
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 28, 2021

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
(I.R.S. 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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$1 par value	LMT	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

On January 29, 2021, Lockheed Martin Corporation (“Lockheed Martin” or the “Corporation”) announced that Marillyn A. Hewson, Lockheed Martin’s current Executive Chairman, has informed the Board of Directors of her intention to not stand for re-election and to retire as Executive Chairman and as a member of the Board on March 1, 2021. Ms. Hewson has agreed to remain an employee of the Corporation in a non-executive officer capacity in the position of Strategic Advisor to the Chief Executive Officer through February 28, 2022. On January 28, 2021, the Board elected President and Chief Executive Officer, James D. Taiclet, to serve as Chairman, President and Chief Executive Officer, effective March 1, 2021.

Following the recommendation of the Management Development and Compensation Committee (“Compensation Committee”), on January 28, 2021, the Board approved the following compensation for Ms. Hewson for her service as Strategic Advisor to the Chief Executive Officer, effective March 1, 2021:

- Annual base salary of \$900,000;
- Ms. Hewson will not be eligible for an annual incentive for 2021 performance and will not receive any equity or long-term incentive performance awards in 2021. While she remains an employee, she will continue to vest in outstanding long-term incentive awards in accordance with their existing terms;
- Continued participation as an employee in the savings, health, disability and life insurance benefit plans and programs in which she is currently a participant; and
- Eligible for an annual executive physical, home office support, professional memberships, continued use of corporate aircraft and continued security based on assessed risk to Ms. Hewson, while she remains an employee of the Corporation. Consistent with current practice, to the extent that such personal security is taxable, the Corporation will provide a tax gross-up sufficient to make Ms. Hewson whole.

The foregoing summary is qualified in its entirety by reference to the terms and conditions of the Transition Agreement dated as of January 28, 2021 between Lockheed Martin and Ms. Hewson, a copy of which is filed as [Exhibit 10.1](#) to this Current Report on Form 8-K and which is incorporated herein by reference.

A copy of the press release announcing these actions is filed as [Exhibit 99.1](#) to this Current Report on Form 8-K.

Also on January 28, 2021, the Board elected Mr. Gregory M. Ulmer, age 56, as Executive Vice President, Aeronautics, effective February 1, 2021. Mr. Ulmer has served as Acting Executive Vice President, Aeronautics since December 1, 2020 and as Vice President and General Manager, F-35 Lightning II Program since March 2018. Prior to that he served as Vice President, F-35 Aircraft Production business unit from March 2016 to March 2018. He previously served as Vice President of Operations for Advanced Development Programs, also known as Skunk Works®, from January 2014 to March 2016.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Transition Agreement dated January 28, 2021 between Marillyn A. Hewson and Lockheed Martin Corporation.
99.1	Press Release of Lockheed Martin Corporation dated January 29, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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
(Registrant)

Date: January 29, 2021

By: /s/ Kerri R. Morey
Kerri R. Morey
Vice President and Associate General Counsel

TRANSITION AGREEMENT

WHEREAS, Marillyn A. Hewson (Ms. Hewson), after more than 38 years of service for Lockheed Martin Corporation (Lockheed Martin or the Corporation), has announced that she will step down from the Board of Directors and as Lockheed Martin's Executive Chairman on March 1, 2021;

WHEREAS, Ms. Hewson has agreed to remain an employee in the position of Strategic Advisor through February 28, 2022 in order to facilitate the transition from her leadership role with the Corporation, to represent the Corporation in a variety of forums, and to do such other tasks as may be requested by the Chief Executive Officer; and

WHEREAS, the parties wish to provide for the terms of Ms. Hewson's transition of duties with the Corporation;

NOW THEREFORE, in consideration of the mutual promises contained within this Transition Agreement (Agreement), Ms. Hewson and Lockheed Martin agree as follows:

1. **Resignation of Offices:** Effective March 1, 2021, Ms. Hewson shall be deemed to have resigned from her position as Executive Chairman and as a member of the Board of Directors, and as an officer or member of the board of directors of any of the Corporation's subsidiaries or affiliates.

2. **Continuation as an Employee; Duties as Strategic Advisor:** From March 1, 2021 through February 28, 2022 (the Transition Period), Ms. Hewson will continue as an employee of the Corporation, with the title of "Strategic Advisor to the Chief Executive Officer." As Strategic Advisor, she will report to the Chief Executive Officer (CEO) on all matters and will have the following specific duties: (i) continue to assist in the transition of responsibilities over the day-to-day operation of the Corporation to the CEO; (ii) provide counsel to the CEO on historic, strategic and policy issues; (iii) provide continued support to the CEO in the transition by facilitating introductions and establishing relationships with customers, members of Congress, investors and other stakeholders; (iv) represent the Corporation in a number of forums regarding issues facing the aerospace and defense industry; and (v) perform other duties at the request of the Board of Directors or the CEO, including customer and Congressional outreach and strategic and talent development.

3. **Compensation:** During the Transition Period, Ms. Hewson shall be entitled to the following compensation and benefits:

a. **Base Salary.** During her tenure as Strategic Adviser, Ms. Hewson will receive a base salary at an annual rate of \$900,000, payable in accordance with the Corporation's payroll practices.

b. **Annual Incentive; Long-Term Incentive; Equity Awards.** Ms. Hewson will not participate in any annual or long-term incentive programs for any performance periods beginning on or after January 1, 2021. All outstanding long-term incentive awards granted to Ms. Hewson under the Corporation's 2011 Incentive Performance Award Plan (2011 Plan) or 2020 Incentive Performance Award Plan (2020 Plan and together with the 2011 Plan, the Plans) shall continue in effect during the Transition Period subject to the same vesting and other terms and conditions under the applicable award agreements and the Plans, with Ms. Hewson's service during the Transition Period credited as service for all purposes thereof.

c. **Security:** During her tenure as Strategic Adviser, Lockheed Martin will continue to provide security to Ms. Hewson dependent upon the level of potential threat as recommended by the Corporation's Chief Security Officer. To the extent that the security authorized under this Paragraph 3(b) is taxable to Ms. Hewson, Lockheed Martin shall reimburse Ms. Hewson for all taxes (including any Federal, state, and local income taxes, employment taxes, excise taxes, and any interest or penalties imposed with respect to such taxes as a result of action or inaction by Lockheed Martin) and an additional gross-up amount to make Ms. Hewson whole for the taxes on such reimbursement amount.

d. **Employee Benefits:** During her tenure as Strategic Adviser, Ms. Hewson shall continue to be eligible to participate as an employee in the savings, health, disability and life insurance benefits plans and programs in which she is currently a participant.

e. **Use of Corporate Aircraft; Executive Physical; Professional Memberships:** During her tenure as Strategic Adviser, Ms. Hewson will continue to have access to the Lockheed Martin corporate aircraft in accordance with Lockheed Martin's policies for use of corporate aircraft. In addition, during the Transition Period, Ms. Hewson will continue to participate in Lockheed Martin's Executive Physical Program and will continue to be reimbursed for her participation in professional organizations consistent with her prior roles.

4. Miscellaneous Provisions:

a. **Effective Date of Agreement:** This Agreement will become effective upon the date of execution by both parties.

b. **Governing Law:** This Agreement shall be governed by Maryland law, without regard to its provisions governing conflicts of law. Any dispute concerning this Agreement shall be determined by binding arbitration under the American Arbitration Association rules for arbitrating commercial disputes.

c. **Invalidity; Unenforceability:** It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible by law. Accordingly, if any particular provision of this Agreement is adjudicated to be invalid or unenforceable, this Agreement 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.

d. **Other Benefits:** Nothing in this Agreement is intended to affect any of the other benefits or compensation payable to Ms. Hewson as a result of her employment with Lockheed Martin or her retirement.

e. **Section 409A:** With respect to any provision of this Agreement that provides for reimbursement of costs and expenses or in-kind benefits, the right to reimbursement or benefits shall not be exchanged for any other benefit, and the amount of expenses eligible for reimbursement (or in-kind benefits paid) in one year shall not affect amounts reimbursable or provided as in-kind benefits in any subsequent year. All expense reimbursements paid pursuant to this Agreement that are taxable income to Ms. Hewson shall in no event be paid later than the end of the calendar year next following the year in which Ms. Hewson incurs the expense.

f. **Performance of Duties:** During her tenure as Strategic Advisor, Ms. Hewson shall perform her duties in her best judgment and in accordance with the policies, procedures and practices of the Corporation, including the Corporation's Code of Ethics and Business Conduct. Compliance with this standard is consideration and a precondition for the payments to be made under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Transition Agreement this 28 day of January 2021.

LOCKHEED MARTIN CORPORATION

MARILLYN A. HEWSON

/s/ Greg Karol

/s/ Marilyn A. Hewson

Greg A. Karol

Marilyn A. Hewson

Senior Vice President, Human Resources

Executive Chairman



News Release

Lockheed Martin Board Elects James D. Taiclet as Chairman; Marillyn A. Hewson to Serve as Strategic Advisor and Gregory M. Ulmer as Executive Vice President of Aeronautics

BETHESDA, Md., Jan. 29, 2021 – The Lockheed Martin Corporation [NYSE: LMT] board of directors has elected President and CEO James D. Taiclet as chairman of the board, effective March 1.

Executive Chairman Marillyn A. Hewson informed the board of directors of her intention to retire as executive chairman and as a member of the board.

“Marillyn provided leadership that helped us to implement a smooth and successful transition. As a result, we were able to accomplish strong financial and operational performance in 2020 and shape a vision for how we will support our nation and allies to meet the heightened threats of the 21st century,” Taiclet said. “Her confidence in our executive leadership team and wise counsel over the past months illustrate her legacy as one of Lockheed Martin’s most successful and respected leaders.”

Hewson will transition to be a strategic advisor to the CEO through Feb. 28, 2022. “I am proud to continue to support Jim and the important mission of Lockheed Martin as we deliver innovative, affordable, and leading-edge solutions for our customers,” Hewson said.

The board also elected Gregory M. Ulmer, 56, as executive vice president of Aeronautics. He succeeds Michele A. Evans, who passed away earlier this year. Ulmer has served as acting executive vice president, Aeronautics since Dec. 1, 2020, and as vice president and general manager, F-35 Lightning II Program since March 2018. Ulmer has led critical initiatives for Lockheed Martin throughout his career. His appointment is effective Feb. 1.

“With Greg’s wide-ranging experience and impressive record of leadership, we are confident that Aeronautics will continue its legacy of success under his leadership,” Taiclet said.

About Marillyn Hewson

Hewson became executive chairman of Lockheed Martin on June 15, 2020. Prior to that, she served as chairman, president and CEO and led Lockheed Martin from 2013 to June 2020 through a period of consistent financial performance and impressive growth. During her 38 years at Lockheed Martin, Hewson held executive positions of increasing responsibility with the corporation.

In 2019, TIME magazine identified Hewson as one of the "100 Most Influential People in the World," and FORTUNE magazine ranked her No. 1 on its list of "50 Most Powerful Women in Business" for the second year in a row. In 2018, she was named the "CEO of the Year" by Chief Executive magazine, a Top 10 "Businessperson of the Year" by FORTUNE magazine, and one of the "World's 100 Most Powerful Women" by Forbes.

About James Taiclet

Taiclet joined the Lockheed Martin board of directors in 2018 and was elected president and CEO of the corporation last year. He assumed that position on June 15, 2020.

A proven chief executive, Taiclet's previous tenure as CEO of American Tower Corporation started in 2003 and he became chairman, president and CEO in 2004. During that time, American Tower grew significantly and increased its market capitalization from approximately \$2 billion to more than \$100 billion.

Prior to joining American Tower in 2001, Taiclet was president of Honeywell Aerospace Services, a unit of Honeywell International, and prior to that was vice president, Engine Services at Pratt & Whitney.

Taiclet began his career as a U.S. Air Force officer and pilot and served a tour of duty in the Gulf War. He holds a master's degree in public affairs from Princeton University and is a distinguished graduate of the United States Air Force Academy with degrees in engineering and international relations.

About Greg Ulmer

Ulmer leads the Lockheed Martin Aeronautics portfolio, which features fifth-generation tactical aircraft, air mobility, unmanned and intelligence/surveillance/reconnaissance platforms, including F-35, F-22, F-16, C-130; as well as Advanced Development Programs (ADP), also known as Skunk Works®.

As vice president and general manager, F-35 Lightning II Program, Ulmer was responsible for leading all areas of the F-35 Lightning II fighter aircraft program, to include development, production, sustainment and modernization. He also previously served as vice president of Operations for Skunk Works®.

Ulmer graduated from California Polytechnic State University in San Luis Obispo, California, with a bachelor's degree in aeronautical engineering. He also holds an executive master's degree in business management with an emphasis on aerospace from the University of Tennessee.

About Lockheed Martin

Headquartered in Bethesda, Maryland, Lockheed Martin is a global security and aerospace company that employs approximately 114,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. For additional information, visit our website: www.lockheedmartin.com.

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