corporation such that the requirements of subsection (a) of this Section 1.02 no longer are satisfied with respect to the applicable stockholder request for a special meeting, (i) if the notice of the special meeting has not been mailed to the stockholders of the Corporation in accordance with Section 1.04, the Secretary shall refrain from delivering the notice of the meeting and shall send to all other Stockholder Proponents a written notice of the revocation of the request for a special meeting, and (ii) if the notice of the special meeting has been mailed to the stockholders of the Corporation in accordance with Section 1.04, (A) the Secretary may revoke the notice of the meeting, (B) the chairman of the meeting may call the meeting to order on the date and at the time of the special meeting and upon his or her own motion, without any action of the stockholders, adjourn the meeting without acting on the matter or matters to be considered at the meeting, or (C) the Corporation, in its discretion, may proceed with the special meeting. Any request for a special meeting received after a notice to the Stockholder Proponents under clause (i) of the preceding sentence or after a revocation by the Secretary of a notice of the meeting under clause (ii)(A) of the preceding sentence shall be considered a request for a new special meeting of stockholders.

(c) Obligation to Proceed with Stockholder Requested Special Meeting. In determining whether a request for a special meeting by the stockholders of the Corporation is valid, multiple special meeting requests will not be considered part of a single request for a special meeting for purposes of the requirement set forth in clause (ii) of the second sentence of subsection (a) of this Section 1.02.

Upon receipt of a proper request from Stockholder Proponents for the holding of a special meeting, the Secretary shall inform the Stockholder Proponents of the reasonably estimated cost of preparing and mailing the notice of the meeting (including the related proxy materials). The

Secretary shall not be required to call a special meeting upon stockholder request unless and until the Stockholder Proponents have paid the reasonably estimated cost of preparing and mailing the notice of the meeting (including the related proxy materials) as determined by the Secretary.

Unless requested by stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting, a special meeting need not be called to consider any matter that is substantially the same as a matter voted on at any meeting of stockholders of the Corporation held during the preceding twelve (12) months.

(d) General. For purposes of this Section 1.02, “beneficial ownership” (and the correlative term, “beneficial owner”) shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

For purposes of this Section 1.02, “Associated Person” shall have the meaning set forth in Section 1.10(c).

Notwithstanding the foregoing provisions of this Section 1.02, a Stockholder Proponent also shall comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.02.

Section 1.03. PLACE OF MEETINGS. All meetings of stockholders shall be held at such place inside or outside of the United States as determined by the Board of Directors and designated in the notice of meeting.

Section 1.04. NOTICE OF MEETINGS. Not less than thirty (30) days nor more than ninety (90) days before the date of every stockholders’ meeting, the Secretary shall give to each stockholder entitled to vote at such meeting and each other stockholder entitled to notice of the meeting, written or printed notice stating the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by the Maryland General Corporation Law, the purpose or purposes for which the meeting is called, either by mail or by presenting it to him or her personally or by leaving it at his or her residence or usual place of business, by electronic transmission, or by any other means permitted by Maryland law. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the stockholder at his or her post office address as it appears on the records of the Corporation, with postage thereon prepaid. The Corporation may give a single notice to stockholders who share an address. The single notice shall be effective as to all stockholders sharing the address if the Corporation gives notice to such stockholders of its intent to give a single notice and the stockholders either consent to receiving a single notice or fail to object to receiving a single notice within sixty (60) days after the Corporation gives notice of its intent to give a single notice. Notwithstanding the foregoing provision for notice, a waiver of notice in writing, signed by the person or persons entitled to such notice and filed with the records of the meeting, whether before or after the holding thereof, or actual attendance at the meeting in person or by proxy, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of stockholders, annual or special, (i) prior to being convened, may be postponed from time to time to a time and date not more than one-hundred twenty (120) days after the original record date at the same place or some other place, or (ii) after being convened, may be adjourned from time to time without further notice to a time and date not more than one-hundred

twenty (120) days after the original record date at the same or some other place. Notice of postponement of a meeting of stockholders shall be given by the Secretary in any manner sufficient for notice of the meeting as contemplated by this Section 1.04.

Section 1.05. CONDUCT OF MEETINGS. Each meeting of stockholders shall be conducted in accordance with such rules and procedures as the Board of Directors may determine subject to the requirements of applicable law and the Charter. The Chairman of the Board or, in the absence of the Chairman of the Board, the Vice Chairman of the Board or the Lead Director, or in the absence of the Chairman of the Board, the Vice Chairman of the Board and the Lead Director, the person designated in writing by the Chairman of the Board, or if no person is so designated, then a person designated by the Board of Directors, shall preside as chairman of the meeting; if no person is so designated, then the stockholders shall choose a chairman by a majority of all votes cast provided that a quorum is present at the meeting. To the extent the Board of Directors does not establish rules or procedures for the conduct of a meeting or the rules or procedures established by the Board of Directors do not address a particular matter, the chairman of the meeting shall have the sole right and authority to determine the rules or procedures to be applied at the meeting and to take action as chairman of the meeting as he or she deems necessary or appropriate, in his or her discretion and without any action of the stockholders, including (i) restricting admission to the meeting to the time set in the notice of the meeting for commencement of the meeting, (ii) restricting attendance at the meeting to stockholders of record of the Corporation, duly authorized proxies of stockholders of record of the Corporation and such other individuals as the chairman of the meeting may determine, (iii) maintaining order and security at the meeting and, in connection therewith, causing the removal of any stockholder of record of the Corporation, any duly authorized proxy of a stockholder of record of the Corporation and any other individual who fails or refuses to comply with the rules or procedures established for the meeting or the direction of the chairman of the meeting, (iv) complying with any applicable federal, state and local laws or regulations, (v) limiting participation at the meeting to stockholders of record of the Corporation, duly authorized proxies of stockholders of record of the Corporation and such other individuals as the chairman of the meeting may determine, (vi) limiting the time allotted to questions or comments by participants at the meeting; (vii) determining the opening and closing of the polls at the meeting, and (viii) declaring the meeting closed, recessing the meeting or adjourning the meeting to a later date and time and at a place announced at the meeting. Unless otherwise determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be held in accordance with or governed by rules of parliamentary procedure. The Secretary or in the absence of the Secretary a person designated by the chairman of the meeting shall act as secretary of the meeting. In the event the Secretary presides as chairman of the meeting, an Assistant Secretary or other individual designated by the Secretary shall act as secretary of the meeting.

Section 1.06. QUORUM. At any meeting of stockholders, the presence in person or by proxy of stockholders entitled to cast a majority of the votes entitled to be cast on any matter at the meeting shall constitute a quorum; but this Section 1.06 shall not alter any requirement under statute or under the Charter of the Corporation for the vote necessary for the adoption of any measure. In the absence of a quorum, the chairman of the meeting or the stockholders present in person or by proxy, by majority vote and without further notice, may adjourn the meeting from time to time to a date not more than one-hundred twenty (120) days after the original record date until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 1.07. VOTES REQUIRED. Unless applicable law or the Charter of the Corporation provides otherwise, the affirmative vote of a majority of the votes cast at a meeting of stockholders, duly called and at which a quorum is present, shall be required to take or authorize action upon any matter which may properly come before the meeting. Unless the Charter provides for a greater or lesser number of votes per share or limits or denies voting rights, each outstanding share of stock, regardless of class, shall be entitled to one (1) vote on each matter submitted to a vote at a meeting of stockholders; but no share shall be entitled to any vote if any installment payable thereon is overdue and unpaid.

Notwithstanding the foregoing provisions of this Section 1.07, a nominee for election by the stockholders to the Board of Directors shall only be elected if the votes cast for the nominee's election exceed the votes cast against the nominee's election; provided, however, that a plurality of all votes cast at a meeting of stockholders at which a quorum is present is sufficient to elect a nominee to the Board of Directors if, in connection with the meeting, (i) a stockholder has duly nominated an individual for election to the Board of Directors in accordance with the advance notice and other nomination procedures and requirements adopted by the Corporation from time to time and set forth in these Bylaws or the applicable rules of the Securities and Exchange Commission (the "Commission") and (ii) the stockholder nomination has not been withdrawn on or prior to the date that is fourteen (14) days prior to the date on which the Corporation first mails its notice of meeting to the stockholders. If directors are to be elected by a plurality of all votes cast at a meeting, stockholders shall not be permitted to vote against a nominee for election to the Board of Directors.

Section 1.08. PROXIES. A stockholder may vote shares of the Corporation's capital stock that are entitled to be voted and are owned of record by such stockholder either in person or by proxy in any manner permitted by the Maryland General Corporation Law, as in effect from time to time. Any such proxy or evidence of authorization of a proxy shall be filed with the Secretary at or before the meeting, and no proxy shall be valid more than eleven (11) months after its date, unless otherwise provided in the proxy.

Section 1.09. INSPECTORS OF ELECTION. In advance of any meeting of stockholders, the Board of Directors may appoint Inspectors of Election to act at such meeting or at any adjournment or adjournments thereof. If such Inspectors are not so appointed or fail or refuse to act, the chairman of any such meeting may, and upon the demand of stockholders present in person or by proxy entitled to cast twenty-five percent (25%) of all the votes entitled to be cast at the meeting shall, make such appointments.

If there are three (3) or more Inspectors of Election, the decision, act or certificate of a majority shall be effective in all respects as the decision, act or certificate of all. The Inspectors of Election shall determine the number of shares outstanding, the voting power of each, the shares represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies; shall receive and tabulate votes, ballots, assents or consents, hear and determine all challenges and questions in any way arising in connection with the vote, count and tabulate all

votes, assents and consents, and determine the result; and do such acts as are proper to conduct fairly the election or vote. On request, the Inspectors shall make a report in writing of any challenge, question or matter determined by them, and shall make and execute a certificate of any fact found by them.

No such Inspector need be a stockholder of the Corporation.

Section 1.10. DIRECTOR NOMINATIONS AND STOCKHOLDER BUSINESS.

(a) Director Nominations and Stockholder Business at Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation who (A) was a stockholder of record both at the time of giving of notice provided for in this Section 1.10(a) and at the time of the meeting, (B) is entitled to vote at the meeting and (C) complies with the provisions of this Section 1.10(a).

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of subsection (a)(1) of this Section 1.10, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation before 5:00 p.m., Eastern time, not less than one-hundred twenty (120) days nor more than one-hundred fifty (150) days before the first anniversary of the date of the Corporation's proxy statement released to stockholders in connection with the previous year's annual meeting, and shall include the information required by this Section 1.10; provided, however, that if the annual meeting is advanced or delayed by more than thirty (30) days from the anniversary of the date of the previous year's annual meeting, to be timely notice by the stockholder must be so delivered before 5:00 p.m., Eastern time, not earlier than one-hundred fifty (150) days before the annual meeting and not later than the later of one-hundred twenty (120) days before the annual meeting or the tenth (10th) day following the day on which public announcement of the date of the annual meeting is first made. Such stockholder's notice shall set forth (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director, (A) the name, age, business address and residence address of such person, (B) the class and number of shares of capital stock of the Corporation that are beneficially owned by such person, and (C) all other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A (or any successor provision) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to any other business that the stockholder proposes to bring before the meeting, a description of the business desired to be brought before the meeting, the reasons for proposing such business at the meeting and any material interest in such business of the stockholder or any Associated Person (including any anticipated benefit to the stockholder or any Associated Person therefrom); and (iii) as to the stockholder giving the notice, any Associated Person and any

nominee for election or reelection as a director, (x) the name and address of such stockholder, as they appear on the Corporation's books, and of such Associated Person or nominee, (y) the class and number of shares of stock of the Corporation which are owned beneficially and of record by such stockholder and any Associated Person, and (z) a description of (1) any agreement, arrangement or understanding (including any derivative or short position, profits interests, options, hedging transactions, borrowing or lending of securities or proxy or voting agreements) in effect at the time of the giving of the notice or at any time during the six (6) month period then ending, by or on behalf of the stockholder giving the notice, any Associated Person or nominee, the effect or intent of which is to manage risk or benefit from changes in the price of any securities issued by the Corporation, or to increase or decrease the voting power of any such person in respect of securities issued by the Corporation, or (2) any direct or indirect economic interest of the stockholder giving the notice, any Associated Person or nominee in the Corporation (including by virtue of an existing or prospective commercial or contractual relationship with the Corporation), other than an interest arising solely out of the ownership of securities issued by the Corporation. The announcement of a postponement of an annual meeting after notice of the meeting has been given or an adjournment of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described in this Section 1.10(a)(2).

(3) Notwithstanding anything in this subsection (a) of this Section 1.10 to the contrary, in the event that the number of directors to be elected is increased and there is no public announcement of the increase at least one-hundred thirty (130) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 1.10(a) also shall be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive office of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(b) Director Nominations and Stockholder Business at Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) provided that the special meeting has been called in accordance with Article I, Section 1.02 for the purpose of electing directors, by any stockholder of the Corporation who (A) is a stockholder of record both at the time of giving of notice provided for in this Section 1.10(b) and at the time of the meeting, (B) is entitled to vote at the meeting and (C) complies with the provisions of this Section 1.10. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one (1) or more persons to the Board, any such stockholder may nominate a person or persons (as the case may be) for election as a director as specified in the Corporation's notice of meeting, if the stockholder's notice containing all of the information required by subsection (a)(2) of this Section 1.10, shall be delivered to the Secretary at the principal executive office of the Corporation before 5:00 p.m., Eastern time, not earlier than one-hundred twenty (120) days before the special meeting and not later than the later of ninety (90) days before the special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the

Board of Directors to be elected at the special meeting. The announcement of a postponement of a special meeting after notice of the meeting has been given or an adjournment of a special meeting shall not commence a new time period for the giving of a stockholder's notice as described in this Section 1.10(b).

(c) **General.** Only such persons who are nominated in accordance with the procedures set forth in this Section 1.10 shall be eligible for election by stockholders as directors, and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the provisions of this Section 1.10. The chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the provisions of this Section 1.10 and, if any proposed nomination or business is not in compliance with this Section 1.10, to declare that such defective nomination or proposal be disregarded.

For purposes of this Section 1.10, "public announcement" shall mean disclosure (i) in a press release reported by the Dow Jones New Service, Associated Press, Business Wire, PR Newswire or other widely circulated news or wire service or (ii) in a document publicly filed by the Corporation with the Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

For purposes of this Section 1.10, an "Associated Person" of a stockholder means (i) any person acting in concert with the stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by the stockholder (other than a stockholder that is a depository) and (iii) any person that, directly or indirectly, controls, is controlled by or is under common control with the stockholder or an Associated Person of the stockholder.

Notwithstanding the foregoing provisions of this Section 1.10, a stockholder also shall comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.10. Nothing in this Section 1.10 shall be deemed to affect any rights of stockholders to request inclusion of proposals in, nor the right of the Corporation to omit a proposal from, the Corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act.

ARTICLE II

BOARD OF DIRECTORS

Section 2.01. POWERS. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors. The Board of Directors may exercise all the powers of the Corporation, except such as are by statute or the Charter or the Bylaws conferred upon or reserved to the stockholders.

Section 2.02. NUMBER OF DIRECTORS. The number of directors of the Corporation shall be twelve (12), until increased or decreased as provided in this Section 2.02 to not less than ten (10) and not more than fourteen (14). By vote of a majority of the entire Board of Directors, the number of directors may be increased or decreased, from time to time, within the limits above specified; provided, however, that except as set forth in the Charter of the Corporation, the tenure of office of a director shall not be affected by any decrease in the number of directors so made by the Board.

Section 2.03. ELECTION OF DIRECTORS. Except as set forth in the Charter of the Corporation, the members of the Board of Directors shall be elected each year at the annual meeting of stockholders, and each director shall hold office until the next annual meeting of stockholders held after his or her election and until his or her successor will have been elected and qualified. No person, other than a person granted an exemption from this provision by action of the Board of Directors, shall be eligible to be elected as a director for a term which expires after the first annual meeting of stockholders after he or she reaches the age of seventy-five (75) years.

Section 2.04. CHAIRMAN OF THE BOARD. The Board of Directors shall designate from its membership a Chairman of the Board, who shall preside at all meetings of the stockholders and of the Board of Directors. He may sign with the Secretary or an Assistant Secretary certificates of stock of the Corporation, and he shall perform such other duties as may be prescribed by the Board of Directors. The Chairman will coordinate with the Lead Director on matters of Board administration and with the Chief Executive Officer and other members of management on matters relating to governance, financial reporting, stockholder engagement and input, and succession planning. ~~The Chairman of the Board shall serve as the Chairman of the Executive Committee and shall preside at all meetings of the Executive Committee.~~

Section 2.05. VICE CHAIRMAN OF THE BOARD. The Board of Directors may designate from its membership a Vice Chairman of the Board, who shall preside at all meetings of the stockholders and of the Board of Directors if the Chairman is not present (other than executive sessions of the Board when only non-management or independent members of the Board are present) as well as perform such functions and duties as may be prescribed by the Board of Directors or requested by the Chairman of the Board.

Section 2.06. LEAD DIRECTOR. The Board of Directors, by the affirmative vote of a majority of those directors who have been determined to be “independent” for purposes of the New York Stock Exchange requirements, shall designate one of the independent directors as the Lead Director. The Lead Director shall (i) be independent and elected by a majority of the independent directors annually and may be removed from the position by a majority of the independent directors; (ii) preside as Chair at Board of Directors meetings while in executive sessions of the non-management members of the Board of Directors or executive sessions of the independent directors, or when the Chairman of the Board or Vice Chairman of the Board is ill, absent, incapacitated or otherwise unable to carry out the duties of Chairman of Board; (iii) determine the frequency and timing of executive sessions of non-management directors and report to the Chairman of the Board and the Chief Executive Officer on all relevant matters arising from those sessions, and shall invite the Chairman of the Board and the Chief Executive Officer to join the executive session for further discussion as appropriate; (iv) consult with the Chairman of the Board and the Chief Executive Officer and committee chairs regarding the topics and schedules of the meetings of the Board of Directors and committees and approve the topics and schedules of Board meetings; (v) review and approve all Board of Directors and committee agendas and provide input to management on the scope and quality of and approve information sent to the Board of Directors; (vi) assist with recruitment of director candidates and, along with the Chairman of the Board, may extend the invitation to a new potential director to join the Board of Directors; (vii) act as liaison between the

Board of Directors and management and among the directors and the committees of the Board of Directors; (viii) serve as member of the Executive Committee of the Board of Directors; (ix) serve as ex-officio member of each committee if not otherwise a member of the committee; (x) serve as the point of contact for stockholders and others to communicate with the Board of Directors; (xi) recommend to the Board of Directors and committees the retention of advisors and consultants who report directly to the Board of Directors; (xii) call a special meeting of the Board of Directors or of the independent directors at any time, at any place, and for any purpose and (xiii) perform all other duties as may be assigned by the Board of Directors from time to time.

Section 2.07. REMOVAL. Any director or the Board of Directors may be removed from office as a director at any time, but only for cause, by the affirmative vote at a duly called meeting of stockholders of at least a majority of the votes which all holders of the then outstanding shares of capital stock of the Corporation would be entitled to cast at an annual election of directors, voting together as a single class.

Section 2.08. VACANCIES. Vacancies in the Board of Directors, except for vacancies resulting from an increase in the number of directors, shall be filled only by a majority vote of the remaining directors then in office, even if less than a quorum, except that vacancies resulting from removal from office by a vote of the stockholders may be filled by the stockholders at the same meeting at which such removal occurs. Vacancies resulting from an increase in the number of directors shall be filled only by a majority vote of the Board of Directors. Any director elected to fill a vacancy shall hold office until the next annual meeting of stockholders and until his or her successor will have been elected and qualified.

Section 2.09. REGULAR MEETINGS. After each meeting of stockholders at which a Board of Directors, or any class thereof, shall have been elected, the Board of Directors shall meet as soon as practicable for the purpose of organization and the transaction of other business, at such time and place within or without the State of Maryland as may be designated by the Board of Directors. Other regular meetings of the Board of Directors shall be held on such dates and at such places within or without the State of Maryland as may be designated from time to time by the Board of Directors.

Section 2.10. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time, at any place, and for any purpose by the Chairman of the Board, the Lead Director, the Chief Executive Officer, any three (3) directors, or by any officer of the Corporation upon the request of a majority of the Board.

Section 2.11. NOTICE OF MEETINGS. Notice of the place, day, and hour of every regular and special meeting of the Board of Directors shall be given to each director twenty-four (24) hours (or more) before the meeting, by telephoning the notice to such director, or by delivering the notice to him or her personally, or by sending the notice to him or her by telegraph, by electronic mail, or by facsimile, or by leaving the notice at his or her residence or usual place of business, or, in the alternative, by mailing such notice three (3) days (or more) before the meeting, postage prepaid, and addressed to him or her at his or her last known post office address according to the records of the Corporation. If mailed, such notice shall be deemed to be given when deposited in the United States mail, properly addressed, with postage thereon prepaid. If notice be given by

telegram, by electronic mail, or by facsimile, such notice shall be deemed to be given when the telegram is delivered to the telegraph company, when the electronic message is transmitted to the last known electronic mail address provided to the Corporation by the director, or when the facsimile is transmitted to the last known facsimile number provided to the Corporation by the director. If the notice be given by telephone or by personal delivery, such notice shall be deemed to be given at the time of the communication or delivery. Unless required by these Bylaws or by resolution of the Board of Directors, no notice of any meeting of the Board of Directors need state the business to be transacted thereat. No notice of any meeting of the Board of Directors need be given to any director who attends or to any director who, in a writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice. Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and no further notice need be given of any such adjourned meeting.

Section 2.12. PRESENCE AT MEETING. Members of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation in this manner shall constitute presence in person at the meeting.

Section 2.13. CONDUCT OF MEETINGS. Each meeting of the Board of Directors shall be presided over by the Chairman of the Board of Directors or if the Chairman of the Board is not present by the Vice Chairman or the Lead Director and if none of the Chairman of the Board, the Vice Chairman and the Lead Director is present by such member of the Board of Directors as shall be chosen at the meeting. The Secretary, or in his or her absence an Assistant Secretary, shall act as secretary of the meeting, or if no such officer is present, a secretary of the meeting shall be designated by the person presiding over the meeting.

Section 2.14. QUORUM. At all meetings of the Board of Directors, a majority of the Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which it is by statute, by the Charter, or by the Bylaws otherwise provided, the vote of a majority of such quorum at a duly constituted meeting shall be sufficient to pass any measure. In the absence of a quorum, the directors present by majority vote may adjourn the meeting from time to time until a quorum shall be present. At any such meeting following adjournment at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 2.15. COMPENSATION. Directors shall not receive any stated salary for their services as Directors but, by resolution of the Board of Directors, annual retainers, fees and expenses of attendance, if any, may be provided to Directors for attendance at each annual, regular or special meeting of the Board of Directors or of any committee thereof; but nothing contained herein shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 2.16. ACTION BY UNANIMOUS CONSENT. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing or by electronic transmission to such action is given by each director and is filed with the minutes of proceedings of the Board of Directors.

Section 2.17. VOTING OF SHARES BY CERTAIN HOLDERS. Notwithstanding any other provision of the Charter of the Corporation or these Bylaws, Title 3, Subtitle 7 of the Maryland General Corporation Law (or any successor statute) shall not apply to any acquisition by any person of shares of stock of the Corporation. This Section 2.17 may be repealed, in whole or in part, at any time, whether before or after an acquisition of control shares and, upon such repeal, may, to the extent provided by any successor bylaw, apply to any prior or subsequent control share acquisition.

ARTICLE III COMMITTEES

Section 3.01. EXECUTIVE COMMITTEE. The Board of Directors, by resolution adopted by a majority of the Board of Directors, may provide for an Executive Committee of two (2) or more directors. If provision be made for an Executive Committee, the members thereof shall be elected by the Board of Directors to serve at the pleasure of the Board of Directors. During the intervals between the meetings of the Board of Directors, the Executive Committee shall possess and may exercise such powers in the management of the business and affairs of the Corporation as may be authorized by the Board of Directors, subject to applicable law. All action by the Executive Committee shall be reported to the Board of Directors at its meeting next succeeding such action, and shall be subject to revision and alteration by the Board of Directors. Upon recommendation by the Nominating and Corporate Governance Committee, the Board of Directors may remove any committee member at any time. Vacancies on the Executive Committee shall be filled by the Board of Directors.

Section 3.02. STRATEGIC AFFAIRS AND FINANCE COMMITTEE. The Board of Directors by resolution adopted by a majority of the Board of Directors may provide for a Strategic Affairs and Finance Committee (the "SAF Committee") of three (3) or more directors. If provision is made for a SAF Committee, the members of the SAF Committee shall be elected by and serve at the pleasure of the Board of Directors. The Board of Directors shall designate a chairman from among the membership of the SAF Committee. The SAF Committee shall have responsibility for reviewing and recommending to the Board of Directors management's long-term strategy for the Corporation, which shall include the allocation of corporate resources. The SAF Committee will review and recommend to the Board of Directors certain strategic decisions regarding exit from existing lines of business and entry into new lines of business, acquisitions, joint ventures, investments or dispositions of businesses and assets, and the financing of related transactions. The SAF Committee will review the allocation of corporate resources recommended by management, including the relationship of activities and allocations with the long-term business objectives and strategic plans of the Corporation. The SAF Committee will review the financial condition of the Corporation, the status of all benefit plans and proposed changes to the capital structure of the Corporation, including the incurrence of indebtedness and the issuance of additional equity securities, and will make related recommendations to the Board of Directors for adoption. It will also review on an annual basis the proposed capital expenditure budget of the Corporation and make recommendations to the Board of Directors for adoption. The SAF Committee shall, except when such powers are by statute, the Charter or the Bylaws either reserved to the Board of Directors or delegated to another committee of the Board of Directors, possess all of the powers of the Board of Directors in the management of the strategic and financial affairs of the Corporation. All action by the SAF Committee shall be reported to the Board of Directors at its meeting next succeeding such action and shall be subject to revision and alteration by the Board of Directors. Upon recommendation by the Nominating and Corporate Governance Committee, the Board of Directors may remove any member of the SAF Committee at any time. Vacancies on the SAF Committee shall be filled by the Board of Directors.

Section 3.03. Audit Committee.

(a) **Membership.** The Audit Committee shall consist of three (3) or more directors who meet the independence and financial literacy and expertise requirements of the New York Stock Exchange. The members of the Audit Committee shall be elected by the Board of Directors to serve at the pleasure of the Board of Directors. The Board of Directors shall designate a chairman from among the membership of the Audit Committee. Upon recommendation by the Nominating and Corporate Governance Committee, the Board of Directors may remove any member of the Audit Committee at any time. Vacancies on the Audit Committee shall be filled by the Board of Directors.

(b) **Purposes.** The purposes of the Audit Committee shall be to assist the Board of Directors in fulfilling its oversight responsibilities relating to (i) the integrity of the Corporation's financial statements, (ii) the Corporation's compliance with legal and regulatory requirements, (iii) the qualifications, independence and performance of the Corporation's independent auditors and (iv) the performance of the Corporation's internal audit function. The Audit Committee shall, except when such powers are by statute or regulation reserved to the Board of Directors, possess and may exercise the powers of the Board of Directors relating to all accounting and auditing matters for the Corporation. All action by the Audit Committee shall be reported to the Board of Directors at its meeting next succeeding such action.

(c) **Responsibilities.** In order to achieve the purposes outlined in this charter, the Audit Committee shall be assigned the following responsibilities:

(1) Independent Auditors.

(i) Be directly responsible for the appointment, compensation, retention, oversight and termination of the independent auditors, which auditors shall report directly to the Audit Committee;

(ii) Ensure that the independent auditors submit on a periodic basis (but at least annually) to the Audit Committee a report delineating all relationships between the independent auditor and the Corporation, and have authority to take appropriate action in response to the independent auditors' report to assess and satisfy itself of the independent auditors' independence;

(iii) Ensure that the independent auditors submit on a periodic basis (but at least annually) to the Audit Committee a report or reports describing (i) the independent auditors' internal quality control procedures and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditors or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the auditing firm; and any steps taken to deal with any such issues;

(iv) Pre-approve the audit, audit-related and non-audit services to be provided by the Corporation's independent auditors, and the related fees, pursuant to pre-approval policies and procedures established by the Audit Committee;

(v) Review with the independent auditors any audit problems or difficulties and management's response thereto, and be directly responsible for the resolution of disagreements between management and the independent auditors regarding the Corporation's financial reporting;

(vi) Require that the independent auditors advise the Audit Committee of any matters identified during reviews of quarterly financial statements or audits of annual financial statements which are required to be communicated to the Audit Committee by the independent auditors under generally accepted auditing standards, and that the independent auditors provide such communication prior to the related quarterly or annual press release or, if not practicable, prior to filing the related Commission filings on Form 10-Q or Form 10-K;

(vii) Evaluate the independent auditors' qualifications, performance and independence, including evaluation of the lead partner of the independent auditor, and monitor the rotation of the lead partner; and

(viii) Establish policies for the Corporation's hiring of current or former employees of the independent auditors.

(2) *Internal Auditors.* Review the qualifications and work of the Corporation's internal audit staff, including evaluation of the performance and compensation assessment of the Vice President for Internal Audit, the scope of the internal audit staff's work plan for the year, its budget and staffing and, as appropriate, review significant findings and management's actions to address these findings.

(3) *Financial Statements, Disclosures and Related Matters.*

(i) Review with the Corporation's management, independent auditors and internal auditors, as appropriate, the following:

(A) any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles, and major issues as to the adequacy of the Corporation's internal controls;

(B) any analyses prepared by management and/or the independent auditors setting forth significant accounting and financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative methods under generally accepted accounting principles on the financial statements; and

(C) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation.

(ii) Discuss with the Corporation's management the type and presentation of information included in the Corporation's earnings press releases, as well as financial information and earnings outlook provided to the public, analysts and rating agencies.

(iii) Prior to filing with the Commission, review and discuss with management and the independent auditors:

(A) the Corporation's annual audited financial statements to be filed on Form 10-K, and recommend to the Board whether the annual audited financial statements should be included in the Corporation's Form 10-K, with the review to include: (A) the independent auditors' judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements and (B) the disclosure included in "Management's Discussion and Analysis of Financial Condition and Results of Operations;"

(B) management's assessment of and report on the effectiveness of internal control over financial reporting as of the end of the most recent fiscal year, and the independent auditor's related report;

(C) the Corporation's quarterly financial statements to be filed on Form 10-Q, with the review to include the disclosures included in "Management's Discussion and Analysis of Financial Condition and Results of Operations;" and

(D) any significant deficiencies or material weaknesses identified by management in connection with required quarterly certifications, and any significant changes in internal control over financial reporting that are disclosed.

(iv) Obtain and review a report from the independent auditors, prior to filing of the Form 10-K with the Commission, related to the Corporation's critical accounting policies and practices used; all alternative treatments under generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternatives and the independent auditors' preferred treatment; and other material written communication between the independent auditors and management, as appropriate.

(v) Prepare an Audit Committee report as required by the Commission to be included in the Corporation's annual proxy statement.

(4) *Other Risk Management Matters.* Review the Corporation's policies and practices with respect to risk assessment and risk management, including discussing with management the Corporation's major financial risk exposures and the steps that have been taken to monitor and control such exposures.

(5) *Legal and Regulatory Compliance Matters.*

(i) Establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission to the Corporation of concerns regarding questionable accounting or auditing matters; and review any complaints regarding accounting, internal accounting controls or auditing matters received pursuant to such procedures; and

(ii) Review with the General Counsel the status of pending claims, litigation and other legal matters on a periodic basis, but no less frequently than once a year on a comprehensive basis.

(6) *Committee Self-Assessment.* The Audit Committee shall annually conduct an evaluation of its performance.

(d) Authorities. In furtherance of its responsibilities, the Audit Committee shall have the power to investigate any matter falling within its jurisdiction, and it shall also possess the following authorities:

(1) *Outside Advisors.* The Audit Committee may retain, at the Corporation's expense, special legal, accounting or other advisors and may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditors to meet with any members of, or advisors to, the Audit Committee.

(2) *Delegated Authority.* The Audit Committee shall perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board of Directors.

(3) *Subcommittees.* The Audit Committee may delegate its authority to subcommittees (which may consist of one or more members of the Audit Committee) when it deems appropriate and in the best interests of the Corporation.

(4) *Reports to Board of Directors.* The Committee shall report regularly to the Board of Directors.

(5) *Committee Charter.* The Audit Committee shall review and recommend to the Board of Directors the adequacy of its charter and proposed changes from time to time as needed.

(6) *Funding.* The Corporation shall provide for appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board of Directors, for payment of: (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; (ii) compensation to any advisers employed by the Audit Committee; and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

(e) Procedures. The Audit Committee shall hold at least four meetings each year, and shall periodically, but at least annually, meet separately in executive session with representatives of the Corporation's independent auditors, management and internal audit department.

(f) Limitations Inherent in the Audit Committee's Role. Although the Audit Committee has the responsibilities and powers set forth in this charter, it is not the responsibility of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are

in accordance with accounting principles generally accepted in the United States. This is the responsibility of management and the independent auditors. Nor is it the responsibility of the Audit Committee to assure compliance with laws and regulations and the Corporation's Code of Ethics and Business Conduct.

Section 3.04. ETHICS AND SUSTAINABILITY COMMITTEE.

(a) Membership. The Board of Directors by resolution adopted by a majority of the Board of Directors may provide for an Ethics and Sustainability Committee (the "ES Committee") of three (3) or more directors. If provision is made for an ES Committee, the members of the ES Committee shall be elected by and serve at the pleasure of the Board of Directors. The Board of Directors shall designate a chairman from among the membership of the ES Committee. Upon recommendation by the Nominating and Corporate Governance Committee, the Board of Directors may remove any member of the ES Committee at any time. Vacancies on the ES Committee shall be filled by the Board of Directors.

(b) Responsibilities. The ES Committee shall:

(i) monitor compliance with the Code of Ethics and Business Conduct, and review and resolve all matters of concern presented to it by the Corporate Steering Committee on Ethics and Business Conduct or the Corporate Ethics Office;

(ii) review and monitor the adequacy of the Corporation's policies and procedures with respect to sustainability, including corporate responsibility, human rights, environmental stewardship, employee health and safety, ethical business practices, community outreach, philanthropy, diversity, inclusion, and equal opportunity, and the Corporation's record of compliance with laws and regulations related thereto;

(iii) oversee matters pertaining to community and public relations, including governmental relations; and

(iv) review as needed the proposed contributions budget of the Corporation and make recommendations to the Board of Directors for adoption.

The ES Committee shall, except when such powers are by statute, the Charter or the Bylaws either reserved to the Board of Directors or delegated to another committee of the Board of Directors, possess all of the powers of the Board of Directors in matters pertaining to ethics and business conduct and corporate responsibility. All action by the ES Committee shall be reported to the Board of Directors at its meeting next succeeding such action and shall be subject to revision and alteration by the Board of Directors.

Section 3.05. MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE.

(a) Membership. The Management Development and Compensation Committee (the "MDC Committee") shall consist of three (3) or more directors who satisfy the independence requirements of the New York Stock Exchange and Section 162(m) of the Internal Revenue Code. The members of the MDC Committee shall be elected by the Board of Directors to serve at the pleasure of the Board of Directors. The Board of Directors shall designate a chairman from among the membership of the MDC Committee. Upon recommendation by the Nominating and Corporate Governance Committee, the Board of Directors may remove any member of the MDC Committee at any time. Vacancies on the MDC Committee shall be filled by the Board of Directors.

(b) Purposes. The MDC Committee shall make recommendations to the Board of Directors concerning the compensation of the Corporation's executives and produce an annual report on executive compensation for inclusion in the Corporation's annual proxy statement.

(c) Responsibilities. In order to achieve the purposes outlined in this charter, the MDC Committee shall be assigned the following responsibilities:

(1) Compensation of Chief Executive Officer. Review and approve corporate goals and objectives relevant to the Chief Executive Officer's compensation; evaluate the Chief Executive Officer's performance in light of those goals and objectives; and recommend to the Board of Directors the Chief Executive Officer's compensation level based on this evaluation.

(2) Compensation of Senior Officers. Review proposed candidates for senior officer positions and their development plans and recommend to the Board of Directors the compensation to be paid for services of senior elected officers of the Corporation as established by resolution of the Board from time to time.

(3) Appraise management performance/other elected officers. Appraise the performance of management and have the power to fix the compensation of all other elected officers.

(4) Other benefits. Make recommendations to the board with respect to incentive compensation plans which shall include the power to approve the benefits and grants provided by any bonus, supplemental, and special compensation plans, including pension, insurance, health, equity and performance-based executive compensation plans, and such powers as are by statute or the Charter or the Bylaws reserved to the Board of Directors.

(5) Committee Self-Assessment. The MDC Committee shall annually conduct an evaluation of its performance.

(d) Authorities. In furtherance of its responsibilities, the MDC Committee shall possess the following authorities:

(1) Outside Advisors. The Committee may retain, at company expense, any outside advisor, including outside counsel and consulting firms to assist in evaluating executive compensation.

(2) Delegated Authority. The Committee may perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board of Directors.

(3) Reports to Board of Directors. The MDC Committee shall report all action by the MDC Committee to the Board of Directors at its meeting next succeeding such action, which (except as specifically reserved to the MDC Committee by statute or the Charter or these Bylaws) shall be subject to revision and alteration by the Board of Directors.

(4) Committee Charter. The MDC Committee shall review and recommend to the Board of Directors the adequacy of its charter and proposed changes from time to time as needed.

Section 3.06. NOMINATING AND CORPORATE GOVERNANCE COMMITTEE.

(a) Membership. The Nominating and Corporate Governance Committee (the "NCG Committee") shall consist of three (3) or more directors who satisfy the independence requirements of the New York Stock Exchange. The members of the NCG Committee shall be elected by the Board of Directors to serve at the pleasure of the Board of Directors. The Board of Directors shall designate a chairman from among the membership of the NCG Committee. On its own initiative or upon recommendation by the NCG Committee, the Board of Directors may remove any member of the NCG Committee at any time. Vacancies on the NCG Committee shall be filled by the Board of Directors.

(b) Purposes. The NCG Committee shall make recommendations to the Board of Directors concerning the composition of the Board of Directors and its committees including size and qualifications for membership; recommend to the Board of Directors the role of the Board of Directors in the corporate governance process; and oversee the evaluation of the Board of Directors and its committees.

(c) Responsibilities. In order to achieve the purposes outlined in this charter, the NCG Committee shall be assigned the following responsibilities:

(1) Nominees for Election to Board of Directors. Recommend to the Board of Directors nominees for election to fill any vacancy occurring in the Board and fill new positions created by an increase in the authorized number of directors of the Corporation. Each year, the NCG Committee shall recommend to the Board of Directors a slate of directors to serve as management's nominees for election by the stockholders at the annual meeting. The NCG Committee shall annually review the criteria for selection of director nominees and shall identify individuals for nomination as directors of the Corporation whose selection is consistent with the corporate governance guidelines of the Board of Directors.

(2) Board and Committee Organization and Assignments. Oversee the organization and function of the committees of the Board of Directors; each year, the NCG Committee shall recommend to the Board of Directors the membership of each committee to be effective following the annual meeting of stockholders. The NCG Committee shall recommend the filling of any vacancy occurring on a committee, as needed.

(3) Corporate Governance Guidelines. Develop and recommend to the Board of Directors corporate governance guidelines applicable to the Corporation and compliant with applicable requirements, which shall be reviewed from time to time as needed.

(4) Compensation of Directors. Review and recommend to the Board of Directors the compensation of the Board of Directors, including the nature and adequacy of director and officer indemnification and liability insurance.

(5) Board and Committee Self-Assessments. Develop and recommend to the Board of Directors an annual self-evaluation of the Board of Directors and each of its committees. The NCG Committee shall annually conduct an evaluation of its performance.

(d) Authorities. In furtherance of its responsibilities, the NCG Committee shall possess the following authorities:

(1) Outside Advisors. The NCG Committee may retain, at company expense, any outside advisor, including outside counsel and shall have sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms.

(2) Delegated Authority. The NCG Committee may perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board of Directors.

(3) Reports to Board of Directors. The NCG Committee shall report all action by the NCG Committee to the Board of Directors at its meeting next succeeding such action, which shall be subject to revision and alteration by the Board of Directors.

(4) Committee Charter. The NCG Committee shall review and recommend to the Board of Directors the adequacy of its charter and proposed changes from time to time as needed.

Section 3.07 CLASSIFIED BUSINESS AND SECURITY COMMITTEE.

(a) Membership. The Classified Business and Security Committee (the "CBS Committee") shall consist of three (3) or more directors who meet the independence requirements of the New York Stock Exchange and who possess the appropriate security clearance credentials, at least one of whom shall be a member of the Audit Committee, and all of whom are not officers or employees of the Corporation and are free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment as a member of the CBS Committee. The members of the CBS Committee shall be elected by the Board of Directors to serve at the pleasure of the Board of Directors. Upon recommendation of the NCG Committee, the Board of Directors may remove any member of the CBS Committee at any time. Vacancies on the CBS Committee shall be filled by the Board of Directors.

(b) Purpose. The purpose of the CBS Committee shall be to assist the Board of Directors in fulfilling its oversight responsibilities relating to the Corporation's classified business activities and the security of personnel, data and facilities.

(c) Responsibilities. In order to achieve the purpose outlined in this charter, the CBS Committee shall:

(i) review with the Corporation's management the strategic, operational and financial aspects of classified business;

(ii) review the policies and practices with respect to risk assessment and risk management and the internal control environment in the area of classified business activities, including discussing with management any major financial risk exposures and the steps that have been taken to monitor and control such exposure, and in connection with such activities shall have access to the Corporation's internal audit staff and independent auditors, as necessary; and

(iii) review issues and procedures relating to the physical security of the Corporation's facilities and employees and the security of data and information maintained by the Corporation within the Corporation's business or on behalf of its customers.

(d) Authorities. In furtherance of its responsibilities, the CBS Committee shall have the power to investigate any matter falling within its jurisdiction, and it shall also possess the following authorities:

(1) Delegated Authority. The CBS Committee shall perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board of Directors.

(2) Reports to Board of Directors. The CBS Committee shall report to the Board of Directors following each meeting of the CBS Committee. Such reports to the Board of Directors will, if necessary, be general in nature due to the security requirements involved in discussing detailed business information.

(e) Procedures. The CBS Committee shall hold at least one meeting per year. Minutes shall be maintained in accordance with the classified nature of the material.

(f) Limitations Inherent in the CBS Committee Role. While the CBS Committee has the power and responsibilities set forth in this charter, it is not the responsibility of the CBS Committee to plan or conduct audits or to determine that the Corporation's financial statements, as they relate to classified business activities, security issues or security breaches, are complete and accurate and are in accordance with accounting principles generally accepted in the United States. This is the responsibility of management and the independent auditors. It also is not the responsibility of the CBS Committee to assure that the Corporation's classified business activities or procedures relating to the security of personnel or data are in compliance with laws and regulations and the Corporation's Code of Ethics and Business Conduct. It is recognized that certain programs may have special or compartmentalized access requirements, with limited availability to obtain such access, and it is not the responsibility or obligation of the CBS Committee to obtain access to information pertaining to such programs.

Section 3.0801. ~~OTHER COMMITTEES.~~ The Board of Directors may by resolution provide for such ~~other~~ standing or special committees, composed of two (2) or more directors, and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be assigned to it by the Board of Directors.

Section 3.0902. MEETINGS OF COMMITTEES. Each committee of the Board of Directors shall fix its own rules of procedure, consistent with the provisions of any rules or resolutions of the Board of Directors governing such committee, and shall meet as provided by such rules or by resolution of the Board of Directors, and it shall also meet at the call of its chairman or any two (2) members of such committee. Unless otherwise provided by such rules or by such resolution, the provisions of Article II of these Bylaws, entitled "Board of Directors," relating to the place of holding and notice required of meetings of the Board of Directors shall govern committees of the Board of Directors. A majority of each committee shall constitute a quorum thereof; provided, however, that in the absence of any member of such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint a member of the Board of Directors to act in the place of such absent member. Except in cases in which it is otherwise provided by the rules of such committee or by resolution of the Board of Directors, the vote of a majority of such quorum at a duly constituted meeting shall be sufficient to pass any measure.

Section 3.1003. ACTION BY UNANIMOUS CONSENT. Any action required or permitted to be taken at a meeting of a committee of the Board of Directors may be taken without a meeting if a consent in writing or by electronic transmission to such action is given by each member of the committee and is filed with the minutes of proceedings of such committee.

ARTICLE IV

OFFICERS

Section 4.01. EXECUTIVE OFFICERS – ELECTION AND TERM OF OFFICE. The Executive Officers of the Corporation shall be a Chairman of the Board, Vice Chairman of the

Board if one is elected, a Chief Executive Officer, the President, such number of Vice Presidents as the Board of Directors may determine, a Secretary and a Treasurer. The Executive Officers shall be elected annually by the Board of Directors at its first meeting following each annual meeting of stockholders and each such officer shall hold office until the corresponding meeting of the Board of Directors in the next year and until his or her successor shall have been duly chosen and qualified or until his or her death or until he or she shall have resigned, or shall have been removed from office in the manner provided in this Article IV. Any vacancy in any of the above offices may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.02. CHAIRMAN OF THE BOARD. If the Board of Directors designates a Chairman of the Board who is also an employee, the Chairman shall be considered an officer of the Corporation.

Section 4.03. CHIEF EXECUTIVE OFFICER. Subject to the authority of the Board of Directors, the Chief Executive Officer shall have general charge and supervision of the business and affairs of the Corporation. The Chief Executive Officer shall have the authority to sign and execute in the name of the Corporation all deeds, mortgages, bonds, contracts or other instruments. The Chief Executive Officer shall have the authority to vote stock in other corporations, and shall perform such other duties of management as may be prescribed by resolution or as otherwise may be assigned by the Board of Directors. As vested by these Bylaws, the Chief Executive Officer shall have the authority to delegate such authorization and power to some other officer or employee or agent of the Corporation as deemed appropriate.

Section 4.04. PRESIDENT. The President shall have general charge and supervision of the operations of the Corporation and shall have such other powers and duties of management as from time to time may be assigned to him or her by the Board of Directors or the Chief Executive Officer.

Section 4.05. VICE PRESIDENTS. The Corporation shall have one (1) or more Vice Presidents, including Executive and Senior Vice Presidents as appropriate, as elected from time to time by the Board of Directors, or Vice Presidents as appointed from time to time by the Chief Executive Officer. The Vice Presidents shall perform such duties as from time to time may be assigned to them by the Chief Executive Officer.

Section 4.06. SECRETARY. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and record all votes and minutes or proceedings, in books provided for that purpose; shall see that all notices of such meetings are duly given in accordance with the provisions of the Bylaws of the Corporation, or as required by law; may sign certificates of stock of the Corporation with the Chairman of the Board; shall be custodian of the corporate seal; shall see that the corporate seal is affixed to all documents, the execution of which, on behalf of the Corporation, under its seal, is duly authorized, and when so affixed may attest the same; and in general, shall perform all duties incident to the office of a secretary of a corporation, and such other duties as from time to time may be assigned to the Secretary by the Chairman of the Board.

Section 4.07. TREASURER. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit, or cause to be deposited, in the name of the Corporation, all monies or other valuable effects in such banks, trust

companies, or other depositories as shall, from time to time, be selected by the Board of Directors; and in general, shall render such reports and perform such other duties incident to the office of a treasurer of a corporation, and such other duties as from time to time may be assigned to him or her by the Chief Executive Officer.

Section 4.08. OTHER OFFICERS AND AGENTS. The Board of Directors, the Chief Executive Officer, or the Secretary may create such other offices and appoint or provide for the appointment of such other officers, agents, or attorneys-in-fact as any of them shall deem desirable. In the case of the Secretary, the authority to appoint other officers shall be limited to the appointment of subordinate or assistant officer positions. Each such officer, agent, or attorney-in-fact shall hold office or act for such period, have such authority, and perform such duties as the Board of Directors, the Chief Executive Officer, or the Secretary may prescribe.

Section 4.09. WHEN DUTIES OF AN OFFICER MAY BE DELEGATED. In the case of the absence or disability of an officer of the Corporation or for any other reason that may seem sufficient to the Board of Directors, the Chief Executive Officer, or the Secretary, then the Board of Directors, the Chief Executive Officer, the Secretary, or any officer designated by any of them, may, for the time being, delegate such officer's duties and powers to any other person.

Section 4.10. OFFICERS HOLDING TWO OR MORE OFFICES. Any two (2) of the above mentioned offices, except President and Vice President, may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity, if such instrument be required by law, by the Charter or by these Bylaws, to be executed, acknowledged or verified by any two (2) or more officers.

Section 4.11. COMPENSATION. The Board of Directors shall have power to fix the compensation of all officers and employees of the Corporation.

Section 4.12. RESIGNATIONS. Any officer may resign at any time by giving written notice to the Board of Directors or to the Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect simultaneously with or at any time subsequent to its delivery as shall be specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.13. REMOVAL. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, if such removal is determined in the judgment of the Board of Directors to be in the best interests of the Corporation, and any officer of the Corporation duly appointed by another officer may be removed, with or without cause, by such officer.

ARTICLE V

STOCK

Section 5.01. CERTIFICATES; UNCERTIFICATED SHARES. Each stockholder shall be entitled to a certificate or certificates which shall represent and certify the number and kind

of shares of stock owned by the stockholder in the Corporation; provided, however, that the Board of Directors may provide for some or all of any class or series of stock to be uncertificated. Certificates shall be signed by the Chairman of the Board and countersigned by the Secretary or an Assistant Secretary, and sealed with the seal of the Corporation or a facsimile of such seal, and shall be in such form, not inconsistent with law or with the Charter, as shall be approved by the Board of Directors. When certificates for stock of any class or series are countersigned by a transfer agent, other than the Corporation or its employee, or by a registrar, other than the Corporation or its employee, any other signature on such certificates may be a facsimile. In case any officer of the Corporation who has signed any certificate ceases to be an officer of the Corporation, whether because of death, resignation or otherwise, before such certificate is issued, the certificate may nevertheless be issued and delivered by the Corporation as if the officer had not ceased to be such officer as of the date of its issue. Within a reasonable time after the issuance of uncertificated shares, to the extent required by the Maryland General Corporation Law the Corporation shall furnish to the registered owner of the shares a written statement containing the information required by the Maryland General Corporation Law to be set forth of certificates representing shares of such stock.

Section 5.02. TRANSFER OF SHARES. Shares of stock shall be transferable only on the books of the Corporation only by the holder thereof, in person or by duly authorized attorney, upon the surrender of the certificate representing the shares to be transferred, properly endorsed, or in the case of uncertificated shares, upon receipt of proper transfer instructions from the holder thereof. The Board of Directors shall have power and authority to make such other rules and regulations concerning the issue, transfer and registration of certificates of stock as it may deem expedient. Within a reasonable time after the transfer of uncertificated shares, to the extent required by the Maryland General Corporation Law the Corporation shall furnish to the registered owner of the shares a written statement containing the information required by the Maryland General Corporation Law to be set forth of certificates representing shares of such stock.

Section 5.03. TRANSFER AGENTS AND REGISTRARS. The Corporation may have one (1) or more transfer agents and one (1) or more registrars of its stock, whose respective duties the Board of Directors may, from time to time, define. No certificate of stock shall be valid until countersigned by a transfer agent, if the Corporation has a transfer agent, or until registered by a registrar, if the Corporation has a registrar. The duties of transfer agent and registrar may be combined.

Section 5.04. STOCK LEDGERS. Original or duplicate stock ledgers, containing the names and addresses of the stockholders of the Corporation and the number of shares of each class held by them respectively, shall be kept at an office or agency of the Corporation in such city or town as may be designated by the Board of Directors. If no other place is so designated such original or duplicate stock ledgers shall be kept at an office or agency of the Corporation in New York, New York or Bethesda, Maryland.

Section 5.05. RECORD DATES. The Board of Directors is hereby empowered to fix, in advance, a date as the record date for the purpose of determining stockholders entitled to notice of, or to vote at, any meeting of stockholders, or stockholders entitled to receive payment of any

dividend or the allotment of any rights, or in order to make a determination of stockholders for any other proper purpose. Such date in any case shall be not more than ninety (90) days and, in case of a meeting of stockholders, not less than thirty (30) days, prior to the date on which the particular action, requiring such determination of stockholders, is to be taken. If a record date is not set and the transfer books are not closed, the record date for the purpose of making any proper determination with respect to stockholders shall be fixed in accordance with applicable law.

Section 5.06. NEW CERTIFICATES. In case any certificate of stock is lost, stolen, mutilated or destroyed, the Board of Directors may authorize the issuance of a new certificate or uncertificated shares in place thereof upon such terms and conditions as it may deem advisable; or the Board of Directors may delegate such power to any officer or officers or agents of the Corporation; but the Board of Directors or such officer or officers or agents, in their discretion, may refuse to issue such new certificate or uncertificated shares save upon the order of some court having jurisdiction in the premises.

ARTICLE VI

INDEMNIFICATION

Section 6.01. INDEMNIFICATION OF DIRECTORS, OFFICERS, AND EMPLOYEES. The Corporation shall indemnify and hold harmless any director, officer or employee who is made a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding," and any such individual, a "Covered Person"), to the fullest extent permitted by Maryland law as it may exist from time to time against all Losses incurred, suffered or sustained by the Covered Person, whether in such Covered Person's capacity as a director, officer or employee of the Corporation or to the extent the Covered Person is serving as a director, officer or employee of a subsidiary of the Corporation or, upon the written request of the Corporation, is serving as a director, manager, trustee or officer of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (including, without limitation, pension plans, retirement plans and savings plans) of any of the foregoing (such service being referred to collectively as the "Official Capacity" of the Covered Person). Notwithstanding the foregoing, a Covered Person shall not be entitled to indemnification and shall not be held harmless by the Corporation (i) in the case of a Proceeding by or in the right of the Corporation, if the Covered Person shall be adjudged to be liable to the Corporation by a court or arbitrator having jurisdiction over the matter, (ii) in the case of a Proceeding initiated by or on behalf of the Covered Person against the Corporation or another Covered Person in his or her Official Capacity (other than a Proceeding asserting a Covered Person's rights under this Article VI in which the Covered Person is successful), which Proceeding was not authorized by the Board of Directors, (iii) to the extent such indemnification would violate applicable law, or (iv) in respect of Losses arising from the purchase and sale by the Covered Person of securities in violation of Section 16(b) of the Exchange Act.

Section 6.02. ADVANCEMENT OF EXPENSES. The Corporation shall pay or reimburse Expenses incurred in connection with a Proceeding by a Covered Person to the extent acting in his or her Official Capacity in advance of a final disposition of the Proceeding (an

“Advancement of Expenses”); provided, however, that (i) such Advancement of Expenses shall be made (without further inquiry by the Corporation) upon and only upon delivery to the Corporation of (A) a written affirmation by the Covered Person of his or her good faith belief that the standard of conduct necessary for indemnification by the Corporation under the MGCL has been met and (B) a written undertaking by or on behalf of the Covered Person to repay any Advancement of Expenses if it ultimately shall be determined by a final, nonappealable judicial decision that the Covered Person has not met the applicable standard of conduct necessary for indemnification under the MGCL, and (ii) the Corporation’s obligation in respect of the Advancement of Expenses in connection with a criminal Proceeding in which the Covered Person is a defendant shall terminate at such time as he or she (A) pleads guilty or (B) is convicted after trial and such conviction becomes final and no longer subject to appeal. Any such undertaking shall be an unlimited, non-interest bearing general obligation of the Covered Person but need not be secured and shall be accepted by the Corporation without reference to the financial ability of the Covered Person to make repayment.

Section 6.03. INDEMNIFICATION PROCEDURES.

(a) Notices of Claims. Promptly upon being served with or receiving a summons, citation, subpoena, complaint, indictment, information, or other notice that may result in a Proceeding in respect of which a Covered Person may seek indemnification or Advancement of Expenses pursuant to this Article VI, the Covered Person shall notify the Corporation’s Senior Vice President and General Counsel in writing (a “Claim Notice”) and shall provide the Senior Vice President and General Counsel with copies of any such summons, citation, subpoena, complaint, indictment, information, or other notice; provided, however, that the failure to deliver a Claim Notice on a timely basis or to provide copies of such materials in accordance with this Section 6.03 shall not constitute a waiver of the Covered Person’s rights under this Article VI, except to the extent that such failure or delay (i) causes the amounts paid or to be paid by the Corporation to be greater than they otherwise would have been, (ii) adversely affects the Corporation’s ability to obtain for itself or the Covered Person coverage or proceeds under any insurance policy available to the Corporation or the Covered Person, including any policy in respect of director and officer liability insurance, or (iii) otherwise results in prejudice to the Corporation.

(b) Assumption of Defense. Upon receipt of a Claim Notice, the Corporation shall be entitled to assume the defense and control of any Proceeding by a third party against the Covered Person by providing written notice to the Covered Person of the assumption of the defense of the underlying claims within 15 days of receipt of the Claim Notice. If the Corporation elects to assume the defense of a Proceeding in accordance with this Section 6.03(b), the Corporation no longer will be responsible for any legal or related expenses incurred by the Covered Person in connection with the defense of the underlying Proceeding; provided, however, that (i) the Covered Person shall have the right, at his or her own expense, to employ his or her own counsel who shall be entitled to participate in the Proceeding and (ii) if in the written opinion of counsel to the Covered Person a conflict of interest exists in respect of the underlying Proceeding between the Corporation and the Covered Person or between the Covered Person and any other person party to the underlying Proceeding, the Covered Person shall have the right to employ separate counsel reasonably satisfactory to the Corporation to represent the Covered Person and in such event the reasonable fees and expenses of such separate counsel shall be paid by the Corporation.

(c) Subrogation. As a condition to the rights and benefits available to Covered Persons under this Article VI, (i) in the event the Corporation makes any payment to or for the benefit of a Covered Person pursuant to this Article VI, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the Covered Person, and (ii) Covered Persons seeking indemnification or Advancement of Expenses shall execute all documents and agreements and take all actions necessary to secure the rights and obtain the benefits of the Corporation pursuant to this Section 6.03(c), including all documents as may be necessary to enable the Corporation to bring suit to enforce all such rights and obtain such benefits.

Section 6.04. GENERAL. For purposes of this Article VI, (i) “Expenses” means reasonable out-of-pocket expenses, costs, charges and fees, including reasonable attorneys’ fees and expenses, court costs, reasonable fees and expenses of experts and witnesses and reasonable travel expenses, and (ii) “Losses” means Expenses, liabilities, damages, obligations, penalties, claims or losses.

Subject to the provisions of applicable law, including the MGCL, the Board of Directors, by resolution, may authorize one or more officers of the Corporation to act for and on behalf of the Corporation in all matters relating to indemnification and Advancement of Expenses as contemplated by this Article VI within any such limits as may be specified from time to time by the Board of Directors.

The rights conferred on any Covered Person by this Article VI shall not be exclusive of any other rights that the Covered Person may have or hereafter acquire under any statute, provision of the Charter of the Corporation, these Bylaws, agreement, vote of the stockholders or disinterested directors or otherwise. The indemnification and Advancement of Expenses available to Covered Persons under this Article VI shall continue as to each Covered Person after he or she has ceased to serve in an Official Capacity in respect of any action or failure to act during the course of such service, and shall inure to the benefit of each Covered Person’s heirs, executors, administrators, conservators and guardians.

The rights and benefits provided to Covered Persons under this Article VI shall accrue for the benefit of each Covered Person at such time as he or she commences service in an Official Capacity. Repeal or modification of this Article VI or the relevant provisions of applicable law, including the MGCL, shall not affect adversely any rights to indemnification or Advancement of Expenses contemplated by this Article VI prior to such repeal or modification, whether or not a Proceeding was pending as of such repeal or modification, or any obligations then existing, in respect of any actions taken or failure to take action, any facts then or theretofore existing or any Proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such actions, failure to take action or facts.

ARTICLE VII

SUNDRY PROVISIONS

Section 7.01. SEAL. The corporate seal of the Corporation shall bear the name of the Corporation and the words “Incorporated 1994 Maryland” and “Corporate Seal.”

Section 7.02. VOTING OF STOCK IN OTHER CORPORATIONS. Any shares of stock in other corporations or associations, which may from time to time be held by the Corporation, may be represented and voted at any of the stockholders’ meetings thereof by the Chairman of the Board, Chief Executive Officer, or President of the Corporation or by any other person to whom the Chairman of the Board, Chief Executive Officer, or President of the Corporation may delegate such authority. The Board of Directors, however, may by resolution or delegation appoint some other person or persons to vote such shares, in which case such person or persons shall be entitled to vote such shares upon the production of a certified copy of such resolution or delegation.

Section 7.03. AMENDMENTS. The Board of Directors shall have the exclusive power, at any regular or special meeting thereof, to make and adopt new Bylaws, or to amend, alter, or repeal any Bylaws of the Corporation, provided such revisions are not inconsistent with the Charter or statute.

LOCKHEED MARTIN CORPORATION
2011 INCENTIVE PERFORMANCE AWARD PLAN
(Approved at Annual Meeting of Stockholders on April 28, 2011)
As Amended January 24, 2013

SECTION 1. Purpose.

The purpose of this Plan is to benefit the Corporation's stockholders by encouraging high levels of performance by individuals who contribute to the success of the Corporation and its Subsidiaries and to enable the Corporation and its Subsidiaries to attract, motivate, retain and reward talented and experienced individuals. This purpose is to be accomplished by providing eligible employees with an opportunity to obtain or increase their proprietary interest in the Corporation and thereby align their interests with those of the Corporation's stockholders, and by providing eligible employees with additional incentives to join or remain with the Corporation and its Subsidiaries.

SECTION 2. Definitions; Rules of Construction.

(a) Defined Terms. The terms defined in this Section shall have the following meanings for purposes of this Plan:

"*Award*" means an award granted pursuant to Section 4.

"*Award Agreement*" means an agreement described in Section 6 entered into between the Corporation and a Participant, setting forth the terms and conditions of an Award granted to a Participant.

"*Backlog*" means either funded backlog (unfilled firm orders for which funding has been both authorized and appropriated by the customer) or unfunded backlog (unfilled firm orders for which funding has not been authorized and appropriated by the customer), as determined by the Committee at the time an Award is granted.

"*Beneficiary*" means a person or persons (including a trust or trusts) validly designated by a Participant, in the event of the Participant's death, as the Participant's beneficiary under this Plan, or, in the absence of a valid designation, the Participant's estate.

"*Board of Directors*" or "*Board*" means the Board of Directors of the Corporation.

"*Cash-Based Awards*" means Awards that, if paid, must be paid in cash and that are neither denominated in nor have a value derived from the value of, nor an exercise right or conversion privilege at a price related to, shares of Stock, as described in Section 4(a)(6).

"*Cash Flow*" means cash and cash equivalents derived from either (i) net cash flow from operations or (ii) net cash flow from operations, financings and investing activities, as determined by the Committee at the time an Award is granted.

"*Change in Control*" means a change in control as defined in Section 7(c).

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time.

"*Committee*" means the Committee described in Section 8.

"*Corporation*" means Lockheed Martin Corporation.

"*Date of Grant*" means the date specified by the Committee as the date on which an Award is to be granted (which date shall be no earlier than the date the resolution approving the Award is adopted by the Committee), or if no such date is specified by the Committee, the date on which the Committee adopts a resolution making the Award.

“*Employee*” means any officer (whether or not also a director) or any key salaried employee of the Corporation or any of its Subsidiaries, but excludes, in the case of an Incentive Stock Option, an Employee of any Subsidiary that is not a “subsidiary corporation” of the Corporation as defined in Code Section 424(f).

“*EPS*” means earnings per common share on a fully diluted basis determined in accordance with GAAP.

“*EPS Growth*” means the increase (on a dollar or percentage basis) in EPS for a specified period as compared to a comparable prior period, as specified by the Committee at the time an Award is granted.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended from time to time.

“*Executive Officer*” means executive officer as defined in Rule 3b-7 under the Exchange Act, provided that, if the Board has designated the executive officers of the Corporation for purposes of reporting under the Exchange Act, the designation by the Board shall be conclusive for purposes of this Plan.

“*Fair Market Value*” means the closing sale price of the relevant security as reported by the New York Stock Exchange on its web site as the closing price (or, if the security is not so listed or if the principal market on which it is traded is not the New York Stock Exchange, such other reporting system as shall be selected by the Committee) on the relevant date, or, if no sale of the security is reported for that date, the next preceding day for which there is a reported sale. The Committee shall determine the Fair Market Value of any security that is not publicly traded, using criteria as it shall determine, in its sole direction, to be appropriate for the valuation.

“*Free Cash Flow*” means net cash flow from operations as determined in accordance with GAAP, less the amount identified as expenditures for property, plant and equipment as presented in the Corporation’s Statement of Cash Flows.

“*Free Cash Flow per Share*” means Free Cash Flow for a specified period divided by the average fully diluted common shares during the specified period.

“*GAAP*” means generally accepted accounting principles in the United States.

“*Insider*” means any person who is subject to the reporting obligations of Section 16(a) of the Exchange Act.

“*Nonperformance-Based Award or Nonperformance-Based*” means an Award that is not intended to satisfy the requirements of Section 4(b).

“*Option*” means a Nonqualified Stock Option or an Incentive Stock Option as described in Section 4(a)(1) or (2).

“*Orders*” means increases in contract values as specified in binding legal documents such as signed contracts, letters of award, notifications of award or purchase orders during a specified period.

“*Participant*” means an Employee who is granted an Award pursuant to this Plan so long as the Award remains outstanding.

“*Percentage of Free Cash Flow to Stockholders*” means the percentage of Free Cash Flow distributed to common stockholders during a specified period through dividends and stock repurchases.

“Performance-Based Awards” means an Award contemplated by Section 4(b).

“Performance Goal” means Backlog, Cash Flow, EPS, EPS Growth, Free Cash Flow per Share, Orders, Percentage of Free Cash Flow to Stockholders, ROIC, Sales, Segment Operating Profit, Segment ROIC or Total Stockholder Return, and “Performance Goals” means any combination thereof. Except as the context otherwise requires, performance under any of the Performance Goals (A) may be used to measure the performance of (i) the Corporation and its Subsidiaries on a consolidated basis, (ii) the Corporation or any Subsidiary or Subsidiaries, or any combination thereof, or (iii) any one or more segments or business units of the Corporation and its Subsidiaries, in either case as the Committee determines in its sole discretion, and (B) may be compared to the performance of one or more of the companies or one or more published or specially constructed indices designated or approved by the Committee for comparison, as the Committee determines in its sole discretion.

“Plan” means this Lockheed Martin Corporation 2011 Incentive Performance Award Plan.

“Predecessor Plan” means the Lockheed Martin Corporation Amended and Restated 2003 Incentive Performance Award Plan.

“ROIC” means return on invested capital calculated as (A) average (i) net income plus (ii) interest expense times one minus the highest marginal federal corporate tax rate, divided by (B) (i) average debt (including current maturities of long-term debt) plus (ii) average stockholders’ equity, plus the postretirement amounts determined at year-end as included in the Corporation’s Statement of Stockholders’ Equity.

“Rule 16b-3” means Rule 16b-3 under Section 16 of the Exchange Act, as amended from time to time.

“Sales” means net sales determined in accordance with GAAP.

“SAR” means a Stock Appreciation Right as described in Section 4(a)(3).

“Segment Operating Profit” means operating profit calculated at the segment level.

“Segment ROIC” means return on invested capital at the segment level calculated as (A) average (i) Segment Operating Profit times one minus the highest marginal federal corporate tax rate, divided by (B) average segment net assets.

“Share-Based Awards” means Awards that are payable or denominated in or have a value derived from the value of, or an exercise right or conversion privilege at a price related to, shares of Stock, as described in Sections 4(a)(1) through (5).

“Share Units” means the number of units under a Share-Based Award that is payable solely in cash or is actually paid in cash, determined by reference to the number of shares of Stock by which the Share-Based Award is measured.

“Stock” means shares of common stock of the Corporation, par value \$1.00 per share, subject to adjustments made under Section 7 or by operation of law.

“Subsidiary” means, as to any person, any corporation, association, partnership, joint venture or other business entity of which 50 percent or more of the voting stock or other equity interests (in the case of entities other than corporations), is owned or controlled (directly or indirectly) by that entity, or by one or more of the Subsidiaries of that entity, or by a combination thereof.

“Total Stockholder Return” means with respect to the Corporation or other entities (if measured on a relative basis), the (i) change in the market price of its common stock (as quoted in the principal market

on which it is traded as of the beginning and ending of the designated period) plus dividends and other distributions paid, divided by (ii) the beginning quoted market price, all of which is adjusted for any changes in equity structure, including but not limited to stock splits and stock dividends.

(b) Financial and Accounting Terms. Except as otherwise expressly provided or the context otherwise requires, financial and accounting terms, including terms defined herein as Performance Goals, are used as defined for purposes of, and shall be determined in accordance with, GAAP and as derived from the consolidated financial statements of the Corporation, prepared in the ordinary course of business and filed with the Securities and Exchange Commission from time to time.

(c) Rules of Construction. For purposes of this Plan and the Award Agreements, unless otherwise expressly provided or the context otherwise requires, the terms defined in this Plan include the plural and the singular, and pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms. For purposes of any Award Agreements, payments that will be made “as soon as practicable” after a specified event must be made within 90 days of the applicable event.

SECTION 3. Eligibility.

Any one or more Awards may be granted to any individual who is an Employee on the Date of Grant and who is designated by the Committee to receive an Award, provided that no individual who beneficially owns Stock possessing five percent or more of the combined voting power of all classes of stock of the Corporation shall be eligible to participate in this Plan.

SECTION 4. Awards.

(a) Type of Awards. The Committee may grant any of the following types of Awards, either singly or in combination with other Awards:

(1) *Nonqualified Stock Options*. A Nonqualified Stock Option is an Award in the form of an option to purchase Stock that is not intended to comply with the requirements of Code Section 422 or any successor provision of the Code. The exercise price of each Nonqualified Stock Option granted under this Plan shall be not less than the Fair Market Value of the Stock on the Date of Grant of the Option. All Nonqualified Stock Options shall be treated as Performance-Based Awards subject to the applicable restrictions under Section 4(b).

(2) *Incentive Stock Options*. An Incentive Stock Option is an Award in the form of an option to purchase Stock that is intended to comply with the requirements of Code Section 422 or any successor provision of the Code. The exercise price of each Incentive Stock Option granted under this Plan shall be not less than the Fair Market Value of the Stock on the Date of Grant of the Option. To the extent that the aggregate “fair market value” of Stock with respect to which one or more incentive stock options first become exercisable by a Participant in any calendar year exceeds \$100,000, taking into account both Stock subject to Incentive Stock Options under this Plan and stock subject to incentive stock options under all other plans of the Corporation or of other entities referenced in Code Section 422(d)(1), the options shall be treated as Nonqualified Stock Options. For this purpose, the “fair market value” of the Stock subject to options shall be determined as of the Date of Grant of the Options. All Incentive Stock Options shall be treated as Performance-Based Awards subject to the applicable restrictions under Section 4(b).

(3) *Stock Appreciation Rights*. A Stock Appreciation Right or SAR is an Award in the form of a right to receive, upon surrender of the right, but without other payment, an amount based on appreciation in the value of Stock over a base price established in the Award, payable in cash, Stock or such other form or combination of forms of payout, at times and upon conditions as may be approved by the Committee. The minimum base price of a SAR granted under this Plan shall be the Fair Market Value of the underlying Stock on the Date of Grant of the SAR, or, in the case of a SAR related to an Option (whether already outstanding or concurrently granted), the exercise price of the related Option. All SARs shall be treated as Performance-Based Awards subject to the applicable restrictions under Section 4(b).

(4) *Restricted Stock*. Restricted Stock is an Award of shares of Stock of the Corporation that are issued, but subject to restrictions on transfer and/or such other restrictions on incidents of ownership as the Committee may determine. Awards of Restricted Stock to Executive Officers that are either granted or vest upon attainment of one or more of the Performance Goals shall only be granted as Performance-Based Awards subject to the applicable restrictions under Section 4(b).

(5) *Stock Units*. A Stock Unit is an Award payable in cash or Stock and represented by a bookkeeping entry where the amount represented by the bookkeeping entry for each Stock Unit equals the Fair Market Value of a share of Stock on the Date of Grant and which amount shall be subsequently increased or decreased to reflect the Fair Market Value of a share of Stock on any date from the Date of Grant up to the date the Stock Unit is paid to the Participant in cash or Stock. Stock Units are not outstanding shares of Stock and do not entitle a Participant to voting or other rights with respect to Stock; provided, however, that an Award of Stock Units may provide for the crediting of an amount in cash equal to the dividends paid on Stock while the Award is outstanding or the crediting of additional Stock Units based on the value of dividends paid on Stock while the Award is outstanding, subject in each case to the vesting, forfeiture and Performance Goals applicable to the underlying Stock Units. Awards of Stock Units to Executive Officers that are either granted or vest upon attainment of one or more of the Performance Goals shall only be granted as Performance-Based Awards subject to the applicable restrictions under Section 4(b).

(6) *Cash-Based Awards*. Cash-Based Awards are Awards that provide Participants with the opportunity to earn a cash payment based upon the level of performance of the Corporation relative to one or more Performance Goals established by the Committee for an award cycle of more than one but not more than five years. For each award cycle, the Committee shall determine the size of the Awards, the Performance Goals, the performance targets as to each of the Performance Goals, the level or levels of achievement necessary for award payments and the weighting of the Performance Goals, if more than one Performance Goal is applicable. Cash-Based Awards to Executive Officers that are either granted or become vested, exercisable or payable based on attainment of one or more Performance Goals shall only be granted as Performance-Based Awards subject to the applicable restrictions under Section 4(b).

(b) Special Performance-Based Awards. Without limiting the generality of the foregoing, any of the types of Awards listed in Section 4(a) may be granted as awards that satisfy the requirements for “performance-based compensation” within the meaning of Code Section 162(m) (“Performance-Based Awards”), the grant, vesting, exercisability or payment of which depends on the degree of achievement of the Performance Goals relative to pre-established target levels. Notwithstanding anything contained in this Section 4(b) to the contrary, any Option or SAR shall be subject only to the requirements of Section 4(b)(1) and Sections 4(c)(1) and (2) below in order for such Awards to satisfy the requirements for Performance-Based Awards under this Section 4(b) (with such Awards referred to as a “Qualifying Option” or a “Qualifying Stock Appreciation Right,” respectively). With the exception of any Qualifying Option or Qualifying Stock Appreciation Right, an Award that is intended to satisfy the requirements of this Section 4(b) shall be designated as a Performance-Based Award at the time of grant. Nothing in this Plan shall limit the ability of the Committee to grant Options or SARs with an exercise price or a base price greater than Fair Market Value on the Date of Grant or to make the vesting of the Options or SARs subject to Performance Goals or other business objectives or conditions.

(1) *Eligible Class*. The eligible class of persons for Awards under this Section 4(b) shall be all Employees.

(2) *Performance Goals*. The performance goals for any Awards under this Section 4(b) (other than Qualifying Options and Qualifying Stock Appreciation Rights) shall be, on an absolute, average or relative basis, one or more of the Performance Goals. The specific performance target(s) with respect to Performance Goal(s) must be established by the Committee in advance of the deadlines applicable under Code Section 162(m) and while the performance relating to the Performance Goal(s) remains substantially uncertain.

(3) *Committee Certification*. Before any Performance-Based Award under this Section 4(b) (other than Qualifying Options and Qualifying Stock Appreciation Rights) is paid, the Committee must certify in

writing (by resolution or otherwise) that the applicable Performance Goal(s) and any other material terms of the Performance-Based Award were satisfied; provided, however, that a Performance-Based Award may be paid without regard to the satisfaction of the applicable Performance Goal in the event of a Change in Control as provided in Section 7(b).

(4) *Terms and Conditions of Awards; Committee Discretion to Reduce Performance Awards.* The Committee shall have discretion to determine the conditions, restrictions or other limitations, in accordance with and subject to the terms of this Plan and Code Section 162(m), on the payment of individual Performance-Based Awards under this Section 4(b). To the extent set forth in an Award Agreement, the Committee may reserve the right to reduce the amount payable in accordance with any standards or on any other basis (including the Committee's discretion), as the Committee may determine.

(5) *Adjustments for Material Changes.* The Committee shall have the right to specify any adjustment that it deems necessary or appropriate to any Performance Goals and/or performance targets to take into account or exclude any extraordinary gain or loss or other event that is considered an extraordinary item under GAAP, provided that the Committee exercises this right to specify the adjustment at the time the Performance Goals and/or performance targets are established under this Section 4(b). In addition, the Committee shall have the right to specify any adjustment that it deems necessary or appropriate to take into account or exclude any other gain or loss or event recognized under any accounting policy or practice affecting the Corporation and/or any Performance Goals or performance targets, provided that the Committee exercises this right to exclude or take such gain or loss or event into account at the time the related Performance Goals and/or performance targets are established under this Section 4(b).

(6) *Interpretation.* Except as specifically provided in this Section 4(b), the provisions of this Plan and any Award Agreement shall be interpreted and administered by the Committee in a manner consistent with the requirements for qualification of Performance-Based Awards granted to Executive Officers as "performance-based compensation" under Code Section 162(m) and the regulations thereunder.

(c) Individual Limits.

(1) *Share-Based Awards.* The maximum number of shares of Stock that are issuable under this Plan pursuant to Options, SARs payable in shares of Stock, Restricted Stock and Stock Units payable in shares of Stock (described under Section 4(a)(5)) that are granted as Performance-Based Awards during any calendar year to any Participant shall not exceed 1,000,000, subject to adjustment as provided in Section 7; provided, that the maximum number of shares of Stock that may be granted as Restricted Stock Awards during any calendar year to any Participant under this Plan (including as Performance-Based Awards) shall not exceed 750,000 shares, subject to adjustment as provided in Section 7. Awards that are canceled during the year shall be counted against these limits.

(2) *Share Unit and Cash Only SAR Awards.* The aggregate number of Share Units that are issuable as Stock Units payable in cash only or SARs payable in cash only during any calendar year to any Participant as Performance-Based Awards shall not exceed 300,000, subject to adjustment as provided in Section 7. Awards that are canceled due to expiration or forfeiture during the year shall be counted against this limit.

(3) *Cash-Based Awards.* The aggregate amount of compensation to be paid to any Participant in respect of those Cash-Based Awards that are granted during any calendar year as Performance-Based Awards shall not exceed \$10,000,000.

(d) Maximum Term of Awards. No Award that contemplates exercise or conversion may be exercised or converted to any extent, and no other Award that defers vesting, shall remain outstanding and unexercised, unconverted or unvested more than ten years after the Date of Grant of the Award.

(e) Code Section 409A. It is the intent of the Corporation that no Award under this Plan be subject to taxation under Section 409A(a)(1) of the Code. Accordingly, if the Committee determines that an Award granted

under this Plan is subject to Section 409A of the Code, such Award shall be interpreted and administered to meet the requirements of Sections 409A(a)(2), (3) and (4) of the Code and thus to be exempt from taxation under Section 409A(a)(1) of the Code.

SECTION 5. Shares of Stock and Share Units Available Under Plan.

(a) Aggregate Share Limit for Share-Based Awards. Subject to adjustment as provided in this Section 5 or Section 7, the maximum number of shares of Stock that may be subject to Options (including Incentive Stock Options), SARs payable in shares of Stock, Restricted Stock and Stock Units payable in shares of Stock granted or issued under this Plan is 8,000,000, plus the number of shares of Stock reserved for future awards under the Predecessor Plan as of February 24, 2011, plus the number of shares of Stock subject to awards outstanding under the Predecessor Plan as of February 24, 2011 that thereafter are unexercised, unconverted or undistributed as a result of termination, expiration or forfeiture of the award, whether or not the individual holding the award received or was credited with benefits of ownership (such as dividend or dividend equivalents or voting rights) during the period in which the individual's ownership was restricted or otherwise not vested, including shares of Stock subject to restricted stock awards that are subsequently reacquired by the Corporation due to termination, expiration or forfeiture.

(b) Restriction on Recycling or Reissue of Shares and Share Units. Shares of Stock issued upon the exercise of an Award or the vesting of an Award may not be used for a subsequent Award under this Plan. Any unexercised, unconverted or undistributed portion of any Award made under this Plan or any stock-based award under the Predecessor Plan resulting from termination, expiration or forfeiture of that Award shall again be available for Award under Section 5(a), whether or not the Participant has received or been credited with benefits of ownership (such as dividends, dividend equivalents or voting rights) during the period in which the Participant's ownership was restricted or otherwise not vested. Shares of Stock that are issued pursuant to Restricted Stock Awards and subsequently reacquired by the Corporation due to termination, expiration or forfeiture of the Award also shall be available for reissuance under this Plan. Shares of Stock subject to an Award that are reacquired by the Corporation to satisfy a withholding obligation of the Participant under Section 5(g) shall not be available for reissue. With respect to SARs payable in shares of Stock, the number of shares of Stock subject to an Award shall be counted against the number of shares of Stock available for issuance under this Plan regardless of the number of shares of Stock actually issued to settle the SARs upon exercise.

(c) Interpretive Issues. Additional rules for determining the number of shares of Stock or Share Units authorized under this Plan or available for grant or issuance from time to time may be adopted by the Committee, as it deems necessary or appropriate.

(d) Source of Shares; No Fractional Shares. The Stock that may be issued pursuant to an Award under this Plan may be authorized but unissued Stock or Stock acquired by the Corporation or any of its Subsidiaries, subsequently or in anticipation of a transaction under this Plan, in the open market or in privately negotiated transactions. No fractional shares of Stock shall be issued under this Plan, but fractional interests may be accumulated pursuant to the terms of an Award.

(e) Consideration. The Stock issued under this Plan may be issued (subject to Section 10(d)) for any lawful form of consideration, the value of which equals the par value of the Stock or such greater or lesser value as the Committee, consistent with Sections 10(d), may require.

(f) Purchase or Exercise Price; Withholding. The exercise or purchase price (if any) of the Stock issuable pursuant to any Award and any withholding obligation under applicable tax laws shall be paid in cash or, subject to the Committee's express authorization and the terms, restrictions, conditions and procedures as the Committee may in its sole discretion impose (subject to Section 10(d)), any one or combination of (i) cash, (ii) the delivery of shares of Stock, (iii) a reduction in the number of Shares of Stock issuable or cash payable pursuant to such Award, (iv) the delivery of a promissory note or other obligation for the future payment in money, or (v) in the case of purchase price only, labor or service as an Employee to be performed or actually performed. In the case of a payment by the means described in clause (ii) or (iii) above, the Stock to be so delivered or offset shall be determined by reference to the Fair Market Value of the Stock on the date as of which the payment or offset is made. Notwithstanding the foregoing, no Insider shall be permitted to satisfy the purchase or exercise price or withholding obligation with

respect to an Award by using a method of payment otherwise authorized under this Plan or an Award Agreement if such method of payment would constitute a personal loan under Section 13(k) of the Exchange Act. If an Award Agreement to a Participant who is not an Insider authorizes a method of payment that would constitute a personal loan under Section 13(k) of the Exchange Act and the Participant subsequently becomes an Insider, then the payment method will no longer be available to the Participant and the Committee shall take whatever steps are necessary to make such payment method void as to such Participant, including but not limited to requiring the immediate payment of any note or loan previously obtained in connection with an Award.

(g) Cashless Exercise. Subject to any restrictions on Insiders pursuant to Section 13(k) of the Exchange Act, the Committee may permit the exercise of an Award and payment of any applicable withholding tax in respect of an Award by delivery of notice, subject to the Corporation's receipt from a third party of payment (or commitment to make payment) in full in cash for the exercise price and the applicable withholding prior to issuance of Stock, in the manner and subject to the procedures as may be established by the Committee.

SECTION 6. Award Agreements.

Each Award under this Plan shall be evidenced by an Award Agreement in a form approved by the Committee setting forth, in the case of Share-Based Awards, the number of shares of Stock or Share Units, as applicable, subject to the Award, and the price (if any) and term of the Award and, in the case of Performance-Based Awards (other than a Qualifying Option or a Qualifying Stock Appreciation Right), the applicable Performance Goals. The Award Agreement also shall set forth (or incorporate by reference) other material terms and conditions applicable to the Award as determined by the Committee consistent with the limitations of this Plan.

(a) Mandatory Provisions for Options and SARs. Award Agreements for Options and SARs payable in stock shall be deemed to contain the following provisions:

(1) *Vesting*: A provision providing for a minimum vesting schedule pursuant to which no Award of Options may become fully exercisable prior to the third anniversary of the Date of Grant, and to the extent an Award provides for vesting in installments over a period of no less than three years, no portion of an Award of Options may become exercisable prior to the first anniversary of the Date of Grant. In the event that the Participant is not an Employee on the date on which an Option would otherwise vest and become exercisable, the Options subject to that vesting date will be forfeited. Notwithstanding the foregoing, (i) any Award Agreement governing Options may provide for any additional vesting requirements, including but not limited to longer periods of required employment or the achievement of Performance Goals; (ii) any Award Agreement may provide that all or a portion of the Options subject to an Award vest immediately or, alternatively, vest in accordance with the vesting schedule but without regard to the requirement for continued employment with the Corporation (or a Subsidiary) in the event of a Change in Control, or in the case of termination of employment with the Corporation (or a Subsidiary) due to death, disability, layoff, retirement or divestiture, or in the case of a vesting period longer than three years, vest and become exercisable or fail to be forfeited and continue to vest in accordance with the schedule in the Award Agreement prior to the expiration of any period longer than three years for any reason designated by the Committee; and (iii) any Award Agreement may provide that employment by another entity be treated as employment by the Corporation (or a Subsidiary) in the event a Participant terminates employment with the Corporation (or a Subsidiary) on account of a divestiture. No Award Agreement may provide for accelerated vesting of Options on account of layoff beyond vesting of up to the portion of the vesting period from the Date of Grant to the date on which a Participant's employment terminates. The vesting requirements of this Section 6(a) shall also apply to Award Agreements governing SARs.

(2) *Option and SAR Holding Period*: Subject to the authority of the Committee under Section 7, a minimum six-month period shall elapse between the date of initial grant of any Option or SAR paid in Stock and the sale of the underlying shares of Stock, and the Corporation may impose legend and other restrictions on the Stock issued on exercise of the Options or SARs to enforce this requirement.

(3) *No Waivers*: A provision that neither the Committee nor the Board of Directors has retained the authority to waive the requirements set forth in Sections 6(a)(1).

(b) Mandatory Provisions for Restricted Stock and Stock Units Payable in Stock. Award Agreements for Restricted Stock and Stock Units payable in Stock shall be deemed to contain the following provisions:

(1) *Vesting*: A provision prohibiting the sale of any shares of Restricted Stock granted under an Award prior to the third anniversary of the Date of Grant of the Award and requiring the forfeiture of all shares of Restricted Stock subject to the Award in the event that the Participant does not remain an Employee for at least three years following the Date of Grant of the Restricted Stock; ~~provided, that (i) Notwithstanding the foregoing, any Award Agreement governing Restricted Stock may provide (i) for any additional vesting or forfeiture requirements, including but not limited to longer periods of required employment or the achievement of Performance Goals; and (ii) any Award Agreement may provide that Restricted Stock vests, vests on a pro rata basis or continues to vest and any forfeiture provisions or restrictions on sale of the vested portions~~ lapse prior to the third anniversary of the Date of Grant (A) in the event of a termination of employment following a Change in Control (except that vesting may occur upon or following a Change in Control without regard to termination of employment in the case of an employee who immediately prior to the Change in Control was not an officer of the Corporation who had been elected as such by the Board), (B) in the case of termination of employment with the Corporation (or a Subsidiary) due to death, disability, layoff, retirement or divestiture, (C) for the purpose of satisfying any tax withholding requirement, or (D) in the case of a vesting or forfeiture period longer than three years, prior to the expiration of any period longer than three years for any reason designated by the Committee. No Award Agreement may provide for accelerated vesting of Restricted Stock on account of layoff beyond vesting of up to the portion of the vesting period from the Date of Grant to the date on which a Participant's employment terminates. Dividends that become payable on Restricted Stock will not be payable to the Participant but shall be accrued and held by the Corporation until such time as the restrictions lapse on the underlying Restricted Stock and the shares become transferable, at which time the accrued dividends shall be paid to the Participant. The vesting and forfeiture requirements of this Section 6(b) shall also apply to Award Agreements governing Stock Units payable in Stock unless the Stock Units are granted in conjunction with, or are part of another Award.

(2) *No Waivers*: A provision that neither the Committee nor the Board of Directors has retained the authority to waive the requirements set forth in Section 6(b)(1).

(c) Mandatory Provisions Applicable to All Award Agreements. Award Agreements shall be subject to the terms of this Plan and shall be deemed to include the following terms, unless the Committee in the Award Agreement consistent with applicable legal considerations, provides otherwise:

(1) *Non-assignability*: The Award shall not be assignable nor transferable, except by will or by the laws of descent and distribution, and during the lifetime of a Participant, the Award shall be exercised only by the Participant or by his or her guardian or legal representative. The designation of a Beneficiary hereunder shall not constitute a transfer prohibited by the foregoing provisions.

(2) *Rights as Stockholder*: A Participant shall have no rights as a holder of Stock with respect to any unissued securities covered by an Award until the date the Participant becomes the holder of record of the securities. Except in the case of Restricted Stock and except as provided in Section 7, no adjustment or other provision shall be made for dividends or other stockholder rights, except to the extent that the Award Agreement provides for dividend equivalents or similar economic benefits.

(3) *Withholding*: Each Participant shall be responsible for payment of any taxes or similar charges required by law to be withheld from an Award, or an amount paid in satisfaction of an Award and these obligations shall be paid by the Participant on or prior to the payment of the Award. In the case of an Award payable in cash, the withholding obligation shall be satisfied by withholding the applicable amount and paying the net amount in cash to the Participant. In the case of an Award paid in shares of Stock, a Participant shall satisfy the withholding obligation as provided in Section 5(g).

(d) Other Provisions. Award Agreements may include other terms and conditions as the Committee shall approve, including but not limited to the following:

(1) *Other Terms and Conditions*: Any other terms not inconsistent with the terms of this Plan as are necessary, appropriate, or desirable to effect an Award to a Participant, including provisions describing the treatment of an Award in the event of the death, disability, layoff, retirement, divestiture or other termination of a Participant's employment with or services to the Corporation or a Subsidiary, any provisions relating to the vesting, exercisability, forfeiture or cancellation of the Award, any requirements for continued employment, any other restrictions or conditions (including performance requirements and holding periods) of the Award and the method by which the restrictions or conditions lapse, procedures acceptable to the Committee (if any) with respect to the effect on the Award of a Change in Control, subject, in the case of Performance-Based Awards, to the requirements for "performance-based compensation" under Code Section 162(m) and in the case of Options, SARs payable in shares of Stock, Restricted Stock and Stock Units payable in shares of Stock, to the requirements of Sections 6(a), (b) and (7).

(2) *Non-competition and non-solicitation clause*: A provision or provisions requiring the forfeiture or recoupment of an Award (whether or not vested) on account of activities deemed by the Committee in its sole discretion to be harmful to the Corporation, including but not limited to employment with a competitor, misuse of the Corporation's proprietary or confidential information, or solicitation of the Corporation's employees.

(3) *Claw-back*: A provision entitling the Corporation to recoup any Award (whether or not vested) or value received for an Award under circumstances specified in the Award Agreement or regulations, rules or interpretations of the Securities and Exchange Commission or other applicable law.

(e) Contract Rights, Forms and Signatures. Any obligation of the Corporation to any Participant with respect to an Award shall be based solely upon contractual obligations created by this Plan and an Award Agreement. Subject to the provisions of Section 8(h), no Award shall be enforceable until the Award Agreement or an acknowledgement of receipt has been signed by the Participant and on behalf of the Corporation by an Executive Officer (other than the recipient) or his or her delegate. By executing the Award Agreement or otherwise providing an acknowledgement of receipt, a Participant shall be deemed to have accepted and consented to the terms of this Plan and any action taken in good faith under this Plan by and within the discretion of the Committee, the Board of Directors or their delegates. Unless the Award Agreement otherwise expressly provides, there shall be no third party beneficiaries of the obligations of the Corporation to the Participant under the Award Agreement.

SECTION 7. Adjustments; Change in Control; Acquisitions.

(a) Adjustments. If there shall occur any recapitalization, stock dividend, stock split (including a stock split in the form of a stock dividend), reverse stock split, merger, combination, consolidation, or other reorganization or any extraordinary dividend or other extraordinary distribution in respect of the Stock (whether in the form of cash, Stock or other property), or any split-up, spin-off, split-off, extraordinary redemption, or exchange of outstanding Stock, or there shall occur any other similar corporate transaction or event in respect of the Stock, or a sale of all or substantially all the assets of the Corporation as an entirety, then the Committee shall, in the manner and to the extent, if any, as it deems appropriate and equitable to the Participants and consistent with the terms of this Plan, and taking into consideration the effect of the event on the holders of the Stock, proportionately adjust any or all of the following:

(1) the number and type of shares of Stock and Share Units that thereafter may be made the subject of Awards (including the specific maximum and numbers of shares of Stock or Share Units set forth elsewhere in this Plan),

(2) the number and type of shares of Stock, Share Units, cash or other property subject to any or all outstanding Awards,

(3) the grant, purchase or exercise price, or conversion ratio of any or all outstanding Awards, or of the Stock, other property or Share Units underlying the Awards,

- (4) the securities, cash or other property deliverable upon exercise or conversion of any or all outstanding Awards,
- (5) subject to Section 4(b), the Performance Goals or other standards appropriate to any outstanding Performance-Based Awards, or
- (6) any other terms as are affected by the event.

Notwithstanding the foregoing, in the case of an Incentive Stock Option, no adjustment shall be made that would cause this Plan to violate Section 424(a) of the Code or any successor provisions thereto, without the written consent of the Participant adversely affected thereby. The Committee may act prior to an event described in this Section 7(a) (including at the time of an Award by means of more specific provisions in the Award Agreement) if deemed necessary or appropriate to permit the Participant to realize the benefits intended to be conveyed by an Award in respect of the Stock in the case of an event described in Section 7(a).

(b) Change in Control. The Committee may, in the Award Agreement, provide for the effect of a Change in Control on an Award. Such provisions may include but are not limited to any one or more of the following with respect to any or all Awards: (i) the specific consequences of a Change in Control on the Awards; (ii) the acceleration or extension of time periods for purposes of exercising, vesting in, or realizing gain from, the Awards; (iii) a reservation of the Committee's right to determine in its discretion at any time that there shall be full acceleration or no acceleration of benefits under the Awards; (iv) that only certain or limited benefits under the Awards shall be accelerated; (v) that the Awards shall be accelerated for a limited time only; or (vi) that acceleration of the Awards shall be subject to additional conditions precedent (such as a termination of employment following a Change in Control).

In addition to any action required or authorized by the terms of an Award, the Committee may take any other action it deems appropriate to ensure the equitable treatment of Participants in the event of or in anticipation of a Change in Control, including but not limited to any one or more of the following with respect to any or all Awards: (i) the waiver of conditions on the Awards that were imposed for the benefit of the Corporation; (ii) provision for the cash settlement of the Awards for their equivalent cash value, as determined by the Committee, as of the date of a Change in Control; (iii) provisions for the assumption or continuation of the Award and the substitution for shares of stock of a successor entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number of shares, exercise or conversion price and conditions of the Award; or (iv) such other modification or adjustment to the Awards as the Committee deems appropriate to maintain and protect the rights and interests of Participants upon or following a Change in Control. The Committee also may accord any Participant a right to refuse any acceleration of exercisability, vesting or benefits, whether pursuant to the Award Agreement or otherwise, in such circumstances as the Committee may approve.

Notwithstanding the foregoing provisions of this Section 7(b) or any provision in an Award Agreement to the contrary, if any Award to any Insider is accelerated to a date that is less than six months after the Date of Grant, the Committee may prohibit a sale of the underlying Stock (other than a sale by operation of law), and the Corporation may impose legend and other restrictions on the Stock to enforce this prohibition.

(c) Change in Control Definition. For purposes of this Plan, a "Change in Control" shall include and be deemed to occur upon one or more of the following events:

(1) A tender offer or exchange offer is consummated for the ownership of securities of the Corporation representing 25 percent or more of the combined voting power of the Corporation's then outstanding voting securities entitled to vote in the election of directors of the Corporation.

(2) The consummation of a merger, combination, consolidation, recapitalization, or other reorganization of the Corporation with one or more other entities that are not Subsidiaries if, as a result of the consummation of the merger, combination, consolidation, recapitalization or other reorganization, less than 75 percent of the outstanding voting securities of the surviving or resulting corporation shall immediately after the event be owned in the aggregate by the stockholders of the Corporation (directly or indirectly), determined on the basis of record ownership as of the date of determination of holders entitled to vote on the action (or in the absence of a vote, the day immediately prior to the event).

(3) Any person (as this term is used in Sections 3(a)(9) and 13(d)(3) of the Exchange Act, but excluding any person described in and satisfying the conditions of Rule 13d-1(b)(1) thereunder), becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing 25 percent or more of the combined voting power of the Corporation's then outstanding securities entitled to vote in the election of directors of the Corporation.

(4) At any time within any period of two years after a tender offer, merger, combination, consolidation, recapitalization, or other reorganization or a contested director election, or any combination of these events, the "Incumbent Directors" shall cease to constitute at least a majority of the authorized number of members of the Board. For purposes hereof, "Incumbent Directors" shall mean the persons who were members of the Board immediately before the first of these events and the persons who were elected or nominated as their successors or pursuant to increases in the size of the Board by a vote of at least three-fourths of the Board members who were then Board members (or successors or additional members so elected or nominated).

(5) The stockholders of the Corporation approve a plan of liquidation and dissolution of the Corporation, or a sale or transfer of all or substantially all of the Corporation's business and/or assets as an entirety to an entity that is not a Subsidiary is consummated.

Notwithstanding the foregoing, in the event the Committee determines that an Award could be subject to taxation under Section 409A(a)(1) of the Code, a Change in Control shall have no effect on the Award unless the Change in Control also would constitute a change in the ownership or effective control of the Corporation or in the ownership of a substantial portion of the assets of the Corporation within the meaning of Section 409A(a)(2)(A)(v) of the Code.

(d) Business Acquisitions. Awards may be granted under this Plan on terms and conditions as the Committee considers appropriate, which may differ from those otherwise required by this Plan, to the extent necessary to reflect a substitution for or assumption of stock incentive awards held by employees of other entities who become Employees of the Corporation or a Subsidiary as the result of a merger, consolidation or business combination of the employing entity with, or the acquisition of assets or stock of the employing entity by, the Corporation or a Subsidiary, directly or indirectly.

SECTION 8. Administration.

(a) Committee Authority and Structure. This Plan and all Awards granted under this Plan shall be administered by the Management Development and Compensation Committee of the Board or such other committee of the Board as may be designated by the Board and constituted so as to permit this Plan to comply with the disinterested administration requirements of Rule 16b-3 under the Exchange Act and the "outside director" requirement of Code Section 162(m). The Board shall designate the members of the Committee. Notwithstanding the foregoing, any action taken under this Plan by the Management Development and Compensation Committee of the Board or such other committee of the Board as may be designated by the Board to administer this Plan and Awards granted under this Plan shall be valid and effective whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 8(a) or otherwise provided in any charter of the Committee.

(b) Selection and Grant. The Committee shall have the authority to determine the Employees to whom Awards will be granted under this Plan, the type of Award or Awards to be made, and the nature, amount, pricing, timing, and other terms of Awards to be made to any one or more of these individuals, subject to the terms of this Plan.

(c) Construction and Interpretation. The Committee shall have the power to interpret and administer this Plan and Award Agreements, and to adopt, amend and rescind related rules and procedures. All questions of interpretation and determinations with respect to this Plan, the number of shares of Stock, SARs, or Share Units or

other Awards granted, and the terms of any Award Agreements, the adjustments required or permitted by Section 7, and other determinations hereunder shall be made by the Committee and its determination shall be final and conclusive upon all parties in interest. In the event of any conflict between an Award Agreement and any non-discretionary provisions of this Plan, the terms of this Plan shall govern.

(d) Limited Authority of Committee to Change Terms of Awards. In addition to the Committee's authority under other provisions of this Plan (including Sections 7 and 9), the Committee shall have the authority to accelerate the exercisability or vesting of an Award, to extend the term or waive early termination provisions of an Award (subject to the maximum ten-year term under Section 4(d)), and to waive the Corporation's rights with respect to an Award or restrictive conditions of an Award (including forfeiture conditions), in any case in such circumstances as the Committee deems appropriate. Notwithstanding the foregoing, the Committee's authority under this Section 8(d) is subject to any express limitations of this Plan (including under Sections 6(a), 6(b), 7 and 9) and this Section 8(d) does not authorize the Committee to accelerate exercisability or vesting or waive early termination provisions if that acceleration or waiver would be inconsistent with the mandatory vesting requirements set forth in Sections 6(a)(1) and 6(b)(1).

(e) Rule 16b-3 Conditions; Bifurcation of Plan. It is the intent of the Corporation that this Plan and Share-Based Awards hereunder satisfy and be interpreted in a manner, that, in the case of Participants who are or may be Insiders, satisfies any applicable requirements of Rule 16b-3, so that these persons will be entitled to the benefits of Rule 16b-3 or other exemptive rules under Section 16 under the Exchange Act and will not be subjected to avoidable liability thereunder as to Awards intended to be entitled to the benefits of Rule 16b-3. If any provision of this Plan or of any Award would otherwise frustrate or conflict with the intent expressed in this Section 8(e), that provision to the extent possible shall be interpreted and deemed amended so as to avoid such conflict. To the extent of any remaining irreconcilable conflict with this intent, the provision shall be deemed disregarded as to Awards intended as Rule 16b-3 exempt Awards. Notwithstanding anything to the contrary in this Plan, the provisions of this Plan may at any time be bifurcated by the Board or the Committee in any manner so that certain provisions of this Plan or any Award Agreement intended (or required in order) to satisfy the applicable requirements of Rule 16b-3 are only applicable to Insiders and to those Awards to Insiders intended to satisfy the requirements of Rule 16b-3.

(f) Delegation and Reliance. The Committee may delegate to the officers or employees of the Corporation the authority to execute and deliver those instruments and documents, to do all acts and things, and to take all other steps deemed necessary, advisable or convenient for the effective administration of this Plan in accordance with its terms and purpose, except that the Committee may not delegate any discretionary authority to grant or amend an Award or with respect to substantive decisions or functions regarding this Plan or Awards as these relate to the material terms of Performance-Based Awards to Executive Officers or to the timing, eligibility, pricing, amount or other material terms of Awards to Insiders. In making any determination or in taking or not taking any action under this Plan, the Board and the Committee may obtain and may rely upon the advice of experts, including professional advisors to the Corporation. No director, officer, employee or agent of the Corporation shall be liable for any such action or determination taken or made or omitted in good faith.

(g) Exculpation and Indemnity. Neither the Corporation nor any member of the Board of Directors or of the Committee, nor any other person participating in any determination of any question under this Plan, or in the interpretation, administration or application of this Plan, shall have any liability to any party for any action taken or not taken in good faith under this Plan or for the failure of an Award (or action in respect of an Award) to satisfy Code requirements as to incentive stock options or to realize other intended tax consequences, to qualify for exemption or relief under Rule 16b-3 or to comply with any other law, compliance with which is not required on the part of the Corporation.

(h) Notices, Signature, Delivery. Whenever a signature, notice or delivery of a document, or acknowledgement of receipt of a document, is required or appropriate under this Plan or pursuant to an Award Agreement, signature, notice, delivery or acknowledgement may be accomplished by paper or written format, or, subject to Section 10(d), by electronic means. In the event electronic means are used for the signature, notice or delivery of a document, or a acknowledgement of receipt of a document, the electronic record or confirmation of that signature, notice, delivery or acknowledgement maintained by or on behalf of the Corporation shall for purposes of this Plan and any applicable Award Agreement be treated as if it was a written signature, notice or acknowledgement and was delivered in the manner provided herein for a written document.

SECTION 9. Amendment and Termination of this Plan.

The Board of Directors may at any time terminate, suspend or discontinue this Plan. The Board of Directors may amend this Plan at any time, provided that any material amendment to this Plan will not be effective unless approved by the Corporation's stockholders. For this purpose, a material amendment is any amendment that would (i) materially increase the number of shares of Stock available under this Plan or issuable to a Participant (other than a change in the number of shares made pursuant to Section 7); (ii) change the types of awards that may be granted under this Plan; (iii) expand the class of persons eligible to receive awards or otherwise participate in this Plan; (iv) reduce the price at which an Option is exercisable or the base price of a SAR, either by amendment of an Award Agreement or by substitution of a new Award at a reduced price (other than as permitted in Section 7); or (v) require stockholder approval pursuant to the New Stock Exchange Listed Company Manual (so long as the Corporation is a listed company on the New York Stock Exchange) or applicable law. The Committee may at any time alter or amend any or all Award Agreements under this Plan in any manner that would be authorized for a new Award under this Plan, including but not limited to any manner set forth in Section 8(d) (subject to any applicable limitations thereunder), so long as such an amendment would not require approval of the Corporation's stockholders, if such amendment was made to this Plan. Notwithstanding the foregoing, no such action by the Board or the Committee shall, in any manner adverse to a Participant other than as expressly permitted by the terms of an Award Agreement, affect any Award then outstanding and evidenced by an Award Agreement without the consent in writing of the Participant or a Beneficiary who has become entitled to an Award thereunder.

SECTION 10. Miscellaneous.

(a) Unfunded Plan. This Plan shall be unfunded. Neither the Corporation, the Board of Directors nor the Committee shall be required to segregate any assets that may at any time be represented by Awards made pursuant to this Plan. Neither the Corporation, the Board of Directors, nor the Committee shall be deemed to be a trustee of any amounts to be paid or securities to be issued under this Plan.

(b) Rights of Employees.

(1) *No Right to an Award*. Status as an Employee shall not be construed as a commitment that any one or more Awards will be made under this Plan to an Employee or to Employees generally. Status as a Participant shall not entitle the Participant to any additional future Awards.

(2) *No Assurance of Employment*. Nothing contained in this Plan (or in any other documents related to this Plan or to any Award) shall confer upon any Employee or Participant any right to continue in the employ or other service of the Corporation or any Subsidiary or constitute any contract (of employment or otherwise) or limit in any way the right of the Corporation or any Subsidiary to change a person's compensation or other benefits or to terminate the employment of a person with or without cause.

(c) Effective Date; Duration. This Plan has been adopted by the Board of Directors of the Corporation and shall become effective upon and shall be subject to the approval of the Corporation's stockholders. This Plan shall remain in effect until any and all Awards under this Plan have been exercised, converted or terminated under the terms of this Plan and applicable Award Agreements. Notwithstanding the foregoing, no Award may be granted under this Plan after April 27, 2021. Notwithstanding the foregoing, any Award granted under this Plan on or prior to April 27, 2021 may be amended after such date in any manner that would have been permitted prior to such date, except that no such amendment shall increase the number of shares of Stock or Stock Units subject to, comprising or referenced in such Award (other than in accordance with Section 7(a)).

(d) Compliance with Laws. This Plan, Award Agreements, and the grant, exercise, conversion, operation and vesting of Awards, and the issuance and delivery of shares of Stock and/or other securities or property or the payment of cash under this Plan, Awards or Award Agreements, are subject to compliance with all applicable federal and state laws, rules and regulations (including but not limited to state and federal insider trading, registration, reporting and other securities laws and federal margin requirements) and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Corporation, be necessary or advisable to comply with all legal requirements. Any securities delivered under this Plan shall be subject to such restrictions (and the person acquiring such securities shall, if requested by the Corporation, provide such evidence, assurance and representations to the Corporation as to compliance with any thereof) as counsel to the Corporation may deem necessary or desirable to assure compliance with all applicable legal requirements.

(e) Applicable Law. This Plan, Award Agreements and any related documents and matters shall be governed by and in accordance with the laws of the State of Maryland, except as to matters of federal law.

(f) Awards to Participants Outside the United States. Notwithstanding any provision of this Plan to the contrary, in order to comply with the laws of other countries in which the Corporation and its Subsidiaries operate or have employees, the Committee shall have the authority to modify the terms and conditions of Awards granted to Employees outside the United States to comply with applicable foreign laws and to take any action, before or after an Award is made, that it deems necessary or advisable to obtain approval or comply with local government, regulatory, tax, exemption, approval or other requirements.

(g) Non-Exclusivity of Plan. Nothing in this Plan shall limit or be deemed to limit the authority of the Corporation, the Board of Directors or the Committee to grant awards or authorize any other compensation, with or without reference to the Stock, under any other plan or authority.

LOCKHEED MARTIN CORPORATION2006 MANAGEMENT INCENTIVE COMPENSATION PLAN(Performance-Based)Approved January 24, 2013ARTICLE IPURPOSE OF THE PLAN

This Plan is established to provide a further incentive to selected Employees to promote the success of Lockheed Martin Corporation by providing an opportunity to receive additional compensation for performance measured against individual and business unit goals. The Plan is intended to achieve the following:

1. Link pay of executives to business and individual performance.
2. Stimulate employees to work individually and as teams to meet objectives and goals consistent with enhancing shareholder value.
3. Facilitate the Company's ability to retain qualified employees and to attract top executive talent.
4. Establish performance goals within the meaning of Section 162(m) of the Internal Revenue Code.

ARTICLE IISTANDARD OF CONDUCT AND PERFORMANCE EXPECTATION

1. It is expected that employees will work towards accomplishing the enterprise, business area and individual goals established under this Plan in accordance with the Company's Code of Ethics and Business Conduct. It is a prerequisite to any award that a Participant has acted in accordance with the Code of Ethics and Business Conduct and has fostered an atmosphere to encourage all employees acting under the Participant's supervision to perform their duties in accordance with the highest ethical standards. Thus, in evaluating performance against commitments, a Participant's adherence to the Company's ethical standards will be considered paramount in determining awards under this Plan.
2. Plan Participants whose individual performance is determined to be unacceptable are not eligible to receive Incentive Compensation awards.

ARTICLE III

DEFINITIONS

1. ANNUAL SALARY – The annual base salary of a Participant on December 1 of the year preceding the year of payment, but excluding any Incentive Compensation, commissions, over-time payments, retention payments, equity compensation, indirect payments, retroactive payments not affecting the base salary or applicable to the current year, and any other payments of compensation of any kind.
2. APPLICABLE PERFORMANCE FACTOR – For any Participant, the result obtained by multiplying the Participant’s Individual Performance Factor, applicable Business Area Performance Factor and the Enterprise Performance Factor.
3. BOARD OF DIRECTORS – The Board of Directors of the Company.
4. BUSINESS AREA PERFORMANCE FACTOR – (a) In the case of a Business Area, the performance factor determined for a particular Business Area; and (b) in the case of Enterprise Operations, the average of all Business Area Performance Factors subject to adjustment as provided under Section C of Exhibit A.
5. BUSINESS UNIT PERFORMANCE FACTOR – The performance factor assigned to a business unit other than a Business Area or the Company overall.
6. CODE – The Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.
7. COMMITTEE – The Management Development & Compensation Committee of the Board of Directors as from time to time appointed or constituted by the Board of Directors.
8. COMPANY or CORPORATION – Lockheed Martin Corporation and those subsidiaries of which it owns directly or indirectly 50% or more of the voting stock or other equity.
9. CORPORATE SALARY BOARD – as defined in CPS-504, the corporate Senior Vice President Human Resources and the Chief Executive Officer.
10. DISABILITY – Termination of employment as a result of becoming totally disabled as evidenced by commencement of benefits under the Company’s long-term disability plan in which the Participant is enrolled (or, if not a participant in a Company-sponsored long-term disability plan, under circumstances which would result in the Participant becoming eligible for benefits using the standards set forth in the Company’s plan).
11. ELECTED OFFICER – An Employee who has been elected as an officer by the Board of Directors.
12. ENTERPRISE PERFORMANCE FACTOR – The performance factor assigned with respect to the Company’s overall performance as set forth in Section C of Exhibit A.
13. EMPLOYEE – Any person who is employed by the Company and who is paid a salary as distinguished from an hourly wage. The term “Employee” includes only those individuals that the Company classifies on its payroll records as Employees and does not include

consultants, independent contractors, leased employees, co-op students, interns, temporary or casual employees, individuals paid by a third party or other individuals not classified as an Employee by the Company. Notwithstanding the foregoing, the term "Employee" shall not include any employee who, during any part of such year, was represented by a collective bargaining agent.

14. INCENTIVE COMPENSATION – A payment made pursuant to this Plan.
15. INDIVIDUAL PERFORMANCE FACTORS – The performance factor assigned to a Participant as set forth in Section B of Exhibit A.
16. ORGANIZATIONAL PERFORMANCE FACTORS – The Business Area Performance Factor and the Enterprise Performance Factor as set forth in Section C of Exhibit A.
17. PARTICIPANT – Any Employee selected to participate in the Plan in accordance with its terms.
18. PLAN – This Lockheed Martin Corporation 2006 Management Incentive Compensation Plan (Performance-Based), as amended from time to time.
19. PLAN YEAR – A calendar year.
20. REQUIRED APPROVER – (a) the Committee in the case of the Chief Executive Officer; (ii) the Corporate Salary Board in the case of a vice president (whether appointed or elected); (iii) the relevant business area Executive Vice President in the case of a director level or lower level Employee working in a business area; or (iv) the Elected Officer serving as the head of a corporate function in the case of all director level or lower level Employees assigned to that corporate function.
21. RESTRICTED EMPLOYEE – An Employee who is an Elected Officer.
22. RETIREMENT – Retirement under the terms of a Company-sponsored pension plan or for Employees who do not participate in a pension plan, termination from employment with the Company following the attainment of age 55 and five years of service or attainment of age 65.
23. SUBCOMMITTEE – A subcommittee of the Committee, composed solely of two or more outside directors of the Company (within the meaning of Section 162(m) (4) (C)) or the entire Committee if all members of the Committee are outside directors.
24. TARGET LEVEL – The target levels assigned to a Participant in accordance with Article V.

ARTICLE IV

ELIGIBILITY FOR PARTICIPATION

Participants are selected each Plan Year based on recommendations by the Required Approver, subject to the approval of the Chief Executive Officer. Those eligible shall include only those Employees considered by the Committee to be key Employees of the Company. No member of the Committee shall be eligible for participation in the Plan.

ARTICLE V

INCENTIVE COMPENSATION PAYMENTS

1. **CALCULATION OF PAYMENTS** – Incentive Compensation payments to Participants shall be calculated in accordance with the formula and procedures set forth in Exhibits A and B hereto. All such payments shall be in cash.
2. **TARGETS** – Target Levels will be assigned to Participants based upon target levels for comparable positions at companies in the comparator group (for Elected Officers) or other industry surveys used by the Company to determine executive compensation (for participants other than Elected Officers). Target Levels will generally be set by reference to the 50th percentile of the market. At the beginning of each Plan Year or in connection with an internal promotion or an employment offer made later in a Plan Year, the Required Approver, subject to review by the Chief Executive Officer, shall identify the Employees eligible to participate in the Plan for that Plan Year and designate a Target Level for each Employee so designated. Target Levels for appointed Vice Presidents and other Elected Officers (other than the Chief Executive Officer) must be approved by the Corporate Salary Board, subject to approval by the Committee in the case of an Elected Officer. The Committee shall review and recommend the Target Level for the Chief Executive Officer, subject to approval by the Board of Directors.
3. **INDIVIDUAL PERFORMANCE FACTORS** – Each Employee designated as eligible for participation for a particular Plan Year shall identify key commitments that will serve as individual performance goals for that Plan Year on or before March 30 of that Plan Year (or within 30 days of designation as a Participant by the Required Approver or assumption of a new position with eligibility for participation in the Plan, whichever is later). As soon as practicable following the end of the Plan Year, the performance of each Participant will be evaluated in the respective Business Area or corporate functional area against the Participant's commitments and assigned an Individual Performance Factor as provided for in Exhibit A, subject to approval by the Chief Executive Officer. The Individual Performance Factors for Elected Officers, other than the Chief Executive Officer, shall be assigned initially by the Chief Executive Officer, as provided in Exhibit A, subject to approval by the Committee. The Individual Performance Factor for the Chief Executive Officer of Lockheed Martin Corporation shall be recommended by the Committee and approved by the Board of Directors. The Committee may, at the request of any member of the Committee, review the Individual Performance Factors of any other Participant or groups of Participants. The Committee may make adjustments to any such performance factors as it considers appropriate.
4. **ORGANIZATIONAL PERFORMANCE FACTORS** – The Chief Executive Officer (for the Company overall) and each Business Area Executive Vice President (for each Business Area and business unit for which a Business Unit Factor is required) shall identify key commitments for the Company overall or the Business Area (or business unit), as the case may be for that Plan Year on or before March 30 of that Plan Year. The commitments may be commitments to financial, strategic or operational goals. The Chief Executive Officer shall review the Enterprise and Business Area commitments with the Committee. At the end of the Plan Year, the Chief Executive Officer shall evaluate the performance of the Company for purposes of determining the Enterprise Performance Factor and each Business Area for purposes of determining the applicable Business Area Performance Factor in light of their respective organizational commitments and determine the Enterprise

Performance Factor, the Business Area Performance Factors, and the Business Unit Performance Factors, as provided for in Exhibit A, subject to the approval of the Committee.

5. APPROPRIATIONS TO THE PLAN.

A. The Committee will recommend to the Board of Directors the amount to be appropriated to the Plan by the Company for distribution to Participants and as computed pursuant to the provisions of this Paragraph 5. To the extent that the aggregate of all proposed payments of Incentive Compensation to all Participants as determined by the application of the formula set forth in Exhibit A (subject to any adjustments made by the Committee under Paragraph 3 or 4 above or pursuant to Exhibit B) for a particular Plan Year exceeds the amount determined by the Committee to be available for payment, all proposed payments of Incentive Compensation to Participants shall be reduced on a pro-rata basis.

B. The Board of Directors will review the recommendations of the Committee as to the amount to appropriate to the Plan for a particular Plan Year. The Board of Directors may, notwithstanding any provision of the Plan, make adjustments to any proposed Incentive Compensation payment under the Plan, and subject to any such adjustments, the Board of Directors will appropriate to the Plan the amount as recommended by the Committee for distribution to the Participants; provided that, the Board of Directors may appropriate an amount which is less than the amount recommended by the Committee to be appropriated to all payments of Incentive Compensation, in which event all proposed payments of Incentive Compensation to Participants shall be reduced on a pro-rata basis. Prior to the determination of the amount to be appropriated under the Plan for any Plan Year, the Board of Directors may authorize the Corporation to earmark funds or allocate funds to a separate account or trust, in either case for the purpose of making payments under the Plan.

6. METHOD OF PAYMENT – The amount determined for each Participant with respect to each Plan Year shall be paid to such Participant in cash not later than March 15 following the Plan Year or deferred at the direction of the Committee, but only to the extent permitted under Code Section 409A, until the Participant's termination of employment. Notwithstanding the foregoing, Participants may also elect to defer payments to the extent provided in the Lockheed Martin Corporation Deferred Management Incentive Compensation Plan.

7. RIGHTS OF PARTICIPANTS – All payments are subject to the discretion of the Board of Directors. No Participant shall have any right to require the Board of Directors to make any appropriation to the Plan for any Plan Year, nor shall any Participant have any vested interest or property right in any share in any amounts which may be appropriated to the Plan.

8. **AUTHORITY TO RECOVER PAYMENTS.** The Board of Directors retains the authority to make retroactive adjustments to a payment made under the Plan on or after January 1, 2008 under the following circumstances and such other circumstances as may be specified by final regulation issued by the Securities and Exchange Commission entitling the Company to recapture or claw back amounts paid pursuant to the Plan:
- i. If the Board of Directors determines, after consideration of all the facts and circumstances that the Board of Directors in its sole discretion considers relevant, that either (i) the intentional misconduct or gross negligence of a Restricted Employee, or (ii) the failure of a Restricted Employee to report another person's intentional misconduct or gross negligence of which the Restricted Employee had knowledge, contributed to the Corporation having to restate all or a portion of its financial statements filed with the Securities and Exchange Commission, then the Board of Directors may require the Restricted Employee repay to the Corporation the value of any payment under this Plan as determined by the Board of Directors.
 - ii. If the Board of Directors, after consideration of all the facts and circumstances that the Board of Directors in its sole discretion considers relevant, determines that a Restricted Employee either (i) engaged in fraud, bribery or other illegal act, or (ii) the Restricted Employee's intentional misconduct or gross negligence (including the failure by the Restricted Employee to report the acts of another person of which the Restricted Employee had knowledge) contributed to another person's fraud, bribery or other illegal act, which in either case adversely impacted the Corporation's financial position or reputation, the Board of Directors may require the Restricted Employee to repay to the Corporation the value of any payment under this Plan as determined by the Board of Directors.

The Board of Directors may delegate its authority to make determinations under this Section 8 to the Committee.

ARTICLE VI

ADMINISTRATION

The Plan shall be administered under the direction of the Committee. The Committee shall have the right to construe the Plan, to interpret any provision thereof, to make rules and regulations relating to the Plan, and to determine any factual question arising in connection with the Plan's operation after such investigation or hearing as the Committee may deem appropriate. Any decision made by the Committee under the provisions of this Article shall be conclusive and binding on all parties concerned. The Committee may delegate to the officers or employees of the Company the authority to execute and deliver those instruments and documents, to do all acts and things, and to take all other steps deemed necessary, advisable or convenient for the effective administration of this Plan in accordance with its terms and purpose. The rights and obligations of the Committee under this Article VI shall be assumed by the Subcommittee in the case of Participants subject to Exhibit B.

ARTICLE VII

AMENDMENT OR TERMINATION OF PLAN

The Board of Directors shall have the right to terminate or amend this Plan at any time and to discontinue further appropriations thereto, provided that such termination or amendment shall not be made in a manner that would cause a Participant to include Incentive Compensation in gross income pursuant to Code Section 409A.

ARTICLE VIII

EFFECTIVE DATE

The Plan shall first be effective with respect to the operations of the Company for the Plan Year beginning January 1, 2006, contingent upon approval of Exhibit B by the Company's stockholders at its 2006 annual meeting. The Plan has been amended by the Management Development and Compensation Committee on January , 2013, effective January 1, 2013.

LOCKHEED MARTIN CORPORATION:

By: John T. Lucas
Senior Vice President, Human Resources

Date:

EXHIBIT A

CALCULATION OF MANAGEMENT INCENTIVE COMPENSATION PAYMENTS

A. AWARD FORMULA

1. (a) Incentive Compensation payments will be calculated by multiplying the Participant's Annual Salary by the applicable Target Level of the Participant (determined in accordance with Article V above), and that result will then be multiplied by the Applicable Performance Factor which is composed of the Individual Performance Factor (as defined in B), the Enterprise Performance Factor (as defined in C) and the Business Area Performance Factor (as defined in C).

Payments to Participants subject to Exhibit B shall be reduced to the extent required by Exhibit B.

(b) **Special Award Formula For Designated Business Units:** Notwithstanding the foregoing, the Salary Board may designate a business unit for which Incentive Compensation will be determined solely on the basis of an Individual Performance Factor and a Business Unit Performance Factor so long as no Elected Officer is an employee of that Business Unit.

(c) The maximum amount that may be authorized for any Participant under this Plan is 200% of a Participant's Target Level and payments will be reduced on a Participant-by-Participant basis if necessary so that no Participant receives (or is authorized) more than 200% of a Participant's Target Level.

2. Pro-rated awards for Participants who terminate employment during a Plan Year may be recommended for consideration based on the following:

<u>Termination Method</u>	<u>Incentive Compensation Award</u>
Voluntary	May be considered for a pro-rated award if on active status December 1 of the Plan Year with a minimum of six (6) full months as an active Plan Participant during the Plan Year.
Lay Off	May be pro-rated based on the conditions of the case at the discretion of the Required Approver if the Participant has a minimum of six (6) full months as an active Plan Participant during the Plan Year.
Retirement/Disability/Death	May be considered for a pro-rated award in the event the Participant has (i) a minimum of six (6) full months as an active Participant during the Plan Year; and (ii) the Participant terminates employment with the Company on account of Retirement, Disability, or death.

3. Pro-rated awards may be recommended for
 - i. Employees who become Participants subsequent to the beginning of a Plan Year, and have a minimum of six (6) full months as active Participants during the Plan Year;
 - ii. Employees who are on unpaid leave of absence for more than three (3) months and have a minimum of six (6) full months as an active Participant during the Plan Year; or
 - iii. Employees who are scheduled to work less than full time (less than forty (40) hours per week) and have a minimum of six (6) full-time equivalent months as an active Participant during the Plan Year.
4. Recommended awards for Participants whose Target Levels change during the Plan Year
 - i. may be pro-rated (based on number of months at old versus new Target Level), subject to the Required Approver
 - ii. may be effective for the entire year based on the new Target Level if the new Target Level is approved prior to March 30 of the Plan Year; or
 - iii. may be effective for the entire year based on the new Target Level if full-Plan Year application is approved by the Committee.
5. Any calculation of Incentive Compensation under this Exhibit A shall be subject to the provisions of the Plan and Exhibit B. Deviations from this Section A are subject to approval by the Required Approver and the Corporate Salary Board. In the event of any conflict between the terms or application of this Exhibit A and the Plan, the Plan shall prevail. In the event of any conflict between the terms of Exhibit A and Exhibit B, Exhibit B shall prevail.

B. INDIVIDUAL PERFORMANCE FACTORS

Individual performance factors are normally in increments of 0.05 for ratings above 0.50 and will have the following definitions:

<u>Factor</u>	<u>Performance Definition</u>
1.20 – 1.25	Results significantly exceeded all requirements and expectations
1.05 – 1.15	Results exceeded some requirements and expectations
1.00	Results achieved requirements and expectations
0.50 – 0.95	Results partially achieved some requirements and expectations
0.00	Results did not achieve requirements and expectations

C. ORGANIZATIONAL PERFORMANCE FACTORS

The Organizational Performance Factors will depend on the assessment of the performance of the Company overall and each Business Area (or business unit in the case of Sandia Corporation or similar designated business unit) in accomplishing the strategic, operational or financial commitments identified at the beginning of the Plan Year. Assessments of and weightings among organizational performance commitments will be determined by the Committee.

Intermediate organizational ratings, as recommended by the Chief Executive Officer and approved by the Committee for results achieved, may be assigned normally in increments of 0.05 for ratings above 0.50.

(a) Enterprise Performance Factor

<u>Factor</u>	<u>Performance Definition</u>
1.20 – 1.30	Results significantly exceeded all requirements and expectations
1.05 – 1.15	Results exceeded some requirements and expectations
1.00	Results achieved requirements and expectations
0.50 – 0.95	Results partially achieved some requirements and expectations
0.00	Results did not achieve requirements and expectations

(b) Business Area Performance Factor:

<u>Factor</u>	<u>Performance Definition</u>
1.20 – 1.25	Results significantly exceeded all requirements and expectations
1.05 – 1.15	Results exceeded some requirements and expectations
1.00	Results achieved requirements and expectations
0.50 – 0.95	Results partially achieved some requirements and expectations
0.00	Results did not achieve requirements and expectations

The Business Area Performance Factor for employees of Enterprise Operations shall be the average of the Business Area Performance Factors determined for the Business Areas. The Compensation Committee may recommend an increase or decrease of 0.05 for an activity which is the responsibility of Enterprise Operations that the Committee determines has an enterprise-wide impact.

EXHIBIT B

PERFORMANCE BASED AWARDS

A. INCENTIVE COMPENSATION FOR ELECTED OFFICERS.

Notwithstanding any provision of the Plan to the contrary, Incentive Compensation awards made to an Elected Officers shall be subject to the terms of this Exhibit B. The terms of Exhibit B were approved by the stockholders of Lockheed Martin Corporation at its 2006 Annual Meeting.

B. IDENTIFICATION OF THE ELECTED OFFICERS.

The eligible class of Participants subject to Exhibit B is those Participants who are Elected Officers on the last day of the Plan Year.

C. LIMITATION OF INCENTIVE COMPENSATION.

Notwithstanding any other provision of this Plan to the contrary, the Incentive Compensation payable under the Plan to (i) the Elected Officer who is the Chief Executive Officer shall not exceed 0.3% of Cash Flow for the Plan Year; and (ii) each of the Participants who are Elected Officers on the last day of the Plan Year, other than the Chief Executive Officer, shall not exceed 0.2% of Cash Flow for the Plan Year. The Subcommittee shall have discretion to determine the conditions, restrictions or other limitations, in accordance with and subject to the terms of this Plan and Code Section 162(m), on the payment of Incentive Compensation to the Elected Officers. The Subcommittee may reserve the right to reduce the amount payable under this paragraph C in accordance with any standards contained in this Plan (including Exhibit A) or on any other basis (including the Subcommittee's discretion). Neither the Subcommittee or the Committee, nor the Board of Directors shall have the authority under this Plan to increase the amount payable under this paragraph C.

D. SUBCOMMITTEE CERTIFICATION.

Before authorizing any Incentive Compensation payment under this Plan to a Participant who is an Elected Officer, the Subcommittee must certify in writing (by resolution or otherwise) that the payments are consistent with paragraph C of this Exhibit B and that any other material terms under this Plan for payment of a bonus were satisfied.

E. DEFINITIONS.

For purposes of this Exhibit B,

(i) "Cash Flow" means net cash flow from operations as determined by the Subcommittee at the end of the Plan Year in accordance with generally accepted accounting principles in the United States. Cash Flow shall be determined by the Subcommittee based upon the comparable numbers reported on the Corporation's audited consolidated financial statements or, if audited financial statements are not available for the period for which Cash Flow is being determined, the Subcommittee shall determine Cash Flow in a manner consistent with the historical practices used by the Corporation in determining net cash provided by operating activities as reported in its audited consolidated statement of cash flows. The Subcommittee

shall have the right to specify any other adjustment that should be applied in determining Cash Flow that it deems necessary or appropriate to take into account any event recognized under any accounting policy or practice affecting the Corporation, provided the Subcommittee specifies the adjustment at or prior to the time the organizational performance goals for the Corporation are reviewed with the Subcommittee, but in no event later than March 30 of the Plan Year;

(ii) "Subcommittee" means a subcommittee of the Committee, composed solely of two or more outside directors of the Company (within the meaning of Code Section 162(m) (4) (C)) or the entire Committee if all members of the Committee are outside directors.

F. ADMINISTRATION.

The provisions of Exhibit B shall be interpreted and administered by the Subcommittee in a manner consistent with the requirements for "performance-based compensation" under Code Section 162(m).

RSU (Domestic and International)

Award Date: January 28, 2013

**THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING
SECURITIES THAT HAVE BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933**

Dear Awardee:

The Management Development and Compensation Committee of the Board of Directors ("Committee") has awarded you Restricted Stock Units ("RSUs"). Each RSU entitles you, upon satisfaction of the continuous employment and other requirements set forth in this letter and the Plan, to receive from Lockheed Martin Corporation ("Corporation"): (i) one (1) share of the Corporation's common stock, par value \$1.00 per share, ("Stock"); and (ii) a cash payment equal to the sum of any cash dividends paid to stockholders of the Corporation during the Restricted Period (as defined below), each in accordance with the terms of this letter, the Lockheed Martin Corporation 2011 Incentive Performance Award Plan ("Plan"), and any rules and procedures adopted by the Committee.

This letter constitutes the Award Agreement for your RSUs and sets forth some of the terms and conditions of your Award under the Plan, as determined by the Committee. Additional terms and conditions are contained in the Plan and in the Prospectus relating to the Plan of which the Plan and this Award Agreement are a part. In the event of a conflict between this letter and the Plan, the Plan document will control. The Prospectus is available at <http://www.benefitaccess.com>.

The term Restricted Stock Unit or RSU as used in this Award Agreement refers only to the Restricted Stock Units awarded to you under this Award Agreement. References to the "Corporation" include Lockheed Martin Corporation and its Subsidiaries.

Your Award is not effective or enforceable until you properly acknowledge your acceptance of the Award by completing the electronic receipt or returning an executed copy of this Award Agreement to the Vice President of Total Rewards and Performance Management as instructed below as soon as possible but in no event later than May 31, 2013. If you do not properly acknowledge your acceptance of this Award Agreement on or before May 31, 2013, this Award will be forfeited.

Assuming prompt and proper acknowledgement of your acceptance of this Award Agreement as described above, this Award will be effective as of the Award Date. Acceptance of this Award Agreement constitutes your consent to any action taken under the Plan consistent with its terms with respect to this Award and your agreement to be bound by the restrictions contained in Section 15, and Exhibit A ("Post-Employment Conduct Agreement") and Exhibit B ("Stock Ownership Requirements").

1. CONSIDERATION FOR AWARD

The consideration for the Restricted Stock Units is your continued service to the Corporation as an Employee during the Restricted Period set forth below. If you do not continue

to perform services for the Corporation as an Employee during the entire Restricted Period as set forth below under "RESTRICTED PERIOD, FORFEITURE," your Award will be forfeited in whole or in part.

2. RIGHTS OF OWNERSHIP, RESTRICTIONS ON TRANSFER

During the Restricted Period, your RSUs will be subject to forfeiture. Until the Restricted Period ends with respect to a particular RSU and a share of Stock is delivered to you, you generally will not have the rights and privileges of a stockholder. In particular, you will not have the right to vote your RSUs on any matter put to the stockholders of the Corporation; you may not sell, transfer, assign, pledge, use as collateral or otherwise dispose of or encumber RSUs; and you will not have the right to receive any dividends paid to stockholders or dividend equivalents on the RSUs.

Upon expiration or termination of the Restricted Period with respect to your RSUs, and subject to the forfeiture provisions set forth below, each RSU for which the restrictions have lapsed will be exchanged for a certificate (either in paper or book entry form) evidencing one (1) share of Stock issued in your name (or other name(s) designated by you) and a cash payment equal to the dividends that would have been paid to you had you owned such share from the Award Date until the expiration or termination of the Restricted Period ("Accrued Dividend Equivalents" or "DDEs"). Your shares and the cash payment for the DDEs will be delivered to you as soon as practicable, but not later than ninety (90) days after the expiration or termination of the Restricted Period.

The certificates delivered to you may contain any legend the Corporation determines is appropriate under the securities laws.

The Corporation will comply with all applicable U.S. federal, state, and local income and payroll tax withholding requirements applicable to the RSUs, the DDEs, and associated Stock. Please see the prospectus for the Plan for a discussion of certain material U.S. federal income and payroll tax consequences of the Award. If you are a taxpayer in a country other than the U.S., you agree to make appropriate arrangements with the Corporation or its subsidiaries for the satisfaction of all income and employment tax withholding requirements, as well as social insurance contributions applicable to the RSUs, the DDEs, and associated Stock. Please see the tax summary for your country at <http://www.benefitaccess.com>. If you are a taxpayer in a country other than the U.S., you represent that you will consult with your own tax advisors in connection with this Award and that you are not relying on the Corporation for any tax advice.

Withholding taxes on Stock deliverable to you will be satisfied by means of the Corporation reducing the number of shares of Stock delivered to you.

If a payment under this Award constitutes nonqualified deferred compensation under Section 409A of the Code, no payment due upon termination of employment shall be made unless the termination of employment is a "separation from service" as defined in Section 409A of the Code and accompanying regulations. In the event Code section 409A(a)(2)(B)(i) applies because you are a specified employee receiving a distribution on account of a termination of employment, delivery of Stock and the DDEs may be delayed for six months from such date. Similarly, if you are an Insider subject to the reporting provisions of Section 16(a) of the Securities Exchange Act of 1934 ("Exchange Act"), delivery of Stock following the expiration of

the Restricted Period for any reason may be delayed for six months. For example, if the delivery of the Stock would result in a nonexempt short-swing transaction under Section 16(b) of the Exchange Act, delivery will be delayed until the earliest date upon which the delivery either would not result in a nonexempt short-swing transaction or would otherwise not result in liability under Section 16(b) of the Exchange Act.

After the Stock is delivered to you, you (or your designee(s)) will enjoy all of the rights and privileges associated with ownership of the shares, including the right to vote on any matter put to stockholder vote, to receive dividends, and to encumber, sell or otherwise transfer the shares. You should note, however, that, while the shares would thus be free of the restrictions imposed during the Restricted Period, your ability to sell or pledge the shares may be limited under the federal securities laws or corporate policy.

You have the right to designate a beneficiary (or beneficiaries) to receive your shares in exchange for your RSUs and cash in respect of the DDEs in the event of your death during the Restricted Period by completing a beneficiary designation form available at <http://www.benefitaccess.com> and returning it to the Vice President of Total Rewards and Performance Management at the address below.

If, at your death, a completed beneficiary designation form is not on file with the office of the Vice President of Total Rewards and Performance Management (or if your designated beneficiary predeceases you), the Stock and cash payment for the DDEs in respect of your RSUs will be transferred to your estate.

3. RESTRICTED PERIOD, FORFEITURE

Except as otherwise provided in Section IV below, the vesting of the RSUs awarded under this Award Agreement along with the DDEs is subject to the following:

- (a) **Restricted Period.** All of your RSUs will be forfeited and all of your rights to the RSUs and to receive Stock for your RSUs and to receive cash payment for the DDEs will cease without further obligation on the part of the Corporation unless (i) you personally accept this Award Agreement as provided below by May 31, 2013, and (ii) you continue to provide services to the Corporation as an Employee of the Corporation until the expiration or termination of the Restricted Period, which will occur on January 28, 2016, subject only to the specific exceptions provided below.
- (b) **RSU Performance Goal.** If you are an Elected Officer of the Corporation as of the Award Date, you will forfeit a number of whole RSUs to the extent that your "RSU Award Value" exceeds your "RSU Performance Goal" as follows:
 - (i) At its first meeting after the Corporation finalizes the financial results for the year ending December 31, 2013, the Committee will multiply the number of RSUs awarded to an Elected Officer under this Award Agreement by the Fair Market Value of Stock on the Award Date (\$[]) ("RSU Award Value"). The Committee will then compare the RSU Award Value to the product of the Designated Percentage (as defined herein) and the Corporation's Cash Flow for the year ending December 31, 2013

(with the product being referred to as the "RSU Performance Goal"). If your RSU Award Value exceeds your RSU Performance Goal (with the amount of that excess referred to as the "Performance Shortfall") then you will forfeit the number of whole RSUs that are equal to the Performance Shortfall divided by the Fair Market Value of Stock on the Award Date (\$[]). For the Chief Executive Officer and President, the Designated Percentage shall be 0.20%. For all other elected officers, the Designated Percentage shall be 0.10%.

- (ii) For purposes of this Award Agreement, Cash Flow for any period means net cash flow from operations but not taking into account: (i) the aggregate difference between the amount forecasted in the Corporation's 2013 Long Range Plan to be contributed by the Corporation to the Corporation's defined benefit pension plans during the period and the actual amounts contributed by the Corporation during the period; and (ii) any tax payments or tax benefits during the period associated with the divestiture of business units, other than tax payments or tax benefits that were included in the Corporation's 2013 Long Range Plan. Cash Flow shall be determined by the Committee based upon the comparable numbers reported on the Corporation's audited consolidated financial statements or, if audited financial statements are not available for the period for which Cash Flow is being determined, the Committee shall determine Cash Flow in a manner consistent with the historical practices used by the Corporation in determining net cash provided by operating activities as reported in its audited consolidated statement of cash flows, in either case as modified by this paragraph.

If any applicable requirement is not satisfied, you may forfeit all or part of your RSUs. Upon forfeiture, you will no longer have the right to receive Stock for forfeited RSUs or to receive cash payments for the DDEs. If you are awarded more than one RSU Award within the same calendar year, such Awards will be aggregated for the purpose of applying your RSU Performance Goal, and your Performance Shortfall will be applied pro rata to each of your Awards.

4. **DEATH, DISABILITY, LAYOFF, RETIREMENT**

(a) Death and Disability.

Your RSUs and the DDEs will immediately vest and no longer be subject to the continuing employment requirement or the potential forfeiture to the extent of a Performance Shortfall if:

- (i) you die while still employed by the Corporation; or
- (ii) you terminate employment as a result of your total disability. Your employment will be treated as terminating because of a total disability on the date you commence receiving a benefit under the Corporation's long-term disability plan in which you participate (or, if you are not enrolled in the Corporation's long-term disability plan, on the date on which long-term disability benefits would have commenced under the plan under which you would have been covered, had you enrolled, using the standards set forth in that plan).

The vested RSUs will be exchanged for shares of Stock, and the DDEs will be paid in cash as soon as practicable, but no later than ninety (90) days after the date of your termination of employment on account of death or total disability, and in no event later than the March 15 next following the year in which such termination occurs.

In the event that you die and have not properly acknowledged acceptance of the Award prior to your death (or by May 31, 2013, whichever comes first), you will forfeit all of your RSUs granted hereunder and all of your rights to the RSUs and to receive Stock for your RSUs and the DDEs will cease without further obligation on the part of the Corporation.

(b) Retirement or Layoff

If you retire or are laid off by the Corporation (including through a voluntary separation program that constitutes a window program under Code section 409A) and the effective date of your retirement or layoff is after July 28, 2013, but before January 28, 2016, you will continue to vest in your RSUs and the DDEs as if you remained employed by the Corporation until January 28, 2016. Notwithstanding the foregoing, if you are an Elected Officer, your RSUs will not be considered vested until such time as the Committee makes its certification with respect to the RSU Performance Goal, if any, and the amount vested will be reduced by the Performance Shortfall, if any.

The vested RSUs will be exchanged for shares of Stock, and the related DDEs associated with the vested portion of your RSUs will be paid in cash as soon as practicable, but no later than the earlier of (i) ninety (90) days after the later of January 28, 2016, or the date the Committee makes its certification with respect to the RSU Performance Goal, and (ii) March 15, 2017.

For purposes of this provision, the term "retirement" means retirement from service following attainment of (i) age 55 and ten years of service (at the time of termination), or (ii) age 65.

5. RESIGNATION OR TERMINATION WITH OR WITHOUT CAUSE

Except where prohibited by law, if you resign or your employment otherwise terminates before January 28, 2016, other than on account of death, disability, layoff, or retirement (as described above), or Divestiture or Change in Control (as described below) whether voluntarily or by action of the Corporation and in the latter case whether with or without "cause," you will forfeit your RSUs and the related DDEs on the date of your termination.

6. DIVESTITURE

If the Corporation divests (as defined below) all or substantially all of a business operation of the Corporation and such divestiture results in the termination of your employment with the Corporation or its subsidiaries and the transfer of such employment to the other party to the divestiture, the special rules in this paragraph will apply. Subject to any Performance Shortfall

your RSUs and the DDEs will vest immediately (or following the Committee's certification of the RSU Performance Goal and reduction to your RSUs for any Performance Shortfall, if later) and you will receive shares of Stock in exchange for RSUs and the cash payment for the DDEs as soon as practicable, but no later than the later of ninety (90) days after your termination of employment with the Corporation or the determination by the Committee of any Performance Shortfall, and in no event later than the March 15 next following the year in which your employment terminates. For the purposes of this provision, the term "divestiture" shall mean a transaction which results in the transfer of control of the business operation divested to any person, corporation, association, partnership, joint venture, limited liability company or other business entity of which less than 50% of the voting stock or other equity interests (in the case of entities other than corporations), is owned or controlled directly or indirectly by the Corporation, by one or more of the Corporation's subsidiaries or by a combination thereof.

7. CHANGE IN CONTROL DURING THE RESTRICTED PERIOD

In the event of a consummation of a Change in Control during the Restricted Period, the number of RSUs subject to this Award (without regard to any Performance Shortfall) and DDEs thereon will become vested (i) on the effective date of the Change in Control if the RSUs are not assumed, continued, or equivalent restricted securities are not substituted for the RSUs by the Corporation or its successor, or (ii) if the RSUs are assumed, continued or substituted by the Corporation or its successor, on the effective date of your involuntary termination by the Corporation other than for Cause (as defined herein, not including death or Total Disability) or your voluntary termination with Good Reason (as defined herein), in either case, within the 24-month period following the consummation of the Change in Control.

In the event the RSUs and DDEs vest in accordance with this Section VII (whether immediately following the Change in Control or following your termination), the shares of Stock or equivalent substituted securities in which you have become vested and cash equal to the DDEs (less any tax withholding) shall be delivered to you within 14 days of the date on which you become vested.

(a) "Cause" shall mean either of the following:

- (i) Conviction for an act of fraud, embezzlement, theft or other act constituting a felony (other than traffic-related offenses or as a result of vicarious liability); or
- (ii) Willful misconduct that is materially injurious to the Corporation's financial position, operating results or reputation; provided, however that no act or failure to act shall be considered "willful" unless done, or omitted to be done, by you (a) in bad faith; (b) for the purpose of receiving an actual improper personal benefit in the form of money, property or services; or (c) in circumstances where you had reasonable cause to believe that the act, omission, or failure to act was unlawful.

(b) "Good Reason" shall mean, without your express written consent, the occurrence of any one or more of the following:

- (i) A material and substantial reduction in the nature or status or your authority or responsibilities;

- (ii) A material reduction in your annualized rate of base salary;
- (iii) A material reduction in the aggregate value of your level of participation in any short or long term incentive cash compensation plan, employee benefit or retirement plan or compensation practices, arrangements, or policies;
- (iv) A material reduction in the aggregate level of participation in equity-based incentive compensation plans; or
- (v) Your principal place of employment is relocated to a location that is greater than 50 miles from your principal place of employment on the date the Change in Control is consummated.

Your continued employment following an event that would constitute a basis for voluntary termination with Good Reason shall not constitute Good Reason if you consent to, or waive your rights with respect to any circumstances constituting Good Reason. In addition, the occurrence of an event described in (i) through (v) shall constitute the basis for voluntary termination for Good Reason only if you provide notice of your intent to terminate employment within 90 days of the first occurrence of such event and the Corporation has had at least 30 days from the date on which such notice is provided to cure such occurrence. If you do not terminate employment for Good Reason within 180 days after the first occurrence of the applicable grounds, then you will be deemed to have waived your right to terminate for Good Reason with respect to such grounds.

8. CHANGES IN CAPITALIZATION

In the case of an event described in Section 7 of the Plan during the Restricted Period, the number of your RSUs will be adjusted in the same manner as if you held actual shares of Stock.

9. AMENDMENT AND TERMINATION OF PLAN OR AWARDS

As provided in Section 9 of the Plan, subject to certain limitations contained within Section 9, the Board of Directors may at any time amend, suspend or discontinue the Plan and the Committee may at any time alter or amend this Award Agreement. Notwithstanding Section 9 of the Plan, no such amendment, suspension or discontinuance of the Plan or alteration or amendment of Award Agreements will, except with your express written consent, adversely affect your rights under this Award Agreement. This Award Agreement shall not be amended or interpreted in a manner that is reasonably believed to result in the imposition of tax under Code section 409A.

10. ACCEPTANCE OF AWARD

No Award is enforceable until you properly acknowledge your acceptance by completing the electronic receipt or returning an executed copy of this Award Agreement to the Vice President of Total Rewards and Performance Management as soon as possible but in no event later than May 31, 2013. Acceptance of this Award Agreement must be made only by you personally or by a person acting pursuant to a power of attorney in the event of your inability to acknowledge your acceptance due to your disability or deployment in the Armed Forces (and not by your estate, your spouse or any other person) and constitutes your consent to any action taken under the Plan consistent with its terms with respect to this Award. The Committee has authorized electronic means for the delivery and acceptance of this Award Agreement. If you desire to accept this Award, you must acknowledge your acceptance and receipt of this Award Agreement, either electronically or by signing and returning a copy of this letter on or before May 31, 2013, as follows:

- (a) Electronic Acceptance: Go to <http://www.benefitaccess.com>
- (b) By Mail: Mr. David Filomeo, Vice President of Total Rewards and Performance Management, Lockheed Martin Corporation, Mail Point 123, 6801 Rockledge Drive, Bethesda MD 20817

Assuming prompt and proper acknowledgment of this Award Agreement as described, this Award will be effective as of the Award Date.

If you do not personally acknowledge your acceptance of this Award Agreement on or before May 31, 2013, this Award will be forfeited as noted above.

11. POST-EMPLOYMENT COVENANTS

Except where prohibited by law, by accepting this Award Agreement through the procedure described above, you agree to the terms of the Post-Employment Covenants contained in Exhibit A to this Award Agreement.

12. STOCK OWNERSHIP REQUIREMENTS

By accepting this Award Agreement through the procedure described above, you acknowledge receipt of the Stock Ownership Requirements ("Ownership Requirements") attached as Exhibit B and agree to comply with such Ownership Requirements, except where prohibited by law. If you are not a Vice President (or above) on January 28, 2013, but you are promoted to Vice President (or above) prior to January 28, 2016, the Ownership Requirements shall become applicable to you on the date of your promotion to Vice President (or above).

13. DATA PRIVACY CONSENT FOR EMPLOYEES LOCATED OUTSIDE OF THE UNITED STATES

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement by and among the Corporation for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Corporation holds certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Corporation, details of all awards or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of

implementing, administering and managing the Plan (“Data”). You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere, and that the recipient’s country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Corporation may elect to administer the settlement of any award. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

14. **EMPLOYEE ACKNOWLEDGEMENT**

You acknowledge and agree as follows:

- (a) the Plan is discretionary in nature and that the Committee may amend, suspend, or terminate it at any time;
- (b) the grant of the RSUs are voluntary and occasional and does not create any contractual or other right to receive future grants of any RSUs, or benefits in lieu of any RSUs even if RSUs have been granted repeatedly in the past;
- (c) all determinations with respect to such future RSUs, if any, including but not limited to the times when RSUs shall be granted or when RSUs shall vest, will be at the sole discretion of the Committee;
- (d) your participation in the Plan is voluntary;
- (e) the value of the RSUs are an extraordinary item of compensation, which is outside the scope of your employment contract (if any), except as may otherwise be explicitly provided in your employment contract;
- (f) the RSUs are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating termination, severance, resignation, redundancy, end of service, or similar payments, or bonuses, long-service awards, pension or retirement benefits;
- (g) the RSUs shall expire upon termination of your employment for any reason except as may otherwise be explicitly provided in the Plan and this Award Agreement;
- (h) the future value of the shares is unknown and cannot be predicted with certainty; and
- (i) no claim or entitlement to compensation or damages arises from the termination of the RSUs or diminution in value of the RSUs or Stock and you irrevocably release the Corporation and your employer from any such claim that may arise.

15. ENGLISH LANGUAGE

You have received the terms and conditions of this Award Agreement and any other related communications, and you consent to having received these documents in English. If you have received this Award Agreement or any other documents related to the Plan translated into a language other than English, and if the translated version is different from the English version, the English version will control.

16. ELECTRONIC DELIVERY

By executing this Award Agreement, you consent to receive copies of the Prospectus applicable to this Award from this internet site (<http://www.benefitaccess.com>) as well as to electronic delivery of the Corporation's annual report on Form 10-K, annual proxy and quarterly reports on Form 10-Q. This consent can only be withdrawn by written notice to the Vice President of Total Rewards and Performance Management at the address noted above. The Company may, in its sole discretion, decide to deliver any documents related to RSUs awarded under the Plan or future RSUs that may be awarded under the Plan by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through any on-line or electronic system established and maintained by the Corporation or another third party designated by the Corporation.

17. CURRENCY EXCHANGE RISK

If your functional currency is not the U.S. dollar, you agree and acknowledges that you will bear any and all risk associated with the exchange or fluctuation of currency associated with the RSUs, including without limitation sale of the Shares (the "Currency Exchange Risk"). You waive and release the Corporation and its subsidiaries from any potential claims arising out of the Currency Exchange Risk.

18. EXCHANGE CONTROL REQUIREMENTS

You agree and acknowledge that you will comply with any and all exchange control requirements applicable to the RSUs and the sale of Shares and any resulting funds including, without limitation, reporting or repatriation requirements.

19. MISCELLANEOUS

If you are on leave of absence, for the purposes of the Plan, you will be considered to still be in the employ of the Corporation unless otherwise provided in an agreement between you and the Corporation.

Nothing contained in this Award Agreement shall confer upon you any right of continued employment by the Corporation or guarantee that any future awards will be made to you under the Plan. In addition, nothing in this Award Agreement limits in any way the right of the Corporation to terminate your employment at any time. Neither the value of the RSUs awarded to you nor the DDEs will be taken into account for other benefits offered by the Corporation, including but not limited to pension benefits. Notwithstanding any other provision of this Award Agreement to the contrary, no Stock will be issued to you within six months from the Award Date.

Transactions involving Stock delivered under this Award Agreement are subject to the securities laws and CPS 722. Among other things, CPS 722 prohibits employees of the Corporation from engaging in transactions that violate securities laws or involve hedging or pledging stock. Insiders are subject to additional restrictions. **The Corporation recommends that Insiders consult with the Senior Vice President, General Counsel and Corporate Secretary or her staff before entering into any transactions involving Stock or RSUs.**

You have no rights as a stockholder to any securities covered by this Award Agreement until the date on which you become the holder of record of such securities. Capitalized terms used, but not defined herein, shall have the meanings ascribed to them in the Plan. In the event of a conflict between this Award Agreement and the Plan, the Plan document will control.

Sincerely,

David Filomeo
(On behalf of the Management Development and Compensation Committee)

(For written acceptance, please complete, sign and return by mail.)

Acknowledged by:

Signature

Date

Print Name

Employee ID

Exhibit A

Post Employment Conduct Agreement
(RSU Grant)

This Post Employment Conduct Agreement (this "PECA") attached as Exhibit A to the Award Agreement with an Award Date of January 28, 2013 (the "Award Agreement") is entered into in consideration of, among other things, the grant of restricted stock units to me under the Award Agreement (the "RSUs") pursuant to the Lockheed Martin Corporation 2011 Incentive Performance Award Plan (the "Plan"). References to the "Corporation" shall include Lockheed Martin Corporation and its Subsidiaries. By accepting the RSUs, I agree as follows:

1. Restrictions Following Termination of Employment.

(a) Covenant Not To Compete – Without the express written consent of the "Required Approver" (as defined in Section 6), during the one-year period (or two-year period for Elected Officers) following the date of my termination of employment (the "Termination Date") with the Corporation, I will not, directly or indirectly, be employed by, provide services to, or advise a "Restricted Company" (as defined in Section 6), whether as an employee, advisor, director, officer, partner or consultant, or in any other position, function or role that, in any such case,

- (i) oversees, controls or affects the design, operation, research, manufacture, marketing, sale or distribution of "Competitive Products or Services" (as defined in Section 6) of or by the Restricted Company, or
- (ii) would involve a substantial risk that the "Confidential or Proprietary Information" (as defined in Section 1(c) below) of the Corporation (including but not limited to technical information or intellectual property, strategic plans, information relating to pricing offered to the Corporation by vendors or suppliers or to prices charged or pricing contemplated to be charged by the Corporation, information relating to employee performance, promotions or identification for promotion, or information relating to the Corporation's cost base) could be used to the disadvantage of the Corporation.

Section 1(a)(i) and (ii) shall not apply to residents of California and individuals who are employed by the Corporation in an attorney position, as determined in the discretion of the Corporation's Senior Vice President, General Counsel, and Corporate Secretary or the General Tax Counsel, as applicable. In lieu of Section 1(a)(i) and (ii) and Section 1(b), the following provisions shall apply to individuals who are employed by the Corporation in an attorney position, as determined in the discretion of the Corporation's Senior Vice President, General Counsel, and Corporate Secretary or the General Tax Counsel, as applicable.

- (iii) Post-employment Activity As a Lawyer – I acknowledge that as counsel to Lockheed Martin Corporation (the "Corporation"), I owe ethical and fiduciary obligations to the Corporation and that at least some of these obligations will continue even after the date of my termination of employment ("Termination Date") with the Corporation. I agree that after

my Termination Date I will comply fully with all applicable ethical and fiduciary obligations that I owe to the Corporation. To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct, I agree that I will not:

- a. Represent any client adversely to the Corporation;
- b. Reveal to any third party any Confidential or Proprietary information learned by me during the course of my employment with the Corporation except for information that is or becomes generally known;
- c. Encourage or solicit any present or future agents or employees of the Corporation to terminate their employment for the purpose of competing with the Corporation; or
- d. Whether as a lawyer or non-lawyer, accept a position (whether as agent, employer, part or sole owner or in any other capacity) with any person or entity whose interests are adverse to the Corporation's interests if that adverse position is related in any way to my present or past work with the Corporation.

(b) Non-Solicit – Without the express written consent of the Required Approver, during the one-year period (two-year period for Elected Officers) following the Termination Date, I will not (i) interfere with any contractual relationship between the Corporation and any customer, supplier, distributor or manufacturer of or to the Corporation to the detriment of the Corporation or (ii) induce or attempt to induce any person who is an employee of the Corporation to perform work or services for any entity other than the Corporation. This Section 1(b) shall not apply to an individual who is employed by the Corporation as an attorney.

(c) Protection of Proprietary Information – Except to the extent required by law, following my Termination Date, I will have a continuing obligation to comply with the terms of any non-disclosure or similar agreements that I signed while employed by the Corporation committing to hold confidential the “Confidential or Proprietary Information” (as defined below) of the Corporation or any of its affiliates, subsidiaries, related companies, joint ventures, partnerships, customers, suppliers, partners, contractors or agents, in each case in accordance with the terms of such agreements. I will not use or disclose or allow the use or disclosure by others to any person or entity of Confidential or Proprietary Information of the Corporation or others to which I had access or that I was responsible for creating or overseeing during my employment with the Corporation. In the event I become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or otherwise) to disclose any proprietary or confidential information, I will immediately notify the Corporation's Senior Vice President, General Counsel and Corporate Secretary as to the existence of the obligation and will cooperate with any reasonable request by the Corporation for assistance in seeking to protect the information. All materials to which I have had access, or which were furnished or otherwise made available to me in connection with my employment with the Corporation shall be and remain the property of the Corporation. For purposes of this PECA, “Confidential or Proprietary Information” means Proprietary Information within the meaning of CPS 710 (a copy of which has been made available to me), including but not limited to information that a person or entity desires to protect from unauthorized disclosure to third parties that can provide the person or entity with a business, technological, or economic advantage over its competitors, or which, if known or used by third parties or if used by the person's or entity's employees or agents in an unauthorized manner, might be detrimental to the person's or entity's interests. Confidential or Proprietary Information may include, but is not limited to:

- (i) existing and contemplated business, marketing and financial business information such as business plans and methods, marketing information, cost estimates, forecasts, financial data, cost or pricing data, bid and proposal information, customer identification, sources of supply, contemplated product lines, proposed business alliances, and information about customers or competitors, or
- (ii) existing or contemplated technical information and documentation pertaining to technology, know how, equipment, machines, devices and systems, computer hardware and software, compositions, formulas, products, processes, methods, designs, specifications, mask works, testing or evaluation procedures, manufacturing processes, or production processes.

(d) No disparagement – Following the Termination Date, I will not make any statements, whether verbal or written, that disparage or reasonably may be interpreted to disparage the Corporation or its stockholders, directors, officers, employees, agents, attorneys, representatives, technology, products or services with respect to any matter whatsoever.

(e) Cooperation in Litigation and Investigations – Following the Termination Date, I will, to the extent reasonably requested, cooperate with the Corporation in any pending or future litigation (including alternative dispute resolution proceedings) or investigations in which the Corporation or any of its subsidiaries or affiliates is a party or is required or requested to provide testimony and regarding which, as a result of my employment with the Corporation, I reasonably could be expected to have knowledge or information relevant to the litigation or investigation. Notwithstanding any other provision of this PECA, nothing in this PECA shall affect my obligation to cooperate with any governmental inquiry or investigation or to give truthful testimony in court.

2. Consideration and Acknowledgement. I acknowledge and agree that the benefits and compensation opportunities being made available to me under the Award Agreement are in addition to the benefits and compensation opportunities that otherwise are or would be available to me in connection with my employment by the Corporation and that the grant of the RSUs is expressly made contingent upon my agreements with the Corporation set forth in this PECA. I acknowledge that the scope and duration of the restrictions in Section 1 are necessary to be effective and are fair and reasonable in light of the value of the benefits and compensation opportunities being made available to me under the Award Agreement. I further acknowledge and agree that as a result of the high level executive and management positions I hold with the Corporation and the access to and extensive knowledge of the Corporation's Confidential or Proprietary Information, employees, suppliers and customers, these restrictions are reasonably required for the protection of the Corporation's legitimate business interests.

3. Remedies For Breach of Section 1; Additional Remedies of Clawback and Recoupment.

(a) If I become (or currently am) an Insider (as defined in the Plan) or receive a Long-Term Incentive Performance Award, I agree, upon demand by the Corporation, to forfeit, return or repay to the Corporation the "Benefits and Proceeds" (as defined below) in the event any of the following occur:

- (i) I breach any of the covenants or agreements in Section 1;
- (ii) The Corporation determines that either (a) my intentional misconduct or gross negligence, or (b) my failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Corporation, contributed to the Corporation having to restate all or a portion of its financial statements filed for any period with the Securities and Exchange Commission;
- (iii) The Corporation determines that I engaged in fraud, bribery or any other illegal act or that my intentional misconduct or gross negligence (including the failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Corporation) contributed to another person's fraud, bribery or other illegal act, which in any such case adversely affected the Corporation's financial position or reputation; or
- (iv) Under such other circumstances specified by final regulation issued by the Securities and Exchange Commission entitling the Corporation to recapture or clawback "Benefits and Proceeds" (as defined below).

(b) The remedy provided in Section 3(a) shall not be the exclusive remedy available to the Corporation for any of the conduct described in Section 3(a) and shall not limit the Corporation from seeking damages or injunctive relief.

(c) For purposes of this Section 3, "Benefits and Proceeds" means (i) to the extent I own Stock issued in respect of vested RSUs, such Stock; (ii) to the extent I no longer own the shares of Stock of the Corporation issued in respect of the RSUs, cash in an amount equal to the greater of (x) the value of such Stock on the date the associated RSUs vested (which, unless otherwise determined by the Management Development and Compensation Committee of the Board of Directors of the Corporation, shall be equal to the closing price of the shares of Stock as finally reported by the New York Stock Exchange on such date), and (y) the proceeds received in connection with the disposition of such Stock; and (ii) to the extent I have not earned the RSUs fully, all of my remaining rights, title or interest in my Award and any accrued dividend equivalents with respect thereto.

4. Injunctive Relief. I acknowledge that the Corporation's remedies at law may be inadequate to protect the Corporation against any actual or threatened breach of the provisions of Section 1 or the conduct described in Section 3(a), and, therefore, without prejudice to any other rights and remedies otherwise available to the Corporation at law or in equity (including but not limited to, an action under Section 3(a), the Corporation shall be entitled to the granting of injunctive relief in its favor and to specific performance without proof of actual damages and without the requirement of the posting of any bond or similar security.

5. Invalidity; Unenforceability. It is the desire and intent of the parties that the provisions of this PECA shall be enforced to the fullest extent permissible. Accordingly, if any particular provision of this PECA is adjudicated to be invalid or unenforceable, this PECA shall be deemed amended to delete the portion adjudicated to be invalid or unenforceable, such deletion to apply only with respect to the operation of this provision in the particular jurisdiction in which such adjudication is made.

6. Definitions. Capitalized terms not defined in this PECA have the meaning given to them in the Plan, as applicable. For purposes of this PECA, the following terms have the meanings given below:

(a) "Restricted Company" means The Boeing Company, General Dynamics Corporation, Northrop Grumman Corporation, the Raytheon Company, United Technologies Corporation, Honeywell International Inc., BAE Systems Inc., L-3 Communications Corporation, the Harris Corporation, Thales, EADS North America and (i) any entity directly or indirectly controlling, controlled by, or under common control with any of the foregoing, and (ii) any successor to all or part of the business of any of the foregoing as a result of a merger, reorganization, consolidation, spin-off, split-up, acquisition, divestiture, or similar transaction.

(b) "Competitive Products or Services" means products or services that compete with, or are an alternative or potential alternative to, products sold or services provided by a subsidiary, business area, division or operating unit or business of the Corporation as of the Termination Date and at any time within the two-year period ending on the Termination Date; provided, that, (i) if I had direct responsibility for the business of, or function with respect to, a subsidiary, or for a business area, division or operating unit or business of the Corporation at any time within the two-year period ending on the Termination Date, Competitive Products or Services includes the products so sold or the services so provided during that two-year period by the subsidiary, business area, division or operating unit of the Corporation for which I had responsibility, and (ii) if I did not have direct responsibility for the business of, or function with respect to, a subsidiary, or for a business area, division or operating unit or business of the Corporation at any time within the two-year period ending on the Termination Date, Competitive Products or Services includes the products so sold or the services so provided by a subsidiary, business area, division or operating unit of the Corporation for which I had access (or was required or permitted such access in the performance of my duties or responsibilities with the Corporation) to Confidential or Proprietary Information of the Corporation at any time during the two-year period ending on the Termination Date.

(c) "Required Approver" means:

- (i) with respect to the Chief Executive Officer and President, the Management Development and Compensation Committee of the Corporation's Board of Directors;
- (ii) with respect to any Elected Officer (other than the Chief Executive Officer and President), the Corporation's Chief Executive Officer; or
- (iii) with respect to all other employees, the Senior Vice President, Human Resources of the Corporation.

(d) "Elected Officer" means an officer of the Corporation who was elected to his or her position by the Corporation's Board of Directors.

7. Miscellaneous.

(a) The Plan, the Award Agreement (with Exhibit B) and this PECA constitute the entire agreement governing the terms of the award of the RSUs to me.

(b) This PECA shall be governed by Maryland law, without regard to its provisions governing conflicts of law. Any enforcement of, or challenge to, this PECA may only be brought in the Circuit Court of Maryland or the United States District Court for the District of Maryland. Both parties consent to the proper jurisdiction and venue of the Circuit Court of Maryland and the United States District Court for the District of Maryland for the purpose of enforcing or challenging this PECA.

(c) This PECA shall inure to the benefit of the Corporation's successors and assigns and may be assigned by the Corporation without my consent.

(d) This PECA provides for certain obligations on my part following the Termination Date and shall not, by implication or otherwise, affect in any way my obligations to the Corporation during the term of my employment by the Corporation, whether pursuant to written agreements between the Corporation and me, the provisions of applicable Corporate policies that may be adopted from time to time or applicable law or regulation.

This PECA is effective as of the acceptance by me of the award of RSUs under the Award Agreement and is not contingent on the vesting of my RSUs.

Exhibit B

Stock Ownership Requirements

Lockheed Martin's Stock Ownership Requirements for Key Employees apply to all senior level positions of Vice President and above. This reflects the expectations of our major shareholders that management demonstrate its confidence in Lockheed Martin through a reasonable level of personal share ownership. This practice is consistent with other major U.S. corporations which link some portion of personal financial interests of key employees with those of shareholders.

Stock Ownership Requirements

<u>Title</u>	<u>Annual Base Pay Multiple</u>
Executive Chairman of the Board of Directors	6 times
Chief Executive Officer and President	6 times
Chief Operating Officer	5 times
Chief Financial Officer	4 times
Executive Vice Presidents	3 times
Senior Vice Presidents	2 times
Other Elected Officers	2 times
Other Vice Presidents	1 times

Satisfaction of Requirements

Covered employees may satisfy their ownership requirements with common stock in these categories:

- Shares owned directly.
- Shares owned by a spouse or a trust.
- Shares represented by monies invested in 401(k) Company Common Stock Funds or comparable plans.
- Share equivalents as represented by income deferred to the Company Stock Investment Option of the Deferred Management Incentive Compensation Plan (DMICP).
- Unvested Restricted Stock Units and Performance Stock Units (based on the Target Award).

Key employees will be required to achieve the appropriate ownership level within 5 years and are expected to make continuous progress toward their target. Appointment to a new level will reset the five year requirement. Unexercised options prior to vesting are not counted toward meeting the guidelines.

Holding Period

Covered employees must retain net vested Restricted Stock Units and Performance Stock Units and the net shares resulting from any exercise of stock options if the ownership requirements are not yet satisfied.

Covered employees are asked to report annually on their progress toward attainment of their share ownership goals.

Performance Stock Unit (Domestic and International)

Lockheed Martin Corporation
6801 Rockledge Drive, Bethesda, MD 20817
Telephone 301-897-6000



Award Date: January 28, 2013

**THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING
SECURITIES THAT HAVE BEEN REGISTERED UNDER THE
SECURITIES ACT OF 1933**

«Name»
«Street»
«City», «State» «Zip»

Re: Lockheed Martin Corporation 2011 Incentive Performance Award Plan: **Performance Stock Unit Award (2013-2015 Performance Period)**

Dear «Call_By_Name»:

On behalf of the Management Development and Compensation Committee (the "Committee") of the Board of Directors of Lockheed Martin Corporation, I am pleased to tell you that you have been granted a Performance Stock Unit Award ("PSUs") under the Corporation's 2011 Incentive Performance Award Plan (the "Plan"). The purpose of this letter is to serve as the Award Agreement under such Plan and to set forth your Target Award as well as the terms and conditions to the payment of your Award. Additional terms and conditions are set forth in the Plan and in the Prospectus relating to the Plan of which the Plan document and this Award Agreement are a part. The Prospectus is available at <http://www.benefitaccess.com>. You should retain the Prospectus and the attached copy of the Plan in your records.

Your Award is not effective or enforceable until you properly acknowledge your acceptance of the Award by completing the electronic receipt or returning an executed copy of this Award Agreement to the Vice President of Total Rewards and Performance Management as instructed below as soon as possible but in no event later than May 31, 2013. If you do not properly acknowledge your acceptance of this Award Agreement on or before May 31, 2013, this Award will be forfeited.

Assuming prompt and proper acknowledgement of your acceptance of this Award Agreement as described above, this Award will be effective as of the Award Date. Acceptance of this Award Agreement constitutes your consent to any action taken under the Plan consistent with its terms with respect to this Award and your agreement to be bound by the restrictions contained in Section 18 and in Exhibit A ("Post-Employment Conduct Agreement") and Exhibit B ("Stock Ownership Requirements"), except where prohibited by law.

The Corporation will comply with all applicable U.S. federal, state, and local income and payroll tax withholding requirements applicable to the PSUs, the Accrued Dividend Equivalents ("DDEs"), and associated Stock. Please see the prospectus for the Plan for a discussion of certain material U.S. federal income and payroll tax consequences of the Award. If you are a taxpayer in a country other than the U.S., you agree to make appropriate arrangements with the Corporation or its subsidiaries for the satisfaction of all income and employment tax withholding

requirements, as well as social insurance contributions applicable to the PSUs, the DDEs, and associated Stock. Please see the tax summary for your country at <http://www.benefitaccess.com>. If you are a taxpayer in a country other than the U.S., you represent that you will consult with your own tax advisors in connection with this Award and that you are not relying on the Corporation for any tax advice.

Withholding taxes on Stock deliverable to you will be satisfied by means of the Corporation reducing the number of shares of Stock delivered to you.

Capitalized terms used in this Award Agreement which have a special meaning either shall be defined in this Award Agreement or if not defined in this Award Agreement shall have the meaning ascribed to the term in the Plan. The term "Target Award" as used in this Award Agreement refers only to the Target Award awarded to you under this Award Agreement and the term "Award" refers only to PSUs set forth in this Award Agreement. References to the "Corporation" include Lockheed Martin Corporation and its Subsidiaries. Appendix A contains an index of all capitalized terms used in this Award Agreement.

Section 1. Shares Awarded; Performance Period; Vesting Period; Payment of Award.

1.1 Shares Awarded.

(a) Target Award. Your Target Award for the Performance Period under this Award Agreement shall be the number of whole shares of Stock identified as your Performance Stock Unit ("PSU") Target Award in your account at <http://www.benefitaccess.com>. Your Target Award shall be comprised of three pieces:

- (i) Your Total Stockholder Return Performance Award (approximately 50% of the number of shares in your Target Award) as described in Section 2.1(a);
- (ii) Your ROIC Performance Award (approximately 25% of the number of shares in your Target Award) as described in Section 2.1(b);
- (iii) Your Cash Flow Performance Award (approximately 25% of the number of shares in your Target Award) as described in Section 2.1(c).

The Award paid to you shall be calculated in accordance with Section 2.1. The allocation of your Award among your Total Stockholder Return Performance Award, your ROIC Performance Award, and your Cash Flow Performance Award will be made by the Corporation based on applicable accounting principles.

(b) Maximum Award. Your Maximum Award for the Performance Period under this Award Agreement shall be the number of shares of Stock equal to 200% of your Target Award, subject to the provisions of Section 2.1 and the caps contained therein.

(c) Accrued Dividend Equivalents ("DDEs"). Your Award shall include a payment equal to the dividends that would have been paid to you had you owned the numbers of whole shares of Stock equal to your final Award from the Award Date until the end of the Performance Period.

1.2 Performance Period. The "Performance Period" under this Award Agreement is the three-year performance period that runs from January 1, 2013, until December 31, 2015.

1.3 Vesting Period. The “Vesting Period” under this Award Agreement is the three-year period that runs from January 28, 2013, until the later of (i) January 28, 2016, or (ii) the date on which the Committee certifies in writing (for purposes of Section 162(m) of the Code) that an amount up to your Maximum Award has become an Award for the Performance Period.

1.4 Payment of Award. Your Award will be paid to you in whole shares of Stock (either in book entry or paper form). The final number of whole shares, if any, payable to you under your Award is dependent upon the Corporation’s performance with respect to each of the metrics described in Section 3 and Section 4, the limits described in Section 2 and your continued employment with the Corporation in accordance with Section 5. As a result of these requirements, the number of whole shares of Stock you receive at the end of the Vesting Period will be between 0% and 200% of your Target Award (based on each factor described in Section 2.1 below) and may be smaller than your Maximum Award (or the performance factors could result in no payment in respect of your Award). Any certificates delivered to you may contain any legend the Corporation determines is appropriate under the securities laws. If you are an Insider subject to the reporting provisions of Section 16(a) of the Securities Exchange Act of 1934 (“Exchange Act”), delivery of Stock in payment of your Award for any reason may be delayed for six months. For example, if the delivery of the Stock would result in a nonexempt short-swing transaction under Section 16(b) of the Exchange Act, delivery will be delayed until the earliest date upon which the delivery either would not result in a nonexempt short-swing transaction or would otherwise not result in liability under Section 16(b) of the Exchange Act.

Section 2. Calculation of Award Payments.

2.1 End of Performance Period Calculation. Following the end of the Performance Period and prior to any shares of Stock being issued,

(a) The Committee will calculate the Total Stockholder Return Performance Factor (as described in Section 3.2) based on the Corporation’s performance during the Performance Period relative to the performance of other corporations which compose the “Peer Performance Group” as defined in Section 3.1. Approximately one-half (50%) of the number of shares in your Target Award shall be multiplied by the Total Stockholder Return Performance Factor with the resulting number of shares to be known as the Total Stockholder Return Performance Award. Fractional shares shall be rounded up to the next whole share. If the Corporation’s Average TSR for the three-year Performance Period is negative, the maximum Total Stockholder Return Performance Factor shall not exceed 100%. Notwithstanding the foregoing, the number of shares of Stock you receive as your Total Stockholder Return Performance Award shall be reduced to the extent necessary so that the Fair Market Value of the shares underlying your Total Stockholder Return Performance Award on the last day of the Performance Period does not exceed the product of (a) the Fair Market Value of a share of Stock on the Award Date, multiplied by (b) 400%, multiplied by (c) the number of shares underlying your Total Stockholder Return Performance Award.

(b) The Committee will calculate the ROIC Performance Factor (as described in Section 4.1) based on the Corporation’s ROIC during the Performance Period as compared to the projected ROIC for the Performance Period as set forth in the January 23, 2013, Committee resolution (“ROIC Target”). Approximately one-quarter (25%) of the number of shares in your Target Award will be multiplied by the ROIC Performance Factor with the resulting number of shares to be known as the ROIC Performance Award. Fractional shares shall be rounded up to the next whole share. Notwithstanding

the foregoing, the number of shares of Stock you receive as your ROIC Performance Award shall be reduced to the extent necessary so that the Fair Market Value of the shares underlying your ROIC Performance Award on the last day of the Performance Period does not exceed the product of (a) the Fair Market Value of a share of Stock on the Award Date, multiplied by (b) 400%, multiplied by (c) the number of shares underlying your ROIC Performance Award.

(c) The Committee will calculate the Cash Flow Performance Factor (as described in Section 4.2) based on the Corporation's cumulative Cash Flow during the Performance Period as compared to the projected cumulative Cash Flow for the Performance Period as set forth the January 23, 2013, Committee resolution ("Cash Flow Target"). Approximately one-quarter (25%) of the number of shares in your Target Award will be multiplied by the Cash Flow Performance Factor with the resulting number of shares to be known as the Cash Flow Performance Award. Fractional shares shall be rounded up to the next whole share. Notwithstanding the foregoing, the number of shares of Stock you receive as your Cash Flow Performance Award shall be reduced to the extent necessary so that the Fair Market Value of the shares underlying your Cash Flow Performance Award on the last day of the Performance Period does not exceed the product of (a) the Fair Market Value of a share of Stock on the Award Date, multiplied by (b) 400%, multiplied by (c) the number of shares underlying your Cash Flow Performance Award.

(d) Your Total Stockholder Return Performance Award, your ROIC Performance Award, and your Cash Flow Performance Award shall be added together to determine the total number of shares to be paid to you as your final Award.

You must (except as specified in Section 5) remain employed by the Corporation through the last day of the Vesting Period to receive your Award. No portion of your Award will be payable until it is fully vested in accordance with Sections 5.1 and 5.2.

Section 3. Total Stockholder Return Performance Factor.

3.1. Peer Performance Group. The Total Stockholder Return Performance Factor will be based upon the relative ranking of the Corporation's Average TSR (as defined in Section 3.2(a)) for the Performance Period to the Average TSR for such Period for each corporation in the "Peer Performance Group." The "Peer Performance Group" shall consist of the corporations which compose the Standard and Poor's 500 Aerospace and Defense Index reported under symbol S5AERO by Bloomberg L.P. The Corporation's Total Stockholder Return will be based on the performance of the Stock. With respect to the corporations that make up the Standard and Poor's 500 Aerospace and Defense Index, the Total Stockholder Return of each corporation that is taken into account in computing the Peer Performance Group Total Stockholder Return will be based on the equity security of the relevant corporation that is used in computing the Standard and Poor's 500 Aerospace and Defense Index.

3.2. Calculation of Total Stockholder Return Performance Factor.

(a) Calculation of Average TSR. During the Performance Period, the Committee shall compute the Total Stockholder Return (as defined in the Plan and assuming the reinvestment of any cash dividends) for the Corporation and for each other corporation in the Peer Performance Group for 36 periods during the Performance Period where each period begins on January 1, 2013, (based on the closing price for the stock on

December 31, 2012) and ends on the last day of each successive calendar month in the Performance Period on which the New York Stock Exchange is open for trading. Each such Total Stockholder Return shall be computed from data available to the public. At the end of the Performance Period, the 36 Total Stockholder Return figures for each corporation for the Performance Period will be averaged to determine each corporation's average Total Stockholder Return ("Average TSR") for the Performance Period. Each corporation's Average TSR shall be ranked among the Average TSR for each other corporation in the Peer Performance Group on a percentile basis (using the Excel PERCENTRANK function).

(b) Percentage Level of Target Award. Your Total Stockholder Return Performance Factor, expressed as a percentage, will be determined under this Section 3.2(b) (and Section 3.2(c) to the extent interpolation is necessary) based on the Percentile Ranking (as determined under Section 3.2(a)) of the Corporation's Average TSR for the Performance Period under the following chart:

<u>Band</u>	<u>Percentile Ranking</u>	<u>Total Stockholder Return Performance Factor</u>
One	75 th - 100 th	200%
Two	60 th	150%
Three	50 th	100%
Four	40 th	50%
Five	35 th	25%
Six	Below 35 th	0%

(c) Total Stockholder Return Performance Factor Interpolation. If the Percentile Ranking as determined under Section 3.2(a) puts the Corporation over the listed Percentile Ranking for the applicable Band (other than Band One) in Section 3.2(b), your Total Stockholder Return Performance Factor under Section 3.2(b) shall be interpolated on a linear basis.

If the Corporation's Average TSR for the three-year Performance Period is negative, the maximum Total Stockholder Return Performance Factor shall not exceed 100%.

Section 4. ROIC Performance Factor and Cash Flow Performance Factor.

4.1 ROIC Performance Factor. The ROIC Performance Factor will be determined by comparing the Corporation's ROIC for the Performance Period to the ROIC Target and then identifying the ROIC Performance Factor based upon the factor associated with the difference on the following table:

<u>Change from ROIC Target</u>	<u>ROIC Performance Factor</u>
Target + ³ 160 basis points	200%
Target + 120 basis points	175%
Target + 80 basis points	150%
Target + 40 basis points	125%
Target	100%
Target - 10 basis points	75%
Target - 20 basis points	50%
Target - 30 basis points	25%
Target - ³ 40 or more basis points	0%

(a) **ROIC Definition.** For purposes of this Award Agreement, “ROIC” means return on invested capital for the Performance Period calculated as (A) average annual (i) net income (excluding any charge or addition to net income resulting solely from adjustment of deferred tax assets and liabilities for the effect of enactment of corporate tax reform and related legislation that adjusts United States federal corporate income tax rates) plus (ii) interest expense times one minus the average of the highest marginal federal corporate income tax rates over the three-year Performance Period (“Return”), divided by (B) the average of the four year-end investment balances (beginning with December 31, 2012, year-end balance) consisting of (i) debt (including current maturities of long-term debt) plus (ii) stockholders’ equity plus the postretirement plans amounts determined at year-end as included in the Corporation’s Statement of Stockholders’ Equity.

(b) **ROIC Determination.** Each component of ROIC and the calculation of any postretirement plans amounts recorded in the Corporation’s Statement of Stockholders’ Equity shall be determined by the Committee in accordance with generally accepted accounting principles in the United States and be based upon the comparable numbers reported on the Corporation’s audited consolidated financial statements or, if audited financial statements are not available for the date or period on which ROIC is being determined, the Committee shall make its determination in a manner consistent with the historical practices used by the Corporation in determining the components of ROIC and postretirement plans amounts recorded in the Corporation’s Statement of Stockholders’ Equity for purposes of reporting those items on its audited financial statements, as modified by this paragraph. Notwithstanding the foregoing, ROIC will be adjusted to exclude the impact of any change in accounting standards or adoption of any new accounting standards that is required under generally accepted accounting principles in the United States and that is reported in the Corporation’s filings with the Securities and Exchange Commission as having a material effect on the Corporation’s consolidated financial statements. ROIC, as included in the 2013 Long Range Plan, and the change in ROIC for purposes of the ROIC Performance Factor will be determined in accordance with this Section 4.1(b).

4.2 **Cash Flow Performance Factor.** The Cash Flow Performance Factor will be determined by comparing the Corporation’s cumulative Cash Flow during the Performance Period to the Cash Flow Target, and then identifying the Cash Flow Performance Factor based upon the factor associated with the change from the Cash Flow Target on the following table:

<u>Change From Cash Flow Target</u>	<u>Cash Flow Performance Factor</u>
Target + ³ \$2.0B or more	200%
Target + \$1.5B	175%
Target + \$1.0B	150%
Target + \$0.5B	125%
Target	100%
Target – \$0.2B	75%
Target – \$0.5B	50%
Target – \$0.7B	20%

(a) Cash Flow Definition. For purposes of this Award Agreement, "Cash Flow" means net cash flow from operations but not taking into account: (i) the aggregate difference between the amount forecasted in the Corporation's 2013 Long Range Plan to be contributed by the Corporation to the Corporation's defined benefit pension plans during the Performance Period and the actual amounts contributed by the Corporation during the Performance Period; or (ii) any tax payments or tax benefits during the Performance Period associated with the divestiture of business units, other than tax payments or tax benefits that were included in the Corporation's 2013 Long Range Plan.

(b) Cash Flow Determination. Cash Flow shall be determined by the Committee based upon the comparable numbers reported on the Corporation's audited consolidated financial statements or, if audited financial statements are not available for the period for which Cash Flow is being determined, the Committee shall determine Cash Flow in a manner consistent with the historical practices used by the Corporation in determining net cash provided by operating activities as reported in its audited consolidated statement of cash flows, in either case as modified by this paragraph.

4.3 Interpolation of ROIC and Cash Flow Metrics. If the change in ROIC or Cash Flow falls between two numbers listed in the applicable table in Section 4.1 or 4.2, the appropriate factor will be interpolated on a linear basis. Notwithstanding the foregoing, the ROIC Performance Factor will always be zero if the ROIC for the Performance Period falls short of the ROIC Target by 40 basis points or more and the Cash Flow Performance Factor will always be zero if the aggregate Cash Flow for the Performance Period falls short of the Cash Flow target by \$1.0 billion or more.

Section 5. Payment of Award.

5.1. Employment Requirement.

(a) General Rule. In order to be eligible to receive payment of your Award as determined under Section 2.1(d), you must accept this Award Agreement and remain employed by the Corporation through the last day of the Vesting Period. Except as provided below or where prohibited by law, if your employment as an Employee terminates during the Vesting Period, you shall forfeit your right to receive all or any part of your Award. If you are on Corporation-approved leave of absence at any point during the Vesting Period, for purposes of this Award Agreement, you will be considered to still be in the employ of the Corporation, unless otherwise provided in an agreement between you and the Corporation.

(b) Exceptions. Notwithstanding Section 5.1(a), if the Committee determines:

(1) that your employment as an Employee terminated, as a result of your death, Divestiture, Total Disability or Retirement (each as defined in Section 5.1(c)) or

(2) that the Corporation terminated your employment involuntarily after July 28, 2013 as a result of a layoff, including through a voluntary layoff program that constitutes a window program under Section 409A of the Code,

you shall vest in a fraction of your Award and the DDEs with respect to such fraction. The numerator of such fraction shall equal the number of days in the Vesting Period before your employment as an Employee terminated, and the denominator shall equal the total number of days in the Vesting Period. The Committee shall have complete and absolute discretion to make the determinations called for under this Section 5.1(b), and all such determinations shall be binding on you and on any person who claims all or any part of your Award on your behalf as well as on the Corporation. If you terminate employment during the Vesting Period but are eligible to receive a portion of your Award as a result of an exception under this Section 5.1(b), payment of such portion of your Award and DDEs shall be in full satisfaction of all rights you have under this Award Agreement.

(c) Special Definitions. For purposes of this Award Agreement:

(1) Your employment as an Employee shall be treated as terminating because of a "Total Disability" on the date you commence receiving a benefit under the Corporation's long-term disability plan in which you participate, or if you are not enrolled in the Corporation's long-term disability plan, the date on which long-term disability benefits would commence under the plan under which you would have been covered, had you enrolled, using the standards set forth in that plan;

(2) Your employment as an Employee shall be treated as terminating as a result of Divestiture if the Corporation divests all or substantially all of a business operation of the Corporation and such divestiture results in the termination of your employment with the Corporation and a transfer of such employment to the other party in the Divestiture. A "Divestiture" shall mean a transaction which results in the transfer of control of the business operation to any person, corporation, association, partnership, joint venture, limited liability company or other business entity of which less than 50% of the voting stock or other equity interests are owned or controlled by the Corporation; and

(3) Your employment as an Employee shall be treated as terminating because of "Retirement" if the effective date of your termination of employment is after July 28, 2013 and (i) you reach age 65 with six months of service in the Vesting Period, or (ii) you reach age 55 and have (at the time of your termination) completed at least ten years of service with the Corporation.

5.2. Payment Rules.

(a) Vesting. If you are eligible to receive an Award under Section 5.1(a) or a fraction of an Award under Section 5.1(b), your Award shall vest on last day of the Vesting Period.

(b) Method of Payment. Your Award shall be paid in whole shares of Stock. DDEs on the shares underlying your Award, if any, shall be paid in cash. In the event of your death, your payment will be made to your estate if you do not have a properly completed beneficiary designation form on file with the Vice President of Total Rewards and Performance Management.

(c) Timing of Payment. You shall have the right to receive your Award plus DDEs as soon as administratively practicable following the Vesting Period, but no later than the earlier of (i) 90 days after the date on which the Committee certifies in writing (for purposes of Section 162(m) of the Code) that your Target Award has become an Award for the Performance Period, or (ii) March 15 immediately following such certification date.

5.3. Cutback.

(a) Limit on Share-Based Awards. Any payment called for under Section 5.2 will be reduced to the extent that such payment together with payments attributable to any other Share-Based Awards that are granted during 2013 as Performance-Based Awards exceeds 1,000,000 shares of Stock. Amounts in excess of 1,000,000 shares shall be forfeited. Any DDEs on forfeited shares shall also be forfeited.

(b) Changes in Capitalization. In the case of an event described in Section 7 of the Plan during the Performance Period or Vesting Period, your Award will be adjusted in the same manner as if you held actual shares of Stock.

Section 6. No Assignment – General Creditor Status.

You shall have no right to assign any interest you might have in all or any part of the Target Award or Award which has been granted to you under this Award Agreement and any attempt to do so shall be null and void and shall have no force or effect whatsoever. Furthermore, all payments called for under this Award Agreement shall be made from the Corporation's general assets, and your right to payment from the Corporation's general assets shall be the same as the right of a general and unsecured creditor of the Corporation. Until a share of Stock is delivered to you, you generally will not have the rights and privileges of a stockholder. In particular, you will not have the right to vote your PSUs on any matter put to the stockholders of the Corporation; you may not sell, transfer, assign, pledge, use as collateral or otherwise dispose of or encumber PSUs; and you will not have the right to receive any dividends paid to stockholders or dividend equivalents on the PSUs.

Section 7. Plan.

This Award Agreement shall be subject to all of the terms and conditions set forth in the Plan.

Section 8. Change in Control.

8.1. Change in Control during the Performance Period.

(a) In the event of a consummation of a Change in Control during the Performance Period, your Target Award (and DDEs) will become vested (i) on the effective date of the Change in Control if the PSUs are not assumed, continued, or equivalent restricted securities are not substituted for your PSUs by the Corporation or its successor, or (ii) if the PSUs are assumed, continued or substituted by the Corporation or its successor, on the effective date of your involuntary termination by the Corporation other than for Cause (not including death or Total Disability) or your voluntary termination with Good Reason, in either case, within the 24-month period following the consummation of the Change in Control; provided that any such termination is also a "separation from service" under Code section 409A.

(b) In the event the PSUs vest in accordance with this Section 8.1 (whether immediately following the Change in Control or following your termination), the shares of Stock or equivalent substituted securities in which you have become vested and DDEs shall be delivered to you within 14 days of the date on which you become vested.

8.2. Change in Control during the Vesting Period. In the event of a consummation of a Change in Control after the end of the Performance Period but during the Vesting Period, you will vest in your Target Award (and DDEs) (i) on the effective date of the Change in Control if the PSUs are not assumed or continued or equivalent restricted securities are not substituted for your PSUs by the Corporation or its successor, or (ii) on the on the earlier of the end of the Vesting Period or the effective date of your termination if the PSUs are assumed, continued or substituted for, upon your involuntary termination by the Corporation other than for Cause (not including death or Total Disability) or your voluntary termination with Good Reason, in either case, prior to the end of the Vesting Period. In the event the PSUs vest in accordance with this Section 8.2 (whether immediately following the Change in Control or following your termination), the shares of Stock or equivalent substituted securities in which you have become vested and DDEs shall be delivered to you within 14 days of the date on which you become vested.

8.3 Special Definitions. For purposes of this Award Agreement:

(a) "Cause" shall mean either of the following:

- (i) Conviction for an act of fraud, embezzlement, theft or other act constituting a felony (other than traffic-related offenses or as a result of vicarious liability); or
- (ii) Willful misconduct that is materially injurious to the Corporation's financial position, operating results or reputation; provided, however that no act or failure to act shall be considered "willful" unless done, or omitted to be done, by you (a) in bad faith; (b) for the purpose of receiving an actual improper personal benefit in the form of money, property or services; or (c) in circumstances where you had reasonable cause to believe that the act or failure to act was unlawful.

(b) "Good Reason" shall mean, without your express written consent, the occurrence of any one or more of the following:

- (i) A material and substantial reduction in the nature or status or your authority or responsibilities;

- (ii) A material reduction in your annualized rate of base salary;
- (iii) A material reduction in the aggregate value of your level of participation in any short or long term incentive cash compensation plan, employee benefit or retirement plan or compensation practices, arrangements, or policies;
- (iv) A material reduction in the aggregate level of participation in equity-based incentive compensation plans; or
- (v) Your principal place of employment is relocated to a location that is greater than 50 miles from your principal place of employment on the date the Change in Control is consummated.

Your continued employment following an event that would constitute a basis for voluntary termination with Good Reason shall not constitute Good Reason if you consent to, or waive your rights with respect to any circumstances constituting Good Reason. In addition, the occurrence of an event described in (i) through (v) shall constitute the basis for voluntary termination for Good Reason only if you provide notice of your intent to terminate employment within 90 days of the first occurrence of such event and the Corporation has had at least 30 days from the date on which such notice is provided to cure such occurrence. If you do not terminate employment for Good Reason within 180 days after the first occurrence of the applicable grounds, then you will be deemed to have waived your right to terminate for Good Reason with respect to such grounds.

8.4. Special Rule. Notwithstanding Section 8.1 or 8.2, if a payment in accordance with those provisions would result in a nonexempt short-swing transaction under Section 16(b) of the Exchange Act, then the date of distribution to you shall be delayed until the earliest date upon which the distribution either would not result in a nonexempt short-swing transaction or would otherwise not result in liability under Section 16(b) of the Exchange Act.

Section 9. Amendment and Termination.

As provided in Section 9 of the Plan, the Board of Directors may at any time amend, suspend or discontinue the Plan and the Committee may at any time amend this Award Agreement. Notwithstanding the foregoing, no such action by the Board of Directors or the Committee shall amend Sections 1, 2, 3, 4, or 5 in a manner adverse to you or reduce the amount payable hereunder in a material manner without your written consent. For this purpose, a change in the amount payable hereunder that occurs solely by reason of a change in the date or form of payment shall in no case be treated as a reduction prohibited by this Section 9. Thus, for example, if an amount payable by reason of Section 8 is delayed by an amendment to this Award Agreement or other action undertaken to comply with Section 409A of the Code and the amount payable is reduced solely by reason of a corresponding delay in the date of valuation of a share of Stock, such a change shall not be treated as a reduction prohibited by this Section 9. This Section 9 shall be construed and applied so as to permit the Committee to amend this Award Agreement at any time in any manner reasonably necessary or appropriate in order to comply with the requirements of Section 16 of the Exchange Act and of Section 409A of the Code, including amendments regarding the timing and form of payments hereunder.

Section 10. Data Privacy Consent For Employees Located Outside Of The United States.

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement by and among the Corporation for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Corporation holds certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Corporation, details of all awards or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan ("Data"). You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Corporation may elect to administer the settlement of any award. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Section 11. No Assurance of Employment; No Right to an Award; Value of Award.

Nothing contained in the Plan or in this Award Agreement shall confer upon you any right to continue in the employ or other service of the Corporation or constitute any contract (of employment or otherwise) or limit in any way the right of the Corporation to change your compensation or other benefits or to terminate your employment with or without cause. You acknowledge and agree as follows:

- (a) the Plan is discretionary in nature and that the Committee may amend, suspend, or terminate it at any time;
- (b) the grant of the PSUs are voluntary and occasional and does not create any contractual or other right to receive future grants of any PSUs, or benefits in lieu of any PSUs even if PSUs have been granted repeatedly in the past;

- (c) all determinations with respect to such future PSUs, if any, including but not limited to the times when PSUs shall be granted or when PSUs shall vest, will be at the sole discretion of the Committee;
- (d) your participation in the Plan is voluntary;
- (e) the value of the PSUs are an extraordinary item of compensation, which is outside the scope of your employment contract (if any), except as may otherwise be explicitly provided in your employment contract;
- (f) the PSUs are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating termination, severance, resignation, redundancy, end of service, or similar payments, or bonuses, long-service awards, pension or retirement benefits;
- (g) the PSUs shall expire upon termination of your employment for any reason except as may otherwise be explicitly provided in the Plan and this Award Agreement;
- (h) the future value of the shares is unknown and cannot be predicted with certainty; and
- (i) no claim or entitlement to compensation or damages arises from the termination of the PSUs or diminution in value of the PSUs or Stock and you irrevocably release the Corporation and your employer from any such claim that may arise.

Section 12. Conflict.

In the event of a conflict between this Award Agreement and the Plan, the Plan document shall control.

Section 13. Compliance with Section 409A of the Code.

Notwithstanding any other provision of this Award Agreement to the contrary, to the extent that this Award Agreement constitutes a nonqualified deferred compensation plan to which Section 409A of the Code applies, payments under this Award Agreement shall be made at a time and in a manner that satisfies the requirements of Section 409A of the Code and guidance of general applicability issued thereunder, including the provisions of Section 409A(a)(2)(B)(i) of the Code to the extent distributions to any specified employee are required to be delayed six months, and all terms shall be interpreted in accordance with Section 409A of the Code. If any payment that would otherwise be made under this Award Agreement is required to be delayed by reason of this Section 13, such payment shall be made at the earliest date permitted by Section 409A of the Code. If a payment under this Award constitutes nonqualified deferred compensation under Section 409A of the Code, no payment due upon termination of employment shall be made unless the termination of employment is a "separation from service" as defined in Section 409A of the Code and accompanying regulations.

Section 14. Post-Employment Covenants & Stock Ownership Requirements.

Except where prohibited by law, by accepting this Award Agreement through the procedure described above, you agree to the terms of the Post-Employment Covenants contained in Exhibit A to this Award Agreement and you acknowledge receipt of the Stock Ownership Requirements ("Ownership Requirements") attached as Exhibit B to this Award Agreement and agree to comply with such Ownership Requirements.).

Section 15. English Language.

You have received the terms and conditions of this Award Agreement and any other related communications, and you consent to having received these documents in English. If you have received this Award Agreement or any other documents related to the Plan translated into a language other than English, and if the translated version is different from the English version, the English version will control.

Section 16. Currency Exchange Risk.

If your functional currency is not the U.S. dollar, you agree and acknowledge that you will bear any and all risk associated with the exchange or fluctuation of currency associated with the Award (the "Currency Exchange Risk"). You waive and release the Corporation and its subsidiaries from any potential claims arising out of the Currency Exchange Risk.

Section 17. Exchange Control Requirements.

You agree and acknowledge that you will comply with any and all exchange control requirements applicable to the Award and any resulting funds including, without limitation, reporting or repatriation requirements.

Section 18. Execution; Electronic Delivery.

By executing this Award Agreement, you consent to receive copies of the Prospectus applicable to this Award from this internet site (<http://www.benefitaccess.com>) as well as to electronic delivery of the Corporation's annual report on Form 10-K, annual proxy and quarterly reports on Form 10-Q. This consent can only be withdrawn by written notice to the Vice President of Total Rewards and Performance Management at the address noted above. The Company may, in its sole discretion, decide to deliver any documents related to the Award under the Plan or future Awards that may be awarded under the Plan by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through any on-line or electronic system established and maintained by the Corporation or another third party designated by the Corporation.

No Award is enforceable until you properly acknowledge your acceptance by completing the electronic receipt or returning an executed copy of this Award Agreement to the Vice President of Total Rewards and Performance Management as soon as possible but in no event later than May 31, 2013. Acceptance of this Award Agreement must be made only by you personally or by a person acting pursuant to a power of attorney in the event of your inability to acknowledge your acceptance due to your disability or deployment in the Armed Forces (and not by your estate, your spouse or any other person) and constitutes your consent to any action taken under the Plan consistent with its terms with respect to this Award. The Committee has authorized electronic means for the delivery and acceptance of this Award Agreement. If you desire to accept this Award, you must acknowledge your acceptance and receipt of this Award Agreement, either electronically or by signing and returning a copy of this letter on or before May 31, 2013 as follows:

- (a) Electronic Acceptance: Go to <http://www.benefitaccess.com>
- (b) By Mail: Mr. David Filomeo, Vice President of Total Rewards and Performance Management, Lockheed Martin Corporation, Mail Point 123, 6801 Rockledge Drive, Bethesda MD 20817

Assuming prompt and proper acknowledgment of this Award Agreement as described, this Award will be effective as of the Award Date.

Sincerely,

David A. Filomeo
Vice President
Total Rewards and Performance Management

Enclosures

ACKNOWLEDGEMENT:

Signature

Date

Print or type name

Appendix A

Capitalized Terms

Average TSR	§ 3.2(a)
Award	6 th ¶
Award Date	Header
Cash Flow	§ 4.2(a)
Cash Flow Performance Award	§ 2.1(c)
Cash Flow Performance Factor	§ 4.2
Cash Flow Target	§ 2.1(c)
Cause	§ 8.3(a)
Change in Control	Plan
Code	Plan
Committee	1 st ¶
Corporation	6 th ¶
CSC	§ 3.1
DDE	§ 1.1(c)
Divestiture	§ 5.1(c)
Employee	Plan
Exchange Act	Plan
Fair Market Value	Plan
Good Reason	§ 8.3(b)
Insider	Plan
Maximum Award	§ 1.1(b)
Peer Performance Group	§ 3.1
Performance-Based Award	Plan
Performance Period	§ 1.2
Plan	1 st ¶
PSU	§ 1.1(a)
Retirement	§ 5.1(c)
Return	§ 4.1(a)
ROIC	§ 4.1(a)
ROIC Performance Award	§ 2.1(b)
ROIC Performance Factor	§ 4.1
ROIC Target	§ 2.1(b)
Stock	Plan
Target Award	6 th ¶ § 1.1
Total Disability	§ 5.1(c)
Total Stockholder Return	Plan; § 3.2(a)
Total Stockholder Return Performance Award	§ 2.1(a)
Total Stockholder Return Performance Factor	§ 3.1; § 3.2
Vesting Period	§ 1.3

Exhibit A

Post Employment Conduct Agreement
(PSU Grant)

This Post Employment Conduct Agreement (this "PECA") attached as Exhibit A to the Award Agreement with an Award Date of January 28, 2013 (the "Award Agreement") is entered into in consideration of, among other things, the grant of performance restricted stock units to me under the Award Agreement (the "PSUs") pursuant to the Lockheed Martin Corporation 2011 Incentive Performance Award Plan (the "Plan"). References to the "Corporation" shall include Lockheed Martin Corporation and its Subsidiaries. By accepting the PSUs, I agree as follows:

1. Restrictions Following Termination of Employment.

(a) Covenant Not To Compete – Without the express written consent of the "Required Approver" (as defined in Section 6), during the one-year period (or two-year period for Elected Officers) following the date of my termination of employment (the "Termination Date") with the Corporation, I will not, directly or indirectly, be employed by, provide services to, or advise a "Restricted Company" (as defined in Section 6), whether as an employee, advisor, director, officer, partner or consultant, or in any other position, function or role that, in any such case,

- (i) oversees, controls or affects the design, operation, research, manufacture, marketing, sale or distribution of "Competitive Products or Services" (as defined in Section 6) of or by the Restricted Company, or
- (ii) would involve a substantial risk that the "Confidential or Proprietary Information" (as defined in Section 1(c)) of the Corporation (including but not limited to technical information or intellectual property, strategic plans, information relating to pricing offered to the Corporation by vendors or suppliers or to prices charged or pricing contemplated to be charged by the Corporation, information relating to employee performance, promotions or identification for promotion, or information relating to the Corporation's cost base) could be used to the disadvantage of the Corporation.

Section 1(a)(i) and (ii) shall not apply to residents of California and individuals who are employed by the Corporation in an attorney position, as determined in the discretion of the Corporation's Senior Vice President, General Counsel, and Corporate Secretary or the General Tax Counsel, as applicable. In lieu of Section 1(a)(i) and (ii) and Section 1(b), the following provisions shall apply to individuals who are employed by the Corporation in an attorney position, as determined in the discretion of the Corporation's Senior Vice President, General Counsel, and Corporate Secretary or the General Tax Counsel, as applicable:

- (iii) Post-employment Activity As a Lawyer – I acknowledge that as counsel to Lockheed Martin Corporation (the "Corporation"), I owe ethical and fiduciary obligations to the Corporation and that at least some of these obligations will continue even after the date of my termination of employment ("Termination Date") with the Corporation. I agree that after my Termination Date I will

comply fully with all applicable ethical and fiduciary obligations that I owe to the Corporation. To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct, I agree that I will not

- (a) Represent any client adversely to the Corporation;
- (b) Reveal to any third party any Confidential or Proprietary information learned by me during the course of my employment with the Corporation except for information that is or becomes generally known;
- (c) Encourage or solicit any present or future agents or employees of the Corporation to terminate their employment for the purpose of competing with the Corporation; or
- (d) Whether as a lawyer or non-lawyer, accept a position (whether as agent, employer, part or sole owner or in any other capacity) with any person or entity whose interests are adverse to the Corporation's interests if that adverse position is related in any way to my present or past work with the Corporation.

(b) Non-Solicit – Without the express written consent of the Required Approver, during the one-year period (two-year period for Elected Officers) following the Termination Date, I will not (i) interfere with any contractual relationship between the Corporation and any customer, supplier, distributor or manufacturer of or to the Corporation to the detriment of the Corporation or (ii) induce or attempt to induce any person who is an employee of the Corporation to perform work or services for any entity other than the Corporation. This Section 1(b) shall not apply to an individual who is employed by the Corporation as an attorney.

(c) Protection of Proprietary Information – Except to the extent required by law, following my Termination Date, I will have a continuing obligation to comply with the terms of any non-disclosure or similar agreements that I signed while employed by the Corporation committing to hold confidential the “Confidential or Proprietary Information” (as defined below) of the Corporation or any of its affiliates, subsidiaries, related companies, joint ventures, partnerships, customers, suppliers, partners, contractors or agents, in each case in accordance with the terms of such agreements. I will not use or disclose or allow the use or disclosure by others to any person or entity of Confidential or Proprietary Information of the Corporation or others to which I had access or that I was responsible for creating or overseeing during my employment with the Corporation. In the event I become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or otherwise) to disclose any proprietary or confidential information, I will immediately notify the Corporation's Senior Vice President, General Counsel and Corporate Secretary as to the existence of the obligation and will cooperate with any reasonable request by the Corporation for assistance in seeking to protect the information. All materials to which I have had access, or which were furnished or otherwise made available to me in connection with my employment with the Corporation shall be and remain the property of the Corporation. For purposes of this PECA, “Confidential or Proprietary Information” means Proprietary Information within the meaning of CPS 710 (a copy of which has been made available to me), including but not limited to information that a person or entity desires to protect from unauthorized disclosure to third parties that can provide the person or entity with a business, technological, or economic advantage over its competitors, or which, if known or used by third parties or if used by the person's or entity's employees or agents in an unauthorized manner, might be detrimental to the person's or entity's interests. Confidential or Proprietary Information may include, but is not limited to:

- (i) existing and contemplated business, marketing and financial business information such as business plans and methods, marketing information, cost estimates, forecasts, financial data, cost or pricing data, bid and proposal information, customer identification, sources of supply, contemplated product lines, proposed business alliances, and information about customers or competitors, or
- (ii) existing or contemplated technical information and documentation pertaining to technology, know how, equipment, machines, devices and systems, computer hardware and software, compositions, formulas, products, processes, methods, designs, specifications, mask works, testing or evaluation procedures, manufacturing processes, or production processes.

(d) No disparagement – Following the Termination Date, I will not make any statements, whether verbal or written, that disparage or reasonably may be interpreted to disparage the Corporation or its stockholders, directors, officers, employees, agents, attorneys, representatives, technology, products or services with respect to any matter whatsoever.

(e) Cooperation in Litigation and Investigations – Following the Termination Date, I will, to the extent reasonably requested, cooperate with the Corporation in any pending or future litigation (including alternative dispute resolution proceedings) or investigations in which the Corporation or any of its subsidiaries or affiliates is a party or is required or requested to provide testimony and regarding which, as a result of my employment with the Corporation, I reasonably could be expected to have knowledge or information relevant to the litigation or investigation. Notwithstanding any other provision of this PECA, nothing in this PECA shall affect my obligation to cooperate with any governmental inquiry or investigation or to give truthful testimony in court.

2. Consideration and Acknowledgement. I acknowledge and agree that the benefits and compensation opportunities being made available to me under the Award Agreement are in addition to the benefits and compensation opportunities that otherwise are or would be available to me in connection with my employment by the Corporation and that the grant of the PSUs is expressly made contingent upon my agreements with the Corporation set forth in this PECA. I acknowledge that the scope and duration of the restrictions in Section 1 are necessary to be effective and are fair and reasonable in light of the value of the benefits and compensation opportunities being made available to me under the Award Agreement. I further acknowledge and agree that as a result of the high level executive and management positions I hold with the Corporation and the access to and extensive knowledge of the Corporation's Confidential or Proprietary Information, employees, suppliers and customers, these restrictions are reasonably required for the protection of the Corporation's legitimate business interests.

3. Remedies For Breach of Section 1; Additional Remedies of Clawback and Recoupment.

(a) If I become (or currently am) an Insider (as defined in the Plan) or receive a PSU Award, I agree, upon demand by the Corporation, to forfeit, return or repay to the Corporation the "Benefits and Proceeds" (as defined below) in the event any of the following occur:

- (i) I breach any of the covenants or agreements in Section 1;

- (ii) The Corporation determines that either (a) my intentional misconduct or gross negligence, or (b) my failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Corporation, contributed to the Corporation having to restate all or a portion of its financial statements filed for any period with the Securities and Exchange Commission;
- (iii) The Corporation determines that I engaged in fraud, bribery or any other illegal act or that my intentional misconduct or gross negligence (including the failure to report the acts of another person of which I had knowledge during the period I was employed by the Corporation) contributed to another person's fraud, bribery or other illegal act, which in any such case adversely affected the Corporation's financial position or reputation; or
- (iv) Under such other circumstances specified by final regulation issued by the Securities and Exchange Commission entitling the Corporation to recapture or clawback "Benefits and Proceeds" (as defined below).

(b) The remedy provided in Section 3(a) shall not be the exclusive remedy available to the Corporation for any of the conduct described in Section 3(a) and shall not limit the Corporation from seeking damages or injunctive relief.

(c) For purposes of this Section 3, "Benefits and Proceeds" means (i) to the extent I own Stock issued in respect of vested PSUs, such Stock; (ii) to the extent I no longer own the shares of Stock of the Corporation issued in respect of the PSUs, cash in an amount equal to the greater of (x) the value of such Stock on the date the associated PSUs vested (which, unless otherwise determined by the Management Development and Compensation Committee of the Board of Directors of the Corporation, shall be equal to the closing price of the shares of Common as finally reported by the New York Stock Exchange on such date), and (y) the proceeds received in connection with the disposition of such Stock; and (ii) to the extent I have not earned the PSUs fully, all of my remaining rights, title or interest in my Award and any accrued dividend equivalents with respect thereto.

4. Injunctive Relief. I acknowledge that the Corporation's remedies at law may be inadequate to protect the Corporation against any actual or threatened breach of the provisions of Section 1 or the conduct described in Section 3(a), and, therefore, without prejudice to any other rights and remedies otherwise available to the Corporation at law or in equity (including but not limited to, an action under Section 3(a)), the Corporation shall be entitled to injunctive relief in its favor and to specific performance without proof of actual damages and without the requirement of the posting of any bond or similar security.

5. Invalidity; Unenforceability. It is the desire and intent of the parties that the provisions of this PECA shall be enforced to the fullest extent permissible. Accordingly, if any particular provision of this PECA is adjudicated to be invalid or unenforceable, this PECA shall be deemed amended to delete the portion adjudicated to be invalid or unenforceable, such deletion to apply only with respect to the operation of this provision in the particular jurisdiction in which such adjudication is made.

6. Definitions. Capitalized terms not defined in this PECA have the meaning given to them in the Plan, as applicable. For purposes of this PECA, the following terms have the meanings given below:

(a) "Restricted Company" means The Boeing Company, General Dynamics Corporation, Northrop Grumman Corporation, the Raytheon Company, United Technologies Corporation, Honeywell International Inc., BAE Systems Inc., L-3 Communications Corporation, the Harris Corporation, Thales, EADS North America and (i) any entity directly or indirectly controlling, controlled by, or under common control with any of the foregoing, and (ii) any successor to all or part of the business of any of the foregoing as a result of a merger, reorganization, consolidation, spin-off, split-up, acquisition, divestiture, or similar transaction.

(b) "Competitive Products or Services" means products or services that compete with, or are an alternative or potential alternative to, products sold or services provided by a subsidiary, business area, division or operating unit or business of the Corporation as of the Termination Date and at any time within the two-year period ending on the Termination Date; provided, that, (i) if I had direct responsibility for the business of, or function with respect to, a subsidiary, or for a business area, division or operating unit or business of the Corporation at any time within the two-year period ending on the Termination Date, Competitive Products or Services includes the products so sold or the services so provided during that two-year period by the subsidiary, business area, division or operating unit of the Corporation for which I had responsibility, and (ii) if I did not have direct responsibility for the business of, or function with respect to, a subsidiary, or for a business area, division or operating unit or business of the Corporation at any time within the two-year period ending on the Termination Date, Competitive Products or Services includes the products so sold or the services so provided by a subsidiary, business area, division or operating unit of the Corporation for which I had access (or was required or permitted such access in the performance of my duties or responsibilities with the Corporation) to Confidential or Proprietary Information of the Corporation at any time during the two-year period ending on the Termination Date.

(c) "Required Approver" means:

- (i) with respect to the Chief Executive Officer and President, the Management and Development Committee of the Corporation's Board of Directors;
- (ii) with respect to an Elected Officer, the Corporation's Chief Executive Officer and President; or
- (iii) with respect to all other employees, the Senior Vice President, Human Resources of the Corporation.

(d) "Elected Officer" means an officer of the Corporation who was elected to his or her position by the Corporation's Board of Directors.

7. Miscellaneous.

(a) The Plan, the Award Agreement (with Exhibit B) and this PECA constitute the entire agreement governing the terms of the award of the PSUs to me.

(b) This PECA shall be governed by Maryland law, without regard to its provisions governing conflicts of law. Any enforcement of, or challenge to, this PECA may only be brought in the Circuit Court of Maryland or the United States District Court for the District of Maryland. Both parties consent to the proper jurisdiction and venue of the Circuit Court of Maryland and the United States District Court for the District of Maryland for the purpose of enforcing or challenging this PECA.

(c) This PECA shall inure to the benefit of the Corporation's successors and assigns and may be assigned by the Corporation without my consent.

(d) This PECA provides for certain obligations on my part following the Termination Date and shall not, by implication or otherwise, affect in any way my obligations to the Corporation during the term of my employment by the Corporation, whether pursuant to written agreements between the Corporation and me, the provisions of applicable Corporate policies that may be adopted from time to time or applicable law or regulation.

This PECA is effective as of the acceptance by me of the award of PSU under the Award Agreement and is not contingent on the vesting of my PSU Award.

Exhibit B

Stock Ownership Requirements

Lockheed Martin's Stock Ownership Requirements for Key Employees apply to all senior level positions of Vice President and above. This reflects the expectations of our major shareholders that management demonstrate its confidence in Lockheed Martin through a reasonable level of personal share ownership. This practice is consistent with other major U.S. corporations which link some portion of personal financial interests of key employees with those of shareholders.

Stock Ownership Requirements

<u>Title</u>	<u>Annual Base Pay Multiple</u>
Executive Chairman of the Board of Directors	6 times
Chief Executive Officer & President	6 times
Chief Operating Officer	5 times
Chief Financial Officer	4 times
Executive Vice Presidents	3 times
Senior Vice Presidents	2 times
Elected Officers	2 times
Other Vice Presidents	1 times

Satisfaction of Requirements

Covered employees may satisfy their ownership requirements with common stock in these categories:

- Shares owned directly.
- Shares owned by a spouse or a trust.
- Shares represented by monies invested in 401(k) Company Common Stock Funds or comparable plans.
- Share equivalents as represented by income deferred to the Company Stock Investment Option of the Deferred Management Incentive Compensation Plan (DMICP).
- Unvested Restricted Stock Units and Performance Stock Units (based on the Target Award).

Key employees will be required to achieve the appropriate ownership level within 5 years and are expected to make continuous progress toward their target. Appointment to a new level will reset the five year requirement. Unexercised options prior to vesting are not counted toward meeting the guidelines.

Holding Period

Covered employees must retain net vested Restricted Stock Units and Performance Stock Units and the net shares resulting from any exercise of stock options if the ownership requirements are not yet satisfied.

Covered employees are asked to report annually on their progress toward attainment of their share ownership goals.

Long-Term Incentive Performance Award (Domestic and International)



Lockheed Martin Corporation
6801 Rockledge Drive, Bethesda, MD 20817
Telephone 301-897-6000

Award Date: January 28, 2013

**THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING
SECURITIES THAT HAVE BEEN REGISTERED UNDER THE
SECURITIES ACT OF 1933**

«Name»
«Street»
«City», «State» «Zip»

Re: Lockheed Martin Corporation 2011 Incentive Performance Award Plan: **Long-Term Incentive Performance Award (2013-2015 Performance Period)**

Dear «Call_By_Name»:

On behalf of the Management Development and Compensation Committee (the "Committee") of the Board of Directors of Lockheed Martin Corporation, I am pleased to tell you that you have been granted a Long-Term Incentive Performance Award under the Corporation's 2011 Incentive Performance Award Plan (the "Plan"). The purpose of this letter is to serve as the Award Agreement under such Plan and to set forth your Target Award as well as the terms and conditions to the payment of your Target Award. Additional terms and conditions are set forth in the Plan and in the Prospectus relating to the Plan of which the Plan document and this Award Agreement are a part. The Prospectus is available at <http://www.benefitaccess.com>. You should retain the Prospectus and the attached copy of the Plan in your records.

Your Award is not effective or enforceable until you properly acknowledge your acceptance of the Award by completing the electronic receipt or returning an executed copy of this Award Agreement to the Vice President of Total Rewards and Performance Management as instructed below as soon as possible but in no event later than May 31, 2013. If you do not properly acknowledge your acceptance of this Award Agreement on or before May 31, 2013, this Award will be forfeited.

Assuming prompt and proper acknowledgement of your acceptance of this Award Agreement as described above, this Award will be effective as of the Award Date. Acceptance of this Award Agreement constitutes your consent to any action taken under the Plan consistent with its terms with respect to this Award and your agreement to be bound by the restrictions contained in Section 18 and Exhibit A ("Post-Employment Conduct Agreement") and Exhibit B ("Stock Ownership Requirements"), except where prohibited by law.

The Corporation will comply with all applicable U.S. federal, state, and local income and payroll tax withholding requirements applicable to the Award. Please see the prospectus for the Plan for a discussion of certain material U.S. federal income and payroll tax consequences of the Award. If you are a taxpayer in a country other than the U.S., you agree to make

appropriate arrangements with the Corporation or its subsidiaries for the satisfaction of all income and employment tax withholding requirements, as well as social insurance contributions applicable to the Award. Please see the tax summary for your country at <http://www.benefitaccess.com>. If you are a taxpayer in a country other than the U.S., you represent that you will consult with your own tax advisors in connection with this Award and that you are not relying on the Corporation for any tax advice.

Capitalized terms used in this Award Agreement which have a special meaning either shall be defined in this Award Agreement or if not defined in this Award Agreement shall have the meaning ascribed to the term in the Plan. The term "Target Award" as used in this Award Agreement refers only to the Target Award awarded to you under this Award Agreement and the term "Award" refers only to the Long Term Incentive Performance Award set forth in this Award Agreement. References to the "Corporation" include Lockheed Martin Corporation and its Subsidiaries. Appendix A contains an index of all capitalized terms used in this Award Agreement.

Section 1. Target Award; Performance Period.

1.1 Target Award. Your Target Award for the Performance Period under this Award Agreement shall be the U.S. dollar amount identified as your Target Award in your account at <http://www.benefitaccess.com>.

1.2 Performance Period. The Performance Period under this Award Agreement is a three-year performance period that runs from January 1, 2013, until December 31, 2015.

1.3 Payment of Award. The amount payable to you under your Award is dependent upon the Corporation's performance as compared to the metrics described in Section 3 and Section 4 of this Award Agreement and your continued employment with the Corporation in accordance with Section 5 of this Award Agreement. As a result of these requirements, any payments you receive may be larger or smaller than your Target Award (*e.g.*, the performance factors could result in no payment in respect of your Award). With respect to US-Based Employees, when an Award becomes vested in accordance with Section 5.2(a), the Award amount will be paid to the Participant in US Dollars. With respect to international employees, when an Award becomes vested in accordance with Section 5.2(a), the amount payable to the Participant in cash will be the amount of the Participant's Award converted into local country currency at the conversion rate on the last day of the Performance Period.

Section 2. Calculation of Award Payments.

2.1 End of Performance Period Calculation. Following the end of the Performance Period and prior to any payments being made,

(a) The Committee will calculate the Total Stockholder Return Performance Factor based on the Corporation's performance during the Performance Period relative to the performance of other corporations which compose the "Peer Performance Group" as defined in Section 3.1 below.

(b) The Committee will calculate the ROIC Performance Factor based on the Corporation's ROIC during the Performance Period as compared to the projected ROIC for the Performance Period as set forth in the January 23, 2013, Committee resolution ("ROIC Target").

(c) The Committee will calculate the Cash Flow Performance Factor based on the Corporation's cumulative Cash Flow during the Performance Period as compared to the projected cumulative Cash Flow for the Performance Period as set forth in the January 23, 2013, Committee resolution ("Cash Flow Target").

(d) Your "Potential Award" shall be calculated by multiplying the weighted average of the Total Stockholder Return Performance Factor, the ROIC Performance Factor, and the Cash Flow Performance Factor by your Target Award. The Total Stockholder Return Performance Factor, the ROIC Performance Factor, and the Cash Flow Performance Factor shall be weighted as follows in determining the weighted average of the three performance factors:

Total Stockholder Return Performance Factor	50%
ROIC Performance Factor	25%
Cash Flow Performance Factor	25%

You must (except as specified in Section 5) remain employed by the Corporation through December 31, 2015, to receive your Potential Award.

Section 3. Total Stockholder Return Performance Factor.

3.1. Peer Performance Group. The Total Stockholder Return Performance Factor will be based upon the relative ranking of the Corporation's Average TSR (as defined in Section 3.2(a)) for the Performance Period to the Average TSR for such Period for each corporation in the "Peer Performance Group." The "Peer Performance Group" shall consist of the corporations which compose the Standard and Poor's 500 Aerospace and Defense Index reported under symbol S5AERO by Bloomberg L.P. The Corporation's Total Stockholder Return will be based on the performance of the Stock. With respect to the corporations that make up the Standard and Poor's 500 Aerospace and Defense Index, the Total Stockholder Return of each corporation that is taken into account in computing the Peer Performance Group Total Stockholder Return will be based on the equity security of the relevant corporation that is used in computing the Standard and Poor's 500 Aerospace and Defense Index.

3.2. Calculation of Total Stockholder Return Performance Factor.

(a) Calculation of Average TSR. During the Performance Period, the Committee shall compute the Total Stockholder Return (as defined in the Plan and assuming the reinvestment of any cash dividends) for the Corporation and for each other corporation in the Peer Performance Group for thirty-six (36) periods during the Performance Period where each period begins on January 1, 2013 (based on the closing price for the stock on December 31, 2012) and ends on the last day of each successive calendar month in the Performance Period on which the New York Stock Exchange is open for trading. Each such Total Stockholder Return shall be computed from data available to the public. At the end of the Performance Period, the thirty-six (36) Total Stockholder Return figures for each corporation for the Performance Period will be averaged to determine each corporation's average Total Stockholder Return ("Average TSR") for the Performance Period. Each corporation's Average TSR shall be ranked among the Average TSR for each other corporation in the Peer Performance Group on a percentile basis (using the Excel PERCENTRANK function).

(b) Percentage Level of Target Award. Your Total Stockholder Return Performance Factor, expressed as a percentage, will be determined under this Section 3.2(b) (and Section 3.2(c) to the extent interpolation is necessary) based on the Percentile Ranking (as determined under Section 3.2(a)) of the Corporation's Average TSR for the Performance Period under the following chart:

<u>Band</u>	<u>Percentile Ranking</u>	<u>Total Stockholder Return Performance Factor</u>
One	75 th - 100	200%
Two	60 th	150%
Three	50 th	100%
Four	40 th	50%
Five	35 th	25%
Six	Below 35 th	0%

(c) Total Stockholder Return Performance Factor Interpolation. If the Percentile Ranking as determined under Section 3.2(a) puts the Corporation over the listed Percentile Ranking for the applicable Band (other than Band One) in Section 3.2(b), your Total Stockholder Return Performance Factor under Section 3.2(b) shall be interpolated on a linear basis.

Section 4. ROIC Performance Factor and Cash Flow Performance Factor.

4.1 ROIC Performance Factor. The ROIC Performance Factor will be determined by comparing the Corporation's ROIC for the Performance Period to the ROIC Target and then identifying the ROIC Performance Factor based upon the factor associated with the difference on the following table:

<u>Change from ROIC Target</u>	<u>ROIC Performance Factor</u>
Target + ³ 160 basis points	200%
Target + 120 basis points	175%
Target + 80 basis points	150%
Target + 40 basis points	125%
Target	100%
Target – 10 basis points	75%
Target – 20 basis points	50%
Target – 30 basis points	25%
Target – ³ 40 or more basis points	0%

(a) ROIC Definition. For purposes of this Award Agreement, "ROIC" means return on invested capital for the Performance Period calculated as (A) average annual (i) net income (excluding any charge or addition to net income resulting solely from adjustment of deferred tax assets and liabilities for the effect of enactment of corporate tax reform and related legislation that adjusts United States federal corporate income tax rates) plus (ii) interest expense times one minus the highest marginal federal corporate tax rate over the three year Performance Period ("Return"), divided by (B) the average of the four

year-end investment balances (beginning with December 31, 2012, year-end balance) consisting of (i) debt (including current maturities of long-term debt) plus (ii) stockholders' equity plus the postretirement plans amounts determined at year-end as included in the Corporation's Statement of Stockholders' Equity.

(b) **ROIC Determination.** Each component of ROIC and the calculation of any postretirement plans amounts recorded in the Corporation's Statement of Stockholders' Equity shall be determined by the Committee in accordance with generally accepted accounting principles in the United States and be based upon the comparable numbers reported on the Corporation's audited consolidated financial statements or, if audited financial statements are not available for the date or period on which ROIC is being determined, the Committee shall make its determination in a manner consistent with the historical practices used by the Corporation in determining the components of ROIC and postretirement plans amounts recorded in the Corporation's Statement of Stockholders' Equity for purposes of reporting those items on its audited financial statements, as modified by this paragraph. Notwithstanding the foregoing, ROIC will be adjusted to exclude the impact of any change in accounting standards or adoption of any new accounting standards that is required under generally accepted accounting principles in the United States and that is reported in the Corporation's filings with the Securities and Exchange Commission as having a material effect on the Corporation's consolidated financial statements. ROIC, as included in the 2013 Long Range Plan, and the change in ROIC for purposes of the ROIC Performance Factor will be determined in accordance with this Section 4.1(b).

4.2 **Cash Flow Performance Factor.** The Cash Flow Performance Factor will be determined by comparing the Corporation's cumulative Cash Flow during the Performance Period to the Cash Flow Target, and then identifying the Cash Flow Performance Factor based upon the factor associated with the change from the Cash Flow Target on the following table:

<u>Change From Cash Flow Target</u>	<u>Cash Flow Performance Factor</u>
Target + ³ \$2.0B or more	200%
Target + \$1.5B	175%
Target + \$1.0B	150%
Target + \$0.5B	125%
Target	100%
Target – \$0.2B	75%
Target – \$0.5B	50%
Target – \$0.7B	20%
Target – ³ \$1.0B	0%

(a) **Cash Flow Definition.** For purposes of this Award Agreement, Cash Flow means net cash flow from operations but not taking into account: (i) the aggregate difference between the amount forecasted in the Corporation's 2013 Long Range Plan to be contributed by the Corporation to the Corporation's defined benefit pension plans during the Performance Period and the actual amounts contributed by the Corporation during the Performance Period; or (ii) any tax payments or tax benefits during the Performance Period associated with the divestiture of business units, other than tax payments or tax benefits that were included in the Corporation's 2013 Long Range Plan.

(b) Cash Flow Determination. Cash Flow shall be determined by the Committee based upon the comparable numbers reported on the Corporation's audited consolidated financial statements or, if audited financial statements are not available for the period for which Cash Flow is being determined, the Committee shall determine Cash Flow in a manner consistent with the historical practices used by the Corporation in determining net cash provided by operating activities as reported in its audited consolidated statement of cash flows, in either case as modified by this paragraph.

4.3 Interpolation of ROIC and Cash Flow Metrics. If the change in ROIC or Cash Flow falls between two numbers listed in the applicable table in Section 4.1 or 4.2, the appropriate factor will be interpolated on a linear basis. Notwithstanding the foregoing, the ROIC Performance Factor will always be zero if the ROIC for the Performance Period is less than the ROIC Target by 40 basis points or more and the Cash Flow Performance Factor will always be zero if the aggregate Cash Flow for the Performance Period is less than the Cash Flow Target by \$1.0 billion or more.

Section 5. Payment of Award.

5.1. Employment Requirement.

(a) General Rule. In order to be eligible to receive payment of your Award as determined under Section 2.1(d), you must accept this Award Agreement and remain employed by the Corporation through the last day of the Performance Period. Except as provided below or where prohibited by law, if your employment as an Employee terminates during the Performance Period, you shall forfeit your right to receive all or any part of your Award. If you are on Corporation-approved leave of absence at any point during the Performance Period, for purposes of this Award Agreement, you will be considered to still be in the employ of the Corporation, unless otherwise provided in an agreement between you and the Corporation.

(b) Exceptions. Notwithstanding Section 5.1(a), if the Committee determines:

- (1) that your employment as an Employee terminated as a result of your death, Divestiture, or Total Disability or your Retirement (each as defined in Section 5.1(c)) or
- (2) that the Corporation terminated your employment involuntarily, as a result of a layoff, including through a voluntary layoff program that constitutes a window program under Section 409A of the Code,

you shall vest in a fraction of your Award. The numerator of such fraction shall equal the number of days in the Performance Period before your employment as an Employee terminated, and the denominator shall equal the total number of days in the Performance Period. The Committee shall have complete and absolute discretion to make the determinations called for under this Section 5.1(b), and all such determinations shall be binding on you and on any person who claims all or any part of your Award on your behalf as well as on the Corporation. If you terminate employment during the Performance Period but are eligible to receive a portion of your Potential Award as a result of an exception under this Section 5.1(b), payment of such portion of your Potential Award shall be in full satisfaction of all rights you have under this Award Agreement.

(c) Special Definitions. For purposes of this Award Agreement:

- (1) Your employment as an Employee shall be treated as terminating because of a "Total Disability" on the date you commence receiving a benefit under the Corporation's long-term disability plan in which you participate, or if you are not enrolled in the Corporation's long-term disability plan, the date on which long-term disability benefits would commence under the plan under which you would have been covered, had you enrolled, using the standards set forth in that plan;
- (2) Your employment as an Employee shall be treated as terminating as a result of Divestiture if the Corporation divests all or substantially all of a business operation of the Corporation and such divestiture results in the termination of your employment with the Corporation and a transfer of such employment to the other party in the Divestiture. A "Divestiture" shall mean a transaction which results in the transfer of control of the business operation to any person, corporation, association, partnership, joint venture, limited liability company or other business entity of which less than 50% of the voting stock or other equity interests are owned or controlled by the Corporation; and
- (3) Your employment as an Employee shall be treated as terminating because of "Retirement" if your employment terminates after (i) you reach age 65, or (ii) you reach age 55 and have (at the time of your termination) completed at least ten years of service with the Corporation.

5.2. Payment Rules.

(a) General Rule: Vesting; Method of Payment; Timing of Payment.

- (1) Immediate Portion. If you are eligible to receive all, or a portion of, your Potential Award under Section 5.1, up to \$10,000,000 dollars of your Potential Award shall be fully vested on the date on which the Committee certifies in writing (for purposes of Section 162(m) of the Code) that your Target Award has become a Potential Award for the Performance Period. This portion of your award shall be known as the "Immediate Portion" of your Potential Award. The Immediate Portion of your Potential Award shall be (i) paid to you in cash as soon as administratively practicable, but no later than ninety (90) days after the certification date described above, but no later than March 15 following such certification date, or (ii) deferred in accordance with Section 5.2(c). Subject to your deferral election under Section 5.2(c), in the event of your death, the Immediate Portion of your Potential Award will be made to your estate if you do not have a properly completed beneficiary designation form on file with the Vice President of Total Rewards and Performance Management.

(2) Deferred Portion. If your Potential Award exceeds \$10,000,000 dollars, the amount in excess of \$10,000,000 dollars shall be automatically deferred through December 31, 2016. This portion of your award shall be known as the "Deferred Portion" of your Potential Award. Except as provided in Section 5.2(b)(2), you shall forfeit your right to the payment of the Deferred Portion of your Potential Award if you do not remain employed by the Corporation through December 31, 2016. The Committee shall establish a bookkeeping account (a "Phantom Stock Account") on your behalf under this Section 5.2(a)(2) and shall credit such account as described in Section 5.2(a)(3) below. Unless you forfeit your right to the Deferred Portion of your Potential Award, you shall receive payment of the value of your Phantom Stock Account in cash as determined as of December 31, 2016, no later than March 15, 2017 (subject to section 5.2(c)). The amount payable under from your Phantom Stock Account shall be determined by multiplying the number of units representing shares of phantom stock credited to your account under Section 5.2(a)(3) by the closing price for a share of the Corporation's common stock as reported on the New York Stock Exchange for December 31, 2016, or, if it is not a trading day, on the last trading day before December 31, 2016.

(3) Phantom Stock Account. Your Phantom Stock Account shall be credited with a number of units equal to the number of whole shares (and any fractional share) of the Corporation's common stock which could have been purchased by the Deferred Portion of your Potential Award based on the closing price for a share of the Corporation's common stock as reported on the New York Stock Exchange for the last trading day of the Performance Period, subject to the Committee's certification in writing (for purposes of Section 162(m) of the Code) that your Target Award has become a Potential Award for the Performance Period. Thereafter, the Committee shall make such credits or debits to the units previously credited to such account as the Committee deems appropriate in light of any transaction described in Section 7(a) of the Plan (such as a stock split or stock dividend) or any cash dividends paid on the Corporation's common stock, which dividends shall increase the number of units credited to such account as if such dividends had been reinvested in the Corporation's common stock at the closing price of a share of the Corporation's common stock as reported on The New York Stock Exchange for the last trading day of the quarter in which such dividend is declared by the Board of Directors. Units credited to your Phantom Stock Account are bookkeeping entries only and do not entitle you to any shares of the Corporation's common stock or to any voting or other rights associated with shares of such stock.

(4) Transactions involving the Deferred Portion of your Potential Award and your Phantom Stock Account under this Award Agreement are subject to the securities laws and CPS 722. Among other things, CPS 722 prohibits employees of the Corporation from engaging in transactions that violate securities laws or involve hedging or pledging stock. Insiders are subject to additional restrictions. The Corporation recommends that Insiders consult with the Senior Vice President, General Counsel and Corporate Secretary or her staff before entering into any transactions involving the Deferred Portion of your Potential Award or your Phantom Stock Account.

(b) Special Rules for Certain Terminated Employees.

(1) Termination During Performance Period. If you terminate employment during the Performance Period but are eligible to receive a portion of your Potential Award as a result of an exception under Section 5.1(b), payment of such portion of your Potential Award shall be in full satisfaction of all rights you have under this Award Agreement; in such circumstances, you will not be eligible for a payment of the Deferred Portion under Section 5.2(a)(2), and no other amounts will be payable to you or on your behalf. The portion of your Potential Award payable to you following a termination of employment during the Performance Period under circumstances described in Section 5.1(b) shall be paid to you or, in the event of your death, to your designated beneficiary for the Award, in cash within ninety (90) days after the Committee certifies in writing (for purposes of Section 162(m) of the Code) that your Target Award has become a Potential Award for the Performance Period, but no later than March 15, 2015 (subject to section 5.2(c)). In the event of your death and you do not have a properly completed beneficiary designation form on file with the Vice President of Total Rewards and Performance Management's office, your payment will be made to your estate.

(2) Termination After December 31, 2015 and Before December 31, 2016. Notwithstanding Section 5.2(a)(2), if your employment terminates after the close of the Performance Period but prior to December 31, 2016, and the Committee determines that your employment terminated under circumstances described in Sections 5.1(b)(1) or (2), then the Deferred Portion of your Potential Award described in Section 5.2(a)(2) shall be paid to you or, in the event of your death, to your designated beneficiary, in cash within ninety (90) days following your termination of employment, but no later than March 15 of the year following your termination of employment (subject to Section 5.2(c)). In the event Code section 409A(a)(2)(B)(i) applies because you are a specified employee receiving a distribution on account of a termination of employment, payment of the Deferred Amount must be delayed for six months from such date. You will be notified if you are a specified employee under Code section 409A. The amount payable in cash under this Section 5.2(b)(2) shall be determined by multiplying the number of units representing shares of phantom stock credited to your account under Section 5.2(a)(3) on the date your termination becomes effective by the closing price for a share of the Corporation's common stock as reported on the New York Stock Exchange for the date on which your termination becomes effective, or if it is not a trading day, on the last trading day before that date. In the event of your death and you do not have a properly completed beneficiary designation form on file with the Vice President of Total Rewards and Performance Management, your payment will be made to your estate.

(c) Deferral. You will be given an opportunity to elect to defer any amounts payable under Section 5.2 of this Award Agreement. Such election shall be irrevocable, shall be made in accordance with the terms of the Lockheed Martin Corporation Deferred Management Incentive Compensation Plan ("DMICP") and the requirements of Code section 409A, and shall be subject to such additional terms and conditions as are set by the Committee. A deferral election form and the terms and conditions for any deferral will be furnished to you in due course. The beneficiary designation for the DMICP

(rather than the beneficiary designation for this Long Term Incentive Performance Award) shall govern any amounts deferred under the terms of the DMICP. This Section 5.2(c) shall not apply if you are a taxpayer in a country other than the United States.

5.3. Cutback. Any payment called for under Section 5.2 will be reduced to the extent that such payment together with payments attributable to any other Cash-Based Awards that are granted during 2013 as Performance Based Awards exceeds \$10,000,000. Amounts in excess of any Plan limits shall be forfeited.

5.4. Means of Satisfying Code Section 409A. If any payment that would otherwise be made under this Award Agreement is required to be delayed by reason of Section 13, such payment shall be made at the earliest date permitted by Code section 409A. The amount of any delayed payment shall be the amount that would have been paid prior to the delay adjusted to include interest from the original payment date to the actual payment date, at a rate equivalent to the six month London Interbank Offered Rate (LIBOR) as published in the Money Rates section of the Wall Street Journal, plus 25 basis points. The increase over LIBOR may be adjusted to reflect the six month unsecured borrowing rate of the Corporation.

Section 6. No Assignment – General Creditor Status.

You shall have no right to assign any interest you might have in all or any part of the Target Award or Potential Award which has been granted to you under this Award Agreement and any attempt to do so shall be null and void and shall have no force or effect whatsoever. Furthermore, all payments called for under this Award Agreement shall be made in cash from the Corporation's general assets, and your right to payment from the Corporation's general assets shall be the same as the right of a general and unsecured creditor of the Corporation.

Section 7. Plan.

This Award Agreement shall be subject to all of the terms and conditions set forth in the Plan.

Section 8. Change in Control.

8.1. Vesting of Award Upon Change in Control. In the event of a consummation of a Change in Control during the Performance Period or prior to the payment of the Deferred Portion of your Award, your Target Award (or the Deferred Portion of your Award, as applicable) will become vested (i) on the effective date of the Change in Control if the LTIP Award is not assumed or continued, or equivalent cash incentives are not substituted for your LTIP Award by the Corporation or its successor, or (ii) if the LTIP is assumed, continued or substituted, upon your involuntary termination other than for Cause (not including death or disability) or your voluntary termination with Good Reason, in either case, within the 24-month period following the consummation of the Change in Control. The cash payment in which you have become vested shall be delivered to you within fourteen (14) days of the date on which you become vested.

8.2 Special Definitions.

(a) Cause shall mean any of the following:

- (1) Conviction for an act of fraud, embezzlement, theft or other act constituting a felony (other than traffic-related offenses or as a result of vicarious liability);
- (2) Willful misconduct that is materially injurious to the Corporation's financial position, operating results or reputation; provided, however that no act or failure to act shall be considered "willful" unless done, or omitted to be done, by you (a) in bad faith; (b) for the purpose of receiving an actual improper personal benefit in the form of money, property or services; or (c) in circumstances where you had reasonable cause to believe that the act, failure to act, or omission was unlawful.

(b) Good Reason shall mean, without your express written consent, the occurrence of any one or more of the following:

- (1) A material and substantial reduction in the nature or status or your authority or responsibilities;
- (2) A material reduction in your annualized rate of base salary;
- (3) A material reduction in the aggregate value of your level of participation in any short or long term incentive cash compensation plan, employee benefit or retirement plan or compensation practices, arrangements, or policies;
- (4) A material reduction in the aggregate level of participation in equity-based incentive compensation plans; or
- (5) Your principal place of employment is relocated to a location that is greater than fifty (50) miles from your principal place of employment on the date the Change in Control is consummated.

Your continued employment following an event that would constitute a basis for voluntary termination with Good Reason shall not constitute your consent to, or waiver of rights with respect to any circumstances constituting Good Reason; provided however, that the occurrence of an event described in (i) through (v) shall constitute the basis for voluntary termination for Good Reason only if you provide notice of your intent to terminate employment within ninety (90) days of the occurrence of such event.

8.3. Special Rule. Notwithstanding Section 8.1 or 8.2, if a payment in accordance with those provisions would result in a nonexempt short-swing transaction under Section 16(b) of the Securities Exchange Act of 1934, then the date of distribution to you shall be delayed until the earliest date upon which the distribution either would not result in a nonexempt short-swing transaction or would otherwise not result in liability under Section 16(b) of the Securities Exchange Act of 1934.

Section 9. Amendment and Termination.

As provided in Section 9 of the Plan, the Board of Directors may at any time amend, suspend or discontinue the Plan and the Committee may at any time amend this Award Agreement. Notwithstanding the foregoing, no such action by the Board of Directors or the

Committee shall amend Sections 1, 2, 3, 4, or 5 in a manner adverse to you or reduce the amount payable hereunder in a material manner without your written consent. For this purpose, a change in the amount payable hereunder that occurs solely by reason of a change in the date or form of payment shall in no case be treated as a reduction prohibited by this Section 9. Thus, for example, if an amount payable by reason of Section 8 is delayed by an amendment to this Award Agreement or other action undertaken to comply with Section 409A of the Code and the amount payable is reduced solely by reason of a corresponding delay in the date of valuation of a share of Stock, such a change shall not be treated as a reduction prohibited by this Section 9. This Section 9 shall be construed and applied so as to permit the Committee to amend this Award Agreement at any time in any manner reasonably necessary or appropriate in order to comply with the requirements of Section 16 of the Exchange Act and of Section 409A of the Code, including amendments regarding the timing and form of payments hereunder.

Section 10. Data Privacy Consent For Employees Located Outside Of The United States.

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement by and among the Corporation for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Corporation holds certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Corporation, details of all awards or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan ("Data"). You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Corporation may elect to administer the settlement of any award. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Section 11. No Assurance of Employment; No Right to an Award; Value of Award.

Nothing contained in the Plan or in this Award Agreement shall confer upon you any right to continue in the employ or other service of the Corporation or constitute any contract (of employment or otherwise) or limit in any way the right of the Corporation to change your compensation or other benefits or to terminate your employment with or without cause. You acknowledge and agree as follows:

- (a) the Plan is discretionary in nature and that the Committee may amend, suspend, or terminate it at any time;

- (b) the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of any Awards, or benefits in lieu of any Award even if Awards have been granted repeatedly in the past;
- (c) all determinations with respect to such future Awards, if any, including but not limited to the times when Awards shall be granted or when Award shall vest, will be at the sole discretion of the Committee;
- (d) your participation in the Plan is voluntary;
- (e) the value of the Award is an extraordinary item of compensation, which is outside the scope of your employment contract (if any), except as may otherwise be explicitly provided in your employment contract;
- (f) the Award is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating termination, severance, resignation, redundancy, end of service, or similar payments, or bonuses, long-service awards, pension or retirement benefits;
- (g) the Award shall expire upon termination of your employment for any reason except as may otherwise be explicitly provided in the Plan and this Award Agreement;
- (h) the future value of the Award is unknown and cannot be predicted with certainty; and
- (i) no claim or entitlement to compensation or damages arises from the termination of the Award or diminution in value of the Award and you irrevocably release the Corporation and your employer from any such claim that may arise.

Section 12. Conflict.

In the event of a conflict between this Award Agreement and the Plan, the Plan document shall control.

Section 13. Compliance with Section 409A of the Code.

Notwithstanding any other provision of this Award Agreement to the contrary, to the extent that this Award Agreement constitutes a nonqualified deferred compensation plan to which Section 409A of the Code applies, payments under this Award Agreement shall be made at a time and in a manner that satisfies the requirements of Section 409A of the Code and guidance of general applicability issued thereunder, including the provisions of Section 409A(a)(2)(B)(i) of the Code to the extent distributions to any specified employee are required to be delayed six months, and all terms shall be interpreted in accordance with Section 409A of the Code. If any payment that would otherwise be made under this Award Agreement is required to be delayed by reason of this Section 13, such payment shall be made at the earliest

date permitted by Section 409A of the Code. If a payment under this Award constitutes nonqualified deferred compensation under Section 409A of the Code, no payment due upon termination of employment shall be made unless the termination of employment is a "separation from service" as defined in Section 409A of the Code and accompanying regulations.

Section 14. Post-Employment Covenants & Stock Ownership Requirements.

Except where prohibited by law, by accepting this Award Agreement through the procedure described above, you agree to the terms of the Post-Employment Covenants contained in Exhibit A to this Award Agreement and you acknowledge receipt of the Stock Ownership Requirements ("Ownership Requirements") attached as Exhibit B to this Award Agreement and agree to comply with such Ownership Requirements. If you are not a Vice President (or above) on January 30, 2013, but you are promoted to Vice President (or above) prior to January 30, 2016, the Ownership Requirements shall become applicable to you on the date of your promotion to Vice President (or above).

Section 15. English Language.

You have received the terms and conditions of this Award Agreement and any other related communications, and you consent to having received these documents in English. If you have received this Award Agreement or any other documents related to the Plan translated into a language other than English, and if the translated version is different from the English version, the English version will control.

Section 16. Currency Exchange Risk.

If your functional currency is not the U.S. dollar, you agree and acknowledge that you will bear any and all risk associated with the exchange or fluctuation of currency associated with the Award (the "Currency Exchange Risk"). You waive and release the Corporation and its subsidiaries from any potential claims arising out of the Currency Exchange Risk.

Section 17. Exchange Control Requirements.

You agree and acknowledge that you will comply with any and all exchange control requirements applicable to the Award and any resulting funds including, without limitation, reporting or repatriation requirements.

Section 18. Electronic Delivery; Execution.

By executing this Award Agreement, you consent to receive copies of the Prospectus applicable to this Award from this internet site (<http://www.benefitaccess.com>) as well as to electronic delivery of the Corporation's annual report on Form 10-K, annual proxy and quarterly reports on Form 10-Q. This consent can only be withdrawn by written notice to the Vice President of Total Rewards and Performance Management at the address noted above. The Company may, in its sole discretion, decide to deliver any documents related to the Award under the Plan or future Awards that may be awarded under the Plan by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through any on-line or electronic system established and maintained by the Corporation or another third party designated by the Corporation.

No Award is enforceable until you properly acknowledge your acceptance by completing the electronic receipt or returning an executed copy of this Award Agreement to the Vice President of Total Rewards and Performance Management as soon as possible but in no event later than May 31, 2013. Acceptance of this Award Agreement must be made only by you personally or by a person acting pursuant to a power of attorney in the event of your inability to acknowledge your acceptance due to your disability or deployment in the Armed Forces (and not by your estate, your spouse or any other person) and constitutes your consent to any action taken under the Plan consistent with its terms with respect to this Award. The Committee has authorized electronic means for the delivery and acceptance of this Award Agreement. If you desire to accept this Award, you must acknowledge your acceptance and receipt of this Award Agreement, either electronically or by signing and returning a copy of this letter on or before May 31, 2013, as follows:

(a) Electronic Acceptance: Go to <http://www.benefitaccess.com>

(b) By Mail: Mr. David Filomeo, Vice President of Total Rewards and Performance Management, Lockheed Martin Corporation, Mail Point 123, 6801 Rockledge Drive, Bethesda MD 20817

Assuming prompt and proper acknowledgment of this Award Agreement as described, this Award will be effective as of the Award Date.

Sincerely,

David A. Filomeo
Vice President
Total Rewards and Performance Management

Enclosures

ACKNOWLEDGEMENT:

Signature

Date

Print or type name

Appendix A

Capitalized Terms

Average TSR	§ 3.2(a)
Award	5th ¶
Award Date	Header
Cash Flow	§ 4.2(a)
Cash Flow Performance Factor	§ 4.2
Cash Flow Target	§ 2.1(c)
Cause	§ 8.2(a)
Change of Control	Plan
Code	Plan
Committee	1st ¶
Corporation	5th ¶
Deferred Portion	§ 5.2(a)(2)
Divestiture	§ 5.1(c)
Employee	Plan
Exchange Act	Plan
Good Reason	§ 8.2(b)
Immediate Portion	§ 5.2(a)(1)
Insider	Plan
Peer Performance Group	§ 3.1
Performance-Based Award	Plan
Performance Period	§ 1.2
Phantom Stock Account	§ 5.2(a)(3)
Plan	1st ¶
Potential Award	§ 2.1(d)
Retirement	§ 5.1(c)
Return	§ 4.1(a)
ROIC	§ 4.1(a)
ROIC Performance Factor	§ 4.1
ROIC Target	§ 2.1(b)
Subsidiary	Plan
Target Award	5th ¶, § 1.1
Total Disability	§ 5.1(c)
Total Stockholder Return	Plan; § 3.2(a)
Total Stockholder Return Performance Factor	§ 3.1; § 3.2

Exhibit A

Post Employment Conduct Agreement
(LTIP Grant)

This Post Employment Conduct Agreement (this "PECA") attached as Exhibit A to the Award Agreement with an Award Date of January 28, 2013 (the "Award Agreement") is entered into in consideration of, among other things, the grant of a Long Term Incentive Performance Award to me under the Award Agreement (the "LTIP") pursuant to the Lockheed Martin Corporation 2011 Incentive Performance Award Plan (the "Plan"). References to the "Corporation" shall include Lockheed Martin Corporation and its Subsidiaries. By accepting the LTIP, I agree as follows:

1. Protective Covenants.

(a) Covenant Not To Compete – Without the express written consent of the "Required Approver," during the one-year (or two-year for Elected Officers) period following the date of my termination of employment (the "Termination Date") with the Corporation, I will not, directly or indirectly, be employed by, provide services to, or advise a "Restricted Company" (as defined in Section 6), whether as an employee, advisor, director, officer, partner or consultant, or in any other position, function or role that, in any such case,

- (i) oversees, controls or affects the design, operation, research, manufacture, marketing, sale or distribution of "Competitive Products or Services" (as defined in Section 6) of or by the Restricted Company, or
- (ii) would involve a substantial risk that the "Confidential or Proprietary Information" (as defined in Section 1(c)) of the Corporation (including but not limited to technical information or intellectual property, strategic plans, information relating to pricing offered to the Corporation by vendors or suppliers or to prices charged or pricing contemplated to be charged by the Corporation, information relating to employee performance, promotions or identification for promotion, or information relating to the Corporation's cost base) could be used to the disadvantage of the Corporation.

Section 1(a)(i) and (ii) shall not apply to residents of California and individuals who are employed by the Corporation in an attorney position, as determined in the discretion of the Corporation's Senior Vice President, General Counsel, and Corporate Secretary or the General Tax Counsel, as applicable. In lieu of Section 1(a)(i) and (ii) and Section 1(b), the following provisions shall apply to individuals who are employed by the Corporation in an attorney position, as determined in the discretion of the Corporation's Senior Vice President, General Counsel, and Corporate Secretary or the General Tax Counsel, as applicable:

- (i) Post-employment Activity As a Lawyer – I acknowledge that as counsel to Lockheed Martin Corporation (the "Corporation"), I owe ethical and fiduciary obligations to the Corporation and that at least some of these obligations will continue even after the date of my termination of employment ("Termination Date") with the Corporation. I agree that after my Termination Date I will comply fully with all applicable ethical and fiduciary obligations that I owe to

the Corporation. To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct, I agree that I will not:

- (a) Represent any client adversely to the Corporation;
- (b) Reveal to any third party any Confidential or Proprietary information learned by me during the course of my employment with the Corporation except for information that is or becomes generally known;
- (c) Encourage or solicit any present or future agents or employees of the Corporation to terminate their employment for the purpose of competing with the Corporation; or
- (d) Whether as a lawyer or non-lawyer, accept a position (whether as agent, employer, part or sole owner or in any other capacity) with any person or entity whose interests are adverse to the Corporation's interests if that adverse position is related in any way to my present or past work with the Corporation.

(b) Non-Solicit – Without the express written consent of the Required Approver, during the one-year period (two-year period for Elected Officers) following the Termination Date, I will not (i) interfere with any contractual relationship between the Corporation and any customer, supplier, distributor or manufacturer of or to the Corporation to the detriment of the Corporation or (ii) induce or attempt to induce any person who is an employee of the Corporation to perform work or services for any entity other than the Corporation. This Section 1(b) shall not apply to an individual who is employed by the Corporation as an attorney.

(c) Protection of Proprietary Information – Except to the extent required by law, following my Termination Date, I will have a continuing obligation to comply with the terms of any non-disclosure or similar agreements that I signed while employed by the Corporation committing to hold confidential the “Confidential or Proprietary Information” (as defined below) of the Corporation or any of its affiliates, subsidiaries, related companies, joint ventures, partnerships, customers, suppliers, partners, contractors or agents, in each case in accordance with the terms of such agreements. I will not use or disclose or allow the use or disclosure by others to any person or entity of Confidential or Proprietary Information of the Corporation or others to which I had access or that I was responsible for creating or overseeing during my employment with the Corporation. In the event I become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or otherwise) to disclose any proprietary or confidential information, I will immediately notify the Corporation's Senior Vice President, General Counsel, and Corporate Secretary as to the existence of the obligation and will cooperate with any reasonable request by the Corporation for assistance in seeking to protect the information. All materials to which I have had access, or which were furnished or otherwise made available to me in connection with my employment with the Corporation shall be and remain the property of the Corporation. For purposes of this PECA, “Confidential or Proprietary Information” means Proprietary Information within the meaning of CPS 710 (a copy of which has been made available to me), including but not limited to information that a person or entity desires to protect from unauthorized disclosure to third parties that can provide the person or entity with a business, technological, or economic advantage over its

competitors, or which, if known or used by third parties or if used by the person's or entity's employees or agents in an unauthorized manner, might be detrimental to the person's or entity's interests. Confidential or Proprietary Information may include, but is not limited to:

- (i) existing and contemplated business, marketing and financial business information such as business plans and methods, marketing information, cost estimates, forecasts, financial data, cost or pricing data, bid and proposal information, customer identification, sources of supply, contemplated product lines, proposed business alliances, and information about customers or competitors, or
- (ii) existing or contemplated technical information and documentation pertaining to technology, know how, equipment, machines, devices and systems, computer hardware and software, compositions, formulas, products, processes, methods, designs, specifications, mask works, testing or evaluation procedures, manufacturing processes, or production processes.

(d) No disparagement – Following the Termination Date, I will not make any statements, whether verbal or written, that disparage or reasonably may be interpreted to disparage the Corporation or its stockholders, directors, officers, employees, agents, attorneys, representatives, technology, products or services with respect to any matter whatsoever.

(e) Cooperation in Litigation and Investigations – Following the Termination Date, I will, to the extent reasonably requested, cooperate with the Corporation in any pending or future litigation (including alternative dispute resolution proceedings) or investigations in which the Corporation or any of its subsidiaries or affiliates is a party or is required or requested to provide testimony and regarding which, as a result of my employment with the Corporation, I reasonably could be expected to have knowledge or information relevant to the litigation or investigation. Notwithstanding any other provision of this PECA, nothing in this PECA shall affect my obligation to cooperate with any governmental inquiry or investigation or to give truthful testimony in court.

2. Consideration and Acknowledgement. I acknowledge and agree that the benefits and compensation opportunities being made available to me under the Award Agreement are in addition to the benefits and compensation opportunities that otherwise are or would be available to me in connection with my employment by the Corporation and that the grant of the LTIP is expressly made contingent upon my agreements with the Corporation set forth in this PECA. I acknowledge that the scope and duration of the restrictions in Section 1 are necessary to be effective and are fair and reasonable in light of the value of the benefits and compensation opportunities being made available to me under the Award Agreement. I further acknowledge and agree that as a result of the high level executive and management positions I hold with the Corporation and the access to and extensive knowledge of the Corporation's Confidential or Proprietary Information, employees, suppliers and customers, these restrictions are reasonably required for the protection of the Corporation's legitimate business interests.

3. Remedies For Breach of Section 1; Additional Remedies of Clawback and Recoupment.

(a) If I become (or currently am) an Insider (as defined in the Plan) or receive a Long-Term Incentive Performance Award, I agree, upon demand by the Corporation, to forfeit, return or repay to the Corporation the "Benefits and Proceeds" (as defined below) in the event any of the following occur:

- (i) I breach any of the covenants or agreements in Section 1;

- (ii) The Corporation determines that either (a) my intentional misconduct or gross negligence, or (b) my failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Corporation, contributed to the Corporation having to restate all or a portion of its financial statements filed for any period with the Securities and Exchange Commission;
- (iii) The Corporation determines that I engaged in fraud, bribery or any other illegal act or that my intentional misconduct or gross negligence (including the failure to report the acts of another person of which I had knowledge during the period I was employed by the Corporation) contributed to another person's fraud, bribery or other illegal act, which in any such case adversely affected the Corporation's financial position or reputation; or
- (iv) Under such other circumstances specified by final regulation issued by the Securities and Exchange Commission entitling the Corporation to recapture or clawback "Benefits and Proceeds" (as defined below).

(b) The remedy provided in Section 3(a) shall not be the exclusive remedy available to the Corporation for any of the conduct described in Section 3(a) and shall not limit the Corporation from seeking damages or injunctive relief.

(c) For purposes of this Section 3, "Benefits and Proceeds" means (i) to the extent I have earned any of the LTIP, any cash paid to me, whether paid currently or deferred; and (ii) to the extent I have not earned the LTIP fully, all of my remaining rights, title or interest in the LTIP.

4. Injunctive Relief. I acknowledge that the Corporation's remedies at law may be inadequate to protect the Corporation against any actual or threatened breach of the provisions of Section 1 or the conduct described in Section 3(a), and, therefore, without prejudice to any other rights and remedies otherwise available to the Corporation at law or in equity (including but not limited to, an action under Section 3(a), the Corporation shall be entitled to the granting of injunctive relief in its favor and to specific performance without proof of actual damages and without the requirement of the posting of any bond or similar security.

5. Invalidity; Unenforceability. It is the desire and intent of the parties that the provisions of this PECA shall be enforced to the fullest extent permissible. Accordingly, if any particular provision of this PECA is adjudicated to be invalid or unenforceable, this PECA shall be deemed amended to delete the portion adjudicated to be invalid or unenforceable, such deletion to apply only with respect to the operation of this provision in the particular jurisdiction in which such adjudication is made.

6. Definitions. Capitalized terms not defined in this PECA have the meaning given to them in the Plan, as applicable. For purposes of this PECA, the following terms have the meanings given below:

(a) "Restricted Company" means The Boeing Company, General Dynamics Corporation, Northrop Grumman Corporation, the Raytheon Company, United Technologies Corporation, Honeywell International Inc., BAE Systems Inc., L-3 Communications Corporation, the Harris Corporation, Thales, EADS North America and (i) any entity directly or indirectly controlling, controlled by, or under common control with any of the foregoing, and (ii) any successor to all or part of the business of any of the foregoing as a result of a merger, reorganization, consolidation, spin-off, split-up, acquisition, divestiture, or similar transaction.

(b) "Competitive Products or Services" means products or services that compete with, or are an alternative or potential alternative to, products sold or services provided by a subsidiary, business area, division or operating unit or business of the Corporation as of the Termination Date and at any time within the two-year period ending on the Termination Date; provided, that, (i) if I had direct responsibility for the business of, or function with respect to, a subsidiary, or for a business area, division or operating unit or business of the Corporation at any time within the two-year period ending on the Termination Date, Competitive Products or Services includes the products so sold or the services so provided during that two-year period by the subsidiary, business area, division or operating unit of the Corporation for which I had responsibility, and (ii) if I did not have direct responsibility for the business of, or function with respect to, a subsidiary, or for a business area, division or operating unit or business of the Corporation at any time within the two-year period ending on the Termination Date, Competitive Products or Services includes the products so sold or the services so provided by a subsidiary, business area, division or operating unit of the Corporation for which I had access (or was required or permitted such access in the performance of my duties or responsibilities with the Corporation) to Confidential or Proprietary Information of the Corporation at any time during the two-year period ending on the Termination Date.

(c) "Required Approver" means:

- (i) with respect to the Chief Executive Officer and President, the Management and Development Committee of the Corporation's Board of Directors; with respect to an Elected Officer, the Corporation's Chief Executive Officer and President; or
- (ii) with respect to all other employees, the Senior Vice President, Human Resources of the Corporation.

(d) "Elected Officer" means an officer of the Corporation who was elected to his or her position by the Corporation's Board of Directors.

7. Miscellaneous.

(a) The Plan, the Award Agreement (with Exhibit B) and this PECA constitute the entire agreement governing the terms of the award of the LTIP to me.

(b) This PECA shall be governed by Maryland law, without regard to its provisions governing conflicts of law. Any enforcement of, or challenge to, this PECA may only be brought in the Circuit Court of Maryland or the United States District Court for the District of Maryland. Both parties consent to the proper jurisdiction and venue of the Circuit Court of Maryland and the United States District Court for the District of Maryland for the purpose of enforcing or challenging this PECA.

(c) This PECA shall inure to the benefit of the Corporation's successors and assigns and may be assigned by the Corporation without my consent.

(d) This PECA provides for certain obligations on my part following the Termination Date and shall not, by implication or otherwise, affect in any way my obligations to the Corporation during the term of my employment by the Corporation, whether pursuant to written agreements between the Corporation and me, the provisions of applicable Corporate policies that may be adopted from time to time or applicable law or regulation.

This PECA is effective as of the acceptance by me of the award of an LTIP under the Award Agreement and is not contingent on the vesting of the LTIP.

Exhibit B

Stock Ownership Requirements

Lockheed Martin's Stock Ownership Requirements for Key Employees apply to all senior level positions of Vice President and above. This reflects the expectations of our major shareholders that management demonstrate its confidence in Lockheed Martin through a reasonable level of personal share ownership. This practice is consistent with other major U.S. corporations which link some portion of personal financial interests of key employees with those of shareholders.

Stock Ownership Requirements

<u>Title</u>	<u>Annual Base Pay Multiple</u>
Executive Chairman of the Board of Directors	6 times
Chief Executive Officer & President	6 times
Chief Operating Officer	5 times
Chief Financial Officer	4 times
Executive Vice Presidents	3 times
Senior Vice Presidents	2 times
Other Elected Officers	2 times
Other Vice Presidents	1 times

Satisfaction of Requirements

Covered employees may satisfy their ownership requirements with common stock in these categories:

- Shares owned directly.
- Shares owned by a spouse or a trust.
- Shares represented by monies invested in 401(k) Company Common Stock Funds or comparable plans.
- Share equivalents as represented by income deferred to the Company Stock Investment Option of the Deferred Management Incentive Compensation Plan (DMICP).
- Unvested Restricted Stock Units and Performance Stock Units (based on the Target Award).

Key employees will be required to achieve the appropriate ownership level within 5 years and are expected to make continuous progress toward their target. Appointment to a new level will reset the five year requirement. Unexercised options prior to vesting are not counted toward meeting the guidelines.

Holding Period

Covered employees must retain net vested Restricted Stock Units and Performance Stock Units and the net shares resulting from any exercise of stock options if the ownership requirements are not yet satisfied.

Covered employees are asked to report annually on their progress toward attainment of their share ownership goals.



News Release

**LOCKHEED MARTIN NAMES RICK AMBROSE EXECUTIVE VICE PRESIDENT,
SPACE SYSTEMS AND SONDR A BARBOUR EXECUTIVE VICE PRESIDENT, IS&GS
*Joanne Maguire and Linda Gooden to Retire***

BETHESDA, Md., Jan. 24, 2013 – Lockheed Martin Corporation [NYSE: LMT] announced that its board of directors has approved the appointment of Rick F. Ambrose, 54, to executive vice president (EVP) of its Space Systems business, and Sondra L. Barbour, 50, to EVP of its Information Systems & Global Solutions (IS&GS) business. The appointments are effective April 1, and follow announcements that Joanne Maguire, 58, EVP, Space Systems, and Linda Gooden, 59, EVP, IS&GS, will retire.

“Joanne and Linda have made significant contributions to Lockheed Martin and our industry over their exceptional careers,” said Marillyn Hewson, chief executive officer and president. “Both are distinguished leaders whose vision, expertise and unwavering commitment to performance excellence have positioned Lockheed Martin for continued success. They leave strong legacies and we wish them the best in their retirements.”

Under Maguire’s leadership, the Space Systems business area has delivered several major national security space systems, notably the Space Based Infrared System, and expanded our role in space exploration with programs like Orion and Juno. She was the first woman to receive the prestigious International von Karman Wings Award, presented by the California Institute of Technology. And last year, she received the National Defense Industrial Association’s distinguished Peter B. Teets Space Division award.

During Gooden’s tenure, IS&GS has remained the top provider of information technology services to the U.S. government for 18 years and has expanded our government IT business into international markets. She was named Black Enterprise magazine’s 2009 100 Most Powerful Executives in Corporate America, and was appointed by President Barack Obama to the National Security Telecommunications Advisory Committee in 2010.

“Rick is a seasoned executive with more than 33 years of industry experience in roles of increasing responsibility, and a proven track record of understanding and delivering on our customers’ expectations,” said Hewson.

Ambrose joined Lockheed Martin in 2000 and is currently the vice president and deputy at Space Systems. Prior to his current assignment, he led the IS&GS-National business and has held

various leadership positions in Space Systems and our former Mission Systems and Sensors business that will prove valuable as he moves the Space business forward. He has successfully managed complex organizations and has worked closely with defense, intelligence, civil and commercial customers throughout his career. Ambrose holds a bachelor's degree in electrical engineering from DeVry Institute of Technology, a master's degree in business administration from the University of Denver, and has attended the Wharton Executive Development Program.

"Sondra is a proven leader, whose distinguished 26-year career at Lockheed Martin has focused on defining our cyber security infrastructure and deploying large-scale technology solutions," continued Hewson.

Barbour was appointed to her current position as senior vice president and chief information officer (CIO) in 2008. Previously she spent more than 20 years in IS&GS, where she served in program management, and as CIO and vice president of operations. In partnership with Gooden, Barbour helped define our new cyber security business, which offers integrated, multi-layer solutions to combat cyber threats for government and commercial customers. She has also led Lockheed Martin's Corporate Shared Services and Corporate Internal Audit, where she worked across the enterprise to deploy scalable technology and operational efficiency solutions. She holds a bachelor's degree in computer science and accounting from Temple University.

"These new leadership assignments demonstrate the value of our robust succession and leadership development programs. Rick and Sondra are talented, well-rounded and experienced business leaders, and I am confident that they will help us remain focused on delivering for our customers and growing the business," concluded Hewson.

Headquartered in Bethesda, Md., Lockheed Martin is a global security and aerospace company that employs about 120,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration, and sustainment of advanced technology systems, products, and services. The Corporation's net sales for 2012 were \$47.2 billion.

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Media Contacts:

Jennifer Whitlow, 301-897-6352, jennifer.m.whitlow@lmco.com

Jennifer Allen, 301-897-6308, jennifer.l.allen@lmco.com