

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 9, 1995

REGISTRATION NO.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LOCKHEED MARTIN CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MARYLAND (STATE OF INCORPORATION)	3721/3761 (PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	52-1893632 (I.R.S. EMPLOYER IDENTIFICATION NO.)
--------------------------------------	--	---

6801 ROCKLEDGE DRIVE
BETHESDA, MARYLAND 20817
301-897-6000
(Address, including ZIP code, and telephone number, including area code,
of registrant's principal executive offices)

STEPHEN M. PIPER, ESQ.
LOCKHEED MARTIN CORPORATION
6801 ROCKLEDGE DRIVE
BETHESDA, MARYLAND 20817
301-897-6000
(Name, address, including ZIP code, and telephone number, including area code,
of agent for service)

COPIES TO:

LEONARD P. LARRABEE, JR., ESQ.
DEWEY BALLANTINE
1301 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019

RICHARD A. BOEHMER, ESQ.
O'MELVENY & MYERS
400 SOUTH HOPE STREET
LOS ANGELES, CALIFORNIA 90071

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC: Upon consummation of the transactions described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: / /

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(2)	AMOUNT OF REGISTRATION FEE(3)
Common Stock, \$1.00 par value.....	208,552,547 shs.	\$44.05	\$9,186,922,656	\$3,167,905

(1) Based upon the maximum number of shares expected to be issued in connection with the transactions described herein.
 (2) Estimated solely for the purpose of determining the registration fee in accordance with Rule 457(f)(1). Based upon the sum of (a) the product of (i) \$71.50 (the average of the high and low prices of Lockheed Common Stock on February 2, 1995 on the New York Stock Exchange) times (ii) 66,179,422 (the aggregate number of shares of Lockheed Common Stock outstanding and reserved for issuance upon the exercise of options to purchase Lockheed Common Stock) and (b) the product of (i) \$44.25 (the average of the high and low prices of Martin Marietta Common Stock on February 2, 1995 on the New York Stock Exchange) times (ii) 100,680,090 (the aggregate number of shares of Martin Marietta Common Stock outstanding and reserved for issuance upon the exercise of options to purchase Martin Marietta Common Stock).
 (3) Pursuant to Rule 457(b), includes the fee of \$2,066,762 previously paid in connection with the filing with the Commission of the preliminary proxy materials relating to the transactions described herein on November 10, 1994.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR

DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

LOCKHEED MARTIN CORPORATION

CROSS-REFERENCE SHEET BETWEEN ITEMS IN
FORM S-4 AND PROSPECTUS PURSUANT TO
ITEM 501(b) OF REGULATION S-K

ITEM NO.	FORM S-4 CAPTION	HEADING IN PROSPECTUS
Item 1.	Forepart of Registration Statement and Outside Front Cover Page of Prospectus.....	Outside Front Cover Page
Item 2.	Inside Front and Outside Back Cover Pages of Prospectus.....	Inside Front Cover Page; Available Information; Incorporation of Certain Documents by Reference; Table of Contents
Item 3.	Risk Factors, Ratio of Earnings to Fixed Charges and Other Information.....	Summary; The Combination; Comparative Per Share Market Price and Dividend Information; Selected Historical Financial Information of Lockheed Corporation; Selected Historical Financial Information of Martin Marietta Corporation
Item 4.	Terms of the Transaction.....	Summary; The Combination; The Reorganization Agreement; Comparison of Stockholders' Rights; Description of Lockheed Martin Capital Stock; The Standstill Agreement
Item 5.	Pro Forma Financial Information.....	Summary; Unaudited Pro Forma Combined Condensed Financial Statements; Notes to Unaudited Pro Forma Combined Condensed Financial Statements
Item 6.	Material Contracts with the Company Being Acquired.....	The Combination; The Reorganization Agreement; Certain Transactions
Item 7.	Additional Information Required for Reoffering by Persons and Parties Deemed to be Underwriters.....	Not Applicable
Item 8.	Interests of Named Experts and Counsel.....	Legal Matters; Experts
Item 9.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities.....	Not Applicable
Item 10.	Information With Respect to S-3 Registrants....	Not Applicable
Item 11.	Incorporation of Certain Information by Reference.....	Not Applicable
Item 12.	Information With Respect to S-2 or S-3 Registrants.....	Not Applicable
Item 13.	Incorporation of Certain Information by Reference.....	Not Applicable
Item 14.	Information With Respect to Registrants Other Than S-3 or S-2 Registrants.....	Summary; Business of Lockheed Martin; Index to Lockheed Martin Corporation Financial Statements
Item 15.	Information With Respect to S-3 Companies.....	Incorporation of Certain Documents by Reference; Recent Developments
Item 16.	Information With Respect to S-2 or S-3 Companies.....	Not Applicable
Item 17.	Information With Respect to Companies Other Than S-3 or S-2 Companies.....	Not Applicable
Item 18.	Information if Proxies, Consents or Authorizations are to be Solicited.....	Incorporation of Certain Documents by Reference; The Special Meetings; The Combination; Management of Lockheed Martin; Ownership of Lockheed, Martin Marietta and Lockheed Martin
Item 19.	Information if Proxies, Consents or Authorizations are not to be Solicited or in an Exchange Offer.....	Not Applicable

[LOCKHEED CORPORATION LOGO]

4500 Park Granada Boulevard
Calabasas, California 91399

Dan Tellep
Chairman of the Board
and Chief Executive Officer

February 9, 1995

Dear Fellow Stockholder:

You are cordially invited to attend a special meeting of stockholders of Lockheed Corporation on March 15, 1995, at which you will be asked to approve the combination of the businesses of Lockheed and Martin Marietta Corporation. Subject to receipt of the requisite approvals, upon the consummation of this business combination, Lockheed and Martin Marietta will become subsidiaries of a new holding company named Lockheed Martin Corporation.

Upon completion of this transaction:

- each outstanding share of Lockheed Common Stock will be converted into the right to receive 1.63 shares of Lockheed Martin Common Stock;
- each outstanding share of Martin Marietta Common Stock will be converted into the right to receive one share of Lockheed Martin Common Stock; and
- each outstanding share of Martin Marietta Series A Preferred Stock will be converted into the right to receive one share of Series A Preferred Stock of Lockheed Martin.

The accompanying Joint Proxy Statement/Prospectus provides you with detailed information concerning the special meeting, the proposed combination and the Lockheed Martin stock to be issued in connection with the transaction, and certain other information. Please give this information your careful attention.

Your Board of Directors has carefully reviewed and considered the terms and conditions of the proposed combination and believes the combination is a proactive, sensible step in the continuing consolidation in the United States aerospace industry. In particular, your Board believes that the new company created by this combination will be strategically positioned in the aerospace industry, with competitive positions across major sectors of the market. Furthermore, your Board believes that this transaction will provide a strong business base to support critical investment in research and technology and in special facilities necessary to maintain a competitive position in the aerospace industry. In addition, your Board believes this transaction will provide economies of scale which should enable Lockheed Martin to make its products and services more competitive in an ever more challenging global marketplace.

Morgan Stanley & Co. Incorporated, the Board's financial advisor in connection with this transaction, has delivered a written opinion, a copy of which is attached to the accompanying Joint Proxy Statement/Prospectus, to the effect that the exchange rate of Lockheed Common Stock for Lockheed Martin Common Stock is fair, from a financial point of view, to the holders of Lockheed Common Stock. For the reasons described in the Joint Proxy Statement/Prospectus, your Board, by unanimous vote, has determined that the terms of the combination are in the best interests of the stockholders of Lockheed, and recommends that you vote FOR the proposal to approve the combination.

At the special meeting, holders of Lockheed Common Stock will also be asked to consider and approve the adoption of an omnibus performance award plan and a directors deferred stock plan for Lockheed Martin, the terms of which are also described in the Joint Proxy Statement/Prospectus. Consummation of the combination is not conditioned on approval of the omnibus performance award plan or the directors deferred stock plan. The Board also recommends that you vote FOR the proposals to approve these plans.

Please complete, sign and date the enclosed proxy card and return it in the enclosed prepaid envelope as soon as possible. This action will not limit your right to revoke your proxy by attending the special meeting and voting in person.

Sincerely yours,

/s/ DANIEL M. TELLEP

Daniel M. Tellep
Chairman and Chief Executive Officer

[LOCKHEED CORPORATION LOGO]

4500 PARK GRANADA BOULEVARD
CALABASAS, CALIFORNIA 91399

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

March 15, 1995

TO THE STOCKHOLDERS OF
LOCKHEED CORPORATION:

Notice is hereby given that a special meeting of stockholders (together with any adjournment or postponement thereof, the "Special Meeting") of Lockheed Corporation ("Lockheed") will be held at the Ritz-Carlton Chicago, 160 E. Pearson Street, Chicago, Illinois, starting at 9:00 a.m., local time, on Wednesday, March 15, 1995:

1. To consider and vote upon a proposal to approve and adopt an Agreement and Plan of Reorganization, dated as of August 29, 1994, among Lockheed, Martin Marietta Corporation ("Martin Marietta") and Lockheed Martin Corporation ("Lockheed Martin"), as amended as of February 7, 1995, and a Plan and Agreement of Merger, dated as of August 29, 1994, among Lockheed, Pacific Sub, Inc., a wholly owned subsidiary of Lockheed Martin ("Pacific Sub"), and Lockheed Martin, pursuant to which, among other things, (a) Pacific Sub will be merged with and into Lockheed, and Atlantic Sub, Inc., another wholly owned subsidiary of Lockheed Martin, will be merged with and into Martin Marietta, with the result that Lockheed and Martin Marietta will become wholly owned subsidiaries of Lockheed Martin, (b) each outstanding share of Lockheed Common Stock will be converted into the right to receive 1.63 shares of Lockheed Martin Common Stock, (c) each outstanding share of Martin Marietta Common Stock will be converted into the right to receive one share of Lockheed Martin Common Stock and (d) each outstanding share of Martin Marietta Series A Preferred Stock will be converted into the right to receive one share of Series A Preferred Stock of Lockheed Martin.

2. To consider and vote upon a proposal to approve the adoption of the Lockheed Martin 1995 Omnibus Performance Award Plan.

3. To consider and vote upon a proposal to approve the adoption of the Lockheed Martin Directors Deferred Stock Plan.

4. To transact such other business as may properly come before the Special Meeting.

The terms of the above-mentioned agreements, the mergers contemplated thereby and the Lockheed Martin stock to be issued in connection therewith, as well as the terms of the above-mentioned Omnibus Performance Award Plan and Directors Deferred Stock Plan, are described in detail in the accompanying Joint Proxy Statement/Prospectus.

The Board of Directors has fixed the close of business on February 7, 1995, as the record date for the determination of stockholders entitled to notice of and to vote at the Special Meeting.

To assure that your shares will be represented at the Special Meeting, please sign and promptly return the accompanying proxy in the enclosed envelope. You may revoke your proxy at any time before it is voted by delivering to the Secretary of Lockheed at the address of Lockheed indicated above a signed notice of revocation or a later dated signed proxy or by attending the Special Meeting and voting in person.

Dated: February 9, 1995

By Order of the Board of Directors,

/s/ CAROL R. MARSHALL

CAROL R. MARSHALL
Secretary

[LOGO]

MARTIN MARIETTA CORPORATION

6801 ROCKLEDGE DRIVE
BETHESDA, MARYLAND 20817
TELEPHONE (301) 897-6000NORMAN R. AUGUSTINE
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

February 9, 1995

Dear Fellow Stockholder:

You are cordially invited to attend a special meeting of stockholders of Martin Marietta Corporation on March 15, 1995, at 9:00 a.m. at The Drake Hotel, 140 E. Walton Place, Chicago, Illinois. At this meeting, you will be asked to approve the combination of the businesses of Martin Marietta and Lockheed Corporation. Subject to the receipt of the requisite approvals, Martin Marietta and Lockheed will become subsidiaries of a new holding company named Lockheed Martin Corporation.

Upon completion of this transaction:

- each outstanding share of Martin Marietta Common Stock will be converted into the right to receive one share of Lockheed Martin Common Stock;
- each outstanding share of Lockheed Common Stock will be converted into the right to receive 1.63 shares of Lockheed Martin Common Stock; and
- each outstanding share of Martin Marietta Series A Preferred Stock will be converted into the right to receive one share of Series A Preferred Stock of Lockheed Martin.

The accompanying Joint Proxy Statement/Prospectus provides you with detailed information concerning the special meeting, the proposed combination and the Lockheed Martin stock to be issued once this transaction has closed. Please give all of this information your careful attention.

The Board of Directors has thoroughly reviewed the terms and conditions of the proposed combination. The Board believes that the new company created by this combination will be strategically positioned in the aerospace industry. The Board also believes this transaction will broaden Martin Marietta's core businesses, both defense and non-defense, by providing economies of scale. This will enable Lockheed Martin to make its products and services more competitive in an ever more challenging global marketplace. In addition, the Board believes the combination is a proactive, responsible step in the continuing consolidation in the U.S. aerospace industry.

Bear, Stearns & Co. Inc., the Board's financial advisor in connection with this transaction, has rendered its written opinion, a copy of which is attached to the Joint Proxy Statement/Prospectus. It states that the proposed combination is fair, from a financial point of view, to the stockholders of Martin Marietta.

The Board, by unanimous vote, has determined that the terms of the combination are in the best interests of the stockholders of Martin Marietta and recommends that you vote FOR the proposal to approve the combination.

At the special meeting, holders of Martin Marietta Common Stock will also be asked to consider and approve the adoption of an omnibus performance award plan and a directors deferred stock plan for Lockheed Martin, the terms of which are also described in the Joint Proxy Statement/Prospectus. Consummation of the combination is not conditioned on approval of the omnibus performance award plan or the directors deferred

stock plan. The Board also unanimously recommends that holders of Martin Marietta Common Stock vote FOR the proposals to approve these plans.

Your vote is important, and I respectfully urge all stockholders to complete, sign and date the enclosed proxy card and return it in the enclosed prepaid envelope as soon as possible. This action does not limit your right to revoke your proxy by attending the special meeting and voting in person.

Sincerely yours,

/s/ NORMAN R. AUGUSTINE

Norman R. Augustine
Chairman and Chief Executive Officer

[LOGO]

MARTIN MARIETTA CORPORATION

6801 ROCKLEDGE DRIVE
BETHESDA, MARYLAND 20817
TELEPHONE (301) 897-6000

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

March 15, 1995

A Special Meeting of Stockholders (together with any adjournment or postponement thereof, the "Special Meeting") of Martin Marietta Corporation ("Martin Marietta") will be held starting at 9:00 a.m., local time, on Wednesday, March 15, 1995, at The Drake Hotel, 140 E. Walton Place, Chicago, Illinois. Attendance at the Special Meeting will be limited to stockholders of record on February 7, 1995, or their proxies, beneficial owners having evidenced ownership on that date, and invited guests of Martin Marietta.

The purposes of the meeting are:

1. To consider and vote upon a proposal to approve an Agreement and Plan of Reorganization, dated as of August 29, 1994, among Martin Marietta, Lockheed Corporation ("Lockheed") and Lockheed Martin Corporation ("Lockheed Martin"), as amended as of February 7, 1995, and a Plan and Agreement of Merger, dated as of August 29, 1994, among Martin Marietta, Atlantic Sub, Inc., a wholly owned subsidiary of Lockheed Martin ("Atlantic Sub"), and Lockheed Martin, pursuant to which, among other things, (a) Atlantic Sub will be merged with and into Martin Marietta, and Pacific Sub, Inc., another wholly owned subsidiary of Lockheed Martin, will be merged with and into Lockheed, with the result that Martin Marietta and Lockheed will become wholly owned subsidiaries of Lockheed Martin, (b) each outstanding share of Martin Marietta Common Stock will be converted into the right to receive one share of Lockheed Martin Common Stock, (c) each outstanding share of Lockheed Common Stock will be converted into the right to receive 1.63 shares of Lockheed Martin Common Stock and (d) each outstanding share of Martin Marietta Series A Preferred Stock will be converted into the right to receive one share of Series A Preferred Stock of Lockheed Martin;
2. To consider and vote upon a proposal to approve the adoption of the Lockheed Martin 1995 Omnibus Performance Award Plan;
3. To consider and vote upon a proposal to approve the adoption of the Lockheed Martin Directors Deferred Stock Plan; and
4. To transact such other business as may properly come before the Special Meeting.

The terms of the above-mentioned agreements, the mergers contemplated thereby and the Lockheed Martin stock to be issued in connection therewith, as well as the terms of the above-mentioned Omnibus Performance Award Plan and Directors Deferred Stock Plan, are described in detail in the accompanying Joint Proxy Statement/Prospectus.

Holders of record of shares of Martin Marietta Common Stock at the close of business on February 7, 1995, the record date for the Special Meeting (the "Record Date"), are entitled to notice of and to vote at the Special Meeting. The holder of record of shares of Martin Marietta Series A Preferred Stock on the Record Date is entitled to notice of and to vote on Proposal No. 1 at the Special Meeting.

By Order of the Board of Directors

/s/ LILLIAN M. TRIPPETT

Lillian M. Trippett
Corporate Secretary
and Assistant General Counsel

6801 Rockledge Drive
Bethesda, Maryland 20817
February 9, 1995

IMPORTANT

Please note that a ticket is required for admission to the Special Meeting. If you plan to attend and you are a stockholder as of the Record Date, please check the appropriate box on your Proxy Card, and we will send a ticket to you. If, however, your shares are held in the name of a broker or other nominee, please bring with you a proxy which is legally eligible to be voted at the Special Meeting or a letter from that firm confirming your ownership of shares as of the Record Date.

It is important that your shares be represented at the meeting, regardless of the number you hold. If you receive more than one Proxy Card because your shares are registered in different names or addresses, please sign and return each card so that all of your shares will be represented. Whether or not you plan to attend, please sign, date and return your Proxy Card as soon as possible. A return envelope is provided for your convenience. You may revoke your proxy at any time before it is voted by delivering to the Corporate Secretary of Martin Marietta at the address of Martin Marietta indicated above a signed notice of revocation or a later dated signed proxy or by attending the Special Meeting and voting in person.

Upon consummation of the Combination, instructions on how to exchange your Martin Marietta stock certificates for stock certificates of Lockheed Martin will be forwarded to you. DO NOT SEND IN ANY STOCK CERTIFICATES WITH YOUR PROXY CARD.

LOCKHEED CORPORATION

MARTIN MARIETTA CORPORATION

JOINT PROXY STATEMENT

FOR SPECIAL MEETINGS OF STOCKHOLDERS
TO BE HELD MARCH 15, 1995

LOCKHEED MARTIN CORPORATION

PROSPECTUS

This Joint Proxy Statement/Prospectus is being furnished to holders of common stock of Lockheed Corporation, a Delaware corporation ("Lockheed"), and holders of common stock and preferred stock of Martin Marietta Corporation, a Maryland corporation ("Martin Marietta"), in connection with the solicitation of proxies by the respective Boards of Directors of Lockheed and Martin Marietta for use at their respective special meetings of stockholders, or any adjournment or postponement thereof (together, the "Special Meetings"), called to consider and vote upon a proposal (the "Combination Proposal") to approve and adopt an Agreement and Plan of Reorganization, dated as of August 29, 1994, by and among Lockheed, Martin Marietta and Lockheed Martin Corporation, a Maryland corporation ("Lockheed Martin"), as amended as of February 7, 1995 (the "Reorganization Agreement"), and the merger agreements contemplated thereby. The combination of the businesses of Lockheed and Martin Marietta contemplated by the Combination Proposal is referred to herein as the "Combination." At the Special Meetings, holders of common stock of Lockheed and Martin Marietta also will be asked to consider and vote upon a separate proposal (the "Omnibus Plan Proposal") to approve the adoption of the Lockheed Martin 1995 Omnibus Performance Award Plan (the "Lockheed Martin Omnibus Plan") and another separate proposal (the "Directors Plan Proposal" and, with the Omnibus Plan Proposal, the "Plan Proposals") to approve the adoption of the Lockheed Martin Directors Deferred Stock Plan (the "Lockheed Martin Directors Plan").

The Reorganization Agreement provides, among other things, for (a) the merger of Atlantic Sub, Inc., a Maryland corporation and wholly owned subsidiary of Lockheed Martin ("Atlantic Sub"), with and into Martin Marietta (the "Atlantic Sub Merger") pursuant to a Plan and Agreement of Merger, dated as of August 29, 1994 (the "Atlantic Merger Agreement"), among Martin Marietta, Atlantic Sub and Lockheed Martin, and (b) the merger of Pacific Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Lockheed Martin ("Pacific Sub"), with and into Lockheed pursuant to a Plan and Agreement of Merger, dated as of August 29, 1994 (the "Pacific Merger Agreement"), among Lockheed, Pacific Sub and Lockheed Martin (the "Pacific Sub Merger" and together with the Atlantic Sub Merger, the "Mergers"). As a result of the Combination, each of Lockheed and Martin Marietta will become a wholly owned subsidiary of Lockheed Martin and stockholders of Lockheed and Martin Marietta will become stockholders of Lockheed Martin on the terms described in this Joint Proxy Statement/Prospectus. The Combination will be accomplished pursuant to the Mergers. The Mergers will become effective pursuant to the filing of Articles of Merger with the Department of Assessments and Taxation of the State of Maryland and the filing of a Certificate of Merger with the Secretary of State of the State of Delaware (the date on which the Mergers are to become effective being herein referred to as the "Merger Date"), which is currently expected to occur shortly after the Special Meetings if the Combination Proposal is approved and adopted by the requisite vote of the respective stockholders of Lockheed and Martin Marietta, and after receipt of requisite regulatory approvals. See "THE COMBINATION" and "THE REORGANIZATION AGREEMENT."

Lockheed Martin has filed a registration statement on Form S-4 (together with all amendments, exhibits and schedules thereto, the "Registration Statement") under the Securities Act of 1933, as amended (the "Act"), relating to shares of Lockheed Martin Common Stock, par value \$1.00 per share (the "Lockheed Martin Common Stock"), that are proposed to be issued in connection with the Combination to holders of outstanding shares of Lockheed Common Stock, par value \$1.00 per share (the "Lockheed Common Stock"), and to holders of outstanding shares of Martin Marietta Common Stock, par value \$1.00 per share (the "Martin Marietta Common Stock"). This Joint Proxy Statement/Prospectus also constitutes the Prospectus of Lockheed Martin filed as part of the Registration Statement.

This Joint Proxy Statement/Prospectus and the accompanying form of proxy are first being mailed to the respective stockholders of Lockheed and Martin Marietta on or about February 11, 1995.

THE SECURITIES TO BE ISSUED PURSUANT TO THIS JOINT PROXY STATEMENT/PROSPECTUS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS JOINT PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Joint Proxy Statement/Prospectus does not cover any resales of the Lockheed Martin Common Stock or Lockheed Martin Series A Preferred Stock, par value \$1.00 per share (the "Lockheed Martin Series A Preferred Stock"), to be received by the stockholders of Lockheed or Martin Marietta upon consummation of the Combination, and no person is authorized to make any use of this Joint Proxy Statement/Prospectus in connection with any such resale.

The date of this Joint Proxy Statement/Prospectus is February 9, 1995.

TABLE OF CONTENTS

	PAGE

AVAILABLE INFORMATION.....	4
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE.....	4
SUMMARY.....	6
The Companies.....	6
The Special Meetings.....	6
The Combination Proposal.....	7
Special Considerations.....	11
The Plan Proposals.....	11
Summary Selected Historical and Unaudited Pro Forma Combined Condensed Financial Information.....	12
Comparative Per Share Information.....	14
Comparative Per Share Market Price Information.....	15
Listing of Lockheed Martin Common Stock; Quarterly Dividend.....	15
THE SPECIAL MEETINGS.....	16
Times and Places; Purposes.....	16
Voting Rights; Votes Required for Approval.....	16
Proxies.....	18
THE COMBINATION.....	19
Background.....	19
Recommendation of Lockheed Board; Lockheed's Reasons for the Combination.....	24
Recommendation of Martin Marietta Board; Martin Marietta's Reasons for the Combination.....	25
Fairness Opinions.....	26
Interests of Certain Persons in the Combination.....	33
Accounting Treatment.....	39
Certain Federal Income Tax Consequences.....	39
Regulatory Approvals.....	40
Certain Litigation.....	42
Stock Exchange Listing.....	45
Delisting and Deregistration of Lockheed Common Stock and Martin Marietta Common Stock; Cessation of Periodic Reporting.....	45
Federal Securities Laws Consequences.....	46
Appraisal Rights.....	46
THE REORGANIZATION AGREEMENT.....	46
General.....	46
Consideration to be Received in the Combination.....	47
Lockheed Martin Following the Combination.....	48
Conditions to the Combination.....	48
Representations and Warranties.....	49
Certain Covenants.....	49
No Solicitation of Transactions.....	49
Certain Benefits Matters.....	50
Indemnification and Insurance.....	50
Termination.....	51
Expenses.....	52
BUSINESS OF LOCKHEED.....	52
BUSINESS OF MARTIN MARIETTA.....	53
RECENT DEVELOPMENTS.....	53
1994 Results of Operations.....	53
Lockheed Plea Agreement.....	54
BUSINESS OF LOCKHEED MARTIN.....	54
COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION.....	55
SELECTED HISTORICAL FINANCIAL INFORMATION OF LOCKHEED CORPORATION.....	57
SELECTED HISTORICAL FINANCIAL INFORMATION OF MARTIN MARIETTA CORPORATION.....	58
UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS.....	59
NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS.....	62

	PAGE

COMPARISON OF STOCKHOLDERS' RIGHTS.....	65
Comparison of Stockholder Rights with Respect to Lockheed Martin and Martin Marietta.....	65
Comparison of Stockholder Rights with Respect to Lockheed Martin and Lockheed.....	66
DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK.....	72
Authorized Capital Stock.....	73
Common Stock.....	73
Series A Preferred Stock.....	73
Series Preferred Stock.....	77
Preemptive Rights.....	77
Transfer Agent and Registrar.....	77
Certain Antitakeover Effects of Lockheed Martin Charter and Bylaws and Maryland Law.....	78
MANAGEMENT OF LOCKHEED MARTIN.....	81
Directors.....	81
Compensation of Directors.....	86
Committees of the Board of Directors.....	87
Officers.....	88
Compensation of Executive Officers.....	88
OWNERSHIP OF LOCKHEED, MARTIN MARIETTA AND LOCKHEED MARTIN.....	89
Lockheed.....	89
Martin Marietta.....	91
Lockheed Martin.....	94
THE STANDSTILL AGREEMENT.....	95
Term.....	95
Standstill Provisions.....	95
Board Representation.....	96
Voting.....	96
Transfer Restrictions and Right of First Offer.....	97
Right of First Refusal with Respect to Restricted Persons.....	97
Rights Pursuant to a Tender Offer.....	97
Registration Rights.....	98
Special Liquidity Provisions.....	98
CERTAIN TRANSACTIONS.....	100
LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN.....	100
General.....	100
Types of Awards.....	101
Administration; Change in Control.....	103
Amendment and Termination.....	104
Authorized Shares; Other Provisions; Non-Exclusivity.....	104
Federal Income Tax Consequences.....	105
LOCKHEED MARTIN DIRECTORS DEFERRED STOCK PLAN.....	106
LEGAL MATTERS.....	108
EXPERTS.....	108
FUTURE STOCKHOLDER PROPOSALS.....	108
INDEX TO LOCKHEED MARTIN CORPORATION FINANCIAL STATEMENTS.....	F-1
Appendix I Agreement and Plan of Reorganization	
Appendix II Opinion of Morgan Stanley & Co. Incorporated	
Appendix III Opinion of Bear, Stearns & Co. Inc.	
Appendix IV Lockheed Martin Corporation 1995 Omnibus Performance Award Plan	
Appendix V Lockheed Martin Corporation Directors Deferred Stock Plan	

AVAILABLE INFORMATION

Lockheed and Martin Marietta are each subject to the information requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information filed with the Commission can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549 and at the following Regional Offices of the Commission: Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and 7 World Trade Center, Suite 1300, New York, New York 10048. Copies of such material can be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549. Such information with respect to Lockheed and Martin Marietta may also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, and the offices of the Pacific Stock Exchange, 115 Sansome Street, 2nd Floor, San Francisco, California 94104.

This Joint Proxy Statement/Prospectus does not include all of the information set forth in the Registration Statement filed by Lockheed Martin with the Commission under the Act, as permitted by the rules and regulations of the Commission. The Registration Statement, including any amendments, schedules and exhibits filed or incorporated by reference as a part thereof, is available for inspection and copying as set forth above. Statements contained in this Joint Proxy Statement/Prospectus or in any document incorporated herein by reference as to the contents of any contract or other document referred to herein or therein are not necessarily complete and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement or such other document, and each statement shall be deemed qualified in its entirety by such reference.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS JOINT PROXY STATEMENT/PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS JOINT PROXY STATEMENT/PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES COVERED BY THIS JOINT PROXY STATEMENT/PROSPECTUS OR A SOLICITATION OF A PROXY IN ANY JURISDICTION WHERE, OR TO OR FROM ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OF AN OFFER OR PROXY SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS JOINT PROXY STATEMENT/PROSPECTUS NOR ANY DISTRIBUTION OF SECURITIES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF LOCKHEED, MARTIN MARIETTA OR LOCKHEED MARTIN SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents previously filed by Lockheed with the Commission under the Exchange Act are incorporated herein by reference:

(a) Lockheed's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, as amended by Form 10-K/A (Amendment No. 1) for the fiscal year ended December 26, 1993 (together, the "Lockheed Form 10-K");

(b) Lockheed's Quarterly Reports on Form 10-Q for the quarters ended March 27, 1994, June 26, 1994 and September 25, 1994 (the "Lockheed Form 10-Qs"); and

(c) Lockheed's Current Reports on Form 8-K dated March 7, 1994, June 22, 1994, August 18, 1994, August 30, 1994 and September 29, 1994 (collectively with the Lockheed Form 10-K and the Lockheed Form 10-Qs, the "Lockheed Reports").

The following documents previously filed by Martin Marietta with the Commission under the Exchange Act are incorporated herein by reference:

(a) Martin Marietta's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 (the "Martin Marietta Form 10-K");

(b) Martin Marietta's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1994, June 30, 1994 and September 30, 1994 (the "Martin Marietta Form 10-Qs"); and

(c) Martin Marietta's Current Reports on Form 8-K dated May 13, 1994, September 1, 1994 and September 30, 1994 (collectively with the Martin Marietta Form 10-K and the Martin Marietta Form 10-Qs, the "Martin Marietta Reports").

All documents filed by Lockheed or Martin Marietta pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Joint Proxy Statement/Prospectus and prior to the Special Meetings shall be deemed to be incorporated by reference into this Joint Proxy Statement/Prospectus and to be a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein (or in any other subsequently filed document that is or is deemed to be incorporated by reference herein) modifies or supersedes such previous statement. Any statement so modified or superseded shall not be deemed to constitute a part hereof except as so modified or superseded.

All information contained or incorporated by reference in this Joint Proxy Statement/Prospectus relating to Lockheed has been supplied by Lockheed and all such information relating to Martin Marietta has been supplied by Martin Marietta.

THIS JOINT PROXY STATEMENT/PROSPECTUS INCORPORATES DOCUMENTS BY REFERENCE THAT ARE NOT PRESENTED HEREIN OR DELIVERED HERewith. THESE DOCUMENTS (OTHER THAN EXHIBITS TO SUCH DOCUMENTS UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE HEREIN) ARE AVAILABLE WITHOUT CHARGE, UPON WRITTEN OR ORAL REQUEST BY ANY PERSON TO WHOM THIS JOINT PROXY STATEMENT/PROSPECTUS HAS BEEN DELIVERED, IN THE CASE OF DOCUMENTS RELATING TO LOCKHEED, FROM JAMES R. RYAN, STAFF VICE PRESIDENT, INVESTOR RELATIONS, LOCKHEED CORPORATION, 4500 PARK GRANADA BOULEVARD, CALABASAS, CALIFORNIA 91399 (TELEPHONE 818-876-2000), AND IN THE CASE OF DOCUMENTS RELATING TO MARTIN MARIETTA, FROM WILLIAM D. KEOUGH, DIRECTOR, INVESTOR RELATIONS, MARTIN MARIETTA CORPORATION, 6801 ROCKLEDGE DRIVE, BETHESDA, MARYLAND 20817 (TELEPHONE 301-897-6000). IN ORDER TO ENSURE TIMELY DELIVERY OF THE DOCUMENTS, ANY SUCH REQUEST SHOULD BE MADE BY MARCH 8, 1995.

SUMMARY

The following summary is intended only to highlight certain information contained elsewhere in this Joint Proxy Statement/Prospectus. This summary is not intended to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Joint Proxy Statement/Prospectus, the Appendices hereto and the documents incorporated by reference or otherwise referred to herein. Stockholders are urged to review this entire Joint Proxy Statement/Prospectus carefully, including the Appendices hereto and such other documents.

THE COMPANIES

Lockheed. Lockheed's primary businesses involve research, development and production of aerospace products, systems and services. Lockheed also manages the Idaho National Engineering Laboratory for the Department of Energy. The mailing address of Lockheed's principal executive offices is 4500 Park Granada Boulevard, Calabasas, California 91399; its telephone number is (818) 876-2000. See "BUSINESS OF LOCKHEED."

Martin Marietta. Martin Marietta is a diversified enterprise principally engaged in the conception, design, manufacture and integration of advanced technology products and services for the United States Government and private industry. In addition, Martin Marietta manages certain facilities for the Department of Energy and also produces construction aggregates and specialty chemical products. The mailing address of Martin Marietta's principal executive offices is 6801 Rockledge Drive, Bethesda, Maryland 20817; its telephone number is (301) 897-6000. See "BUSINESS OF MARTIN MARIETTA."

Lockheed Martin. Lockheed Martin is a newly formed Maryland corporation that has not, to date, conducted any activities other than those incident to its formation, its execution of the Reorganization Agreement and related agreements and its participation in the preparation of this Joint Proxy Statement/Prospectus. As a result of the Combination, Lockheed and Martin Marietta will become wholly owned subsidiaries of Lockheed Martin. Accordingly, the businesses of Lockheed Martin, through its wholly owned subsidiaries Lockheed and Martin Marietta, will be the businesses currently conducted by Lockheed and Martin Marietta. The mailing address of Lockheed Martin's principal executive offices will be 6801 Rockledge Drive, Bethesda, Maryland 20817; its telephone number will be (301) 897-6000. See "BUSINESS OF LOCKHEED MARTIN."

THE SPECIAL MEETINGS

Lockheed. A special meeting of the stockholders of Lockheed will be held at the Ritz-Carlton Chicago, 160 E. Pearson Street, Chicago, Illinois, on Wednesday, March 15, 1995, starting at 9:00 a.m., local time. At the special meeting, or at any adjournment or postponement thereof (the "Lockheed Meeting"), holders of Lockheed Common Stock will be asked to approve and adopt the Reorganization Agreement and the Pacific Merger Agreement. See "THE COMBINATION" and "THE REORGANIZATION AGREEMENT." Holders of Lockheed Common Stock will also be asked to approve the adoption of the Omnibus Plan Proposal and the Directors Plan Proposal. See "LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN" and "LOCKHEED MARTIN DIRECTORS DEFERRED STOCK PLAN." The consummation of the Combination is not conditioned on approval of either of the Plan Proposals at the Lockheed Meeting.

Holders of record of Lockheed Common Stock at the close of business on February 7, 1995 (the "Lockheed Record Date") have the right to receive notice of and to vote at the Lockheed Meeting. On the Lockheed Record Date, there were 63,277,805 shares of Lockheed Common Stock outstanding and entitled to vote. Each share of Lockheed Common Stock is entitled to one vote on each matter that is properly presented to stockholders for a vote at the Lockheed Meeting. Under Lockheed's Certificate of Incorporation, as amended, and the Delaware General Corporation Law (the "DGCL"), the affirmative vote of the holders of a majority of the outstanding shares of Lockheed Common Stock is required to approve and adopt the Reorganization Agreement and the Pacific Merger Agreement. Approval of the adoption of each of the Plan Proposals requires the affirmative vote of the holders of a majority of the shares of Lockheed Common Stock present in person or by proxy and entitled to vote on that Plan Proposal, provided that the total number of votes cast for and against that Plan Proposal is greater than 50% of the shares of Lockheed Common Stock issued and outstanding on the Lockheed Record Date. In addition, the Combination Proposal and each of the Plan Proposals must also be approved by the stockholders of Martin Marietta as described below.

Directors and executive officers of Lockheed and their affiliates as a group beneficially own approximately 2.7% of the Lockheed Common Stock eligible to vote at the Lockheed Meeting.

Martin Marietta. A special meeting of the stockholders of Martin Marietta will be held starting at 9:00 a.m., local time, on Wednesday, March 15, 1995, at The Drake Hotel, 140 E. Walton Place, Chicago, Illinois. At the special meeting, or at any adjournment or postponement thereof (the "Martin Marietta Meeting"), holders of Martin Marietta Common Stock and Martin Marietta Series A Preferred Stock will be asked to approve the Reorganization Agreement and the Atlantic Merger Agreement. See "THE COMBINATION" and "THE REORGANIZATION AGREEMENT." Holders of Martin Marietta Common Stock will also be asked to approve the adoption of the Omnibus Plan Proposal and the Directors Plan Proposal. See "LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN" and "LOCKHEED MARTIN DIRECTORS DEFERRED STOCK PLAN." The consummation of the Combination is not conditioned on approval of either of the Plan Proposals at the Martin Marietta Meeting.

Holders of record of Martin Marietta Common Stock at the close of business on February 7, 1995 (the "Martin Marietta Record Date") have the right to receive notice of and to vote at the Martin Marietta Meeting. General Electric Company ("GE"), the holder of record of all the shares of Martin Marietta Series A Preferred Stock, par value \$1.00 per share (the "Martin Marietta Series A Preferred Stock"), on the Martin Marietta Record Date, also is entitled to notice of and to vote at the Martin Marietta Meeting on the proposal to approve the Reorganization Agreement and the Atlantic Merger Agreement, but is not entitled to vote on either of the Plan Proposals. On the Martin Marietta Record Date, there were 96,064,318 shares of Martin Marietta Common Stock and 20,000,000 shares of Martin Marietta Series A Preferred Stock outstanding. Each share of Martin Marietta Common Stock is entitled to one vote on each matter that is properly presented to stockholders for a vote at the Martin Marietta Meeting. With respect to the proposal to approve the Reorganization Agreement and the Atlantic Merger Agreement, GE, as the holder of the Martin Marietta Series A Preferred Stock, is entitled to cast 28,941,466 votes, representing the number of shares of Martin Marietta Common Stock into which its shares of Martin Marietta Series A Preferred Stock are convertible. Under Martin Marietta's Charter and the Maryland General Corporation Law (the "MGCL"), the affirmative vote of the holders of a majority of the combined voting power of the shares of Martin Marietta Common Stock and Martin Marietta Series A Preferred Stock issued and outstanding on the Martin Marietta Record Date, voting together as a single class, is required to approve the Reorganization Agreement and the Atlantic Merger Agreement. The management of GE has agreed to recommend to its Board of Directors that its shares of Martin Marietta Series A Preferred Stock (representing approximately 23% of such combined voting power) be voted in favor of the proposal to approve the Reorganization Agreement and the Atlantic Merger Agreement. Approval of the adoption of each of the Plan Proposals requires the affirmative vote of the holders of a majority of the shares of Martin Marietta Common Stock issued and outstanding on the Martin Marietta Record Date. In addition, the Combination Proposal and each of the Plan Proposals must be approved by the holders of shares of Lockheed Common Stock as described above.

Directors and executive officers of Martin Marietta and their affiliates (other than GE) as a group beneficially own approximately 1.3% of the shares of Martin Marietta Common Stock eligible to vote at the Martin Marietta Meeting.

THE COMBINATION PROPOSAL

Consideration to be Received by Lockheed Stockholders. Pursuant to the Reorganization Agreement and the Pacific Merger Agreement, Pacific Sub will be merged with and into Lockheed. Lockheed will be the surviving corporation of the Pacific Sub Merger and will become a wholly owned subsidiary of Lockheed Martin. Upon consummation of the Pacific Sub Merger, (i) each outstanding share of Lockheed Common Stock will be converted into the right to receive 1.63 shares of Lockheed Martin Common Stock and (ii) any outstanding shares of Lockheed Common Stock owned by Martin Marietta or any subsidiary of Martin Marietta or held by Lockheed in its treasury will be cancelled and cease to exist. Fractional shares of Lockheed Martin Common Stock will not be issued in connection with the Pacific Sub Merger. Holders of Lockheed Common Stock otherwise entitled to a fractional share will be paid an amount in cash equal to the same fraction of the fair market value of a whole share of Lockheed Martin Common Stock, determined as set forth in the Reorganization Agreement. See "THE REORGANIZATION AGREEMENT -- Consideration to be

Received in the Combination." For a description of the Lockheed Martin Common Stock, see "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK." For a summary of the principal differences between the rights of holders of Lockheed Common Stock and the rights of holders of Lockheed Martin Common Stock, see "COMPARISON OF STOCKHOLDERS' RIGHTS."

LOCKHEED STOCKHOLDERS SHOULD NOT SEND IN THEIR STOCK CERTIFICATES WITH THEIR PROXY CARDS.

Consideration to be Received by Martin Marietta Stockholders. Pursuant to the Reorganization Agreement and the Atlantic Merger Agreement, Atlantic Sub will be merged with and into Martin Marietta. Martin Marietta will be the surviving corporation of the Atlantic Sub Merger and will become a wholly owned subsidiary of Lockheed Martin. Upon consummation of the Atlantic Sub Merger, (i) each outstanding share of Martin Marietta Common Stock will be converted into the right to receive one share of Lockheed Martin Common Stock, (ii) each outstanding share of Martin Marietta Series A Preferred Stock will be converted into the right to receive one share of Lockheed Martin Series A Preferred Stock and (iii) any outstanding shares of Martin Marietta Common Stock owned by Lockheed or any subsidiary of Lockheed will be cancelled and cease to exist. See "THE REORGANIZATION AGREEMENT -- Consideration to be Received in the Combination." For a description of the Lockheed Martin Common Stock and Lockheed Martin Series A Preferred Stock, see "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK." For a summary of the principal differences between the rights of holders of Martin Marietta Common Stock and Lockheed Martin Common Stock, see "COMPARISON OF STOCKHOLDERS' RIGHTS."

MARTIN MARIETTA STOCKHOLDERS SHOULD NOT SEND IN THEIR STOCK CERTIFICATES WITH THEIR PROXY CARDS.

Ownership of Lockheed Martin After the Combination. Immediately following the Combination (i) the former holders of Lockheed Common Stock will collectively hold approximately 52% of the issued and outstanding shares of Lockheed Martin Common Stock, and (ii) the former holders of Martin Marietta Common Stock will collectively hold approximately 48% of the issued and outstanding shares of Lockheed Martin Common Stock. Immediately following the Combination, GE, which currently holds 20,000,000 shares of Martin Marietta Series A Preferred Stock, will hold 20,000,000 shares of Lockheed Martin Series A Preferred Stock, which will be convertible into approximately 28.9 million shares of Lockheed Martin Common Stock. Except as required by law or for specified voting rights in the event of a default under Lockheed Martin's senior bank facility, a failure to pay dividends under the Lockheed Martin Series A Preferred Stock or certain mergers, consolidations, business combinations or share exchanges as described under "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK -- Series A Preferred Stock -- Voting Rights," the holders of the Lockheed Martin Series A Preferred Stock will not be entitled to vote on any matter on which the holders of any voting securities (including the Lockheed Martin Common Stock) of Lockheed Martin will be entitled to vote. If the Lockheed Martin Series A Preferred Stock were to be converted immediately after the Combination, approximately 45% of the shares of Lockheed Martin Common Stock then outstanding would be held by former holders of Lockheed Common Stock, approximately 42% would be held by former holders of Martin Marietta Common Stock and approximately 13% would be held by GE.

Recommendation of Lockheed's Board of Directors: Lockheed's Reasons for the Combination. The Board of Directors of Lockheed (the "Lockheed Board"), by unanimous vote, has determined that the Combination is in the best interests of the holders of Lockheed Common Stock and recommends that holders of Lockheed Common Stock vote in favor of the Combination Proposal. The decision of the Lockheed Board to enter into the Reorganization Agreement and to recommend that stockholders vote in favor of the Combination Proposal is based upon its evaluation of a number of factors including, among others, the opinion of Morgan Stanley & Co. Incorporated ("Morgan Stanley"), Lockheed's financial advisor for the Combination, that the exchange ratio of Lockheed Martin Common Stock for Lockheed Common Stock reflected in the Reorganization Agreement is fair from a financial point of view to the stockholders of Lockheed. See "THE COMBINATION -- Recommendation of Lockheed Board; Lockheed's Reasons for the Combination" and "-- Fairness Opinions -- Lockheed."

Recommendation of Martin Marietta's Board of Directors: Martin Marietta's Reasons for the Combination. The Board of Directors of Martin Marietta (the "Martin Marietta Board"), by unanimous vote, has determined that the Combination is in the best interests of the stockholders of Martin Marietta and recommends that stockholders of Martin Marietta vote in favor of the Combination Proposal. The decision of the Martin Marietta Board to enter into the Reorganization Agreement and to recommend that stockholders vote in favor of the Combination Proposal is based upon its evaluation of a number of factors including, among others, the opinion of Bear, Stearns & Co. Inc. ("Bear Stearns"), Martin Marietta's financial advisor for the Combination, to the effect that the Combination is fair from a financial point of view to the stockholders of Martin Marietta. See "THE COMBINATION -- Recommendation of Martin Marietta Board; Martin Marietta's Reasons for the Combination" and "-- Fairness Opinions -- Martin Marietta."

Conditions to the Combination. The respective obligations of Lockheed and Martin Marietta to consummate the Combination are subject to the satisfaction of certain conditions, including approval of the stockholders of both Lockheed and Martin Marietta, receipt of certain required regulatory approvals, letters from the independent auditors for Martin Marietta and Lockheed with respect to the availability of the pooling of interests method of accounting, opinions from tax counsel for Martin Marietta and for Lockheed with respect to the tax consequences of the Combination, and confirmation of certain factual matters. See "THE REORGANIZATION AGREEMENT -- Conditions to the Combination."

Termination of the Reorganization Agreement. The Reorganization Agreement is subject to termination at the option of either Lockheed or Martin Marietta if the Combination is not consummated on or before March 31, 1995, and prior to such time upon the occurrence of certain events. Under certain circumstances, Lockheed or Martin Marietta may be required to pay to the other a fee in the amount of \$50 million upon the termination of the Reorganization Agreement. See "THE REORGANIZATION AGREEMENT -- Termination." In addition, in certain cases a party's expenses, not to exceed \$15 million, are reimbursable upon termination. See "THE REORGANIZATION AGREEMENT -- Expenses."

Regulatory Approvals. The Combination is subject to the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and the rules and regulations thereunder which provide that certain transactions may not be consummated until required information and materials are furnished to the Antitrust Division of the Department of Justice (the "Antitrust Division") and the Federal Trade Commission (the "FTC") and the requisite waiting period has expired or is terminated. Lockheed and Martin Marietta filed the required information and materials with the Antitrust Division and the FTC effective on September 23, 1994. The FTC, which reviewed the transaction, made a request for additional information on October 21, 1994. Both Lockheed and Martin Marietta completed their respective submissions of additional information on December 22, 1994, and the statutory waiting period under the HSR Act expired on January 11, 1995.

On December 22, 1994, Lockheed, Martin Marietta, and Lockheed Martin executed an Agreement Containing Consent Order with the FTC staff, which was provisionally accepted by the FTC on January 11, 1995, subject to further review at the expiration of a public comment period which expires on March 28, 1995. After the expiration of the public comment period, the FTC will vote to either finally accept the Consent Order or withdraw its acceptance of the Consent Order.

With respect to the HSR Act, Lockheed, Martin Marietta and Lockheed Martin may consummate the Combination at any time subsequent to the January 11, 1995, expiration of the HSR waiting period and are not required to delay consummation until expiration of the public comment period and final FTC acceptance. If the Combination is consummated prior to final FTC acceptance of the Consent Order and the FTC withdraws its provisional acceptance of the Consent Order, the FTC could file an administrative action challenging the Combination in whole or in part, and could seek divestiture of all or part of Lockheed Martin's assets. Any adverse FTC decision in any such administrative action would be subject to review by a federal court of appeals. If the FTC withdraws its provisional acceptance of the Consent Order prior to consummation of the Combination, the FTC could seek a temporary restraining order and/or a preliminary injunction pursuant to Section 13(b) of the Federal Trade Commission Act to prevent consummation of the transaction subject to the completion of an administrative action, and any resulting appeals, adjudicating the lawfulness of the transaction.

Lockheed, Martin Marietta and Lockheed Martin do not believe that, if the Combination is consummated, compliance with the Consent Order will have a material adverse affect on the business, results of operations or financial condition of Lockheed Martin and its subsidiaries taken as a whole or on the operating sectors anticipated to be organized by Lockheed Martin as reportable business segments. See "BUSINESS OF LOCKHEED MARTIN" and "RECENT DEVELOPMENTS -- Lockheed Plea Agreement."

Lockheed, Martin Marietta and Lockheed Martin have agreed to comply with the Consent Order during the public comment period and, if the FTC withdraws its provisional acceptance of the Consent Order, for ten days thereafter. See "THE COMBINATION -- Regulatory Approvals" for a summary of the material elements of the Consent Order.

Accounting Treatment. The Combination is expected to qualify as a pooling of interests for accounting and financial reporting purposes. It is a condition to the Combination that Lockheed and Martin Marietta each receive from Ernst & Young LLP, Lockheed's and Martin Marietta's independent auditors, a letter dated the Merger Date to the effect that they concur with the conclusions of Lockheed's and Martin Marietta's managements that the transactions contemplated by the Reorganization Agreement, if consummated, will qualify as transactions to be accounted for in accordance with the pooling of interests method of accounting under the requirements of Opinion No. 16, Business Combinations, of the Accounting Principles Board of the American Institute of Certified Public Accountants, as amended by applicable pronouncements by the Financial Accounting Standards Board ("APB No. 16"). See "THE COMBINATION -- Accounting Treatment."

Opinions of Financial Advisors. On August 29, 1994, prior to the execution of the Reorganization Agreement, Morgan Stanley rendered to the Lockheed Board its written opinion to the effect that, as of such date, the exchange ratio of Lockheed Martin Common Stock for Lockheed Common Stock reflected in the Reorganization Agreement was fair from a financial point of view to the stockholders of Lockheed. Morgan Stanley has updated its opinion by delivery to the Lockheed Board of a written opinion dated the date hereof.

On August 27, 1994, Bear Stearns delivered to the Martin Marietta Board its written opinion to the effect that, as of such date, the Combination was fair from a financial point of view to the stockholders of Martin Marietta. Bear Stearns has updated its opinion by delivery to the Martin Marietta Board of a written opinion dated the date hereof.

Lockheed and Martin Marietta stockholders are urged to read carefully the opinions of Morgan Stanley and Bear Stearns, respectively, which are set forth in their entirety as Appendices II and III to this Joint Proxy Statement/Prospectus, for a description of the procedures followed, the factors considered and the assumptions made by Morgan Stanley and Bear Stearns in rendering their respective opinions. See "THE COMBINATION -- Fairness Opinions."

Certain Federal Income Tax Consequences. The Combination has been structured to qualify as a nontaxable exchange under the Internal Revenue Code of 1986, as amended (the "Code"). It is a condition to the Combination that Lockheed receive an opinion from O'Melveny & Myers (counsel to Lockheed) and that Martin Marietta receive an opinion from King & Spalding (tax counsel to Martin Marietta) to the effect that no gain or loss will be recognized by Lockheed or Martin Marietta, as the case may be, or their respective stockholders in connection with the Combination (other than with respect to cash received in lieu of fractional shares by holders of Lockheed Common Stock). See "THE COMBINATION -- Certain Federal Income Tax Consequences."

Appraisal Rights. Holders of Lockheed Common Stock are not entitled to dissenters' or appraisal rights in connection with the Pacific Sub Merger because the Lockheed Common Stock is listed on a national securities exchange and the shares of Lockheed Martin Common Stock that such holders will be entitled to receive in the Pacific Sub Merger will also be listed on a national securities exchange. Holders of Martin Marietta Common Stock are not entitled to dissenters' or appraisal rights in connection with the Atlantic Sub Merger because the Martin Marietta Common Stock is listed on a national securities exchange.

The holder of the outstanding shares of Martin Marietta Series A Preferred Stock, GE, is entitled to exercise appraisal rights under Title 3, Subtitle 2 of the MGCL. However, the management of GE has agreed to recommend to its Board of Directors that GE not assert any appraisal rights under the MGCL in

connection with the transactions contemplated by the Reorganization Agreement and that GE vote its shares of Martin Marietta Series A Preferred Stock in favor of the Combination Proposal. See "THE COMBINATION -- Appraisal Rights."

SPECIAL CONSIDERATIONS

Matters of special consideration to be noted by stockholders in determining whether or not to vote in favor of the Combination Proposal include the following: the possibility that currently unanticipated difficulties may arise in integrating the operations of two major corporations; the risk that the synergies expected from combining the operations of Lockheed and Martin Marietta may not be realized; the possible adverse impact upon the combined operations of Lockheed Martin of the plea agreement of Lockheed relating to violations of the Foreign Corrupt Practices Act by a Lockheed division primarily engaged in the production of military aircraft, including the possibility of suspension or debarment from future government contracting, and the related U.S. Department of State's policy to prospectively deny defense-related export privileges to that division, subject to the grant on a case-by-case basis of transaction related exceptions; the transition costs and expenses expected to be incurred in connection with consummating the Combination and integrating the operations of Lockheed and Martin Marietta, which costs and expenses (certain of which will not be allowable under the Federal Acquisition Regulations) are currently estimated to total approximately \$850 million and will be charged against the earnings of Lockheed Martin, primarily in 1995; and the number and terms of authorized shares of Lockheed Martin Series Preferred Stock which may be authorized for issuance by the Board of Directors of Lockheed Martin without further stockholder approval. See "BUSINESS OF LOCKHEED MARTIN"; "RECENT DEVELOPMENTS -- Lockheed Plea Agreement"; Note 3 under "NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS"; "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK"; and "THE COMBINATION -- Recommendation of Lockheed Board; Lockheed's Reasons for the Combination"; and "-- Fairness Opinions."

THE PLAN PROPOSALS

The Lockheed Board and the Martin Marietta Board believe that the future growth and success of Lockheed Martin after the Combination will be enhanced by the ability of Lockheed Martin and its subsidiaries to attract, motivate, retain and reward talented and experienced individuals in a position to contribute to Lockheed Martin's success by providing an opportunity to obtain an increased proprietary interest in Lockheed Martin's performance. Therefore, the Lockheed Board and the Martin Marietta Board recommend that their respective stockholders approve the adoption of the Lockheed Martin Omnibus Plan and the Lockheed Martin Directors Plan. See "LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN" and "LOCKHEED MARTIN DIRECTORS DEFERRED STOCK PLAN."

SUMMARY SELECTED HISTORICAL AND UNAUDITED PRO FORMA
COMBINED CONDENSED FINANCIAL INFORMATION

The summary selected historical financial information of Lockheed and Martin Marietta for fiscal years 1993, 1992 and 1991 presented below, with the exception of the balance sheet data for 1991, has been derived from the audited consolidated financial statements of Lockheed and Martin Marietta incorporated by reference herein. The historical balance sheet data for 1991 and the summary financial information presented below for 1990 and 1989 have been derived from audited consolidated financial statements previously filed with the Commission but not incorporated by reference in this Joint Proxy Statement/Prospectus. The unaudited pro forma combined financial data give effect to the Combination by combining the financial statement data of Lockheed and Martin Marietta at and for each year in the three fiscal year period ended December, 1993 and at and for the fiscal nine months ended September, 1994 and 1993, on the pooling of interests method of accounting. For a description of pooling of interests accounting with respect to the Combination, see "THE COMBINATION -- Accounting Treatment." The unaudited pro forma combined financial data are not necessarily indicative of actual or future operating results or financial position that would have occurred or will occur upon consummation of the Combination. Historical financial data at and for the fiscal nine month periods ended September, 1994 and 1993 with respect to Lockheed and Martin Marietta have been derived from unaudited financial statements filed with the Commission, and in the opinion of Lockheed's and Martin Marietta's respective managements, include all adjustments necessary for a fair presentation of the results of operations and financial position at and for each of the interim periods presented. No material adjustments other than of a normal recurring nature were made, except for certain 1993 nonrecurring adjustments in Lockheed's Aeronautical Systems segment described in Item 2 of Lockheed's Quarterly Report on Form 10-Q for the quarter ended September 25, 1994. The information shown below should be read in conjunction with the historical consolidated financial statements of Lockheed and Martin Marietta, including the respective notes thereto, which are incorporated by reference in this Joint Proxy Statement/Prospectus and in conjunction with the unaudited pro forma combined condensed financial statements, including the notes thereto, appearing elsewhere in this Joint Proxy Statement/Prospectus. Results for the fiscal nine months ended September, 1994 are not necessarily indicative of results which may be expected for any other interim period or for the year as a whole. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE", "UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS" and "NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS."

Lockheed Historical

	AT OR FOR FISCAL NINE MONTHS ENDED SEPTEMBER		AT OR FOR FISCAL YEAR ENDED DECEMBER				
	1994	1993(1)	1993(1)	1992(2)	1991	1990	1989
	(Dollars in millions, except per share data)						
INCOME STATEMENT DATA:							
Sales.....	\$9,286	\$9,332	\$13,071	\$10,100	\$9,809	\$9,958	\$9,891
Program profits.....	621	584	844	644	576	561	53
Earnings from continuing operations before cumulative effect of accounting change.....	308	287	422	348	308	335	6
Net earnings (loss).....	308	287	422	(283)	308	335	2
Net earnings (loss) per common and common equivalent shares:							
Earnings from continuing operations before accounting change.....	\$ 4.85	\$ 4.57	\$ 6.70	\$ 5.65	\$ 4.86	\$ 5.30	\$.10
Net earnings (loss).....	4.85	4.57	6.70	(4.58)	4.86	5.30	.03
Cash dividends per common share.....	\$ 1.67	\$ 1.59	\$ 2.12	\$ 2.09	\$ 1.95	\$ 1.80	\$ 1.75
BALANCE SHEET DATA:							
Total assets.....	\$9,025	\$8,888	\$ 8,961	\$ 7,024	\$6,617	\$6,860	\$6,792
Long-term debt (including current maturities).....	2,151	2,501	2,168	1,220	1,172	1,482	1,367
Guarantee of ESOP obligations.....	390	415	407	431	452	472	490
Stockholders' equity.....	2,689	2,304	2,443	2,042	2,503	2,309	2,062

(1) Reflects the purchase of Lockheed Fort Worth Company effective February 28, 1993.

(2) Reflects the adoption of Statement of Financial Accounting Standards No. 106, Employers' Accounting for Postretirement Benefits Other than Pensions, ("SFAS 106").

Martin Marietta Historical

	AT OR FOR FISCAL NINE MONTHS ENDED SEPTEMBER			AT OR FOR FISCAL YEAR ENDED DECEMBER			
	1994(1)	1993(1)(2)	1993(1)(2)	1992	1991	1990	1989
	(Dollars in millions, except per share data)						
INCOME STATEMENT DATA:							
Net sales.....	\$7,088	\$6,248	\$9,436	\$5,954	\$6,075	\$6,126	\$5,796
Earnings from operations.....	729	570	788	549	538	442	465
Earnings before cumulative effect of accounting changes.....	496	331	450	345	313	328	307
Net earnings (loss).....	496	(98)	21	345	313	328	307
Net earnings (loss) per common share:							
Assuming no dilution:							
Before cumulative effect of accounting changes...	\$ 4.70	\$ 3.16	\$ 4.25	\$ 3.60	\$ 3.15	\$ 3.26	\$ 2.91
Cumulative effect of accounting changes.....	--	(4.51)	(4.51)	--	--	--	--
Net earnings (loss).....	\$ 4.70	\$(1.35)	\$(.26)	\$ 3.60	\$ 3.15	\$ 3.26	\$ 2.91
Assuming full dilution:							
Before cumulative effect of accounting changes...	\$ 3.94	\$ 2.86	\$ 3.80	\$ 3.60	\$ 3.15	\$ 3.26	\$ 2.91
Cumulative effect of accounting changes.....	--	*	*	--	--	--	--
Net earnings (loss).....	\$ 3.94	*	*	\$ 3.60	\$ 3.15	\$ 3.26	\$ 2.91
Cash dividends per common share.....	\$.69	\$.645	\$.87	\$.795	\$.75	\$.695	\$.615
BALANCE SHEET DATA:							
Total assets.....	\$8,993	\$7,501	\$7,745	\$3,599	\$3,908	\$3,611	\$3,505
Long-term debt (including current maturities).....	1,652	1,904	1,798	478	671	468	482
Series A Preferred Stock.....	1,000	1,000	1,000	--	--	--	--
Common stockholders' equity.....	2,270	1,794	1,876	1,945	1,804	1,541	1,355

* Anti-dilutive

- (1) Reflects the GE Aerospace business combination effective April 2, 1993, and, in 1994, the purchase of General Dynamics Space Systems Division effective May 1, 1994.
- (2) Reflects the adoption of SFAS 106 and Statement of Financial Accounting Standards No. 112, Employers' Accounting for Postemployment Benefits, ("SFAS 112").

Lockheed Martin Unaudited Pro Forma Combined Condensed

	AT OR FOR FISCAL NINE MONTHS ENDED SEPTEMBER		AT OR FOR FISCAL YEAR ENDED DECEMBER		
	1994	1993	1993	1992(1)	1991
	(Dollars in millions, except per share data)				
INCOME STATEMENT DATA:					
Net sales.....	\$16,307	\$15,498	\$22,376	\$15,925	\$15,789
Earnings from operations.....	1,283	1,112	1,576	1,137	1,113
Earnings before cumulative effect of accounting changes.....	807	612	865	678	632
Net earnings (loss).....	807	612	865	(382)	632
Net earnings (loss) per common share:					
Assuming no dilution:					
Before cumulative effect of accounting changes.....	\$ 3.83	\$ 2.94	\$ 4.16	\$ 3.46	\$ 3.13
Cumulative effect of accounting changes.....	--	--	--	(5.41)	--
Net earnings (loss).....	\$ 3.83	\$ 2.94	\$ 4.16	\$(1.95)	\$ 3.13
Assuming full dilution:					
Before cumulative effect of accounting changes.....	\$ 3.51	\$ 2.79	\$ 3.91	\$ 3.46	\$ 3.13
Cumulative effect of accounting changes.....	--	--	--	(5.41)	--
Net earnings (loss).....	\$ 3.51	\$ 2.79	\$ 3.91	\$(1.95)	\$ 3.13
Cash dividends per common share.....	\$.86	\$.82	\$ 1.09	\$ 1.04	\$.98
BALANCE SHEET DATA:					
Total assets.....	\$17,779	\$16,617	\$16,781	\$10,810	\$10,545
Long-term debt (including current maturities).....	3,803	4,405	3,966	1,698	1,843
Guarantee of ESOP obligations.....	390	415	407	431	452
Series A Preferred Stock.....	1,000	1,000	1,000	--	--
Common stockholders' equity.....	4,894	4,070	4,269	3,527	4,273

- (1) Reflects the conforming of the timing of adopting SFAS 106 and SFAS 112.

See Note 3 of the Notes to Unaudited Pro Forma Combined Condensed Financial Statements for information relating to estimated transition costs and expenses expected to be incurred in connection with consummating the Combination and integrating the operations of Lockheed and Martin Marietta.

COMPARATIVE PER SHARE INFORMATION

The following unaudited financial information reflects certain comparative per share information relating to (i) unaudited book value per common share, cash dividends and net earnings (loss) for both Lockheed and Martin Marietta on a historical basis, (ii) unaudited book value per common share, cash dividends and net earnings (loss) available for common stock on a pro forma basis for Lockheed Martin assuming the Combination had been effected for the periods indicated, and (iii) unaudited book value per common share, cash dividends and net earnings (loss) on a pro forma equivalent basis per common share for each of Lockheed and Martin Marietta assuming the Combination had been effected for the periods indicated and accounted for as a pooling of interests. For a description of pooling of interests accounting with respect to the Combination, see "THE COMBINATION -- Accounting Treatment." The information shown below should be read in conjunction with the historical consolidated financial statements of Lockheed and Martin Marietta, including the respective notes thereto, which are incorporated by reference in this Joint Proxy Statement/Prospectus and in conjunction with the unaudited pro forma financial statements, including the notes thereto, appearing elsewhere in this Joint Proxy Statement/Prospectus. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE", "UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS" and "NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS."

	AT OR FOR FISCAL NINE MONTHS ENDED SEPTEMBER		AT OR FOR FISCAL YEAR ENDED DECEMBER		
	1994	1993	1993	1992	1991
HISTORICAL:					
Lockheed (per share of common stock):					
Book value.....	\$42.56	\$36.98	\$38.96	\$33.42	\$39.86
Cash dividends.....	1.67	1.59	2.12	2.09	1.95
Net earnings (loss).....	4.85	4.57	6.70	(4.58)(1)	4.86
Martin Marietta (per share of common stock):					
Book value.....	23.63	18.75	19.61	20.60	18.21
Fully diluted book value.....	25.93	22.21	22.87	20.60	18.21
Cash dividends.....	.69	.645	.87	.795	.75
Net earnings (loss) assuming:					
No dilution.....	4.70	(1.35)(1)	(.26)(1)	3.60	3.15
Full dilution.....	3.94	*	*	3.60	3.15
UNAUDITED PRO FORMA:					
Per share of Lockheed Martin common stock:					
Book value.....	\$24.59		\$21.57		
Fully diluted book value.....	25.59		22.97		
Cash dividends(2).....	.86	\$.82	1.09	\$ 1.04	\$.98
Net earnings (loss) assuming:					
No dilution.....	3.83	2.94	4.16	(1.95)	3.13
Full dilution.....	3.51	2.79	3.91	(1.95)	3.13
Combined per equivalent Lockheed share:					
Book value.....	40.08		35.16		
Fully diluted book value.....	41.71		37.44		
Cash dividends(2).....	1.40	1.34	1.78	1.70	1.60
Net earnings (loss) assuming:					
No dilution.....	6.24	4.79	6.78	(3.18)	5.10
Full dilution.....	5.72	4.58	6.37	(3.18)	5.10
Combined per equivalent Martin Marietta share:					
Book value.....	24.59		21.57		
Fully diluted book value.....	25.59		22.97		
Cash dividends(2).....	.86	.82	1.09	1.04	.98
Net earnings (loss) assuming:					
No dilution.....	3.83	2.94	4.16	(1.95)	3.13
Full dilution.....	3.51	2.79	3.91	(1.95)	3.13

* Anti-dilutive

(1) Reflects net loss per share after the effects of accounting changes.

(2) Actual cash dividends paid divided by the average number of shares that would have been outstanding if the Combination had been effected for these periods using the stated exchange ratios provided for by the Reorganization Agreement. An initial annual dividend rate of \$1.40 per Lockheed Martin share is contemplated by the Reorganization Agreement. On an equivalent share basis this would reflect \$2.28 per equivalent Lockheed share and \$1.40 per equivalent Martin Marietta share. (See "THE COMBINATION -- Certain Litigation" for a description of a proposed litigation settlement that would, if consummated, result in an increase in the rate of such dividend for three quarters following consummation of the Combination.)

COMPARATIVE PER SHARE MARKET PRICE INFORMATION

The Lockheed Common Stock and the Martin Marietta Common Stock are listed on the New York Stock Exchange, Inc. ("NYSE") and certain other stock exchanges. On August 29, 1994, the last full trading day prior to the public announcement of the proposed Combination, the closing price on the NYSE Composite Tape was \$66 per share of Lockheed Common Stock and \$48 1/4 per share of Martin Marietta Common Stock. On February 8, 1995, the most recent practicable date prior to the printing of this Joint Proxy Statement/Prospectus, the closing price on the NYSE Composite Tape was \$74 1/8 per share of Lockheed Common Stock and \$45 3/4 per share of Martin Marietta Common Stock. Holders of Lockheed Common Stock and Martin Marietta Common Stock are urged to obtain current market quotations prior to making any decision with respect to the Combination. See "COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION."

LISTING OF LOCKHEED MARTIN COMMON STOCK; QUARTERLY DIVIDEND

Lockheed Martin expects to apply for listing of the Lockheed Martin Common Stock on the NYSE and it is anticipated that such shares will trade on the NYSE upon official notice of issuance under the symbol LMT. See "THE COMBINATION -- Stock Exchange Listing."

Except as described in the next paragraph, it is expected that the quarterly dividend with respect to Lockheed Martin Common Stock will be at the annual rate of \$1.40 per share, subject to approval and declaration by the Lockheed Martin Board. On an equivalent share basis this would represent \$2.28 per equivalent share of Lockheed Common Stock and \$1.40 per equivalent share of Martin Marietta Common Stock. The annual rate of \$1.40 per share of Lockheed Martin Common Stock is intended to maintain the current indicated annual dividend rate for the holders of Lockheed Common Stock and represents an increase of approximately 46% over the current indicated annual dividend rate for the holders of Martin Marietta Common Stock (the current indicated annual dividend rates being based on the most recent quarterly dividend payments of \$0.57 per share for Lockheed and \$0.24 per share for Martin Marietta). The payment of dividends by Lockheed Martin will, however, necessarily be dependent on business conditions, Lockheed Martin's financial position and earnings, and other factors.

In connection with a proposed settlement of certain stockholder litigation, it is contemplated that Lockheed Martin will agree to pay a regular quarterly dividend of \$0.40 (rather than \$0.35) per share of Lockheed Martin Common Stock for each of the first three quarters after consummation of the Combination and court approval of the settlement, subject to certain conditions. See "THE COMBINATION -- Certain Litigation."

THE SPECIAL MEETINGS

This Joint Proxy Statement/Prospectus is furnished in connection with the solicitation of proxies (i) from the holders of Lockheed Common Stock by the Lockheed Board for use at the Lockheed Meeting and (ii) from the holders of Martin Marietta Common Stock and Martin Marietta Series A Preferred Stock by the Martin Marietta Board for use at the Martin Marietta Meeting.

TIMES AND PLACES; PURPOSES

The Lockheed Meeting will be held at the Ritz-Carlton Chicago, 160 E. Pearson Street, Chicago, Illinois, on Wednesday, March 15, 1995, starting at 9:00 a.m., local time. The Martin Marietta Meeting will be held starting at 9:00 a.m., local time, on Wednesday, March 15, 1995, at The Drake Hotel, 140 E. Walton Place, Chicago, Illinois. At each of the Special Meetings, the respective stockholders of Lockheed and Martin Marietta will be asked to consider and vote upon (i) the Combination Proposal, as it applies to Lockheed or Martin Marietta, as the case may be, (ii) the Omnibus Plan Proposal, (iii) the Directors Plan Proposal and (iv) such other matters as may properly come before such Special Meeting, except that the holder of Martin Marietta Series A Preferred Stock will be entitled to vote only on the Combination Proposal. The consummation of the Combination is not conditioned on approval of either of the Plan Proposals at either the Lockheed Meeting or the Martin Marietta Meeting. Copies of the Reorganization Agreement, the Lockheed Martin Omnibus Plan and the Lockheed Martin Directors Plan are included as Appendix I, Appendix IV and Appendix V, respectively, to this Joint Proxy Statement/Prospectus.

VOTING RIGHTS; VOTES REQUIRED FOR APPROVAL

Lockheed. The Lockheed Board has fixed the close of business on February 7, 1995, as the Lockheed Record Date. Only holders of record of shares of Lockheed Common Stock on the Lockheed Record Date are entitled to notice of and to vote at the Lockheed Meeting. On the Lockheed Record Date, there were 63,277,805 shares of Lockheed Common Stock outstanding and entitled to vote at the Lockheed Meeting held by approximately 10,900 stockholders of record.

Each holder of record, as of the Lockheed Record Date, of Lockheed Common Stock is entitled to cast one vote per share. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Lockheed Common Stock entitled to vote is necessary to constitute a quorum at the Lockheed Meeting.

Under Lockheed's Certificate of Incorporation, as amended, and the DGCL, the affirmative vote, in person or by proxy, of the holders of a majority of the shares of Lockheed Common Stock outstanding on the Lockheed Record Date is required to approve and adopt the Reorganization Agreement and the Pacific Merger Agreement. Approval of the adoption of each of the Plan Proposals requires the affirmative vote of the holders of a majority of the shares of Lockheed Common Stock present in person or by proxy and entitled to vote on that Plan Proposal, provided that the total number of votes cast for and against that Plan Proposal is greater than 50% of the shares of Lockheed Common Stock issued and outstanding on the Lockheed Record Date. The Combination Proposal and each of the Plan Proposals must also be approved by the stockholders of Martin Marietta as described below.

US Trust Company of California, N.A. ("US Trust"), as trustee of the Lockheed (ESOP Feature) Trust established under the Lockheed Salaried Employee Savings Plan Plus, and as trustee of the Lockheed (Hourly ESOP) Trust established under the Lockheed Hourly Employee Savings Plan Plus and the Lockheed Space Operations Company Hourly Investment Plan Plus (collectively, the "Lockheed ESOP"), reported on a Schedule 13G that it held, as of December 31, 1993, 16,057,125 shares of Lockheed Common Stock (approximately 25.6% of the Lockheed Common Stock outstanding at December 31, 1993). See "OWNERSHIP OF LOCKHEED, MARTIN MARIETTA AND LOCKHEED MARTIN -- Lockheed." Participants in the Lockheed ESOP will receive separate information from US Trust regarding the manner by which a participant may instruct US Trust regarding the voting on the Combination Proposal and each of the Plan Proposals.

Martin Marietta. The Martin Marietta Board has fixed the close of business on February 7, 1995, as the Martin Marietta Record Date. Only holders of record of shares of Martin Marietta Common Stock and Martin Marietta Series A Preferred Stock on the Martin Marietta Record Date are entitled to notice of and to vote at the Martin Marietta Meeting. On the Martin Marietta Record Date, there were 96,064,318 shares of Martin Marietta Common Stock outstanding and entitled to vote at the Martin Marietta Meeting held by approximately 32,000 stockholders of record and 20,000,000 shares of Martin Marietta Series A Preferred Stock (all held by GE) outstanding and entitled to vote on the Combination Proposal. Participants in the Martin Marietta Dividend Reinvestment Plan and certain of Martin Marietta's benefit plans are entitled to one vote for each full share of Martin Marietta Common Stock held under each plan. Shares of Martin Marietta Common Stock held in accounts under the Dividend Reinvestment Plan will be included in the proxy sent to the account owner.

Bankers Trust Company, as trustee of the Martin Marietta Corporation Performance Sharing Plan and the Martin Marietta Corporation Savings and Investment Plan for Hourly Employees, reported that it held, as of December 31, 1994, 8,486,374 shares of Martin Marietta Common Stock (approximately 8.83% of the Martin Marietta Common Stock outstanding on December 31, 1994). Bankers Trust Company expressly disclaimed beneficial ownership of these shares. Each participant in these plans will receive an instruction card on which the participant may direct Bankers Trust Company as to the manner in which shares of Martin Marietta Common Stock allocated to the participant's plan account are to be voted. In addition, as of December 31, 1994, Bankers Trust Company reported beneficial ownership of 1,810,544 shares of Martin Marietta Common Stock (approximately 1.88% of the Martin Marietta Common Stock outstanding on December 31, 1994) as trustee for various trust and employee benefit plans not associated with Martin Marietta.

Effective August 15, 1994, Martin Marietta Common Stock was offered as an investment option to participants in the Sandia Corporation Savings and Security Plan and the Sandia Corporation Savings and Income Plan. Participants in these plans may direct Fidelity Management Trust Company, as trustee for these plans, as to the manner in which shares of Martin Marietta Common Stock allocated to the plan participant's account are to be voted. Effective October 1, 1994, Martin Marietta Common Stock was also offered as an investment option to participants in the Martin Marietta Corporation Performance Sharing Plan for Puerto Rico Employees. Participants in that plan may direct Bankers Trust Company as to the manner in which shares of Martin Marietta Common Stock allocated to the plan participant's account are to be voted. Participants in the Martin Marietta Energy Systems, Inc. 401(k) Savings Plan for Hourly Employees, the Martin Marietta Energy Systems, Inc. 401(k) Savings Plan for Salaried Employees and the Martin Marietta Energy Systems Inc. Savings Plan for Salaried and Hourly Employees may direct Chemical Bank, the trustee of these plans, as to the manner in which shares of Martin Marietta Common Stock allocated to the plan participant's account are to be voted.

If a participant under any of the above plans does not return a voting instruction card in a timely manner or returns a card without indicating any voting instructions, subject to the requirements of applicable law, the shares will be voted in the same proportion as shares for which voting instructions are received for that plan.

The Martin Marietta Common Stock and Martin Marietta Series A Preferred Stock will vote together as a single class on the proposal to approve the Reorganization Agreement and the Atlantic Merger Agreement. Each holder of record, as of the Martin Marietta Record Date, of Martin Marietta Common Stock is entitled to cast one vote per share in person or by proxy, on each proposal properly presented at the Martin Marietta Meeting. GE, as the holder of all of the Martin Marietta Series A Preferred Stock, is entitled to cast, in person or by proxy, 28,941,466 votes, representing the number of shares of Martin Marietta Common Stock into which the Martin Marietta Series A Preferred Stock is convertible. As a holder of Martin Marietta Series A Preferred Stock, GE is not entitled to vote on either of the Plan Proposals. The presence, in person or by proxy, of the holders of a majority of the combined voting power of the outstanding shares of Martin Marietta Common Stock and Martin Marietta Series A Preferred Stock is necessary to constitute a quorum with respect to the Combination Proposal at the Martin Marietta Meeting. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Martin Marietta Common Stock is necessary to constitute a quorum with respect to each of the Plan Proposals at the Martin Marietta Meeting.

Under Martin Marietta's Charter and the MGCL, the affirmative vote, in person or by proxy, of the holders of record of a majority of the combined voting power of the shares of Martin Marietta Common Stock and Martin Marietta Series A Preferred Stock outstanding on the Martin Marietta Record Date, voting together as a single class, is required to approve the Reorganization Agreement and the Atlantic Merger Agreement. The management of GE has agreed to support the Combination and to recommend to its Board of Directors that GE's shares of Martin Marietta Series A Preferred Stock be voted in favor thereof. Assuming GE votes in favor of the Combination Proposal, the Combination Proposal will be approved if the holders of approximately 35% of the outstanding shares of Martin Marietta Common Stock vote in favor thereof. If GE were not to vote in favor of the Combination Proposal, the Combination Proposal would be approved only if approximately 65% of the outstanding shares of Martin Marietta Common Stock voted in favor thereof. See "OWNERSHIP OF LOCKHEED, MARTIN MARIETTA AND LOCKHEED MARTIN -- Martin Marietta." Approval of the adoption of each of the Plan Proposals requires the affirmative vote of the holders of a majority of the shares of Martin Marietta Common Stock issued and outstanding on the Martin Marietta Record Date. In addition, the Combination Proposal and each of the Plan Proposals must also be approved by the holders of shares of Lockheed Common Stock as described above.

PROXIES

All shares of Lockheed Common Stock, Martin Marietta Common Stock and Martin Marietta Series A Preferred Stock represented by properly executed proxies received prior to or at the Lockheed Meeting, or the Martin Marietta Meeting, as the case may be, and not revoked, will be voted in accordance with the instructions indicated in such proxies. If no instructions are indicated on a properly executed returned proxy, such proxies will be voted FOR the Combination Proposal and FOR each of the Plan Proposals. A properly executed proxy marked "ABSTAIN," although counted for purposes of determining whether there is a quorum and for purposes of determining the aggregate voting power and number of shares represented and entitled to vote at the applicable Special Meeting, will not be voted. Accordingly, since the affirmative vote of a majority of the aggregate voting power (in the case of Lockheed as it relates to the Combination Proposal and in the case of Martin Marietta as it relates to the Combination Proposal and each of the Plan Proposals), or a majority of the aggregate voting power present in person or by proxy at the Special Meeting (in the case of Lockheed as it relates to each of the Plan Proposals) is required for approval of a particular proposal, a proxy marked "ABSTAIN" will have the effect of a vote against the proposal. Shares represented by "broker non-votes" (i.e., shares held by brokers or nominees which are represented at a meeting but with respect to which the broker or nominee is not empowered to vote on a particular proposal) will be counted for purposes of determining whether there is a quorum at the applicable Special Meeting but, in the case of Lockheed as it relates to each of the Plan Proposals, will not be counted as present in person or by proxy. In accordance with NYSE rules, brokers and nominees are precluded from exercising their voting discretion on the Combination Proposal and the Plan Proposals and thus, absent specific instructions from the beneficial owner of such shares, are not empowered to vote such shares on the Combination Proposal or the Plan Proposals. Therefore, since the affirmative vote of a majority of the aggregate voting power is required for approval of the Combination Proposal, and in the case of Martin Marietta each of the Plan Proposals, a "broker non-vote" with respect to the Combination Proposal, and in the case of Martin Marietta each of the Plan Proposals, will have the effect of a vote against the Combination Proposal and in the case of Martin Marietta each of the Plan Proposals.

At the time this Joint Proxy Statement/Prospectus was filed with the Commission, neither the Lockheed Board nor the Martin Marietta Board was aware that any matter not referred to herein would be presented for action at their respective Special Meetings. It is intended that discretionary authority conferred in the proxies will be exercised with respect to the vote on any matters incident to the conduct of the respective Special Meetings.

A stockholder may revoke his or her proxy at any time prior to its use by delivering to the Secretary of Lockheed or Martin Marietta, as the case may be, a signed notice of revocation or a later dated signed proxy or by attending the applicable Special Meeting and voting in person. Attendance at the Lockheed Meeting or the Martin Marietta Meeting will not in itself constitute the revocation of a proxy.

It is the general practice of Lockheed and Martin Marietta to keep confidential proxy cards, ballots and voting tabulations that identify individual stockholders, except where disclosure is mandated by law, such disclosure of a stockholder's vote is expressly requested by that stockholder or during a contested election. It is also the general practice that the tabulators and inspectors of election be independent and not employees of Lockheed or Martin Marietta.

The cost of solicitation of proxies will be paid by Lockheed for Lockheed proxies and by Martin Marietta for Martin Marietta proxies. In addition to solicitation by mail, arrangements will be made with brokerage houses and other custodians, nominees and fiduciaries to send proxy material to beneficial owners; and Lockheed, or Martin Marietta, as the case may be, will, upon request, reimburse them for their reasonable expenses in so doing. Lockheed has retained Georgeson & Company Inc. to aid in the solicitation of proxies and to verify certain records related to the solicitation at a fee of \$15,000 plus expenses. Martin Marietta has retained Morrow & Co., Inc. to aid in the solicitation of proxies and to verify certain records related to the solicitation at a fee of \$25,000 plus expenses. To the extent necessary in order to ensure sufficient representation at its Special Meeting, Lockheed or Martin Marietta may request by telephone or telegram the return of proxies. The extent to which this will be necessary depends entirely upon how promptly proxies are returned. Stockholders are urged to send in their proxies without delay.

STOCKHOLDERS SHOULD NOT SEND IN ANY STOCK CERTIFICATES WITH THEIR PROXY CARDS. A TRANSMITTAL FORM WITH INSTRUCTIONS FOR THE SURRENDER OF STOCK CERTIFICATES FOR LOCKHEED COMMON STOCK, MARTIN MARIETTA COMMON STOCK AND MARTIN MARIETTA SERIES A PREFERRED STOCK WILL BE MAILED BY LOCKHEED AND MARTIN MARIETTA TO THEIR RESPECTIVE STOCKHOLDERS AS SOON AS PRACTICABLE AFTER THE CONSUMMATION OF THE COMBINATION.

THE COMBINATION

BACKGROUND

Since 1985, the Federal defense budget for research, development, test and evaluation and procurement has been reduced by almost two-thirds in constant, inflation adjusted dollars. This reduction has caused continued pressures on participants in the aerospace/defense industry to consolidate in order to maintain critical mass and production economies. Both Lockheed and Martin Marietta have been active participants in the consolidation of the industry. The major acquisitions during this period involving Lockheed and Martin Marietta included the following: in 1986, Lockheed purchased Sanders Associates, Inc., a defense and commercial electronics company, for approximately \$1.2 billion; in 1993, Lockheed purchased the Fort Worth Division of General Dynamics for approximately \$1.5 billion; in 1988, Martin Marietta purchased Gould Inc.'s Ocean Systems Division for approximately \$117 million; in 1993, Martin Marietta effected a combination with the GE Aerospace businesses in a transaction valued at approximately \$3.05 billion; and, in 1994, Martin Marietta acquired the General Dynamics Space Systems Division for approximately \$161 million.

In light of the anticipated continuation of decreases in military spending and the accelerating consolidation in the aerospace/defense industry, Lockheed's management and the Lockheed Board have periodically reviewed Lockheed's strategic planning, including but not limited to the possibility of making acquisitions, potential internal investment and entering into joint ventures and business combinations with companies engaged in a similar or related business. Lockheed retained Morgan Stanley to advise it regarding possible strategic alternatives. Lockheed's strategic priorities as stated by management and the Lockheed Board are to maximize long-term stockholder value as a continuing entity by strengthening Lockheed's position in a consolidating industry and expanding into related businesses, while keeping Lockheed financially sound without excessive leverage.

In response to the significant reduction in the Federal defense budget referred to above and in anticipation of continued consolidation in the aerospace/defense industry, in 1990 Martin Marietta adopted what it refers to as its "Peace Dividend Strategy." This strategy called for (i) exploiting expansion opportunities resulting from the consolidation in the aerospace/defense industry, thereby maintaining the

technological and programmatic business base for long-term industry leadership; (ii) aggressively expanding Martin Marietta's civil, commercial and international businesses in closely related markets such as energy, information, materials and services; and (iii) pursuing other steps to enhance stockholder value, such as a share repurchase program. Management of Martin Marietta has periodically reviewed the bases for the strategy with the Martin Marietta Board and has actively pursued executing this strategy. The Martin Marietta Board believes that a new phase of the consolidation process is now underway, in which successful companies will seek to improve operating efficiencies, position themselves competitively across a number of key industry segments, facilitate efficient investment in research and development and expand in complementary commercial, civil and international markets, thereby balancing their risk profiles and potentially emerging as strategic participants in the restructured aerospace/defense industry.

On March 19, 1994, Daniel M. Tellep, Chairman of the Board and Chief Executive Officer of Lockheed, telephoned Norman R. Augustine, Chairman of the Board and Chief Executive Officer of Martin Marietta, regarding the possibility of a business combination between Lockheed and Martin Marietta. Messrs. Tellep and Augustine agreed that representatives of the two companies should meet to explore various possibilities.

On March 22, 1994, members of senior management of Lockheed and Martin Marietta, including Messrs. Tellep and Augustine, held initial discussions regarding a possible transaction between the two companies. Messrs. Tellep and Augustine both stressed that neither Lockheed nor Martin Marietta was for sale. The structure discussed was based upon the concept of a "merger of equals" (i.e., a strategic combination of two similarly-sized companies in which neither company is acquiring the other and each has an approximately equal voice in the management of the combined entity) and each executive presented his position as to the parameters of such a business combination. Further discussions regarding the business rationale underlying a business combination, possible synergies to be realized and structural details of a potential combination of the two companies occurred at a meeting of senior executives held on March 25, 1994.

On March 29, 1994, legal representatives of each company met to discuss, among other things, the possible structure of a business combination and related legal issues. The parties also negotiated and executed a Confidentiality and Standstill Agreement, dated March 29, 1994 (the "Confidentiality and Standstill Agreement"), relating, among other things, to the information to be provided by each company to the other and limiting the ability of each party for three years to acquire any voting securities or assets of, or solicit proxies or make a public announcement of a proposal for any extraordinary transaction with respect to, the other party. Both parties believed the Confidentiality and Standstill Agreement was necessary and appropriate since neither company was for sale.

On March 30, 1994, meetings occurred between members of senior financial management of Lockheed and Martin Marietta, as well as the investment bankers for each company, to discuss, among other things, the financial aspects of a possible business combination, including valuation concepts. Further discussion occurred concerning the business rationale and synergies that might be obtained from the transaction.

During a regularly scheduled meeting of the Lockheed Board on April 4, 1994, Mr. Tellep informed the Lockheed Board of the discussions with senior management of Martin Marietta. Presentations regarding a possible business combination were made by senior management, and outside legal counsel for Lockheed gave a presentation on the duties of directors in considering a business combination. Representatives of Morgan Stanley were also present. At that meeting, the Lockheed Board decided to discontinue further discussions with Martin Marietta pending further study by Lockheed's senior management of the issues raised by a possible business combination.

During a regularly scheduled meeting of the Martin Marietta Board on April 28, 1994, an initial presentation regarding a possible business combination with Lockheed was made to the Martin Marietta Board by senior management. Representatives of Bear Stearns were also present and participated. The presentation to and discussion by the Martin Marietta Board was wide ranging and included, among other things, a review of (a) management's current view of the financial condition and prospects of Martin Marietta over the period encompassed by the corporation's planning process; (b) the strategic alternatives available to Martin Marietta and their possible implications in light of management's objective of continuing stockholder

value growth; and (c) the current state of the industry consolidation and potential consolidation opportunities and trends in the foreseeable future. A review of Lockheed's organization, businesses, management and financials was provided to the Martin Marietta Board, together with a discussion of the potential strategic benefits of a business combination. A summary of the financial implications was also provided. In addition, Bear Stearns presented an independent view of possible market reactions and competitive responses to the potential combination.

During a regularly scheduled meeting of the Lockheed Board on May 9, 1994, Mr. Tellep gave the Lockheed Board management's assessment of the strategic options then available to Lockheed. Mr. Tellep reviewed Lockheed's strategic situation, including the continued cuts in defense spending and the challenging environment for foreign military and non-defense sales. Possible acquisition candidates which had been identified by management were regarded as either too expensive or unattractive for other reasons. He stated that a "merger of equals" with a company in the same or similar business continued to be a viable alternative. Mr. Tellep also described to the Lockheed Board possible joint ventures and the possibility of a share repurchase program. Mr. Tellep undertook to present strategic recommendations to the Lockheed Board at its regularly scheduled meeting in June 1994.

On June 14, 1994, the Chief Executive Officers and Chief Financial Officers of Lockheed and Martin Marietta met to discuss, among other things, the basic organizational structure of a combined company, valuation principles and the structure of its board of directors. Representatives of Lockheed noted that, due to the changing environment in the aerospace/defense industry, management of Lockheed believed that a significant management presence in the Washington, D.C. area was desirable and, accordingly, management of Lockheed had considered moving Lockheed's executive offices to the East Coast. The parties agreed that the location of the headquarters of the combined entity should be in the Washington, D.C. area.

During the regularly scheduled meeting of the Lockheed Board on June 20, 1994, Mr. Tellep gave an update on the strategic options available to Lockheed. He noted the continued cuts in U.S. defense spending and the challenges to various defense programs, including some of the programs in which Lockheed was involved. After discussion, the Lockheed Board determined to defer any major decisions until the strategic situation was further defined. The Lockheed Board indicated a strong desire for additional details and encouraged continued discussions with Martin Marietta.

On June 24, 1994, during a regularly scheduled meeting, the Martin Marietta Board was provided a status report concerning the activities that had transpired since their April 28 meeting.

On June 30, 1994, Messrs. Tellep and Augustine met to review the progress of the discussions regarding a possible business combination and to discuss issues requiring resolution in future meetings and organizational issues, including their respective roles in a combined company.

On July 13, 1994, the Chief Executive Officers and Chief Financial Officers of Lockheed and Martin Marietta met to discuss several matters, including but not limited to a proposed management philosophy for a combined company, potential consolidation efficiencies, staffing, plans for contacting major customers in the Department of Defense and NASA and the basis on which due diligence reviews of the respective companies would occur. In addition, the parties discussed the potential location of the executive offices of a combined company and concluded for efficiency and economic reasons that the current Martin Marietta headquarters facility would be used.

On July 20, 21 and 29, 1994, members of senior management of each of Lockheed and Martin Marietta as well as their respective legal and financial advisors met to continue discussions regarding the structure, financial matters and corporate governance matters relating to a possible business combination. In connection with these meetings, Mr. Augustine telephoned the members of the Martin Marietta Board and provided them with an overview of the status of discussions with Lockheed and the various issues under consideration.

At a special meeting of the Martin Marietta Board on July 27, 1994, the key management and organizational concepts of the combination were discussed, together with management's views of the necessary near term actions required to resolve current open issues.

During a regularly scheduled meeting of the Martin Marietta Board on July 28, 1994, the progress of the discussions with Lockheed was discussed in detail. In this regard, Mr. Augustine made a presentation concerning management's review of potential business combinations and other strategic opportunities available to Martin Marietta that would increase the probability that Martin Marietta would retain the ability to efficiently produce advanced technology products and services in view of the continuing decline of the Federal defense budget for research, development, test and evaluation, and procurement; the anticipated continuation of decreases in military spending; and the accelerating consolidation in the defense and aerospace industries. Thereafter, Mr. Bennett, Martin Marietta's Chief Financial Officer, made a presentation to the Martin Marietta Board in which he discussed, among other things, the financial risks and rewards associated with the various strategic possibilities described by Mr. Augustine. Additionally, Martin Marietta's General Counsel, Mr. Menaker, reviewed the legal parameters associated with the presentations by Messrs. Augustine and Bennett. Thereafter, management generally reminded the Martin Marietta Board of Martin Marietta's strategic direction, presented management's views as to the likelihood of continued industry consolidations, and discussed the strategic benefits and disadvantages of a possible "merger of equals" with Lockheed. A variety of pro forma financial analyses were shared with the Martin Marietta Board, including a discussion of exchange ratios and dividend policies and their effects on stockholder value. The Martin Marietta Board concluded that management should proceed with due diligence and negotiation of the terms of a possible transaction.

At a regularly scheduled meeting of the Lockheed Board on August 1, 1994, Mr. Tellep gave a presentation on the strategic options available to Lockheed. Mr. Tellep reminded the Lockheed Board of the continuing decline in the U.S. defense budget, accelerating defense and aerospace industry consolidation, as well as the potential growth for non-defense businesses. He summarized the financial forecast for Lockheed and each of its divisions. Mr. Tellep discussed with the Lockheed Board various strategic alternatives, including but not limited to making no strategic moves but focusing on internal investment and actions to improve competitiveness, acquiring another company in a similar or related business, entering into a joint venture with respect to part of its business or merging with another company to strengthen Lockheed's lines of business and add new markets and opportunities. Mr. Tellep summarized for the Lockheed Board management's evaluation of each of these alternatives. The Lockheed Board, after discussion of these various alternatives, preliminarily concluded that (i) focusing on internal investment, although possibly a viable alternative, involved significant risks and limited opportunities, (ii) potential acquisitions were either too expensive or not otherwise appropriate, (iii) potential joint ventures considered were not viable or appropriate for various reasons, and (iv) a "merger of equals" offered the best possibility to benefit Lockheed and its stockholders. Senior management of Lockheed and outside legal counsel then gave a presentation to the Lockheed Board regarding a possible business combination with Martin Marietta, including a summary of the major programs and products of Martin Marietta, potential synergies between the two companies, consolidation opportunities, the financial situation and management of Martin Marietta, the status of the discussions with Martin Marietta, the countervailing considerations associated with a business combination with Martin Marietta and the duties of the directors in considering a business combination. It was noted that a business combination with Martin Marietta would result in a leading aerospace company providing critical mass and economies of scale. The business combination would enhance the combined company's position in commercial markets, provide potential for consolidation savings and create a broader platform upon which to grow the combined business, thus reducing dependence on any single program and the associated risks of program cancellation. A business combination of equals with Martin Marietta would also result in a capital structure with essentially no additional leverage (as compared to a cash acquisition which could require significant additional leverage) and increased cash flow potential which in turn would offer the combined business the flexibility to pursue future opportunities. After discussion, the Lockheed Board authorized management to proceed with due diligence of Martin Marietta and to continue discussions regarding a possible business combination.

During August 1994, representatives of Lockheed and Martin Marietta continued to conduct business, financial, accounting and legal due diligence, to discuss legal issues and to negotiate the terms of the Reorganization Agreement. The discussions included the possible ramifications of the June 1994 indictment of Lockheed by a federal grand jury sitting in Atlanta, Georgia and the possibility of suspension or debarment

of Lockheed from future government contracting. The indictment alleged violations of the Foreign Corrupt Practices Act and other criminal statutes by Lockheed and two of its employees. Also discussed was the notice received by Lockheed from the U.S. Department of State which provides that, as a result of the indictment, it will be the Department's policy prospectively to deny defense-related export privileges to an unincorporated division of Lockheed, primarily engaged in the manufacture of military aircraft for sale to the United States Department of Defense and to foreign governments, subject to the grant on a case-by-case basis of transaction related exceptions.

In addition, during August 1994, Mr. Tellep and/or Mr. Augustine met with various representatives of the Department of Defense and other major governmental customers to advise them of the possibility of a business combination between Lockheed and Martin Marietta.

At a special meeting of the Lockheed Board on August 20, 1994, Mr. Tellep reviewed with the Lockheed Board the events since the August 1, 1994 Lockheed Board meeting. He described for the Lockheed Board the elements of a business combination that had been preliminarily agreed to and the remaining open issues. Members of senior management then gave an extensive presentation concerning financial projections for the combined business, the proposed exchange ratios of Lockheed and Martin Marietta stock for stock of the combined business and the results of the business, financial, accounting and legal due diligence of Martin Marietta. Representatives of Morgan Stanley then gave a presentation concerning, among other things, Lockheed's strategic alternatives, the benefits of a "merger of equals," the benefits of a business combination with Martin Marietta, certain financial information regarding Lockheed, Martin Marietta and the combined business, market information regarding both companies, the proposed range of exchange ratios and the impact on Lockheed's stockholders. Outside legal counsel also discussed with the Lockheed Board certain legal issues relating to a possible business combination with Martin Marietta. At the conclusion of that meeting, the Lockheed Board authorized management to continue to conduct due diligence and negotiate with Martin Marietta.

At a special meeting of the Martin Marietta Board on August 27, 1994, Mr. Augustine reviewed for the Martin Marietta directors the background of the proposed transaction, including the chronology of events and developments since March when he and Mr. Tellep had the initial discussions referred to above. Mr. Augustine reviewed the deliberations with respect to this matter at the intervening meetings of the Martin Marietta Board. Mr. Augustine also provided his overview of industry conditions (including the contraction of the defense budget) and the outlook for the industry generally and for Martin Marietta in particular. Martin Marietta's "Peace Dividend Strategy" was also discussed as were the perceived benefits of a "merger of equals" with Lockheed in light of that strategy. (See "-- Recommendation of Martin Marietta Board; Martin Marietta's Reasons for the Combination.") Mr. Augustine reviewed the need for regulatory and stockholder approvals and discussed various other aspects of the proposed transaction. Senior management reported on the results of Martin Marietta's "due diligence" review of Lockheed's business, financial condition and other matters. Senior management also described the pooling of interests method of accounting expected to be used in connection with the Combination, as well as the expected tax treatment of the Combination. Senior management also reviewed the negotiations and analysis leading to the proposed exchange ratio and the proposed dividend of \$1.40 per share (which would be an increase over the current annualized dividend to holders of Martin Marietta Common Stock). Representatives of Bear Stearns reviewed various aspects of the proposed transaction with the Martin Marietta directors, analyzing factors such as stock market trends, historical price to earnings ratios and relative contributions, certain financial information regarding Martin Marietta and the proposed combined entity and the impact of the transaction on Martin Marietta stockholders. Bear Stearns delivered to the Martin Marietta Board its written opinion to the effect that the Combination was fair, from a financial point of view, to the stockholders of Martin Marietta. Outside legal counsel reviewed various legal aspects of the proposed Combination, including the duties of the directors with respect thereto. Mr. Menaker, Martin Marietta's General Counsel, reviewed in detail with the Martin Marietta Board the various legal considerations concerning the advisability of adopting a stockholders rights plan. Thereafter, the Martin Marietta Board reviewed the terms of, and then approved, a stockholder rights plan. At the conclusion of the meeting the Martin Marietta Board unanimously approved the Reorganization Agreement and the transactions contemplated thereby.

At a special meeting of the Lockheed Board on August 29, 1994, Mr. Tellep and other senior management reviewed with the Lockheed Board the strategic option reviews which had occurred since 1993, the chronology of the discussions with Martin Marietta and the reasons for and benefits of a business combination with Martin Marietta. An update on the due diligence efforts was given to the Lockheed Board including, but not limited to, a review of the adequacy of reserves taken for Martin Marietta fixed priced contracts at the time of Martin Marietta's transaction with GE (see "THE STANDSTILL AGREEMENT"), factors regarding the marketing, pricing, and risks associated with commercial launch vehicles, risks associated with a thrust reverser contract and certain commercial contracts, and the growing uncertainty in the defense electronics business. Senior management also reviewed with the Lockheed Board certain issues relating to Lockheed, which were discussed with Martin Marietta, including but not limited to the uncertainties relating to production of the C-130, F-22, Trident and MILSTAR, the growing likelihood of declining facility utilization, the financial outlook for certain subsidiaries and divisions and the status of environmental and discontinued operations costs relating to Lockheed's Burbank facility. Outside legal counsel reviewed with the Lockheed Board the status of the negotiations with Martin Marietta and the provisions of the proposed Reorganization Agreement, including but not limited to the negotiations with respect to the termination provisions provided in the proposed Reorganization Agreement. Morgan Stanley reviewed the financial analysis and valuation it conducted with respect to the proposed business combination. On the basis of these and other analyses, Morgan Stanley delivered their oral opinion, confirmed later by a written opinion, that as of August 29, 1994, the exchange ratio of Lockheed Martin Common Stock for Lockheed Common Stock as set forth in the Reorganization Agreement was fair from a financial point of view to the holders of Lockheed Common Stock. See "-- Fairness Opinions." After extended discussion, the Lockheed Board unanimously approved the Reorganization Agreement and the transactions contemplated thereby. The Lockheed Board also amended the Lockheed Rights Agreement, dated December 8, 1986, between Lockheed and First Interstate Bank, Ltd., as rights agent, as amended to date (the "Lockheed Rights Agreement"), to provide that the Combination will not be an event that triggers the exercisability of rights under the Lockheed Rights Agreement.

At the conclusion of the Lockheed Board meeting, representatives of Lockheed and Martin Marietta met to finalize and execute the Reorganization Agreement.

On February 7, 1995, Lockheed, Martin Marietta and Lockheed Martin amended the Reorganization Agreement to (i) extend from February 15 to March 31, 1995, the date after which either Lockheed or Martin Marietta may terminate the Reorganization Agreement if the Combination has not yet been consummated and (ii) make the changes described below under the heading "-- Certain Litigation".

RECOMMENDATION OF LOCKHEED BOARD; LOCKHEED'S REASONS FOR THE COMBINATION

THE LOCKHEED BOARD, BY UNANIMOUS VOTE, HAS DETERMINED THAT THE COMBINATION IS IN THE BEST INTERESTS OF THE HOLDERS OF LOCKHEED COMMON STOCK AND RECOMMENDS THAT HOLDERS OF LOCKHEED COMMON STOCK VOTE FOR THE COMBINATION PROPOSAL.

The Lockheed Board believes the Combination offers Lockheed and its stockholders a unique opportunity to create a leading aerospace company which can provide the critical mass and economies of scale necessary to compete effectively in the current global business environment. The Lockheed Board believes that the Combination offers, among other things, opportunities for improved efficiencies, to preserve critical elements of the national defense industrial base of Lockheed and Martin Marietta, to expand access to commercial, civil and international markets for the combined business and to broaden the platform on which to grow. The combined business will have a capital structure with limited leverage and increased cash flow potential which should offer the combined business the flexibility to pursue future opportunities.

The decision of the Lockheed Board to approve the Reorganization Agreement and to recommend approval of the Combination by the holders of Lockheed Common Stock was based upon a number of factors, including without limitation, the following:

(i) the Lockheed Board's understanding of the present and anticipated environment in the aerospace/defense industry, the strategic options available to Lockheed and the potential for further consolidation within the industry which could adversely affect Lockheed's competitive position;

(ii) the Lockheed Board's consideration of, among other things, information concerning the financial condition, results of operations, prospects and businesses of Lockheed and Martin Marietta, including internal financial forecasts of future operating results including anticipated revenues and net income for Lockheed through 1998 prepared by the management of Lockheed which showed some substantial increases during certain years over that time period (however keeping in mind the inherent uncertainties of such forecasts, especially in the later years);

(iii) the Lockheed Board's consideration of, among other things, current industry, economic and market conditions;

(iv) the Lockheed Board's consideration of, among other things, information concerning financial and business prospects for the combined business, including possible synergies and consolidations;

(v) the Lockheed Board's understanding that the Combination should reduce dependence on any single program and the associated risks of program cancellation;

(vi) the Lockheed Board's consideration of financial information indicating that the proposed exchange ratio of Lockheed Martin Common Stock for Lockheed Common Stock would not result in a near term dilution of earnings per share (before any restructuring charges) on an equivalent share basis to the stockholders of Lockheed and that the financial projections for the combined business would appear to support a dividend rate not less than the present equivalent dividend rate on Lockheed Common Stock;

(vii) the Lockheed Board's understanding that the Combination could be accomplished without additional leverage; its understanding, based upon the opinion of its outside legal counsel, that the Combination is structured as a "merger of equals" and could be accomplished on a tax-free basis; and its understanding, after consultation with its outside auditors, that the Combination would be accounted for as a pooling of interests transaction;

(viii) the Lockheed Board's review of presentations from, and discussions with, senior executives of Lockheed, representatives of its outside legal counsel and representatives of Morgan Stanley regarding the business, financial, accounting and legal due diligence with respect to Martin Marietta and the terms and conditions of the Reorganization Agreement; and

(ix) the Lockheed Board's receipt of an opinion from Morgan Stanley that the exchange ratio of Lockheed Martin Common Stock for Lockheed Common Stock, as of August 29, 1994 and as of the date of this Joint Proxy Statement/Prospectus, is fair from a financial point of view to the holders of Lockheed Common Stock.

The Lockheed Board did not assign relative weights to the factors discussed above.

RECOMMENDATION OF MARTIN MARIETTA BOARD; MARTIN MARIETTA'S REASONS FOR THE COMBINATION

THE MARTIN MARIETTA BOARD, BY UNANIMOUS VOTE, HAS DETERMINED THAT THE COMBINATION IS IN THE BEST INTERESTS OF THE STOCKHOLDERS OF MARTIN MARIETTA AND RECOMMENDS THAT THE STOCKHOLDERS OF MARTIN MARIETTA VOTE FOR THE COMBINATION PROPOSAL.

The Martin Marietta Board believes that Lockheed Martin will be strategically positioned in the aerospace industry, with competitive positions across broad market segments. The Martin Marietta Board also believes that the Combination will provide important economies of scale that will allow Lockheed Martin to make its products and services more competitive across a wide range of commercial, civil, defense and

international markets, which the Martin Marietta Board believes is particularly important in a period of industry consolidation. The Martin Marietta Board also believes that the combined entity will present enhanced opportunities to continue to build stockholder value.

In reaching its determination to recommend approval of the Combination, the Martin Marietta Board considered the factors set forth below:

(i) the continuing decline of the U.S. defense budget over the last several years and the expectation of further, albeit more gradual, declines;

(ii) the belief that shrinkage in the defense market necessitates a consolidation of industry participants;

(iii) the belief that the Combination will allow Lockheed Martin to improve operating efficiency, rationalize expenditures and reduce costs, thus increasing competitiveness;

(iv) the fact that the Combination will result in Lockheed Martin holding competitive positions in key segments of the aerospace industry and will strengthen its prospects in commercial, civil, and international markets;

(v) the belief that Lockheed Martin will have a more balanced risk profile, financially and competitively, than either Lockheed or Martin Marietta separately;

(vi) the terms and conditions of the Reorganization Agreement, including the exchange ratios of Lockheed Martin Common Stock for Lockheed Common Stock and Martin Marietta Common Stock, and the exchange ratio of Lockheed Martin Series A Preferred Stock for Martin Marietta Series A Preferred Stock, which were considered to be fair in light of the financial conditions, businesses, prospects and stock trading histories of Lockheed and Martin Marietta;

(vii) the structure of the Combination as a "merger of equals";

(viii) the fact that the Combination will be accomplished without additional borrowings;

(ix) the fact that the Combination is expected to be accomplished on a tax-free basis and to be accounted for as a pooling of interests transaction;

(x) the perception that the management teams would complement each other and work well together; and

(xi) the opinion of Bear Stearns that the terms of the Combination are fair from a financial point of view to the stockholders of Martin Marietta.

In reaching its conclusion the Martin Marietta Board considered these factors as a whole and did not attempt to assign relative weights to specific factors. In addition, the Martin Marietta Board concluded that the U.S. Department of State's policy to deny defense-related export privileges to the Lockheed division referred to above would not be likely to materially limit Lockheed Martin's potential ability to compete in international markets. See "RECENT DEVELOPMENTS -- Lockheed Plea Agreement."

FAIRNESS OPINIONS

Opinion of Lockheed's Financial Advisor

Lockheed retained Morgan Stanley to act as financial advisor in connection with the Combination. Morgan Stanley was selected by the Lockheed Board to act as Lockheed's financial advisor based on Morgan Stanley's qualifications, expertise and reputation, as well as Morgan Stanley's investment banking relationship and familiarity with Lockheed. No limitations were imposed by the Lockheed Board upon Morgan Stanley with respect to the investigations made (except with respect to government classified programs) or the procedures followed by it in rendering its fairness opinion. Morgan Stanley was not requested to solicit, and did not solicit, indications of interest from any party with respect to a business combination with Lockheed.

Morgan Stanley has rendered to the Lockheed Board its written opinion dated August 29, 1994 (the "Morgan Stanley August Opinion") that, based upon and subject to the various considerations set forth in the opinion, on August 29, 1994, the exchange ratio of Lockheed Martin Common Stock for Lockheed Common Stock reflected in the Reorganization Agreement (the "Lockheed Exchange Ratio") was fair from a financial point of view to the holders of shares of Lockheed Common Stock. Morgan Stanley has updated its written opinion as of the date of this Joint Proxy Statement/Prospectus (the "Morgan Stanley Update Opinion"). The Lockheed Exchange Ratio was determined by negotiation between Lockheed and Martin Marietta with advice from Morgan Stanley and Bear Stearns, respectively.

The full text of the Morgan Stanley Update Opinion, which sets forth assumptions made, matters considered and limitations on the review undertaken, is attached as Appendix II to this Joint Proxy Statement/Prospectus. Lockheed stockholders are urged to read the opinion carefully and in its entirety in conjunction with this Joint Proxy Statement/Prospectus. Morgan Stanley's opinion addresses only the fairness of the Lockheed Exchange Ratio from a financial point of view and does not constitute a recommendation to any stockholder of Lockheed as to how such stockholder should vote on the Combination Proposal. The summary of the opinion of Morgan Stanley set forth in this Joint Proxy Statement/Prospectus is qualified in its entirety by reference to the full text of such opinion.

In rendering both the Morgan Stanley August Opinion and the Morgan Stanley Update Opinion, Morgan Stanley, among other things: (i) analyzed certain publicly available financial statements and other information of Lockheed and Martin Marietta; (ii) analyzed certain internal financial statements and other financial and operating data concerning Martin Marietta prepared by the management of Martin Marietta; (iii) analyzed certain financial projections prepared by the management of Martin Marietta; (iv) discussed the past and current operations and financial condition and the prospects of Martin Marietta with senior executives of Martin Marietta; (v) analyzed certain internal financial statements and other financial and operating data concerning Lockheed prepared by the management of Lockheed (including interim financial statements on a company-wide and a divisional basis); (vi) analyzed certain financial projections (including the budgets for Lockheed and its divisions for 1994 and 1995) prepared by the management of Lockheed; (vii) discussed the past and current operations and financial condition and the prospects of Lockheed with senior executives of Lockheed, and analyzed the pro forma impact of the Combination on Lockheed's earnings per share and consolidated capitalization; (viii) reviewed the reported prices and trading activity for the Lockheed Common Stock and the Martin Marietta Common Stock, respectively; (ix) discussed with the senior management of Lockheed their view of the strategic rationale for the Combination and the benefits of the Combination to Lockheed and to the holders of shares of Lockheed Common Stock; (x) compared the financial performance of Lockheed and Martin Marietta and the prices and trading activity of the Lockheed Common Stock and the Martin Marietta Common Stock with that of certain other comparable publicly traded companies and their securities; (xi) reviewed the financial terms, to the extent publicly available, of certain comparable merger transactions; (xii) participated in discussions and negotiations among representatives of Lockheed and Martin Marietta and their respective financial and legal advisors; (xiii) reviewed the Reorganization Agreement; (xiv) reviewed the agreements described below (under "OWNERSHIP OF LOCKHEED, MARTIN MARIETTA AND LOCKHEED MARTIN -- Martin Marietta") between Martin Marietta and GE; (xv) in the case of the Morgan Stanley Update Opinion, reviewed the Joint Proxy Statement/Prospectus in substantially the final form to be sent to the stockholders of Lockheed; and (xvi) performed such other analyses as Morgan Stanley deemed appropriate, including analyzing quantitative and qualitative business information supplied to it by the management of Lockheed concerning strategic benefits of the Combination (which benefits are discussed above under "-- Recommendation of Lockheed Board; Lockheed's Reasons for the Combination").

Morgan Stanley assumed and relied upon without independent verification the accuracy and completeness of the information reviewed by it for purposes of rendering its opinion. With regard to the financial projections referred to in clauses (iii) and (vi) of the preceding paragraph, Morgan Stanley assumed that they were reasonably prepared on bases reflecting the best currently available estimates of the future financial performance of Lockheed and Martin Marietta. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of Lockheed or Martin Marietta, nor was it furnished with any such appraisals. Morgan Stanley assumed that the Combination would be accounted for as a pooling of interests

business combination under the requirements of APB No. 16 and would be consummated in accordance with the terms set forth in the Reorganization Agreement. Each of Morgan Stanley's opinions states that it is necessarily based on economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of, the date of such opinion.

The following is a brief summary of Morgan Stanley's presentation to the Lockheed Board on August 20, 1994.

Comparative Stock Price Performance. As part of its analysis, Morgan Stanley reviewed the recent stock market performance of Lockheed and Martin Marietta and compared such performance to that of a group of other companies in the defense industry which was comprised of Northrop Corporation (now Northrop Grumman Corporation), McDonnell Douglas Corporation, Loral Corporation, Raytheon Company, E-Systems, Inc., TRW Inc., Rockwell International Corporation and The Boeing Company. Morgan Stanley also reviewed the ratios of Lockheed's to Martin Marietta's stock prices over various periods ending August 18, 1994, and computed the premium or discount of the Lockheed Exchange Ratio in relation to the aforementioned ratios. The ratios of closing stock prices of Lockheed to Martin Marietta for the various periods ending August 18, 1994, were as follows: 1.609 for the previous five years; 1.597 for the previous three years; 1.567 for the previous two years; 1.484 for the previous twelve months; 1.438 for the previous six months; 1.444 for the previous three months; 1.380 for the previous thirty days; 1.309 for August 18, 1994; and with respect to the low and high ratios for the previous year, 1.309 and 1.726, respectively.

Morgan Stanley observed that the Lockheed Exchange Ratio represented a premium of approximately 1.3%, 2.1%, 4.0%, 9.8%, 13.4%, 12.9%, 18.1%, 24.5% and 24.5% and a discount of 5.6%, respectively, over the aforementioned ratios of Lockheed to Martin Marietta stock prices.

Contribution Analysis. Morgan Stanley analyzed the pro forma equity contribution of each of Lockheed and Martin Marietta to the combined company if the Combination was to be consummated. Such analysis was based on Morgan Stanley's research analysts' estimates of 1994 and 1995 earnings before interest and taxes ("EBIT"), net income before preferred stock dividends and free cash flow (defined as net income before preferred stock dividends plus depreciation and amortization minus capital expenditures) for Lockheed and Martin Marietta, respectively. The estimates of Morgan Stanley's research analysts were generated independently of, but were substantially consistent with, management's financial projections referred to above. Such analysis showed that, for fiscal 1994, Lockheed's contribution to the combined company's EBIT, net income before preferred stock dividends and free cash flow, would result in an implied ownership for Lockheed stockholders of approximately 43.9%, 45.3% and 46.4%, respectively. For fiscal year 1995, such equity ownership would be approximately equal to 42.4%, 44.7% and 45.8%, respectively. These contribution percentages were computed before taking into account any synergies or cost savings that may be realized if the Combination were to be consummated. These figures compared to Lockheed stockholders' pro forma ownership in the combined company, pursuant to the Combination, of 45.1% on a fully diluted basis (which assumes conversion of the Martin Marietta Series A Preferred Stock), using the treasury stock method. Morgan Stanley observed that the contribution analysis did not take into account the different valuation multiples, such as the price-earnings multiples, that the market ascribed to Lockheed and Martin Marietta. Morgan Stanley also observed that Martin Marietta's 1994 and 1995 price-earnings multiples, based on research analysts' estimates, were currently higher than Lockheed's corresponding price-earnings multiples.

Pro Forma Analysis of the Combination. Morgan Stanley analyzed certain pro forma effects of the Combination on the earnings and capitalization of the combined company, as well as Lockheed's earnings per share, after taking into account the Lockheed Exchange Ratio. These analyses were based on Morgan Stanley's research analysts' estimates of 1994 and 1995 net income for Lockheed and Martin Marietta, respectively. Based on such analysis, Morgan Stanley observed that the Combination would result in a slight decrease in Lockheed's earnings per share in 1994 and a slight increase in Lockheed's earnings per share in 1995. Morgan Stanley did not attempt to identify or quantify synergies (through, for example, cost reductions and rationalizations, as described below) which might be achieved in connection with the Combination. However, for illustrative purposes, and as a hypothetical example, Morgan Stanley also analyzed certain pro forma effects of the Combination on the earnings of the combined company, as well as Lockheed's earnings

per share, assuming that \$200 million in pre-tax synergies would be realized in each of 1994 and 1995 in connection with the Combination. While a level of synergy can be expected to be achieved in a strategic business combination such as the Combination as a result of rationalization (through elimination of duplicate facilities and more efficient utilization of capacity, including research and development expenditures, manufacturing, sales and distribution capacity) and cost reductions (including savings realized through economies of scale), the \$200 million pretax amount was arbitrarily selected by Morgan Stanley without any investigation or as a result of any analysis, in order to ascertain the arithmetic sensitivity of post-Combination earnings to the achievement of synergies, and Morgan Stanley expressed no view as to whether these synergies would be obtained, or the amount or timing of such synergies. No assurances can be given that the hypothetical amount of these synergies bears any relation to the synergies, if any, which might be realized as a result of the Combination. Based on such illustrative analysis, Morgan Stanley observed that, after taking into account such hypothetical synergies, the Combination would result in an increase in Lockheed's earnings per share in fiscal 1994 and 1995 of 12.2% and 12.8%, respectively.

Pro Forma Share Price Analysis. Morgan Stanley performed an analysis of Lockheed's potential share price assuming the Combination were to be consummated. Based on hypothetical multiples of 1995 net income for the combined company, ranging from Lockheed's current multiple of estimated 1995 earnings to Martin Marietta's current multiple of estimated 1995 earnings, and based on Morgan Stanley's research analysts' estimates of 1995 net income for Lockheed and Martin Marietta, respectively, and after giving effect to the Lockheed Exchange Ratio of 1.63, Morgan Stanley calculated pro forma market values per share of Lockheed Common Stock ranging from approximately \$65 to \$79. These prices compared to Lockheed's market price of \$64 per share on August 18, 1994. For illustrative purposes, Morgan Stanley performed a similar analysis assuming that \$200 million in hypothetical pre-tax synergies would be realized in connection with the Combination. Morgan Stanley expressed no view as to whether these synergies would be obtained or the amount or timing of such synergies. Such analysis resulted in pro forma market values ranging from approximately \$72 to \$89 per share of Lockheed Common Stock.

The above summary of the presentations by Morgan Stanley to the Lockheed Board does not purport to be a complete description of such presentations or of all the advice rendered by Morgan Stanley, including advice with respect to the structuring of and issues relating to consummation of the Combination. Morgan Stanley believes that its analyses and the summary set forth above must be considered as a whole and that selecting portions of its analyses, without considering all analyses, or of the above summary, without considering all factors and analyses, could create an incomplete view of the process underlying the analyses set forth in Morgan Stanley's presentation to the Lockheed Board and its opinion. In performing its analyses, Morgan Stanley made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Lockheed or Martin Marietta. The analyses performed by Morgan Stanley are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to value of businesses do not purport to be appraisals or to reflect the prices at which businesses actually may be valued in the market place.

Lockheed retained Morgan Stanley based upon its experience and expertise. Morgan Stanley is an internationally recognized investment banking and advisory firm. Morgan Stanley, as part of its investment banking business, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Morgan Stanley makes a market in Lockheed Common Stock and Martin Marietta Common Stock and may continue to provide investment banking services to the combined entity in the future. In the course of its market-making and other trading activities, Morgan Stanley may, from time to time, have a long or short position in, and buy and sell securities of, Lockheed and Martin Marietta. Morgan Stanley and its affiliates have, in the past, provided financial advisory and financing services to Lockheed, including services rendered in connection with Lockheed's purchase of the Tactical Military Aircraft business of the General Dynamics Corporation in 1993, and has received customary fees for the rendering of such services. Morgan Stanley and its affiliates have also provided financial advisory and financing services to Martin Marietta, including services rendered in

connection with the initial public offering of a portion of the stock of Martin Marietta Materials, Inc. in 1994, and has received customary fees for the rendering of such services.

Pursuant to a letter agreement, dated August 9, 1994, between Lockheed and Morgan Stanley, Lockheed paid Morgan Stanley a fee of \$3.5 million upon announcement of the proposed Combination and will pay an additional fee of \$13.5 million only upon the successful consummation of the Combination. Lockheed has also agreed to reimburse Morgan Stanley for its out-of-pocket expenses (of which \$171,000 has been billed and paid to date). In addition, Lockheed has agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities, including liabilities under federal securities laws, and expenses, related to Morgan Stanley's engagement.

Opinion of Martin Marietta's Financial Advisor

The Martin Marietta Board selected Bear Stearns as its financial advisor in connection with the Combination. The Martin Marietta Board selected Bear Stearns to act as its financial advisor and to render its opinion in connection with the Combination based on Bear Stearns' qualifications, expertise, and reputation in providing advice to companies in the aerospace and defense electronics industries as well as its prior investment banking relationship and familiarity with Martin Marietta.

Bear Stearns delivered its written opinion to the Martin Marietta Board to the effect that, as of August 27, 1994 (the "Bear Stearns August Opinion"), the Combination was fair, from a financial point of view, to the stockholders of Martin Marietta. Bear Stearns has updated its written opinion to the Martin Marietta Board as of the date of this Joint Proxy Statement/Prospectus (the "Bear Stearns Update Opinion").

The full text of the Bear Stearns Update Opinion is attached as Appendix III to this Joint Proxy Statement/Prospectus. Martin Marietta stockholders are urged to, and should, read this opinion carefully in its entirety in conjunction with this Joint Proxy Statement/Prospectus for assumptions made, matters considered and limits of the review by Bear Stearns. No limitations were imposed by the Martin Marietta Board upon Bear Stearns with respect to the investigations made or procedures followed by Bear Stearns in rendering its opinion, except that Bear Stearns was not provided with information regarding government classified programs of Martin Marietta or Lockheed. Bear Stearns was not requested to solicit and did not solicit indications of interest from third parties with respect to a business combination with Martin Marietta. Bear Stearns' opinion addresses only the fairness of the Combination from a financial point of view and does not constitute a recommendation to any stockholder of Martin Marietta as to how such stockholder should vote on the Combination Proposal. The summary of the opinion of Bear Stearns set forth in this Joint Proxy Statement/Prospectus is qualified in its entirety by reference to the full text of such opinion.

In rendering the Bear Stearns Update Opinion, Bear Stearns, among other things: (i) reviewed the Joint Proxy Statement/Prospectus in substantially the final form to be sent to the stockholders of Martin Marietta, (ii) reviewed Martin Marietta's and Lockheed's Annual Reports to Stockholders and Annual Reports on Form 10-K for the fiscal years ended December 1990 through 1993, and Quarterly Reports on Form 10-Q for the fiscal periods ended March, June and September 1994, (iii) reviewed certain operating and financial information, including projections, provided by Martin Marietta's and Lockheed's managements relating to Martin Marietta's and Lockheed's business prospects, including a business plan prepared by the management of Martin Marietta, which included estimates regarding revenue, operating profits, and earnings, (iv) had discussions with certain members of the senior management of Martin Marietta and Lockheed concerning their respective companies' operations, historical financial statements and future prospects, and their views of the business, operational and strategic benefits, potential synergies, cost savings and other implications of the Combination (including the anticipated reduction of duplicate facilities, corporate overhead, and excess research and development and manufacturing capacity and the enhanced ability to operate as a prime contractor with a more complete product because of the companies' complementary expertise), (v) reviewed the pro forma financial impact of the Combination on Martin Marietta, (vi) reviewed the historical stock prices and trading volumes of the Martin Marietta Common Stock and the Lockheed Common Stock,

(vii) reviewed the publicly available financial information and stock market performance of other publicly held companies in businesses similar to those of Martin Marietta and Lockheed, (viii) considered the terms of selected transactions deemed generally comparable to the Combination and (ix) considered such other studies, analyses, inquiries and investigations which Bear Stearns deemed relevant, including quantitative and qualitative business information supplied to it by the management of Martin Marietta concerning the strategic benefits of the Combination.

Bear Stearns relied upon and assumed without independent verification the accuracy and completeness of all of the financial and other information provided to it for purposes of its opinion. In addition, Bear Stearns did not make or seek to obtain appraisals of Martin Marietta's or Lockheed's assets and liabilities in rendering its opinion. Bear Stearns further relied upon the assurances of the managements of Martin Marietta and Lockheed that the managements were not aware of any facts that would make the information provided to Bear Stearns incomplete or misleading. Bear Stearns' opinion is necessarily based upon the economic, market and other conditions as in effect on, and the information made available to it as of, the date of its opinion. Bear Stearns further assumed that the Combination would be accounted for in accordance with the pooling of interests method of accounting under the requirements of APB No. 16.

The following is a brief summary of certain of the financial analyses used by Bear Stearns in connection with providing its opinions to the Martin Marietta Board.

Contribution Analysis. Bear Stearns analyzed the pro forma contribution of each of Martin Marietta and Lockheed to the combined entity, if the Combination were to be consummated, and reviewed certain historical and estimated future operating and financial information including, among other things, the revenue, operating cash flow, operating income and net income of Martin Marietta and Lockheed, and the pro forma revenue, operating cash flow, operating income and net income of the combined entity resulting from the Combination based on internal financial analyses and forecasts for Martin Marietta and Lockheed prepared by their respective managements. Such analysis did not take into account any potential synergies or cost savings that might be realized after the Combination. Such analysis indicated that, based on management forecasts, for 1994 Martin Marietta would contribute to pro forma (i) sales, (ii) operating cash flow, (iii) operating income and (iv) net income of the combined entity resulting from the Combination the respective amounts of (i) 42.5%, (ii) 53.8%, (iii) 57.5% and (iv) 56.2%, with similar estimated respective amounts for 1995 being (i) 43.0%, (ii) 51.3%, (iii) 55.0% and (iv) 52.3%. Bear Stearns observed that such amounts compared favorably with the approximately 54.8% of the pro forma fully diluted number of shares for the combined entity to be owned by former Martin Marietta common and preferred stockholders after the Combination. Bear Stearns noted that the contribution analysis did not consider the different valuation multiples, such as the price-earnings multiples, that the market ascribed to Martin Marietta and Lockheed both on a current basis and on a historical basis.

Historical Stock Trading Analysis. Bear Stearns reviewed the historical public trading prices of Martin Marietta Common Stock and of Lockheed Common Stock for the five years ended August 26, 1994. Bear Stearns also reviewed both the historical ratio of the public trading price per share of Martin Marietta Common Stock to the public trading price per share of Lockheed Common Stock on a quarterly basis from January 6, 1989 through and including August 26, 1994 as well as the average public trading prices of Lockheed Common Stock and Martin Marietta Common Stock over periods ranging from the 5 to the 180 days immediately preceding August 26, 1994. Such analysis indicated that the ratio of the average public trading price per share of Lockheed Common Stock to the average public trading price per share of Martin Marietta Common Stock ranged from 1.45 for the 180 days preceding August 26, 1994 to 1.32 for the 5 days preceding August 26, 1994. From the week ended June 17, 1994 to the week ended August 26, 1994, the ratio of the closing price of Lockheed Common Stock at the end of each week to the closing price of Martin Marietta Common Stock at the end of each week ranged from 1.52 to 1.35. Over the 12 month period ended August 26, 1994, the ratio of public trading prices of Lockheed Common Stock to Martin Marietta Common Stock ranged from a high of 1.73 to a low of 1.31. Such amounts were compared to the Lockheed Exchange Ratio of 1.63.

Pro Forma Combination Analysis. Bear Stearns analyzed earnings per share estimates for 1995, 1996 and 1997 for both Martin Marietta and, on a pro forma basis, for the combined entity after the Combination. These analyses were based upon projections provided by the managements of Martin Marietta and Lockheed and consensus research analysts' estimates. Such analysis did not take into account any potential synergies or cost savings that might be realized after the Combination. Based on managements' projections, such analysis showed accretion (dilution) in the fully diluted earnings per share resulting from the Combination of 0.0%, (3.9%) and 10.3% for the years 1995, 1996 and 1997, respectively.

Imputed Equity Valuation Analysis. Bear Stearns derived a range of values (i.e., a "reference range") to compare the equity value per fully-diluted share of Martin Marietta Common Stock to the equity value per fully-diluted share of the combined entity after the Combination, in order to analyze the fairness of the Combination to the stockholders of Martin Marietta from a financial point of view. The reference range of values was based on (i) a discounted cash flow analysis, (ii) an analysis of selected comparable companies in the aerospace and defense electronics industries and (iii) an analysis of selected transactions. Selected actual and estimated financial, operating and stock market information was analyzed for: Martin Marietta and Lockheed; selected aerospace companies (i.e., Boeing, McDonnell Douglas, Northrop/Grumman and Rockwell); and selected defense electronics companies (i.e., E-Systems, General Motors Class H Stock -- GM Hughes Electronics Corporation, Litton Industries Inc., Loral and Raytheon). Bear Stearns observed that no company used in the above analysis as a comparison is identical to Martin Marietta, Lockheed or the combined entity. The reference range of values was also based, among other factors, on certain other analyses performed by Bear Stearns, including an analysis of selected transactions involving acquisitions of companies in the aerospace and/or defense electronics business (i.e., Northrop/Grumman, Loral/IBM Federal Systems, Lockheed/General Dynamics-Ft. Worth and Martin Marietta/GE Aerospace). In reviewing these transactions, Bear Stearns noted that such transactions differed from the Combination in that they involved a change of control of a public company or the purchase of the assets of a division; none of these transactions involved a "merger of equals" of public companies.

Based upon a reference range of values for Martin Marietta of \$7.5 billion to \$9.0 billion and after making certain adjustments related to, among other things, the debt outstanding, Bear Stearns derived an imputed equity value per share for Martin Marietta ranging from \$47.04 to \$58.69, based upon the fully diluted number of shares. Based upon a reference range of values for the combined entity after the Combination of \$14.5 billion to \$18.0 billion, and after making certain adjustments described below, Bear Stearns derived an imputed equity value per fully diluted share for the combined entity after the Combination ranging from \$50.81 to \$65.65, which compares favorably to the closing per share price of Martin Marietta Common Stock of \$48.25 on August 26, 1994. These adjustments related to, among other things, the debt outstanding. The adjustments also considered, for analytical purposes, the effect of (y) an estimated \$175.0 million per year in certain potential pre-tax cost savings and other synergies which may arise from the Combination less (z) a one time \$300.0 million estimated after-tax cash cost arising from the Combination inclusive of, among other things, severance costs. These adjustments were based on amounts estimated by the management of Martin Marietta and assumptions independently made by Bear Stearns as to the amount and timing of cost savings and other synergies that could be realized by the combined entity after the Combination and the uncertainties associated with such estimates. Bear Stearns expressed no view on when or whether the aforementioned cost savings or synergies could be obtained. No assurances can be given that cost savings and synergies, if any, in the amount estimated will be realized as a result of the Combination.

Other Analyses. Bear Stearns conducted such other analyses as it deemed necessary including the review of selected investment research reports on, and earnings estimates for, Martin Marietta and Lockheed and the analysis of available information regarding the stock ownership of Martin Marietta and Lockheed.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analysis as a whole, could create an incomplete view of the processes underlying Bear Stearns' opinion. In arriving at its opinion, Bear Stearns considered the results of all such analyses. The analyses were prepared solely for purposes of providing its opinion as to the fairness of the Combination to Martin Marietta and do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually

may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by such analyses. As described above, Bear Stearns' opinion and presentation to the Martin Marietta Board was one of many factors taken into consideration by the Martin Marietta Board in making its determination to approve the Reorganization Agreement. The foregoing summary does not purport to be a complete description of the analysis performed by Bear Stearns.

Bear Stearns is an internationally recognized investment banking firm and is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions and other purposes. Bear Stearns recently advised Martin Marietta in its offer to purchase the Grumman Corporation.

In the ordinary course of its business, Bear Stearns may actively trade the equity securities of Martin Marietta and Lockheed for its own account and for the accounts of customers and, accordingly, may, at any time, hold a long or short position in such securities.

Pursuant to a letter agreement, dated August 23, 1994, Martin Marietta has paid Bear Stearns a fee of \$3.5 million for rendering its opinion in conjunction with the Combination and will pay an additional fee of \$13.5 million only upon completion of the Combination. Martin Marietta has also agreed to reimburse Bear Stearns for its reasonable out-of-pocket expenses (which have not yet been billed), including the reasonable fees and disbursements of counsel, and to indemnify Bear Stearns and certain related persons against certain liabilities in connection with the engagement of Bear Stearns, including certain liabilities under the federal securities laws. Bear Stearns, from time to time, has also rendered investment banking and other financial advisory services to Martin Marietta, for which it received customary fees in conjunction with these services. Bear Stearns has also provided advice to Martin Marietta with regard to the stockholder rights plan adopted at the time of the announcement of the proposed Combination, for which no additional fee will be paid.

INTERESTS OF CERTAIN PERSONS IN THE COMBINATION

Lockheed

Termination Benefits Agreements. In 1991, Lockheed entered into revised severance agreements (the "Termination Benefits Agreements") with 23 of the current Board-elected executive officers, including members of senior management. From January 1992 through March 1994, Lockheed entered into 14 additional Termination Benefit Agreements with certain executive officers when they were elected by the Lockheed Board. The Termination Benefits Agreements provide for the payment of certain benefits described below if, within three years after the occurrence of certain events with respect to Lockheed (which are defined in the Termination Benefits Agreements and would include the Pacific Sub Merger), the covered executive officer either (a) is terminated by Lockheed (other than on account of death, disability or retirement of the officer or for "cause," defined in the Termination Benefits Agreements to include, among other things, willful and continued failure to substantially perform his or her duties, or willful misfeasance or gross negligence related to his or her employment) or (b) terminates his or her employment with Lockheed for "good reason" (as defined in the Termination Benefits Agreements to include, among other things, a reduction in base salary, bonus or certain other benefits, certain changes in status, duties or position with Lockheed or geographic relocation).

Lockheed's Termination Benefits Agreements generally provide for a lump sum cash payment (the "Lump Sum Payment") equal to the sum of the following amounts: two times the officer's base annual salary at the time of the triggering event or termination, two times an amount determined by multiplying the officer's base salary by the average percentage of awards under the Lockheed Management Incentive Compensation Plan to base salary paid during the last two years, and the cash value of the officer's contingent award established under the Lockheed Long Term Performance Plan for each incomplete performance cycle as of the date of termination, calculated on the basis that all performance goals were fully attained and such performance cycles were completed in their entirety. The Termination Benefits Agreements also provide for a payment equal to the value of certain health and dental insurance plans and other fringe benefits as in effect prior to the change in control for a two-year period following termination. Additional benefits provided by the Termination Benefits Agreements include the vesting of all retirement benefits and the addition of two years of

credited service under Lockheed's salaried retirement plans and the entitlement to two additional years of matching contributions under Lockheed's savings plans. If the officer attains age 65 within two years of termination of employment, certain benefits under the Termination Benefits Agreement will be pro-rated accordingly. If the officer obtains other employment, the Lump Sum Payment received on termination may be reduced if compensation received from the new employer exceeds fifty percent of the annualized salary and bonus included in the Lump Sum Payment, provided that in no event will the Lump Sum Payment be reduced to an amount less than one year's annual compensation. Benefits under the Termination Benefits Agreements may be subject to an excise tax payable by the officer, and may not be deductible by Lockheed, to the extent they exceed certain statutory limitations.

Each of the Termination Benefits Agreements continues in effect through the end of the calendar year and is automatically extended on each January 1 thereafter for an additional year unless Lockheed gives the officer advance notice to the contrary. Stockholder approval of the Combination will trigger an automatic extension of the Termination Benefits Agreements to a date 36 months after such approval.

The severance policy of Lockheed with respect to executive officers as reflected in the Termination Benefit Agreements was approved by an advisory vote of the stockholders of Lockheed in April 1991.

Employee Stock Option Programs. Under the Reorganization Agreement, stock options outstanding under the stock option plans maintained by Lockheed will be converted to options to acquire Lockheed Martin Common Stock as described in greater detail below under "THE REORGANIZATION AGREEMENT -- Certain Benefits Matters." Under the terms of the option agreements executed pursuant to Lockheed's 1992 Employee Stock Option Program (the "Program"), upon consummation of the Combination, options granted under the Program and held by persons then employed by Lockheed or any subsidiary will become exercisable to the full extent theretofore not exercisable. Based upon options outstanding at December 31, 1994, the exercisability of options to purchase an aggregate of 307,775 shares of Lockheed Common Stock valued at \$2.2 million would be accelerated if the Combination occurs. However, options with respect to 307,025 of these shares would otherwise vest by the end of February 1996 even if the Combination is not consummated. Of the options outstanding at December 31, 1994 subject to acceleration, options to purchase an aggregate of 170,575 shares of Lockheed Common Stock valued at \$1.2 million are held by executive officers of Lockheed, including options with respect to 7,500 (valued at \$52,988); 7,500 (valued at \$52,988); 15,000 (valued at \$105,975); 7,000 (valued at \$49,455); and 30,000 (valued at \$211,950) shares held by Messrs. Cannestra, Coffman, Marafino, Peline and Tellep, respectively. See "OWNERSHIP OF LOCKHEED, MARTIN MARIETTA AND LOCKHEED MARTIN -- Lockheed." Messrs. Marafino and Tellep have informed the Lockheed Board in writing that they intend to voluntarily refrain from exercising any options that become exercisable upon consummation of the Combination prior to the date the options would have been exercisable had the Combination not been consummated. The values set forth above are based on the difference between the per share exercise price and the closing price of \$71 7/8 per share for Lockheed Common Stock on the NYSE Composite Tape on February 1, 1995. See "COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION."

Long Term Performance Plan. Awards under Lockheed's Long Term Performance Plan are based on the corporation's financial performance over 3-year performance cycles, beginning in successive years. Performance measurements for the 1993 cycle and the 1994 cycle are based on Lockheed's absolute percentage gain in total stockholder value as compared to an absolute target and Lockheed's investment value relative to a peer group investment value. Lockheed has taken action to terminate the Long Term Performance Plan effective upon the consummation of the Combination. Under the terms of the plan, the participants are entitled to prorated awards for compensation earned up to the Merger Date for each performance cycle terminated prior to the end of the three year period, with the awards calculated as if the pre-established targets had been attained. Lockheed estimates the total prorated payments for the 1993 and 1994 performance cycles for all participants, assuming consummation of the Combination on March 15, 1995, to be approximately \$3.7 million, including payments to Messrs. Cannestra, Coffman, Marafino, Peline and Tellep of approximately \$193,154; \$222,154; \$437,077; \$169,138 and \$555,770, respectively.

Directors Deferred Compensation. Under a deferred compensation plan of Lockheed, all or a portion of the cash annual fee and meeting fees payable by Lockheed to its non-employee directors may be deferred to periods following the time a participant ceases to be a member of the Lockheed Board. In addition, \$5,000 is paid annually on behalf of each non-employee director to a trust maintained under the deferred compensation plan for the purpose of purchasing Lockheed Common Stock on the open market for the benefit of such non-employee directors. Prior to 1993, directors could also direct a portion of their cash remuneration to the trust for the purchase of Lockheed Common Stock. Lockheed Common Stock held by the trust is distributable after a participant ceases to be a member of the Lockheed Board. Lockheed has amended the deferred compensation plan so as to continue the deferral of the cash and stock balances of those members of the Lockheed Board who become members of the Lockheed Martin Board until after they cease to be members of the Lockheed Martin Board. Lockheed Common Stock held by the trust would be exchanged for Lockheed Martin Common Stock upon consummation of the Combination. See "OWNERSHIP OF LOCKHEED, MARTIN MARIETTA AND LOCKHEED MARTIN -- Lockheed."

Directors Retirement Plan. Non-employee directors of Lockheed who cease to be members of the Lockheed Board and who have reached age 65 with five or more years of service on the Lockheed Board are entitled to receive an annual retirement benefit equal to the amount of the annual fee, including the portion contributed in trust for the purchase of Lockheed Common Stock, in effect on the date the director ceases to be a member of the Lockheed Board. Unless a director elects an equivalent lump sum payment, the benefits are payable monthly to the retired director or the director's surviving spouse for a period equal to the number of years (including any partial year), up to twenty, that the director served on the Lockheed Board. Lockheed has amended the retirement plan so as to (i) vest all benefits under the plan but not otherwise increase the amount or duration of the benefits and (ii) make the benefits payable on the later of leaving the Lockheed Board or the Lockheed Martin Board. Assuming consummation of the Combination on March 15, 1995, Directors Kirby, Savage, Trost and Yearley, each with slightly over four years of service, would become entitled to receive a monthly benefit of \$2,500 for five years, payable as described in clause (ii) above. Similarly, Directors Cheney and Cook would become entitled to receive the same benefit for two years and four years, respectively, based on service of approximately one year and 3 3/4 years, respectively. See "MANAGEMENT OF LOCKHEED MARTIN -- Directors."

Directors and Officers of Lockheed Martin. Twelve of the current 14 directors of Lockheed will become directors of Lockheed Martin. See "MANAGEMENT OF LOCKHEED MARTIN -- Directors." In addition, certain executive officers of Lockheed, including Messrs. Cannestra, Coffman, Marafino and Tellep, will become officers of Lockheed Martin. See "MANAGEMENT OF LOCKHEED MARTIN -- Officers."

Martin Marietta

Under the terms of various of Martin Marietta's benefit plans, the Combination (which will constitute a "change of control" as that term is defined in the governing documents for such plans) will result in (a) the acceleration of the payment of certain benefits that would otherwise have been payable over time, (b) the early vesting of certain benefits that would not otherwise be fully vested as of the Merger Date and (c) in the case of one such plan, the use of modified formulae for calculating the amounts of such benefits. The Martin Marietta Board has determined that it will defer certain payments of these benefits to any individual who may be one of the five most highly compensated executive officers of Lockheed Martin in the event that payment may prevent Martin Marietta from deducting such payments for Federal income tax purposes.

Under the Directors Deferred Compensation Plan an eligible director has the option each year of deferring receipt of all or part of the fees earned as a director until after termination of service as a director. A director's annual election is irrevocable and interest is accrued on the amount deferred. Under the terms of the plan, following consummation of the Combination, further deferral of amounts earned prior to the Merger Date will not be permitted, and each participating director will receive a disbursement of the balance of his or her deferred compensation account as of the Merger Date. The amount of each director's deferred compensation balance as of January 31, 1995 (including accrued interest) was as follows: Mr. Byrne, \$580,000; Mr. Clark, \$561,000; Mr. Colodny, \$32,000; Mr. Hood, \$130,000; Mr. Laird, \$1,185,000; Mr. Macklin, \$224,000; and General Vessey, \$372,000.

The Post-Retirement Income Maintenance Plan for Directors provides that a director who at the time of retirement has served as a director for five years (or such shorter period as may be approved by the Nominating Committee of the Martin Marietta Board) and who has attained retirement age (which is currently age 72) will receive for life an annual fee equal to the annual basic retainer in effect at the time of retirement. A director who retires early after completing at least five years of service is entitled to receive an annual fee equal to the annual retainer in effect at the time of retirement for a period equal to the number of full years served on the Martin Marietta Board.

Under the terms of the plan, as a result of the Combination, rather than receiving these annual payments, each director will be entitled to receive a lump sum payment equal to the present value (i.e., discounted value) of his or her vested plan benefits determined as if he or she had retired from the Martin Marietta Board on the Merger Date. Years of service will be rounded up to the nearest whole year. Thus, as a result of the Combination, directors who have not attained retirement age as of the Merger Date will be treated as if they had retired early and not be eligible to receive a lifetime retirement benefit. Pursuant to a recent amendment, any active director over the age of 62 with five years of service who will not be nominated to the Lockheed Martin Board will receive a lump sum amount based on the present value (i.e., discounted value) of the amounts that would be payable over the longer of the following periods: (a) the director's life expectancy or (b) years of service as a Martin Marietta Board member. In determining present value, an after-tax discount rate will be used. The Plan was also recently amended to provide (i) that non-continuous service will be aggregated for the purpose of satisfying the service requirement and (ii) that outside directors who are not nominated to the Lockheed Martin Board will also receive board and committee fees that would have been paid had the director continued to serve on the Board for the remaining term of election by Martin Marietta's stockholders. Directors who have been nominated to the Lockheed Martin Board will receive a lump sum payment based on the plan provisions prior to these amendments.

In view of the intended operation of the plan in the absence of a change in control, the Martin Marietta Board has determined to value the benefit for directors eligible to receive a lifetime benefit on the basis of the cost of an annuity contract issued by an insurance company providing the same annual payments on an after-tax basis over the expected life of the director. The cost of such annuity contracts may differ from the cost of providing lump sum payments; however, the differences in cost are not material.

Assuming consummation of the Combination on March 1, 1995, the amount payable under the plan to each eligible director is estimated to be as follows: Mr. Alexander, \$236,000; Mr. Augustine, \$291,000; Mr. Byrne, \$572,000; Mr. Clark, \$377,000; Mr. Colodny, \$243,000; Mr. Everett, \$465,000; Mr. Hennessy, \$357,000; Mr. Hurtt, \$243,000; Mr. Laird, \$427,000; Mr. Murray, \$162,000; General Vessey, \$428,000; and Mr. Young, \$190,000.

The Directors Charitable Award Plan provides that in the event of the death of an incumbent director, Martin Marietta will make donations to charities or other eligible tax-exempt organizations previously recommended by the director in an aggregate amount of \$1 million. Directors are vested under this plan if (a) they have served for at least five years on the Martin Marietta Board or (b) their service on the Martin Marietta Board is terminated due to death, disability or retirement. Under the terms of the plan, upon consummation of the Combination, incumbent directors with fewer than five years of service on the Board (Mrs. King and Messrs. Alexander, Bennett, Hood, Macklin, Murphy and Murray), will become vested under this plan. This plan does not result in any economic benefit to directors.

Under the Deferred Compensation and Estate Supplement Plan, officers and senior executive personnel are eligible to receive a benefit after retirement. Benefit levels are determined by a schedule approved by the Martin Marietta Board and depend on the position of the executive and years of plan participation. A participant receives a percentage of the total scheduled benefit payable based on age at retirement, payable over ten years commencing at retirement (or, to a participant's estate, if a participant dies while an active employee). Under the terms of the plan prior to the recent amendment described below, payment of the total scheduled benefit would be due in full upon consummation of the Combination. The Martin Marietta Board has recently amended this plan to limit the payment upon consummation of the Combination to the present value of the earned benefit as follows: (a) the total scheduled benefit will be discounted to present value and

(b) each participant will, on the Merger Date, be entitled to receive a percent (determined by the number of full years up to ten years, rounded up to the nearest whole year, of plan participation, and ranging from 20% to 100%) of the amount determined by such present value calculation. Assuming consummation of the Combination on March 1, 1995, Martin Marietta estimates that benefit amounts payable under this plan to 20 employee participants would be approximately \$8,200,000, including the following amounts payable to executive officers: Mr. Augustine, \$1,064,000; Mr. Young, \$801,000; Mr. Teets, \$561,000; Mr. Bennett, \$728,000; and Mr. Menaker, \$367,000; and other executive officers, \$1,337,000.

The Post-Retirement Death Benefit Plan is a death benefit program covering 20 participants who hold specific positions approved for participation by the Martin Marietta Board. The plan provides death benefit coverage commencing immediately upon retirement in amounts ranging from 15 percent (upon retirement at age 55) to 150 percent (upon retirement at or after age 64) of final annualized salary, depending upon the age of the participant at retirement. Benefits are grossed up for income taxes. This plan will be discontinued if the Combination is consummated. In lieu thereof, a death benefit will be paid calculated based on the applicable percentage (determined by age at retirement) and annualized salary at the time of consummation of the Combination. If each participant could retire on March 1, 1995 and the applicable percentage is assumed to be 100% for each participant (which is assumed solely for purposes of this calculation), the death benefits payable to such persons would be approximately \$6,400,000 in the aggregate. If Lockheed Martin should adopt a death benefit plan covering any of the current participants in the Martin Marietta plan, the death benefits payable with respect to those Martin Marietta executives will be the greater of the amounts payable to them pursuant to the Lockheed Martin plan or the Martin Marietta plan discussed above.

The Reorganization Agreement provides for each stock option and stock appreciation right outstanding under Martin Marietta and Lockheed stock option plans to be converted into an option and stock appreciation right with respect to stock of Lockheed Martin. Such conversion is described in greater detail below under the heading "THE REORGANIZATION AGREEMENT -- Certain Benefits Matters." Upon consummation of the Combination, stock options granted in 1992 under Martin Marietta's Amended Omnibus Securities Award Plan that in the absence of the Combination would become exercisable in July 1995, will become immediately exercisable. Likewise, stock options granted in 1993 that would otherwise become exercisable in July 1995 and 1996, will become immediately exercisable.

Based upon options outstanding as of February 1, 1995 that were granted in 1992 and 1993, the exercisability of options to purchase an aggregate of 1,210,600 shares of Martin Marietta Common Stock, valued at \$10,812,000 and held by 466 persons, would be accelerated if the Combination occurs. Each of the individuals listed below holds "in-the-money" options granted in 1992 and 1993 which will become exercisable as a result of the Combination with respect to the following number of shares of Martin Marietta Common Stock and corresponding aggregate values: Mr. Augustine, 106,800 shares valued at \$1,012,200; Mr. Young, 63,400 shares valued at \$595,800; Mr. Teets, 23,400 shares valued at \$239,900; Mr. Bennett, 21,000 shares valued at \$215,600; and Mr. Menaker, 14,000 shares valued at \$143,800; and for other executive officers, 87,400 shares valued at \$753,300. The aggregate value is based on the difference between the per share exercise price and the closing price of \$44 3/8 per share on the NYSE Composite Tape on February 1, 1995. See "SUMMARY -- Comparative Per Share Market Price Information." Mr. Augustine has informed the Martin Marietta Board in writing that he intends to voluntarily refrain from exercising any options that become exercisable upon consummation of the Combination prior to the date the options would have been exercisable had the Combination not been consummated.

Martin Marietta granted options with respect to 1,353,650 shares of Martin Marietta Common Stock to 659 employees during 1994. These stock options will not become exercisable as a result of the Combination but will vest in accordance with their regular schedule.

Some senior executive personnel have received restricted stock awards under Martin Marietta's stock plans. The executives are entitled to the stock if they remain with Martin Marietta or an affiliate during the operative period of the restrictions. Under the 1991 awards, 50% of which vested in July, 1994, the restrictions associated with the remaining 50% of the award will continue in accordance with the terms of the award following consummation of the Combination unless the employee is terminated or gives notice of termination

for good cause (as defined in the award agreement) within two years following the Merger Date. The 1993 restricted stock awards will vest upon consummation of the Combination. Assuming a price for the restricted stock of \$44 3/8 per share (the closing price on the NYSE Composite Tape on February 1, 1995), the 1993 restricted stock awards, which totalled 170,000 shares for all 14 recipients, would be valued at \$7,543,800, including the following awards for executive officers: Mr. Augustine, 32,000 shares, valued at \$1,420,000; Mr. Young, 24,000 shares, valued at \$1,065,000; Mr. Teets, 12,000 shares, valued at \$532,500; Mr. Bennett, 12,000 shares, valued at \$532,500; and Mr. Menaker, 8,000 shares, valued at \$355,000; and other executive officers, 40,000 shares, valued at \$1,775,000.

There were no restricted stock awards granted to executive officers in 1992 or 1994.

The Amended and Restated Long Term Performance Incentive Compensation Plan maintained by Martin Marietta applies to performance units awarded after 1990. The plan provides that each vested unit will be exchanged for a cash amount calculated under a formula which ties the redemption value of the performance units to any increase in Martin Marietta's earnings per share ("EPS") at the end of a three-year period over a base value established at the time of grant.

Performance units granted in 1993 ("1993 Units") provide for redemption in 1996 based on the excess of Martin Marietta's 1995 EPS over the base value established in 1993. Martin Marietta estimates that, in the absence of the Combination, each 1993 Unit would be valued at approximately \$8.00. The 1993 Units provide, however, that, in the event of a transaction such as the Combination, such Units will immediately and fully vest in their entirety and a modified formula will apply, which will result in a per Unit value of approximately \$36.50, which in turn will result in payments following consummation of the Combination to 439 employee participants with an estimated aggregate value of approximately \$42,398,000, including payments to executive officers as follows: Mr. Augustine, \$3,657,500; Mr. Young, \$2,194,500; Mr. Teets, \$731,500; Mr. Bennett, \$658,400; and Mr. Menaker, \$438,900; and other executive officers, \$3,255,175. Mr. Augustine and his wife have established a charitable gift fund to which payments attributable to the difference between the \$36.50 to be paid per Unit and the approximately \$8.00 which would have been paid in the absence of the Combination will be contributed (net of taxes due thereon) upon Mr. Augustine's receipt of such payments. Such receipt may be deferred pursuant to the decision of the Martin Marietta Board, noted above, to defer certain payments to the five most highly compensated executive officers in the event that payment may prevent Martin Marietta from deducting such payments for Federal income tax purposes. Additionally, with respect to all 1993 Units, no amounts attributable to the difference between the amount paid per Unit and that which would have been paid in the absence of the Combination will be charged to the U.S. Government.

In addition, in the absence of the Combination, 1994 performance units ("1994 Units") would be redeemable in 1997 based upon 1996 EPS. If the Combination is consummated, the 1994 Units will immediately and fully vest in their entirety and will be redeemed based upon an estimate of 1996 EPS, discounted to March 1995. This will result in payments following consummation of the Combination to 475 employee participants that are estimated to be approximately \$9,758,000 in the aggregate, including payments to executive officers as follows: Mr. Augustine, \$771,000; Mr. Young, \$463,000; Mr. Teets, \$231,300; Mr. Bennett, \$216,000; and Mr. Menaker, \$154,200. The remaining executive officers will receive \$709,300 in the aggregate.

If the Combination is consummated, no further performance units will be awarded under the Amended and Restated Long Term Incentive Compensation Plan. In addition, since all outstanding units awarded under the plan will immediately and fully vest in their entirety and become payable upon consummation of the Combination, no awards will be deemed to be outstanding for purposes of the Reorganization Agreement. It is anticipated that any subsequent awards of this type will be made pursuant to the Lockheed Martin Omnibus Plan or any successor or substitute plan adopted by Lockheed Martin.

Martin Marietta has employment agreements with Messrs. Augustine, Young, Teets, Bennett and Menaker and six other executive officers. Under these agreements, following consummation of the Combination, an officer may, for good cause (as that term is defined in the various agreements) and within two years after the Merger Date and within six months after the date on which circumstances constituting good cause

exist, give notice that he or she elects to terminate employment under the agreement. Upon receipt of such notice, or upon involuntary termination by Martin Marietta, the agreements require Martin Marietta to pay the officer an amount equal to three times his or her average annual taxable compensation for the preceding five years, less one dollar, as well as any other compensation or benefits due and any amount necessary to compensate the officer for any excise tax imposed with respect to payments made under the agreement or any other agreement between the officer and Martin Marietta. Mr. Augustine has voluntarily waived his rights under his employment agreement as it relates to this transaction.

Directors and Officers of Lockheed Martin. Twelve of the current 17 directors of Martin Marietta will become directors of Lockheed Martin. See "MANAGEMENT OF LOCKHEED MARTIN -- Directors." In addition, certain executive officers of Martin Marietta, including Messrs. Augustine, Young, Teets, Bennett and Menaker, will become officers of Lockheed Martin. See "MANAGEMENT OF LOCKHEED MARTIN -- Officers."

ACCOUNTING TREATMENT

The Combination is expected to qualify as a pooling of interests for accounting and financial reporting purposes. Under this accounting method, the assets and liabilities of Lockheed and Martin Marietta will be carried forward to Lockheed Martin at their historical recorded bases. Results of operations of Lockheed Martin will include the results of both Lockheed and Martin Marietta for the entire fiscal year in which the Combination occurs. The reported balance sheet amounts and results of operations of the separate corporations for prior periods will be combined, reclassified and conformed, as appropriate, to reflect the combined balance sheets and statements of results of operations for the new corporation. It is a condition to the Combination that Lockheed and Martin Marietta each receive from Ernst & Young LLP, Lockheed's and Martin Marietta's independent auditors, a letter dated the Merger Date to the effect that they concur with the conclusions of Lockheed's and Martin Marietta's managements that the transactions contemplated by the Reorganization Agreement, if consummated, will qualify as transactions to be accounted for in accordance with the pooling of interests method of accounting under the requirements of APB No. 16. See "UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS."

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following is a general description of the material Federal income tax consequences of the Combination (i) to a stockholder of Lockheed whose shares of Lockheed Common Stock are converted into shares of Lockheed Martin Common Stock pursuant to the Pacific Sub Merger and (ii) to a stockholder of Martin Marietta whose shares of Martin Marietta Common Stock are converted into shares of Lockheed Martin Common Stock or whose shares of Martin Marietta Series A Preferred Stock are converted into shares of Lockheed Martin Series A Preferred Stock pursuant to the Atlantic Sub Merger. The discussion does not address all aspects of Federal income taxation that may be important to particular stockholders and may not be applicable to stockholders who are not citizens or residents of the United States or who acquired their Lockheed or Martin Marietta stock pursuant to the exercise of employee stock options or otherwise as compensation. The effects of any applicable foreign, state, local or other tax laws are not addressed. This discussion assumes that Lockheed and Martin Marietta stockholders hold their respective shares of Lockheed and Martin Marietta stock as capital assets as defined in the Code. Lockheed and Martin Marietta stockholders should consult their own tax advisors as to the particular tax consequences of the Pacific Sub Merger or the Atlantic Sub Merger, as the case may be, to them.

Neither Lockheed, Martin Marietta or Lockheed Martin intends to seek a ruling from the Internal Revenue Service (the "Service") with respect to the tax consequences of the Combination. Lockheed and Martin Marietta believe, based upon the opinions of O'Melveny & Myers and King & Spalding, respectively, and it is assumed for purposes of the following discussion, that for Federal income tax purposes the Combination will constitute tax-free transactions under the Code and no gain or loss will be recognized (i) by Lockheed or Lockheed stockholders whose shares of Lockheed Common Stock are converted into shares of Lockheed Martin Common Stock in the Pacific Sub Merger (except to the extent of cash paid in lieu of fractional shares) or (ii) by Martin Marietta or by Martin Marietta stockholders whose shares of Martin

Marietta Common Stock are converted into shares of Lockheed Martin Common Stock or whose shares of Martin Marietta Series A Preferred Stock are converted into shares of Lockheed Martin Series A Preferred Stock in the Atlantic Sub Merger. In rendering such opinions, counsel has relied upon, among other things, representations contained in certificates of Lockheed and Martin Marietta. Consummation of each of the Pacific Sub Merger and the Atlantic Sub Merger is conditioned upon the foregoing opinions of counsel being reconfirmed at the Merger Date.

The principal Federal income tax consequences of the Pacific Sub Merger to Lockheed stockholders and the Atlantic Sub Merger to Martin Marietta stockholders will be as set forth below.

Consequences to Holders of Lockheed Common Stock. Except with respect to cash received in lieu of fractional shares, no gain or loss will be recognized by holders of Lockheed Common Stock upon the receipt of Lockheed Martin Common Stock in the Pacific Sub Merger and the tax basis of the Lockheed Martin Common Stock received will be equal to the tax basis of the Lockheed Common Stock surrendered in exchange therefor. For Federal income tax purposes, the holding period of the Lockheed Martin Common Stock received will include the holding period of the Lockheed Common Stock surrendered. Based on the Service's advance rulings policy of treating cash paid in lieu of fractional share interests arising in corporate reorganizations as having been received by the stockholders as payment for the fractional share interests redeemed, gains and losses realized by a stockholder with respect to the receipt of cash in lieu of a fractional share will be capital gain or loss. To determine the amount of such gain or loss, a portion of the tax basis in the shares of Lockheed Common Stock surrendered will be allocated to the fractional share. The amount of such gain or loss will be the difference between the amount of cash received for such fractional share and the amount of such basis. In the case of individuals, long-term capital gains are subject to a maximum tax rate of 28%.

Consequences to Holders of Martin Marietta Common Stock. No gain or loss will be recognized by holders of Martin Marietta Common Stock upon the receipt of Lockheed Martin Common Stock in the Atlantic Sub Merger and the tax basis of the Lockheed Martin Common Stock received will be equal to the tax basis of the Martin Marietta Common Stock surrendered in exchange therefor. For Federal income tax purposes, the holding period of the Lockheed Martin Common Stock received will include the holding period of the Martin Marietta Common Stock surrendered.

Consequences to the Holder of Martin Marietta Series A Preferred Stock. No gain or loss will be recognized by the holder of Martin Marietta Series A Preferred Stock upon receipt of Lockheed Martin Series A Preferred Stock in the Atlantic Sub Merger. The tax basis of the Lockheed Martin Series A Preferred Stock received will be equal to the tax basis of the Martin Marietta Series A Preferred Stock surrendered in exchange therefor. For Federal income tax purposes, the holding period of Lockheed Martin Series A Preferred Stock received will include the holding period of the Martin Marietta Series A Preferred Stock surrendered.

Lockheed Martin. Based upon the opinions of O'Melveny & Myers and King & Spalding, for Federal income tax purposes Lockheed Martin will recognize no gain or loss on the issuance of Lockheed Martin Common Stock or Lockheed Martin Series A Preferred Stock to the Lockheed and Martin Marietta stockholders in the Pacific Sub Merger and the Atlantic Sub Merger, respectively.

THE FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY. LOCKHEED AND MARTIN MARIETTA STOCKHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE COMBINATION.

REGULATORY APPROVALS

Antitrust. Under the HSR Act and the rules promulgated thereunder by the FTC, the Combination may not be consummated until notifications have been given and certain information has been furnished to the FTC and the Antitrust Division and specified waiting period requirements have been satisfied. Lockheed and Martin Marietta filed notification and report forms under the HSR Act with the FTC and the Antitrust

Division effective on September 23, 1994. The FTC, which reviewed the transaction, made a request for additional information on October 21, 1994. Both Lockheed and Martin Marietta completed their respective submissions of additional information on December 22, 1994, and the statutory waiting period under the HSR Act expired on January 11, 1995.

On December 22, 1994, Lockheed, Martin Marietta, and Lockheed Martin (the "Companies") executed an Agreement Containing Consent Order with the FTC staff, which was provisionally accepted by the FTC on January 11, 1995, subject to further review at the expiration of a public comment period which expires on March 28, 1995. After the expiration of the public comment period, the FTC will vote to either finally accept the Consent Order or withdraw its acceptance of the Consent Order.

With respect to the HSR Act, the Companies may consummate the Combination at any time subsequent to the January 11, 1995 expiration of the HSR waiting period and are not required to delay consummation until expiration of the public comment period and final FTC acceptance. If the Companies consummate the Combination prior to final FTC acceptance of the Consent Order and the FTC withdraws its provisional acceptance of the Consent Order, the FTC could file an administrative action challenging the Combination in whole or in part, and could seek divestiture of all or part of Lockheed Martin's assets. Any adverse FTC decision in any such administrative action would be subject to review by a federal court of appeals. If the FTC withdraws its provisional acceptance of the Consent Order prior to consummation of the Combination, the FTC could seek a temporary restraining order and/or a preliminary injunction pursuant to Section 13(b) of the Federal Trade Commission Act to prevent consummation of the transaction subject to the completion of an administrative action, and any resulting appeals, adjudicating the lawfulness of the transaction.

The Companies have agreed to comply with the Consent Order during the public comment period and, if the FTC withdraws its provisional acceptance of the Consent Order, for ten days thereafter. A summary of the material elements of the Consent Order is as follows:

(i) The Companies will be prohibited from enforcing or attempting to enforce the exclusivity provisions of Lockheed's teaming agreement with GM Hughes Electronics Corporation ("Hughes") by which Lockheed and Hughes agreed to cooperate to compete for space based early warning satellite systems, and the Companies will be prohibited from enforcing or attempting to enforce any proprietary rights in the electro-optical sensors developed by Hughes for use in such systems in a manner that would inhibit Hughes from competing with the Companies. Thus, Hughes will be permitted (but not required) to team with other companies or may compete for space based early warning satellite systems independently.

(ii) The Companies will be prohibited from enforcing or attempting to enforce the exclusivity provisions of Martin Marietta's teaming agreement with Northrop Grumman Corporation ("Grumman") by which Martin Marietta and Grumman agreed to cooperate to compete for space based early warning satellite systems, and the Companies will be prohibited from enforcing or attempting to enforce any proprietary rights in the electro-optical sensors developed by Grumman for use in such systems in a manner that would inhibit Grumman from competing with the Companies. Thus, Grumman will be permitted (but not required) to team with other companies or may compete for space based early warning satellite systems independently.

(iii) The Companies are required to ensure that no non-public proprietary data provided by aircraft manufacturers to Martin Marietta's Electronics and Missiles Division ("Electronics and Missiles"), which produces LANTIRN night navigation, terrain following and targeting systems for aircraft, is disclosed or provided to Lockheed's Aeronautical Systems Group, which produces aircraft (except with the prior written consent of the proprietor of such data). Electronics and Missiles is required to use any such non-public proprietary data only in its capacity as the provider of LANTIRN systems.

(iv) The Companies are prohibited from modifying, upgrading or otherwise changing LANTIRN systems in any way that discriminates against any military aircraft manufacturer with regard to the performance of the aircraft or the time or cost required to integrate LANTIRN systems into the aircraft

unless such modifications are necessary to meet competition from other products or are approved by the Secretary of Defense or his or her designees.

(v) The Companies are required to ensure that no non-public proprietary data provided by expendable launch vehicle manufacturers to the Companies, when the Companies are acting in their capacities as providers of satellites, is disclosed or provided to those portions of the Companies that manufacture or sell expendable launch vehicles or is used by the Companies otherwise than in their capacities as providers of satellites (except with the prior written consent of the proprietor of such data).

In addition to the material substantive provisions summarized above, the Consent Order contains procedural provisions, including a requirement that the Companies provide a copy of the Consent Order to designated aircraft and expendable launch vehicle manufacturers from whom they obtain non-public proprietary information, as well as a requirement that the Companies provide periodic compliance reports to the FTC. The term of the Consent Order is twenty (20) years.

The Companies do not believe that, if the Combination is consummated, compliance with the Consent Order will have a material adverse impact on the business, results of operations or financial condition of Lockheed Martin and its subsidiaries taken as a whole or on the operating sectors anticipated to be organized by Lockheed Martin as reportable business segments. See "BUSINESS OF LOCKHEED MARTIN" and "RECENT DEVELOPMENTS -- Lockheed Plea Agreement."

At any time before or after the consummation of the Combination, and notwithstanding that the HSR Act waiting period has expired or been terminated, any federal or state antitrust authorities could take action under the antitrust laws as they deem necessary or desirable in the public interest. Such action could include seeking to enjoin the consummation of the Combination or seeking divestiture of all or part of the assets of Lockheed or Martin Marietta. Neither Lockheed nor Martin Marietta is obligated to agree to divest any of its or the other's material assets in order to obtain governmental approval. See "THE REORGANIZATION AGREEMENT -- Certain Covenants." Private parties may also seek to take legal action under the antitrust laws under certain circumstances.

Foreign Approvals. The Combination required antitrust and other filings and approvals in certain foreign jurisdictions. The parties believe that all required filings have been made, and all required approvals have been obtained. If it later appears that any foreign approval which the parties deem to be material for Lockheed Martin has not been obtained by the time the parties are otherwise ready to consummate the Combination, the parties may decide to delay consummation of the Combination or may seek to negotiate with the appropriate authorities a temporary "hold separate" or other arrangement with respect to operations in the jurisdiction in question, to the extent necessary to enable the parties to proceed with consummation of the Combination.

CERTAIN LITIGATION

Lockheed, Martin Marietta and the directors of Lockheed are parties to three lawsuits filed in the Superior Court of the State of California, Richard Rampell and Frederick Rand v. Daniel M. Tellep, et al., filed August 31, 1994 (the "Rampell Complaint"), Stanton Discount Pharmacy, Inc. v. Daniel M. Tellep, et al., filed September 12, 1994 (the "Stanton Complaint") and Rose Hadian v. Daniel M. Tellep, et al., filed October 27, 1994 (the "Hadian Complaint"), and one lawsuit filed in the Court of Chancery of the State of Delaware entitled Daniel Lifshitz v. Lockheed Corporation, et al., filed September 26, 1994 (the "Lifshitz Complaint"). Each of these lawsuits purports to be a class action on behalf of all Lockheed stockholders similarly situated. Martin Marietta, Lockheed and the directors of Martin Marietta are parties to a lawsuit filed in the Superior Court of the State of California, Doris R. Fish v. Marcus C. Bennett, et al., filed October 26, 1994 (the "Fish Complaint"). This lawsuit purports to be a class action on behalf of all Martin Marietta stockholders similarly situated.

The Rampell Complaint alleges, among other things, that the defendants either breached or aided and abetted the breach of various fiduciary duties by (i) failing to maximize stockholder value by conducting an auction for Lockheed or otherwise seeking out the highest possible bid for Lockheed; (ii) attempting unfairly to deprive plaintiffs and other members of the class of the true value of their interest in Lockheed; (iii) placing their personal interests ahead of those of Lockheed's public stockholders; (iv) using their positions for the purpose of benefiting themselves to the detriment of plaintiffs and other members of the class; (v) depriving the stockholders of the opportunity for substantial gains which Lockheed may realize; (vi) not acting independently so that the interests of Lockheed's public stockholders would be protected from conflicts of interest; (vii) failing to take all appropriate steps to enhance Lockheed's value and attractiveness as a merger, acquisition, restructuring or recapitalization candidate or to take steps to conduct an active auction for Lockheed; and (viii) entering into the Combination without regard to the fairness of the transaction to Lockheed's public stockholders. The Rampell Complaint seeks to have the court order the defendants to carry out their fiduciary duties, to enjoin the Combination, to rescind any transaction effected by the defendants in an unfair manner and for an unfair price in the event that the Combination is not enjoined, to have defendants account for all profits and to have all such profits held in constructive trust for the benefit of the plaintiff class, and for unspecified monetary damages.

The Stanton Complaint alleges, among other things, that the consideration to be paid to Lockheed stockholders is unconscionable and unfair and grossly inadequate because, among other things, the intrinsic value of the Lockheed Common Stock is materially in excess of the amount offered for those securities. The Stanton Complaint also alleges that the Lockheed directors, aided and abetted by Martin Marietta, have violated their fiduciary duties by allowing Martin Marietta to lock up Lockheed prematurely and to effectively cap the price of Lockheed stock, thus depriving plaintiff and the class of an opportunity to realize any increase in the value of Lockheed stock and failing to maximize shareholder value, including by failing to actively pursue the acquisition of Lockheed by other companies (or conducting an adequate market check) and otherwise failing to protect the interests of the class. The Stanton Complaint seeks generally the same relief as the Rampell Complaint.

The Hadian Complaint alleges, among other things, that the consideration to be paid to Lockheed stockholders is unconscionable and unfair and grossly inadequate because, among other things, the intrinsic value of the Lockheed Common Stock is materially in excess of the amount offered for those securities and the consideration agreed upon did not result from an appropriate consideration of the value of the Lockheed Common Stock because the Lockheed directors approved the Combination without adopting proper procedures for Lockheed's value to be accurately ascertained through open bidding or at least a "market check" mechanism. The Hadian Complaint also alleges that the Reorganization Agreement inhibits the maximization of shareholder value and Lockheed's stockholders will have no effective option other than to accept the unfair terms of the Reorganization Agreement. Further, the Hadian Complaint alleges that the Lockheed directors, aided and abetted by Martin Marietta, have breached their fiduciary duties (i) by adopting a "poison pill" antitakeover defense and a "lockup fee" provision, both of which are unconscionable and unreasonable devices, (ii) by allowing Martin Marietta to lock up Lockheed prematurely, which has allowed the price of the Lockheed Common Stock to be effectively capped, and (iii) by failing to maximize shareholder value and protect the interests of the Lockheed stockholders by, among other things, failing actively to pursue the acquisition of Lockheed by other companies or conducting an adequate market check. The Hadian Complaint seeks to have the court (a) enjoin the Combination, (b) require the defendants to make full and fair disclosure of the material facts prior to consummation of the Combination, (c) if the Combination is consummated, rescind the transaction, and (d) award unspecified monetary damages.

The Lifshitz Complaint alleges, among other things, that the Combination is demonstratively unequal and unfair to Lockheed's stockholders in that the terms of the Combination ignore Lockheed's greater financial strength and performance over the past four years. Further, the Lifshitz Complaint alleges that the defendants breached their fiduciary duties by (i) failing to maximize shareholder value or engage in open bidding or canvassing of the market to ensure that the terms of the Combination were fair; (ii) permitting the price of Lockheed's stock to be effectively capped, thereby depriving the plaintiff and the class of the opportunity to realize any increase in the value of Lockheed's stock; (iii) engaging in a scheme, conspiracy

and plan to entrench themselves and unlawfully thwart offers and proposals from third parties; (iv) failing to fully inform themselves before taking, or agreeing to refrain from taking, action; (v) failing to act with complete candor; and (vi) triggering the provisions of the Lockheed Rights Agreement by permitting a change of control to occur under its terms. As discussed under "THE COMBINATION -- Background," the directors amended the Lockheed Rights Agreement on August 29, 1994, to provide that the Combination will not be an event that triggers the exercisability of rights under the Lockheed Rights Agreement.

The Lifshitz Complaint seeks injunctive relief declaring that the Lockheed directors have committed a gross abuse of trust and have breached their fiduciary duties to the plaintiff class, declaring the Lockheed Rights Agreement void, requiring Lockheed's directors to fulfill their fiduciary duties to maximize shareholder value by exploring third-party interests and accepting the highest offer obtainable for the public stockholders or by permitting the stockholders to make the decision free of any coercion, and for unspecified monetary damages.

The Fish Complaint alleges, among other things, that the defendants have engaged in a plan and scheme to benefit themselves at the expense of Martin Marietta's public stockholders and to deprive them of the true value of their investment in Martin Marietta. The Fish Complaint further alleges that the defendants breached their fiduciary duties by: (i) not acting independently so that the interests of the Martin Marietta public stockholders would be protected; (ii) not adequately ensuring that no conflicts of interests exist; (iii) not taking all appropriate steps to enhance Martin Marietta's value and attractiveness as a merger, acquisition, restructuring or recapitalization candidate; and (iv) not taking steps to conduct an active auction for Martin Marietta. In addition, the Fish Complaint alleges that (i) the exchange ratio is unfair to Martin Marietta stockholders in that it fails to take into account Martin Marietta's increasing profitability as compared to Lockheed's, (ii) the exchange ratio is unfair to holders of Martin Marietta Common Stock in that they will own only a minority stake in Lockheed Martin if GE converts its Martin Marietta Series A Preferred Stock, (iii) the \$100 million termination fee effectively rules out any serious chance for a fair and free auction and (iv) the defendants have failed to disclose, among other things, the full extent of the potential for growth and value potential of Martin Marietta. The Fish Complaint seeks to have the court (i) order the defendants to carry out their fiduciary duties, including those of loyalty, due care and candor; (ii) rescind any transactions effected by the defendants in an unfair manner and for an unfair price, (iii) enjoin the complained of transaction or any related transactions and (iv) order defendants to pay monetary damages.

Settlement discussions with respect to the pending litigations began between the parties on or about January 4, 1995. During these discussions, counsel for the plaintiffs requested and shortly thereafter received document discovery from Lockheed and Martin Marietta relating to the Combination. Counsel for the plaintiffs also announced their intention to consolidate all of the shareholder class actions into a single case and to file an amended class action and derivative complaint in California in the lead case, the Rampell Complaint referenced above, incorporating all of the existing claims from the original complaints, and adding claims relating to: (i) the formation of Lockheed's Employee Stock Ownership Plan in 1989 after the disclosure by Valhi, Inc. and persons related to it that they owned 5.3% of the Lockheed Common Stock; (ii) Lockheed's plea agreement as described under "RECENT DEVELOPMENTS -- Lockheed Plea Agreement" and Lockheed's payment of \$24.8 million in fines and penalties to the United States in that action; (iii) the compensation to be paid to certain Martin Marietta officers and executives as a result of the Combination; and (iv) disclosures made and proposed to be made to stockholders of Lockheed and Martin Marietta. The parties continued their discussions regarding a settlement of the claims alleged in the complaints referred to above (as well as the claims expected to be alleged in the revised Rampell Complaint) and, in the course of negotiations, reached an oral agreement in principle on January 30, 1995 with respect to the terms of a proposed settlement of such claims. On February 2, 1995 the Rampell Complaint was amended to include the allegations referred to above.

The agreement in principle, which is subject to the execution and delivery of a mutually-satisfactory stipulation of settlement (a "Stipulation"), contemplates a settlement subject to Court approval involving the following elements: (a) Lockheed Martin would agree, subject to any restrictions imposed by Maryland law, to pay a regular quarterly dividend of \$0.40 (rather than \$0.35, as otherwise contemplated) per share on each outstanding share of Lockheed Martin Common Stock for each of the first three quarters after consummation

of the Combination and approval of the settlement in which net income (excluding non-recurring restructure costs and extraordinary charges and transaction expenses) is sufficient to pay such a dividend; (b) the provisions of Section 6.7 of the Reorganization Agreement would be amended to permit either Lockheed or Martin Marietta to initiate discussions with third parties regarding business combination transactions if either company's Board of Directors, upon written advice of counsel, has determined that it is in the best interests of such company's stockholders to initiate such discussions; (c) the termination fee specified in Section 8.2 of the Reorganization Agreement would be reduced from \$100 million to \$50 million; (d) this Joint Proxy Statement/Prospectus would reflect certain additional disclosures proposed by counsel for plaintiffs; (e) in part as a result of the pendency of the plaintiffs' actions, Lockheed would agree to strengthen its policies and procedures to help to insure compliance with the Foreign Corrupt Practices Act; and (f) Lockheed Martin would agree to the payment of \$6 million in counsel fees and expenses to plaintiffs' counsel with interest from the date plaintiffs' counsel delivers to defendants' counsel a draft of the Stipulation.

It is contemplated that the proposed settlement will be expressly conditioned upon (i) the Combination being consummated substantially on the terms set forth in the Reorganization Agreement, (ii) Lockheed and Martin Marietta receiving evidence satisfactory to them that the provisions of the proposed settlement will not result in the pooling of interests method of accounting for the Combination being unavailable under the requirements of APB No. 16; (iii) certification of the stockholder classes (for the purpose of obtaining approval of the Stipulation and entry of an appropriate judgment); (iv) court approval of the Stipulation; and (v) final dismissal of the actions with prejudice and release of the claims asserted in such actions with prejudice.

As discussed above, the Combination is structured as a "merger of equals" and does not involve a sale of Lockheed or Martin Marietta, and the Lockheed Board and the Martin Marietta Board have thoroughly reviewed the terms and conditions of the Combination and have determined that the Combination is in the best interests of their respective stockholders (see "-- Background", "-- Recommendation of Lockheed Board; Lockheed's Reasons for the Combination" and "-- Recommendation of Martin Marietta Board; Martin Marietta's Reasons for the Combination"). Lockheed, Martin Marietta and the other defendants have denied, and continue to deny, that they have committed any violations of law, and they have agreed in principle to the proposed settlement in order to eliminate the burden and expense of further litigation and to facilitate the consummation of a transaction that they believe to be in the best interests of the stockholders of Lockheed and Martin Marietta. On February 7, 1995 Lockheed, Martin Marietta and Lockheed Martin made the amendments to Sections 6.7 and 8.2 of the Reorganization Agreement contemplated by the terms of the proposed settlement. Prior to reaching the agreement in principle described above, plaintiffs' counsel reviewed the internal financial forecasts for Lockheed through 1998 prepared by management of Lockheed and reviewed by Lockheed's Board in connection with its consideration of the Combination. See "-- Recommendation of Lockheed Board; Lockheed's Reasons for the Combination". If the proposed settlement described above is not consummated, Lockheed, the Lockheed directors, Martin Marietta and the Martin Marietta directors intend to contest the claims asserted against them in these lawsuits.

STOCK EXCHANGE LISTING

Lockheed Martin expects to apply for the listing of Lockheed Martin Common Stock on the NYSE, and it is anticipated that such shares will trade on the NYSE upon official notice of issuance, under the symbol LMT. It is a condition to the Combination that the shares of Lockheed Martin Common Stock issuable in the Combination be approved for listing on the NYSE upon official notice of issuance.

DELISTING AND DEREGISTRATION OF LOCKHEED COMMON STOCK AND MARTIN MARIETTA COMMON STOCK; CESSATION OF PERIODIC REPORTING

If the Combination is consummated, Lockheed Common Stock and Martin Marietta Common Stock will cease to be listed on the NYSE and the other exchanges on which such securities are listed. In such event, Lockheed Martin intends to apply to the Commission for the deregistration of such securities. In addition,

Lockheed Martin may guarantee Lockheed's or Martin Marietta's publicly held debt (or a portion of such debt). In such event, Lockheed or Martin Marietta, as the case may be, intends to seek to obtain a no-action letter from the Commission permitting it to cease filing periodic reports pursuant to the Exchange Act.

FEDERAL SECURITIES LAWS CONSEQUENCES

All shares of Lockheed Martin Common Stock received by Lockheed and Martin Marietta stockholders in the Combination will be freely transferable, except that shares of Lockheed Martin Common Stock received by persons who are deemed to be "affiliates" (as such term is defined under the Act) of Lockheed or Martin Marietta prior to the Combination may be resold by them only in transactions permitted by the resale provisions of Rule 145 promulgated under the Act (or Rule 144 in the case of such persons who become affiliates of Lockheed Martin) or as otherwise permitted under the Act. Persons who may be deemed to be affiliates of Lockheed, Martin Marietta or Lockheed Martin generally include individuals or entities that control, are controlled by, or are under common control with, such party and may include certain officers and directors of such party as well as principal stockholders of such party. The Reorganization Agreement requires Lockheed and Martin Marietta to use reasonable efforts to cause each of their affiliates to execute a written agreement to the effect that such persons will not offer or sell or otherwise dispose of any of the shares of Lockheed Martin Common Stock or Lockheed Martin Series A Preferred Stock, as the case may be, issued to such persons in or pursuant to the Combination in violation of the Act or the rules and regulations promulgated by the Commission thereunder.

APPRAISAL RIGHTS

Holders of Lockheed Common Stock are not entitled to dissenters' or appraisal rights in connection with the Pacific Sub Merger because the Lockheed Common Stock is listed on a national securities exchange and the shares of Lockheed Martin Common Stock that such holders will be entitled to receive in the Pacific Sub Merger will also be listed on a national securities exchange. Holders of Martin Marietta Common Stock are not entitled to dissenters' or appraisal rights in connection with the Atlantic Sub Merger because the Martin Marietta Common Stock is listed on a national securities exchange.

GE, as the holder of Martin Marietta Series A Preferred Stock, is entitled to exercise appraisal rights under Title 3, Subtitle 2 of the MGCL. However, the management of GE has agreed to recommend to its Board of Directors that such shares be voted in favor of the Combination Proposal and not to assert any dissenters' or appraisal rights under the MGCL in connection with the transactions set forth in the Reorganization Agreement. See "OWNERSHIP OF LOCKHEED, MARTIN MARIETTA AND LOCKHEED MARTIN -- Martin Marietta."

THE REORGANIZATION AGREEMENT

GENERAL

The Reorganization Agreement provides for the merger of Atlantic Sub and Pacific Sub with and into Martin Marietta and Lockheed, respectively. As a result of the Combination, Martin Marietta and Lockheed will become wholly owned subsidiaries of Lockheed Martin. In the Combination, stockholders of Martin Marietta and Lockheed will receive the consideration described below. The Combination will be accomplished pursuant to the Mergers. The Mergers will become effective in accordance with Articles of Merger to be filed with the Department of Assessments and Taxation of the State of Maryland in the case of the Atlantic Sub Merger, and a Certificate of Merger to be filed with the Secretary of State of Delaware in the case of the Pacific Sub Merger. Such filings are anticipated to take place as soon as practicable after the last of the conditions precedent to the Combination set forth in the Reorganization Agreement have been satisfied or, where permissible, waived, which is expected to occur shortly after the Special Meetings. The following description of the Reorganization Agreement is qualified in its entirety by reference to the complete text of the Reorganization Agreement, which is incorporated by reference herein and a copy of which is annexed to this Joint Proxy Statement/Prospectus as Appendix I.

CONSIDERATION TO BE RECEIVED IN THE COMBINATION

Atlantic Sub Merger. Upon consummation of the Atlantic Sub Merger, pursuant to the Reorganization Agreement and the Atlantic Merger Agreement, (i) each outstanding share of Martin Marietta Common Stock will be converted into the right to receive one share of Lockheed Martin Common Stock, (ii) each outstanding share of Martin Marietta Series A Preferred Stock will be converted into the right to receive one share of Lockheed Martin Series A Preferred Stock and (iii) each outstanding share of Martin Marietta Common Stock owned by Lockheed or any subsidiary of Lockheed will be cancelled and cease to exist. For a description of Lockheed Martin Common Stock, see "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK -- Common Stock." For a description of the designations, preferences, rights and qualifications, limitations and restrictions of the Lockheed Martin Series A Preferred Stock, see "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK -- Series A Preferred Stock."

Pacific Sub Merger. Upon consummation of the Pacific Sub Merger, pursuant to the Reorganization Agreement and the Pacific Merger Agreement, (i) each outstanding share of Lockheed Common Stock will be converted into the right to receive 1.63 shares of Lockheed Martin Common Stock and (ii) each outstanding share of Lockheed Common Stock owned by Martin Marietta or any subsidiary of Martin Marietta or held by Lockheed in its treasury will be cancelled and cease to exist. Fractional shares of Lockheed Martin Common Stock will not be issued in the Pacific Sub Merger. Holders of Lockheed Common Stock otherwise entitled to a fractional share will be paid an amount in cash equal to such fractional part of a share of Lockheed Martin Common Stock multiplied by the closing price of a share of Lockheed Martin Common Stock on the NYSE on the last business day preceding the Merger Date if such stock is then being traded, including without limitation trading on a "when issued" basis, and otherwise the closing price on the first business day that such stock is traded. For a description of Lockheed Martin Common Stock, see "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK -- Common Stock."

For a description of the treatment of Lockheed and Martin Marietta stock options and other employee benefit plans under the Reorganization Agreement, see "-- Certain Benefits Matters" and "THE COMBINATION -- Interests of Certain Persons in the Combination."

Exchange of Shares. Promptly after the Merger Date, transmittal forms will be mailed to each holder of record of shares of Lockheed Common Stock, Martin Marietta Common Stock and Martin Marietta Series A Preferred Stock to be used in forwarding certificates evidencing such shares for surrender and exchange for certificates evidencing the shares of Lockheed Martin Common Stock or Lockheed Martin Series A Preferred Stock, as the case may be, to which such holder has become entitled and, if applicable, cash in lieu of a fractional share of Lockheed Martin Common Stock. After receipt of such transmittal form, each holder of certificates formerly representing Lockheed Common Stock, Martin Marietta Common Stock or Martin Marietta Series A Preferred Stock should surrender such certificates, together with a duly completed transmittal form, to First Chicago Trust Company of New York, as exchange agent (the "Exchange Agent"), and each such holder will receive in exchange therefor certificates evidencing the whole number of shares of Lockheed Martin Common Stock or Lockheed Martin Series A Preferred Stock, as the case may be, to which he or she is entitled and any cash which may be payable in lieu of a fractional share. Such transmittal forms will be accompanied by instructions specifying other details of the exchange.

STOCKHOLDERS SHOULD NOT SEND IN THEIR CERTIFICATES UNTIL THEY RECEIVE A TRANSMITTAL FORM.

After the Merger Date, each certificate evidencing Martin Marietta Common Stock or Martin Marietta Series A Preferred Stock (other than certificates evidencing shares owned by Lockheed or its subsidiaries (which will be cancelled)), or Lockheed Common Stock (other than certificates evidencing shares owned by Martin Marietta or its subsidiaries or shares held by Lockheed in its treasury (which will be cancelled)), until so surrendered and exchanged, will be deemed, for all purposes, to evidence only the right to receive the number of shares of Lockheed Martin Common Stock or Lockheed Martin Series A Preferred Stock, as the case may be, which the holder of such certificate is entitled to receive and the right to receive any cash payment in lieu of a fractional share of Lockheed Martin Common Stock. The holder of such unexchanged certificate will not be entitled to receive any dividends or other distributions payable by Lockheed Martin until the certificate is surrendered. Subject to applicable laws such dividends and distributions, if any, will be

accumulated and, at the time of such surrender, all such unpaid dividends and distributions, together with any cash payment in lieu of a fractional share, will be paid, without interest.

LOCKHEED MARTIN FOLLOWING THE COMBINATION

The Reorganization Agreement provides that the Board of Directors of Lockheed Martin (the "Lockheed Martin Board") will have 24 members, twelve of whom will initially be designated by Martin Marietta and twelve of whom will initially be designated by Lockheed. Membership on the major committees of the Lockheed Martin Board will initially consist of an equal number of designees of Martin Marietta and Lockheed. See "MANAGEMENT OF LOCKHEED MARTIN -- Directors" and "-- Committees of the Board of Directors." In addition, the Reorganization Agreement states that it is the intention of the parties thereto that the initial quarterly dividend with respect to Lockheed Martin Common Stock will be at the annual rate of \$1.40 per share, subject to approval and declaration by the Lockheed Martin Board. (See "THE COMBINATION -- Certain Litigation" for a description of a proposed litigation settlement that would, if consummated, result in an increase in the rate of such dividend for three quarters following consummation of the Combination.)

CONDITIONS TO THE COMBINATION

The obligation of Martin Marietta to effect the Atlantic Sub Merger and the obligation of Lockheed to effect the Pacific Sub Merger are each subject to the simultaneous effectuation by the other of the Merger to which the other is a party and to all the following additional conditions: (a) the holders of shares of Martin Marietta Common Stock and Martin Marietta Series A Preferred Stock, voting together as a single class, shall have duly approved the Reorganization Agreement and the Atlantic Merger Agreement, and the holders of shares of Lockheed Common Stock shall have duly approved and adopted the Reorganization Agreement and the Pacific Merger Agreement, all in accordance with applicable law; (b) no statute, rule, regulation, executive order, decree or injunction shall have been enacted, entered, promulgated or enforced by any court or governmental authority which prohibits the consummation of the Combination substantially on the terms contemplated by the Reorganization Agreement; (c) the Registration Statement shall have become effective in accordance with the provisions of the Act, and no stop order suspending such effectiveness shall have been issued and remain in effect; (d) the shares of Lockheed Martin Common Stock issuable in the Combination shall have been approved for listing on the NYSE upon official notice of issuance; (e) any applicable waiting period under the HSR Act shall have expired or been terminated and any other material Martin Marietta Required Statutory Approvals and Lockheed Required Statutory Approvals (each as defined in the Reorganization Agreement) shall have been obtained at or prior to the Merger Date, except where the failure to obtain such other Martin Marietta Required Statutory Approvals or other Lockheed Required Statutory Approvals would not have a material adverse effect on the transactions contemplated by the Reorganization Agreement or on the business, results of operations or financial condition of Martin Marietta and its subsidiaries taken as a whole or Lockheed and its subsidiaries taken as a whole, as the case may be; (f) each of Martin Marietta and Lockheed shall have received a letter from its independent auditors, dated the Merger Date, in form and substance reasonably satisfactory to it, stating that they concur with the conclusions of Lockheed's and Martin Marietta's managements that the transactions contemplated pursuant to the Reorganization Agreement will qualify as transactions to be accounted for in accordance with the pooling of interests method of accounting under the requirements of APB No. 16; and (g) each of Martin Marietta and Lockheed shall have received an opinion of its tax counsel, confirming the earlier opinion of such counsel, to the effect that neither it nor any of its stockholders will recognize gain or loss for Federal income tax purposes as a result of the Merger to which it is a party (other than in respect of any cash paid in lieu of fractional shares).

The obligation of Martin Marietta to effect the Atlantic Sub Merger is further subject to all the following conditions: (a) the representations and warranties of Lockheed contained in the Reorganization Agreement shall in all material respects be true as of the Merger Date with the same effect as though made as of the Merger Date (except for changes specifically permitted by the terms of the Reorganization Agreement); (b) Lockheed shall in all material respects have performed all obligations and complied with all covenants required by the Reorganization Agreement to be performed or complied with by it prior to the Merger Date;

and (c) Lockheed shall have delivered to Martin Marietta a certificate, dated the Merger Date and signed by its Chairman of the Board and Chief Executive Officer or its President to both such effects.

The obligation of Lockheed to effect the Pacific Sub Merger is further subject to all the following conditions: (a) the representations and warranties of Martin Marietta contained in the Reorganization Agreement shall in all material respects be true as of the Merger Date with the same effect as though made as of the Merger Date (except for changes specifically permitted by the terms of the Reorganization Agreement); (b) Martin Marietta shall in all material respects have performed all obligations and complied with all covenants required by the Reorganization Agreement to be performed or complied with by it prior to the Merger Date; and (c) Martin Marietta shall have delivered to Lockheed a certificate, dated the Merger Date and signed by its Chairman of the Board and Chief Executive Officer or its President and Chief Operating Officer, to both such effects.

All the conditions to the Combination must either be satisfied or waived prior to consummation of the Combination.

REPRESENTATIONS AND WARRANTIES

The Reorganization Agreement contains certain representations and warranties of the parties including, without limitation, representations by each of Martin Marietta and Lockheed as to due organization, authorized capital stock, corporate authority to enter into the transactions, recent reports and financial statements, absence of undisclosed liabilities and violations of law, compliance with environmental laws and regulations, absence of undisclosed employee benefit plan liabilities, absence of certain changes or events and undisclosed investigations or litigation, the accuracy of this Joint Proxy Statement/Prospectus, accounting matters, rights agreements, ownership of each other's common stock and tax matters.

CERTAIN COVENANTS

The Reorganization Agreement requires that, until the Merger Date (or until the Reorganization Agreement is terminated, if it is terminated prior to the Merger Date) Martin Marietta and Lockheed will conduct their respective operations in accordance with their ordinary and usual course of business, subject to various exceptions. The Reorganization Agreement also contains other covenants which, subject to various exceptions, obligate Lockheed and Martin Marietta to use their reasonable efforts to maintain their relationships with customers; to notify each other of changes in the normal course of their businesses; not to declare dividends (other than their regular quarterly cash dividends); not to enter into or modify employment agreements or benefit plans; not to engage in any other transactions involving any form of business combination or sale of a material amount of assets; and to take or refrain from taking other specified actions.

The Reorganization Agreement contains certain other covenants including covenants relating to public announcements, access to personnel and data, cooperation regarding certain filings with governmental and other agencies and organizations, obtaining auditors' comfort letters and affiliate agreements, and future reports and financial statements.

Pursuant to the Reorganization Agreement, each of the parties thereto has agreed to use its reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable law and regulation to consummate and make effective the Combination in accordance with the terms of the Reorganization Agreement and the related merger agreements. Martin Marietta and Lockheed are not required, however, to agree to the divestiture of any of its or the other party's material assets in order to obtain any governmental approval.

NO SOLICITATION OF TRANSACTIONS

The Reorganization Agreement provides that neither Martin Marietta nor Lockheed nor any of their respective officers, directors or agents will directly or indirectly, encourage, solicit or initiate discussions or negotiations with, or engage in negotiations or discussions with, or provide any nonpublic information to, any corporation, partnership, person or other entity or group concerning any merger, sale of substantial assets, sale of shares of capital stock or similar transactions involving Martin Marietta or Lockheed or any of their respective subsidiaries or divisions, unless its Board of Directors, upon written advice of counsel, has

determined that it is in the best interests of such company's stockholders to do so. In the event Martin Marietta or Lockheed receives any proposal concerning any such transaction, such party shall promptly advise the other as to any such proposal and as to any discussions conducted in connection therewith.

CERTAIN BENEFITS MATTERS

Pursuant to the Reorganization Agreement, simultaneously with the Atlantic Sub Merger, (i) each outstanding option to purchase or acquire a share of Martin Marietta Common Stock under option plans presently maintained by Martin Marietta ("Martin Marietta Option Plans") will be converted into an option to purchase that number of shares of Lockheed Martin Common Stock which could have been obtained upon the exercise of such option at the same exercise price, and all references in each such option to Martin Marietta shall be deemed to refer to Lockheed Martin, where appropriate, (ii) each outstanding stock appreciation right under the Martin Marietta Option Plans ("Martin Marietta SAR") to receive a cash payment based on the Martin Marietta Common Stock will be converted into a stock appreciation right to receive a cash payment based on the same number of shares of Lockheed Martin Common Stock and at the same base price as applied to the Martin Marietta SAR, and all references in each Martin Marietta SAR to Martin Marietta shall be deemed to refer to Lockheed Martin, where appropriate, (iii) Lockheed Martin will assume the obligations of Martin Marietta under the Martin Marietta Option Plans and (iv) each outstanding award made pursuant to Martin Marietta's Amended and Restated Long Term Performance Incentive Compensation Plan and its predecessor plans will be amended or converted into a similar instrument of Lockheed Martin, in either case with such adjustments to the terms of such awards, including but not limited to, the formula setting forth the redemption value of such awards, as are appropriate to preserve the value inherent in such awards with no detrimental effects on the holders thereof without their consent. Subject to approval of the Omnibus Plan Proposal, no additional options or awards will be granted pursuant to the Martin Marietta Option Plan after the Atlantic Sub Merger. See "THE COMBINATION -- Interests of Certain Persons in the Combination -- Martin Marietta."

In addition, simultaneously with the Pacific Sub Merger, (i) each outstanding option (and related stock appreciation right ("Lockheed SAR"), if any) to purchase or acquire a share of Lockheed Common Stock under option plans presently maintained by Lockheed ("Lockheed Option Plans") will be converted into an option (together with a related stock appreciation right of Lockheed Martin, if applicable), to purchase 1.63 times the number of shares of Lockheed Martin Common Stock which could have been obtained upon the exercise of each such option, at an exercise price per share equal to the exercise price for each such share of Lockheed Common Stock subject to an option (and related Lockheed SAR, if any) under the Lockheed Option Plans divided by 1.63, and all references in each such option (and related Lockheed SAR, if any) to Lockheed shall be deemed to refer to Lockheed Martin, where appropriate and (ii) Lockheed Martin will assume the obligations of Lockheed under the Lockheed Option Plans. Subject to approval of the Omnibus Plan Proposal, no additional options or awards will be granted pursuant to the Lockheed Option Plans after the Pacific Sub Merger. See "THE COMBINATION -- Interests of Certain Persons in the Combination -- Lockheed."

In the Reorganization Agreement, Martin Marietta and Lockheed have agreed that effective as of the Merger Date, and subject to approval of the Omnibus Plan Proposal, Lockheed Martin will adopt the Lockheed Martin Omnibus Plan for the purpose of granting stock options, restricted stock, stock appreciation rights or other stock based incentive awards to such employees of Lockheed Martin, Martin Marietta and Lockheed, and their respective subsidiaries in such amounts and upon such terms and conditions as the Compensation Committee of the Lockheed Martin Board, shall, in its sole discretion, determine (subject to the provisions of the Lockheed Martin Omnibus Plan). See "LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN."

INDEMNIFICATION AND INSURANCE

The Reorganization Agreement provides that, for a period of six years after the Merger Date, Lockheed Martin will cause to be maintained in effect (a) the current provisions regarding indemnification of officers and directors contained in the charter and bylaws of Martin Marietta and the certificate of incorporation and bylaws and officers' and directors' indemnification agreements of Lockheed, and (b) the current policies of

directors' and officers' liability insurance and fiduciary liability insurance maintained by Martin Marietta and Lockheed (provided that Lockheed Martin may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are, in the aggregate, no less advantageous to the insured) with respect to claims arising from facts or events which occurred on or before the Merger Date.

TERMINATION

The Reorganization Agreement may be terminated and abandoned at any time prior to the Merger Date, whether before or after approval by the respective stockholders of Martin Marietta and Lockheed: (a) by the mutual written consent of Martin Marietta and Lockheed; (b) by Martin Marietta or Lockheed if the Merger Date shall not have occurred on or before March 31, 1995; (c) by Martin Marietta or Lockheed if any court of competent jurisdiction in the United States or other United States governmental body shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the Combination on substantially the terms contemplated by the Reorganization Agreement and such order, decree, ruling or other action shall have become final and non-appealable; (d) by Martin Marietta if (i) the Lockheed Board shall have altered its determination to recommend that the stockholders of Lockheed adopt and approve the Reorganization Agreement or (ii) any third party or group shall have acquired, after the date of the Reorganization Agreement, beneficial ownership of 15% or more of the outstanding shares of Lockheed Common Stock; (e) by Lockheed if (i) the Martin Marietta Board shall have altered its determination to recommend that the stockholders of Martin Marietta approve the Reorganization Agreement or (ii) any third party or group shall have acquired, after the date of the Reorganization Agreement, beneficial ownership of 15% or more of the outstanding shares of Martin Marietta Common Stock; (f) by Lockheed or Martin Marietta if there shall have been a material breach by the other of any of its representations, warranties, covenants or agreements contained in the Reorganization Agreement and such breach shall not have been cured within 30 days after notice thereof shall have been received by the party alleged to be in breach; or (g) by Martin Marietta or Lockheed if, other than as a result of a breach by it, it reasonably concludes that any of the conditions to its obligations under the Reorganization Agreement described in clauses (b) through (g) in the first paragraph under "-- Conditions to the Combination" shall have become impossible of fulfillment. In the event of termination of the Reorganization Agreement as described in this paragraph, the Reorganization Agreement will terminate (except for certain provisions relating to the return of documents, termination fee and expenses), and there will be no other liability on the part of Martin Marietta or Lockheed to the other except liability arising under the Confidentiality and Standstill Agreement and arising out of a willful breach of the Reorganization Agreement.

In the event of a termination by Martin Marietta as described in clause (d)(i) of the preceding paragraph following receipt by Lockheed of an Acquisition Proposal (as defined below), or as described in clause (d)(ii) of the preceding paragraph, or a termination by Lockheed as described in clause (e)(i) of the preceding paragraph following receipt by Martin Marietta of an Acquisition Proposal, or as described in clause (e)(ii) of the preceding paragraph, the terminating party will be paid a fee of \$50 million by the other party within two business days of such termination. For purposes of the Reorganization Agreement, the term "Acquisition Proposal" means any bona fide proposal made by a third party to (i) acquire beneficial ownership (as defined under Rule 13(d) of the Exchange Act) of a majority equity interest in either Martin Marietta or Lockheed pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, tender offer or exchange offer or similar transaction, including, without limitation, any single or multi-step transaction or series of related transactions which is structured to permit such third party to acquire beneficial ownership of a majority or greater equity interest in Martin Marietta or Lockheed, (ii) purchase all or substantially all of the business or assets of Martin Marietta or Lockheed or (iii) otherwise effect a business combination involving Martin Marietta or Lockheed.

Pursuant to the Confidentiality and Standstill Agreement, until March 29, 1997, the parties have agreed that neither Lockheed nor Martin Marietta nor any of their respective controlled subsidiaries will, unless specifically invited by the other party, (i) acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, any voting securities, or direct or indirect rights to acquire any voting securities, of the other party, or any assets of the other party or any subsidiary or division thereof or of any such successor or controlling person; (ii) make, or in any way participate in, directly or indirectly, any "solicitation" of "proxies"

(as such terms are used in the rules of the Commission) to vote, or seek to advise or influence any person or entity with respect to the voting of, any voting securities of the other party; (iii) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any extraordinary transactions involving the other party or its securities or assets; or (iv) form, join or in any way participate in a "group" (as defined in Section 13(d)(3) of the Exchange Act) in connection with any of the foregoing. The parties also agreed that until March 29, 1997, neither will publicly request the other (its officers, directors, employees and agents) or publicly disclose any request, directly or indirectly, to waive any of the provisions described in this paragraph.

EXPENSES

The Reorganization Agreement states that in the event Martin Marietta or Lockheed fails to recommend the transaction contemplated thereby to its stockholders, or withdraws any such recommendation previously made and the Combination is not consummated, such party will (unless a fee has become payable as described in the second paragraph under "-- Termination" or unless such failure to recommend or such withdrawal was a result of a breach of the Reorganization Agreement by the other party) at the time of termination of the Reorganization Agreement pay to the other party an amount equal to such other party's actual costs and expenses incurred in connection with the transaction, provided that such reimbursement shall not exceed \$15 million.

Pursuant to the Reorganization Agreement, except as described in the preceding paragraph, whether or not the Combination is consummated, all costs and expenses incurred in connection with the transactions contemplated thereby will be paid by the party incurring such expenses, except that the expenses incurred in connection with printing this Joint Proxy Statement/Prospectus and any expenses incurred by Lockheed Martin relating to the issuance, registration and listing of the Lockheed Martin Common Stock and the Lockheed Martin Series A Preferred Stock and the qualification thereof under state blue sky or securities laws, will be paid in equal shares by Martin Marietta and Lockheed.

BUSINESS OF LOCKHEED

Lockheed's primary businesses involve research, development and production of aerospace products, systems and services. During 1993, approximately 77% of sales were to the United States government (approximately 64% in defense programs and approximately 13% in nondefense programs). During 1993, sales to foreign governments accounted for approximately 13% of revenues and sales to commercial customers accounted for approximately 10% of revenues. Sales made to foreign governments through the United States government are included in sales to foreign governments.

Lockheed's operating companies are aligned into four segments: Aeronautical Systems, Missiles and Space Systems, Electronic Systems and Technology Services.

The Aeronautical Systems segment comprises design and production of fighter/bomber aircraft, special mission and high performance aircraft, and systems for military operations, for airlift, for antisubmarine warfare, and for reconnaissance and surveillance; and aircraft modification and maintenance for military and civilian customers. Lockheed is the prime contractor on the F-16 "Fighting Falcon" fighter aircraft, the F-22 air superiority fighter program and the C-130 airlift aircrafts. Lockheed is also involved in upgrading aircraft, including the U-2 reconnaissance aircraft and the F-117 fighter bomber.

The Missiles and Space Systems segment comprises military and civil space systems, research laboratories, strategic fleet ballistic missiles, tactical defense missiles and communications systems. Lockheed is the prime contractor on the Trident II, a submarine launched, strategic deterrent, fleet ballistic missile, the Milstar communications satellite and the Theater High Altitude Area Defense (THAAD) program which is intended to be a system capable of intercepting theater ballistic missiles at high altitudes and long ranges. Lockheed also is a principal subcontractor on the space station, has contracted to build spacecraft for Motorola's Iridium TM/SM global communication system and has created a partnership with two of the Russian Federation's major aerospace firms with worldwide rights to Russia's Proton rocket, and offers Lockheed Launch Vehicle services.

The Electronic Systems segment participates in both defense and commercial markets. For defense markets, Lockheed develops and manufactures radio frequency, infrared, and electro-optic countermeasures systems; mission planning systems; surveillance systems; automated test equipment; antisubmarine warfare systems; microwave systems; and avionics. Lockheed also manufactures computer graphics equipment and other electronic products and distributes computer equipment and workstations for commercial markets worldwide.

The Technology Services segment comprises space shuttle processing, engineering sciences and support, management of the Idaho National Engineering Laboratory for the Department of Energy, other environmental services, military equipment maintenance and support services, airport facilities development and management, data processing and transaction services.

Additional information concerning Lockheed is included in the Lockheed Reports incorporated by reference in this Joint Proxy Statement/Prospectus. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE" and "AVAILABLE INFORMATION."

BUSINESS OF MARTIN MARIETTA

Martin Marietta is a diversified enterprise principally engaged in the conception, design, manufacture and integration of advanced technology products and services for the United States Government and private industry. In addition, Martin Marietta manages certain facilities for the Department of Energy, including the Department of Energy's facilities at Oak Ridge, Tennessee and Sandia National Laboratories, Albuquerque, New Mexico, and also produces construction aggregates and specialty chemical products. Martin Marietta's businesses are conducted through six groups: Electronics, Space, Information, Services, Materials and Energy. The Electronics Group's activities are diverse, but primarily relate to the design, development, engineering and production of electronic systems for precision guidance, navigation, detection and tracking of threats; missiles and missile launching systems; armaments; aircraft controls and subsystems (thrust reversers); and secure communications systems. The Space Group's activities include the design, development, engineering and production of spacecraft, space launch vehicles and supporting ground systems, electronics and instrumentation. The Information Group provides command and control systems, information processing services, systems engineering, integration, program management, software development, computer-based simulations and training products, computer-based test control, machinery control, and automatic logistics systems to civil, military and commercial customers. The Services Group provides management, engineering, logistics, systems software and processing support, and other technical services to military, civil government and international customers as well as to other organizations within Martin Marietta. The Materials Group (Martin Marietta Materials, Inc.) provides construction aggregates and specialty chemical products to commercial and civil customers. The Energy Group's primary function is managing the Department of Energy's facilities at Oak Ridge, Tennessee.

Additional information concerning Martin Marietta is included in the Martin Marietta Reports incorporated by reference in this Joint Proxy Statement/Prospectus. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE" and "AVAILABLE INFORMATION."

RECENT DEVELOPMENTS

1994 RESULTS OF OPERATIONS

Lockheed has reported that sales for 1994 totaled \$13.1 billion, unchanged from 1993. Net earnings for 1994 increased 5%, totalling \$445 million, or \$7.00 per share, compared with 1993 net earnings of \$422 million or \$6.70 per share. Included in Lockheed's 1994 results is a \$24.8 million charge related to the Lockheed plea agreement discussed below under "-- Lockheed Plea Agreement."

Martin Marietta has reported that sales for 1994 totaled \$9.87 billion, representing a 4.6% increase over 1993 sales of \$9.44 billion. Net earnings in 1994 increased by 41%, totalling \$635.6 million, compared with 1993 earnings of \$450.3 million, before accounting changes. Fully diluted earnings per share were \$5.05 in 1994, a 33% increase over 1993's comparable earnings per share, before accounting changes, of \$3.80.

Included in the 1994 Martin Marietta results is an after-tax gain of \$70.2 million, or \$0.56 per share, resulting from the initial public offering by Martin Marietta Materials, Inc. of 19% of its common stock in February 1994. In 1993, Martin Marietta recognized \$429.4 million in non-cash, after-tax charges associated with changes in accounting for post-retirement and other post-employment benefits.

LOCKHEED PLEA AGREEMENT

On June 22, 1994, an indictment was returned by a federal grand jury sitting in Atlanta, Georgia, against Lockheed and two of its employees. The indictment charged that Lockheed and the two employees, one of whom was a regional vice president of one of Lockheed's subsidiaries and the other a divisional director of sales for the Middle East and North Africa, violated the Foreign Corrupt Practices Act (the "FCPA"), conspired to violate the FCPA, conspired to commit wire fraud, and impaired and impeded agencies of the United States Department of Defense. The indictment related to allegations that Lockheed retained a sales and marketing consultant in Egypt who was a member of the Egyptian Parliament, and that the consultant received retainer payments and a \$1 million contract termination payment in connection with the sale by Lockheed of three C-130 Hercules Aircraft, in violation of the FCPA.

By letter dated August 18, 1994, the Acting Assistant Secretary, Department of State, Bureau of Political-Military Affairs ("State Department") advised Lockheed that it would be the State Department's policy prospectively to deny defense-related export privileges to Lockheed Aeronautical Systems Company ("LASC"), a division of Lockheed. The State Department, referring to Sections 38, 39 and 42 of the Arms Export Control Act (22 U.S.C. Sections 2778, 2779 and 2791), announced that its action arose from the June 22, 1994, indictment discussed above. The State Department announced that its action is confined to LASC and does not affect any other division or subsidiary of Lockheed, although it is possible that the State Department could expand its action in the future to cover Lockheed or other divisions of Lockheed or Lockheed Martin or any of its divisions. Moreover, the State Department announced that the action does not apply to any approvals granted to LASC's programs before June 22, 1994, but rather to future export license applications. Lockheed may seek exceptions to the announced policy on a case-by-case basis at the discretion of the State Department, Office of Defense Controls, which must consider United States foreign policy and national security interests, as well as law enforcement concerns. There is no stated time frame within which the State Department must review an exception request. As of the date of this Joint Proxy Statement/Prospectus, Lockheed has submitted written exception requests on several major aircraft programs. The State Department has granted these requests in a timely manner consistent with Lockheed's business plans, with no request pending for more than ninety days. There can be no assurances as to how long the State Department will take to review any future exception requests or whether any other exceptions will be granted.

On January 27, 1995, Lockheed and the United States of America entered into a plea agreement pursuant to which Lockheed agreed to plead guilty to one count of conspiring to violate the bribery provisions of the FCPA and conspiring to falsify its books, records and accounts. All other counts of the indictment referred to above were dismissed. To the knowledge of Lockheed, no directors or executive officers of Lockheed have been or will be indicted in connection with this matter. Lockheed agreed to pay the U.S. Government \$24.8 million, consisting of a fine of \$21.8 million and a civil settlement of \$3 million. The United States Attorney's Office stated that Lockheed fully cooperated in its efforts to gather documents and in making witnesses available during the course of the investigation. The plea agreement does not preclude the possibility that the Department of Defense, the State Department, or the Commission may take further action against Lockheed or Lockheed Martin or any of their divisions as a result of Lockheed's guilty plea, which could include the possibility of suspension or debarment from future government contracting. Lockheed is cooperating with these regulatory agencies to satisfy their concerns.

BUSINESS OF LOCKHEED MARTIN

Lockheed Martin, a newly formed Maryland corporation, has not conducted any business activities to date, other than those incident to its formation, its execution of the Reorganization Agreement and related agreements and its participation in the preparation of this Joint Proxy Statement/Prospectus. Immediately following the consummation of the Combination, Lockheed Martin will become a holding company for Lockheed and Martin Marietta and their respective subsidiaries. Accordingly, the businesses of Lockheed

Martin, through its wholly owned subsidiaries Lockheed and Martin Marietta and their respective subsidiaries, will be the businesses currently conducted by Lockheed and Martin Marietta and their respective subsidiaries.

The managements of Lockheed and Martin Marietta currently anticipate that the businesses of Lockheed Martin will be organized into four major operating sectors: Aeronautics; Electronics; Information and Technology Services; and Space and Strategic Missiles. Other units will include Energy Systems, the Sandia Corporation, Idaho Technologies and Martin Marietta Materials, Inc. It is expected that initially approximately 40% of Lockheed Martin's sales will be in civil, commercial and international markets. Following consummation of the Combination, the management of Lockheed Martin will from time to time evaluate its businesses and operations and take such actions with respect thereto as it deems appropriate under then existing circumstances. See "BUSINESS OF LOCKHEED" and "BUSINESS OF MARTIN MARIETTA."

The managements of Lockheed and Martin Marietta believe that combining the businesses of the two companies will present important consolidation and synergy opportunities. It is expected that these opportunities will be derived from consolidations in central areas such as headquarters, internal information systems, capital expenditures, procurement, laboratories, travel, telecommunications, bid proposals and financial services, as well as from potential consolidation of facilities in the Space and Strategic Missiles, Electronics, Aeronautics and Information and Technologies Services Sectors. Savings from these opportunities, a portion of which will accrue to the benefit of the U.S. Government, are expected to begin to be realized in 1995, with a phase-in to full benefits over a several-year transition period, although no assurances can be given that these savings will actually be realized or, if realized, will occur during the next several years.

The managements of Martin Marietta and Lockheed believe that Lockheed Martin will have adequate capital resources to operate, compete and grow in an increasingly challenging and competitive marketplace. As noted above, it is anticipated that the Combination will present opportunities for Lockheed Martin to improve operating efficiency, rationalize expenditures and reduce costs, thus increasing the competitiveness and business prospects of the combined companies as compared with either company alone. Additionally, the Combination is expected to result in a more balanced risk profile for Lockheed Martin, financially and competitively, than either Lockheed or Martin Marietta alone by reducing dependence on any single program. Finally, the Combination, which will be accomplished without additional borrowings, is expected to be accomplished on a tax-free basis and to be accounted for as a pooling of interests transaction thus avoiding the impact on net income which would, under purchase accounting, result from the creation and amortization of goodwill. As a consequence of the foregoing, it is anticipated that the long term effects of the Combination on the results of operations, liquidity and capital resources of Lockheed and Martin Marietta will be positive, but a charge against the earnings of Lockheed Martin will be required for the transition costs and expenses expected to be incurred in connection with consummating the Combination and integrating the operations of Lockheed and Martin Marietta (see Note 3 under "NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS").

After the consummation of the Combination, Lockheed Martin will require that sources of credit be available to support the anticipated operations of Lockheed Martin. It is anticipated that Lockheed Martin will enter into an agreement or agreements with a syndicate of banks providing for revolving loan facilities in the amount of \$1.5 billion (the "Credit Facilities") to be effective on the Merger Date. The Credit Facilities are expected to be on substantially the same terms and conditions as the existing bank credit facilities of Lockheed and Martin Marietta, with such changes as may be deemed necessary or desirable by Lockheed Martin and the banks that are parties thereto. The existing \$1 billion credit facility of Lockheed and the existing \$800 million credit facility of Martin Marietta will be terminated effective immediately prior to the Merger Date.

COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

The Lockheed Common Stock is listed on the NYSE, the Pacific Stock Exchange ("PSE"), the International Stock Exchange of the United Kingdom and the Republic of Ireland, Ltd., the Amsterdam Stock Exchange N.V., the Geneva Stock Exchange and the Zurich Stock Exchange under the symbol LK. The Martin Marietta Common Stock is listed on the NYSE, the Chicago Stock Exchange, the PSE and the Philadelphia Stock Exchange under the symbol ML.

The table below sets forth, for the calendar quarters indicated, the reported high and low sale prices of Lockheed Common Stock and Martin Marietta Common Stock as reported on the NYSE Composite Tape, in each case based on published financial sources, and the dividends declared on such stock.

	LOCKHEED COMMON STOCK			MARTIN MARIETTA COMMON STOCK*		
	HIGH	LOW	DIVIDENDS	HIGH	LOW	DIVIDENDS
1993						
First Quarter.....	63	54 1/4	0.53	37 7/16	32	0.210
Second Quarter.....	66	58	0.53	39 15/16	35 13/16	0.210
Third Quarter.....	68 1/2	59 3/4	0.53	44 7/8	39 1/16	0.225
Fourth Quarter.....	72 3/8	62 1/2	0.53	46 5/8	40 3/8	0.225
1994						
First Quarter.....	68 3/8	61 1/8	0.53	47 1/4	41 7/8	0.225
Second Quarter.....	66 1/2	58 3/4	0.57	45	40 7/8	0.225
Third Quarter.....	79 1/2	60 7/8	0.57	51	43	0.240
Fourth Quarter.....	74 3/8	66 1/4	0.57	47 1/4	41 1/2	0.240
1995						
First Quarter (through February 8, 1995).....	75 5/8	71 1/4	0.57	46 7/8	44 5/8	0.240

* Martin Marietta Common Stock prices and dividends have been adjusted for 2-for-1 stock split (in the form of a stock dividend) effective September 30, 1993.

On August 29, 1994, the last full trading day prior to the public announcement of the proposed Combination, the closing price on the NYSE Composite Tape was \$66 per share of Lockheed Common Stock and \$48 1/4 per share of Martin Marietta Common Stock and the Pro Forma Equivalent Price (as defined below) was \$72 1/8 per share for Lockheed Common Stock and \$44 1/4 per share for Martin Marietta Common Stock. On February 8, 1995, the most recent practicable date prior to the printing of this Joint Proxy Statement/Prospectus, the closing price on the NYSE Composite Tape was \$74 1/8 per share of Lockheed Common Stock and \$45 3/4 per share of Martin Marietta Common Stock and the Pro Forma Equivalent Price was \$74 3/8 per share for Lockheed Common Stock and \$45 5/8 per share for Martin Marietta Common Stock. Pro Forma Equivalent Prices were determined by (i) multiplying the market prices of Lockheed Common Stock and Martin Marietta Common Stock on such date by the respective number of shares of such common stock then outstanding, (ii) dividing the aggregate market value of the Lockheed Common Stock and Martin Marietta Common Stock so determined by the number of shares of Lockheed Martin Common Stock to be issued in connection with the Combination and (iii) multiplying the pro forma market price per share of Lockheed Martin Common Stock by 1.63 for Lockheed and 1.0 for Martin Marietta. Holders of Lockheed Common Stock and Martin Marietta Common Stock are urged to obtain current market quotations prior to making any decision with respect to the Combination.

SELECTED HISTORICAL FINANCIAL INFORMATION OF LOCKHEED CORPORATION

The following selected financial information for the fiscal years 1993, 1992 and 1991 presented below, with the exception of the balance sheet data for 1991, has been derived from Lockheed's audited consolidated financial statements incorporated by reference in this Joint Proxy Statement/Prospectus from the Lockheed Form 10-K for the year ended December 26, 1993. Historical financial data at and for the nine month periods ended September 25, 1994 and September 26, 1993, have been derived from unaudited financial statements filed with the Commission, and in the opinion of Lockheed's management, include all adjustments necessary for a fair presentation of the results of operations and financial position at and for each of the interim periods presented. No material adjustments other than of a normal recurring nature were made, except for certain 1993 nonrecurring adjustments in Lockheed's Aeronautical Systems segment described in Item 2 of Lockheed's Quarterly Report on Form 10-Q for the quarter ended September 25, 1994. Results for the nine months ended September 25, 1994 are not necessarily indicative of results which may be expected for any other interim period or for the year as a whole. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE." The balance sheet data for 1991 and the summary financial information presented below for 1990 and 1989 has been derived from audited consolidated financial statements previously filed with the Commission but not incorporated by reference in this Joint Proxy Statement/Prospectus. The following information is qualified in its entirety by and should be read in conjunction with the consolidated financial statements and related notes thereto.

	AT OR FOR FISCAL NINE MONTHS ENDED SEPTEMBER,		AT OR FOR FISCAL YEAR ENDED DECEMBER,				
	1994	1993(1)	1993(1)	1992(2)	1991	1990	1989
	(Dollars in millions, except per share data)						
INCOME STATEMENT DATA:							
Sales.....	\$9,286	\$9,332	\$13,071	\$10,100	\$9,809	\$9,958	\$9,891
Costs and expenses.....	8,665	8,748	12,227	9,456	9,233	9,397	9,838
Program profits.....	621	584	844	644	576	561	53
Interest expense.....	(115)	(123)	(168)	(119)	(118)	(138)	(86)
Other income (deductions), net.....	(5)	1	--	24	16	7	(7)
Earnings from continuing operations before income taxes, cumulative effect of change in accounting principle and discontinued operations, net of tax.....	501	462	676	549	474	430	(40)
Provision (credit) for income taxes.....	193	175	254	201	166	95	(46)
Earnings from continuing operations before cumulative effect of change in accounting principle and discontinued operations, net of tax.....	308	287	422	348	308	335	6
Cumulative effect of change in accounting principle for retiree medical benefits, net of tax.....	--	--	--	(631)	--	--	--
Discontinued operations, net of tax.....	--	--	--	--	--	--	(4)
Net earnings (loss).....	\$ 308	\$ 287	\$ 422	\$ (283)	\$ 308	\$ 335	\$ 2
Net earnings (loss) per common and common equivalent shares:							
Earnings from continuing operations before accounting change and discontinued operations, net of tax.....	\$ 4.85	\$ 4.57	\$ 6.70	\$ 5.65	\$ 4.86	\$ 5.30	\$.10
Net earnings (loss).....	\$ 4.85	\$ 4.57	\$ 6.70	\$ (4.58)	\$ 4.86	\$ 5.30	\$.03
Cash dividends per share.....	\$ 1.67	\$ 1.59	\$ 2.12	\$ 2.09	\$ 1.95	\$ 1.80	\$ 1.75
BALANCE SHEET DATA:							
Total assets.....	\$9,025	\$8,888	\$ 8,961	\$ 7,024	\$6,617	\$6,860	\$6,792
Long-term debt (including current maturities).....	2,151	2,501	2,168	1,220	1,172	1,482	1,367
Guarantee of ESOP obligations.....	390	415	407	431	452	472	490
Stockholders' equity.....	2,689	2,304	2,443	2,042	2,503	2,309	2,062
Book value per share.....	\$42.56	\$36.98	\$ 38.96	\$ 33.42	\$39.86	\$36.53	\$32.63

(1) Reflects the purchase of Lockheed Fort Worth Company effective February 28, 1993.

(2) Reflects the adoption of SFAS 106.

SELECTED HISTORICAL FINANCIAL INFORMATION OF MARTIN MARIETTA CORPORATION

The following selected financial information for the years 1993, 1992 and 1991 presented below, with the exception of the balance sheet data for 1991, has been derived from Martin Marietta's audited consolidated financial statements incorporated by reference in this Joint Proxy Statement/Prospectus from the Martin Marietta Form 10-K for the year ended December 31, 1993. Historical financial data at and for the nine month periods ended September 30, 1994 and 1993, have been derived from unaudited financial statements filed with the Commission, and in the opinion of Martin Marietta's management, include all adjustments necessary for a fair presentation of the results of operations and financial position at and for each of the interim periods presented. No material adjustments other than of a normal recurring nature were made. Results for the nine months ended September 30, 1994 are not necessarily indicative of results which may be expected for any other interim period or for the year as a whole. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE." The balance sheet data for 1991 and the summary financial information presented below for 1990 and 1989 has been derived from audited consolidated financial statements previously filed with the Commission but not incorporated by reference in this Joint Proxy Statement/Prospectus. The following information is qualified in its entirety by and should be read in conjunction with those consolidated financial statements and related notes thereto.

	AT OR FOR NINE MONTHS ENDED SEPTEMBER 30,		AT OR FOR YEARS ENDED DECEMBER 31,				
	1994(1)	1993(1)(2)	1993(1)(2)	1992	1991	1990	1989
	(Dollars in millions, except per share data)						
INCOME STATEMENT DATA:							
Net sales.....	\$7,088	\$6,248	\$9,436	\$ 5,954	\$ 6,075	\$ 6,126	\$ 5,796
Cost of sales, other costs and expenses.....	6,359	5,678	8,648	5,405	5,537	5,684	5,331
Earnings from operations.....	729	570	788	549	538	442	465
Other income and expenses, net....	195	39	47	21	(59)	35	7
Interest expense on debt.....	924	609	835	570	479	477	472
	88	78	110	58	58	42	43
Earnings before taxes on income and cumulative effect of accounting changes.....	836	531	725	512	421	435	429
Taxes on income.....	340	200	275	167	108	107	122
Earnings before cumulative effect of accounting changes.....	496	331	450	345	313	328	307
Cumulative effect of changes in accounting for post retirement benefits and for post employment benefits, net...	--	(429)	(429)	--	--	--	--
Net earnings (loss).....	\$ 496	\$ (98)	\$ 21	\$ 345	\$ 313	\$ 328	\$ 307
Net earnings per common share:							
Assuming no dilution:							
Before cumulative effect of accounting changes.....	\$ 4.70	\$ 3.16	\$ 4.25	\$ 3.60	\$ 3.15	\$ 3.26	\$ 2.91
Cumulative effect of accounting changes.....	--	(4.51)	(4.51)	--	--	--	--
Net earnings (loss).....	\$ 4.70	\$ (1.35)	\$ (.26)	\$ 3.60	\$ 3.15	\$ 3.26	\$ 2.91
Assuming full dilution:							
Before cumulative effect of accounting changes.....	\$ 3.94	\$ 2.86	\$ 3.80	\$ 3.60	\$ 3.15	\$ 3.26	\$ 2.91
Cumulative effect of accounting changes.....	--	*	*	--	--	--	--
Net earnings.....	\$ 3.94	*	*	\$ 3.60	\$ 3.15	\$ 3.26	\$ 2.91
Cash dividends per common share...	\$.69	\$.645	\$.87	\$.795	\$.75	\$.695	\$.615
BALANCE SHEET DATA:							
Total assets.....	\$8,993	\$7,501	\$7,745	\$ 3,599	\$ 3,908	\$ 3,611	\$ 3,505
Long-term debt (including current maturities).....	1,652	1,904	1,798	478	671	468	482
Series A Preferred Stock.....	1,000	1,000	1,000	--	--	--	--
Common stockholders' equity.....	2,270	1,794	1,876	1,945	1,804	1,541	1,355
Book value per common share.....	\$23.63	\$18.75	\$19.61	\$ 20.60	\$ 18.21	\$ 15.77	\$ 13.34
Fully diluted book value per share.....	\$25.93	\$22.21	\$22.87	\$ 20.60	\$ 18.21	\$ 15.77	\$ 13.34

* Anti-dilutive

(1) Reflects the GE Aerospace business combination effective April 2, 1993, and, in 1994, the purchase of General Dynamics Space Systems Division effective May 1, 1994.

(2) Reflects the adoption of SFAS 106 and SFAS 112.

UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma combined condensed financial statements have been prepared from Lockheed's and Martin Marietta's historical consolidated financial statements incorporated by reference in this Joint Proxy Statement/Prospectus. The unaudited pro forma combined condensed statement of earnings give effect to the Combination as if it had occurred at the beginning of the earliest period presented. The unaudited pro forma combined condensed balance sheet gives effect to the Combination, as if it had occurred at the fiscal month end of September 1994. See "Note 1 -- Basis of Presentation." The unaudited pro forma adjustments described in the accompanying notes are based upon preliminary estimates and certain assumptions that the managements of Lockheed and Martin Marietta believe are reasonable in such circumstances.

The unaudited pro forma combined condensed financial statements are not necessarily indicative of actual or future financial position or results of operations that would have occurred or will occur upon consummation of the Combination. The unaudited pro forma combined condensed financial statements should be read in conjunction with the historical consolidated financial statements of Lockheed and Martin Marietta and the related notes thereto incorporated by reference in this Joint Proxy Statement/Prospectus. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE."

UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENT OF EARNINGS

	FISCAL NINE MONTHS ENDED SEPTEMBER		FISCAL YEAR ENDED DECEMBER		
	1994	1993	1993	1992	1991
	(In millions, except per share data)				
Net sales.....	\$16,307	\$15,498	\$22,376	\$15,925	\$15,789
Cost of sales, other costs and expenses.....	15,024	14,386	20,800	14,788	14,676
Earnings from operations.....	1,283	1,112	1,576	1,137	1,113
Other income and expenses, net.....	190	40	47	45	(43)
Interest expense.....	1,473	1,152	1,623	1,182	1,070
	203	201	278	177	176
Earnings before taxes on income and cumulative effect of accounting changes.....	1,270	951	1,345	1,005	894
Taxes on income.....	463	339	480	327	262
Earnings before cumulative effect of accounting changes.....	807	612	865	678	632
Cumulative effect of accounting changes, net.....	--	--	--	(1,060)	--
Net earnings (loss).....	\$ 807	\$ 612	\$ 865	\$ (382)	\$ 632
Net earnings (loss) per common share:					
Assuming no dilution:					
Before cumulative effect of accounting changes.....	\$ 3.83	\$ 2.94	\$ 4.16	\$ 3.46	\$ 3.13
Cumulative effect of accounting changes.....	--	--	--	(5.41)	--
Net earnings (loss).....	\$ 3.83	\$ 2.94	\$ 4.16	\$ (1.95)	\$ 3.13
Assuming full dilution:					
Before cumulative effect of accounting changes.....	\$ 3.51	\$ 2.79	\$ 3.91	\$ 3.46	\$ 3.13
Cumulative effect of accounting changes.....	--	--	--	(5.41)	--
Net earnings (loss).....	\$ 3.51	\$ 2.79	\$ 3.91	\$ (1.95)	\$ 3.13

See accompanying notes to unaudited pro forma combined condensed financial statements.

UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS OF FISCAL MONTH END SEPTEMBER 1994

	HISTORICAL				PRO FORMA	
	LOCKHEED	MARTIN MARIETTA	RECLASSI- FICATIONS TO REFLECT COMBINED ENTITY*	COMBINED ENTITY	ADJUSTMENTS	COMBINED
			(In millions)			
ASSETS						
Current assets:						
Cash and cash equivalents.....	\$ 617	\$ 522	\$ 57	\$ 1,196	\$ --	\$ 1,196
Receivables.....	1,595	1,629	192	3,416	--	3,416
Inventories.....	1,708	1,076	105	2,889	--	2,889
Current deferred income taxes.....	--	56	191	247	--	247
Other current assets.....	196	42	--	238	--	238
Total current assets.....	4,116	3,325	545	7,986	--	7,986
Other noncurrent assets.....	951	953	(537)	1,367	--	1,367
Noncurrent deferred income taxes....	--	261	(281)	(20)	34 (4b)	14
Property, plant and equipment, net.....	1,841	1,646	--	3,487	--	3,487
Cost in excess of net assets acquired.....	766	2,089	--	2,855	--	2,855
Other intangibles.....	1,351	719	--	2,070	--	2,070
	\$9,025	\$8,993	\$(273)	\$17,745	\$ 34	\$17,779
	=====	=====	=====	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Short-term borrowings and accounts payable.....						
	\$ 727	\$ 457	\$ 57	\$ 1,241	\$ --	\$ 1,241
Other current liabilities.....						
	765	900	(4)	1,661	--	1,661
Salaries, benefits and payroll taxes.....						
	399	413	54	866	--	866
Income taxes.....						
	82	81	(123)	40	--	40
Customers' advances in excess of related cost.....						
	478	--	776	1,254	--	1,254
Current maturities of long-term debt.....						
	272	305	--	577	--	577
Total current liabilities.....	2,723	2,156	760	5,639	--	5,639
Long-term debt.....						
	1,906	1,347	--	3,253	--	3,253
Long-term guarantee of ESOP obligations.....						
	363	--	--	363	--	363
Post retirement benefits.....						
	911	791	(69)	1,633	99 (4b)	1,732
Other noncurrent liabilities.....						
	433	1,429	(964)	898	--	898
Stockholders' equity:						
Series A preferred stock, liquidation preference \$50 per share.....						
	--	1,000	--	1,000	--	1,000
Common stock, par value \$1 a share.....						
	73	96	--	169	30 (4d)	199
Additional paid-in capital.....						
	825	132	--	957	(151)(4d)	806
Retained earnings.....						
	2,635	2,042	--	4,677	(65)(4b)	4,279
					(333)(4d)	
Treasury shares.....						
	(454)	--	--	(454)	454 (4d)	--
Guarantee of ESOP obligations.....						
	(390)	--	--	(390)	--	(390)
	2,689	3,270	--	5,959	(65)	5,894
	\$9,025	\$8,993	\$(273)	\$17,745	\$ 34	\$17,779
	=====	=====	=====	=====	=====	=====

* Reflects reclassifications to conform combined condensed balance sheet presentation. Martin Marietta's adjustments were attributable to noncurrent receivables, inventories, customers' advances, and reserves being reclassified as current assets and current liabilities, consistent with Lockheed's policy of current classification of similar items for long-term contracts and programs whose operating cycles extend beyond one year. Additional reclassifications were made by both Lockheed and Martin Marietta to consistently report pension amounts, payroll related liabilities, overdrafts and environmental items. Income tax balances were also reclassified to be consistent with the related asset and liability classifications.

See accompanying notes to unaudited pro forma combined condensed financial statements.

NOTES TO UNAUDITED PRO FORMA
COMBINED CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma combined condensed statement of earnings presents the historical results of operations of Lockheed and Martin Marietta giving effect to the Combination as if it had occurred at the beginning of the earliest period presented, combining the results of Lockheed and Martin Marietta for each of the three fiscal years in the fiscal period ended December 1993 and for the fiscal nine month periods ended September 1994 and 1993. The unaudited pro forma combined condensed balance sheet gives effect to the Combination as if it had occurred on the fiscal month end of September 1994, combining the balance sheets of Lockheed and Martin Marietta at the fiscal month end of September 1994.

2. EXCHANGE RATIO

As described in the Reorganization Agreement, the exchange ratios are: (i) each outstanding share of Lockheed Common Stock will be converted into the right to receive 1.63 shares of Lockheed Martin Common Stock; (ii) each outstanding share of Martin Marietta Common Stock will be converted into the right to receive one share of Lockheed Martin Common Stock; and (iii) each outstanding share of Martin Marietta Series A Preferred Stock will be converted into the right to receive one share of Lockheed Martin Series A Preferred Stock. These exchange ratios were used in the accompanying unaudited pro forma combined condensed financial statements. See "THE REORGANIZATION AGREEMENT -- Consideration to be Received in the Combination."

3. TRANSITION COSTS AND EXPENSES

The accompanying unaudited pro forma combined condensed financial statements do not include any transition costs and expenses which are expected to be incurred in connection with consummating the Combination and integrating the operations of Lockheed and Martin Marietta. It is not feasible to determine the actual amount of these costs and expenses until the Combination is completed and the related operational and transitional plans are complete. The managements of Lockheed and Martin Marietta currently estimate that these costs and expenses could total approximately \$850 million. These costs and expenses relate directly to completing the transactions, such as professional and registration fees; employee benefit-related costs such as severance, relocation and retention incentives; facility consolidations; and satisfaction of contractual obligations; most of which will be incurred to eliminate duplicate facilities and excess capacity in the combined Lockheed Martin operations. It is anticipated that a significant portion of these costs and expenses will result in charges to the earnings of Lockheed Martin. The exact timing of these charges cannot be determined at this time; however, the managements of Lockheed and Martin Marietta anticipate that plans and decisions will be completed and a substantial portion of the related charges recorded in 1995. Additionally, while the pro forma combined condensed statement of earnings does not reflect any net cost savings or economies of scale that may be achieved by the Combination, the Combination is expected to result in reduced costs for Lockheed Martin, a portion of which will accrue to the benefit of the U.S. Government.

--continued--

4. CONFORMING AND PRO FORMA ADJUSTMENTS

The following is a summary of conforming and pro forma adjustments which give pro forma effect to the Combination as if it was effected for all periods presented:

	FISCAL NINE MONTHS ENDED SEPTEMBER		FISCAL YEAR ENDED DECEMBER		
	1994	1993	1993	1992	1991
	(In millions)				
NET SALES:					
Lockheed.....	\$ 9,286	\$ 9,332	\$13,071	\$10,100	\$ 9,809
Martin Marietta.....	7,088	6,248	9,436	5,954	6,075
	16,374	15,580	22,507	16,054	15,884
Adjustment(a).....	(67)	(82)	(131)	(129)	(95)
Adjusted.....	\$16,307	\$15,498	\$22,376	\$15,925	\$15,789
COST OF SALES, OTHER COSTS AND EXPENSES:					
Lockheed.....	\$ 8,665	\$ 8,748	\$12,227	\$ 9,456	\$ 9,233
Martin Marietta.....	6,359	5,678	8,648	5,405	5,537
	15,024	14,426	20,875	14,861	14,770
Adjustment(a).....	(67)	(82)	(131)	(129)	(95)
Adjustment(b).....	67	42	56	56	1
Adjusted.....	\$15,024	\$14,386	\$20,800	\$14,788	\$14,676
TAXES ON INCOME:					
Lockheed.....	\$ 193	\$ 175	\$ 254	\$ 201	\$ 166
Martin Marietta.....	340	200	275	167	108
	533	375	529	368	274
Adjustment(b).....	(47)	(22)	(29)	(22)	(12)
Adjustment(c).....	(23)	(14)	(20)	(19)	--
Adjusted.....	\$ 463	\$ 339	\$ 480	\$ 327	\$ 262
CUMULATIVE EFFECT OF ACCOUNTING CHANGES:					
Lockheed.....	--	--	--	\$ (631)	--
Martin Marietta.....	--	\$ (429)	\$ (429)	--	--
	--	(429)	(429)	(631)	--
Adjustment(b).....	--	429	429	(429)	--
Adjusted.....	--	--	--	\$(1,060)	--

- (a) Pro forma adjustments have been recorded to eliminate intercompany sales and cost of sales for the fiscal nine month periods ended September 1994 and 1993, and for the fiscal years ended December 1993, 1992, and 1991. No adjustments have been made to eliminate the related intercompany profit in ending inventories and the net intercompany receivables and payables as of and for the above-referenced fiscal periods as such amounts are not material.
- (b) Adjustments have been made to reflect the 1992 adoption of SFAS 106 and SFAS 112 for the combined entity, to conform Lockheed's method of accounting for timing differences in cost recognition between Statement of Financial Accounting Standards No. 87, Employers' Accounting for Pensions, and applicable government contract accounting principles consistent with Martin Marietta, and to conform Martin Marietta's to Lockheed's classification of state income tax expenses as an element of general and administrative costs.
- (c) Adjustments have been made to record the tax effect, using the applicable federal statutory rates for the respective periods, on the net pro forma adjustments.
- (d) Adjustments have been made to reflect the exchange ratios, described in Note 2 above, and the elimination of Treasury Shares in accordance with the MGCL.

--continued--

5. COMPUTATION OF PRO FORMA EARNINGS (LOSS) AND CASH DIVIDENDS PER COMMON SHARE

	FISCAL NINE MONTHS ENDED SEPTEMBER		FISCAL YEAR ENDED DECEMBER		
	1994	1993	1993	1992	1991
	(In millions, except per share data)				
ASSUMING NO DILUTION					
Earnings before cumulative effect of accounting changes.....	\$ 807	\$ 612	\$ 865	\$ 678	\$ 632
Less: Preferred stock dividend.....	(45)	(30)	(45)	--	--
Net earnings attributable to common stock.....	\$ 762	\$ 582	\$ 820	\$ 678	\$ 632
Weighted average number of common shares.....	199	198	197	196	202
Net earnings per share before cumulative effect of accounting changes.....	\$3.83	\$2.94	\$4.16	\$ 3.46	\$3.13
Cumulative effect of accounting changes.....				\$(1,060)	
Weighted average number of common shares.....				196	
Cumulative effect of accounting changes per share.....				\$ (5.41)	
Net earnings (loss).....	\$ 807	\$ 612	\$ 865	\$ (382)	\$ 632
Less: Preferred stock dividend.....	(45)	(30)	(45)	--	--
	\$ 762	\$ 582	\$ 820	\$ (382)	\$ 632
Weighted average number of common shares.....	199	198	197	196	202
Net earnings (loss) per share.....	\$3.83	\$2.94	\$4.16	\$ (1.95)	\$3.13
ASSUMING FULL DILUTION					
Earnings before cumulative effect of accounting changes.....	\$ 807	\$ 612	\$ 865	\$ 678	\$ 632
Weighted average number of common shares.....	199	198	197	196	202
Assumed conversion of Series A Preferred Stock.....	29	19	22	--	--
Dilutive effect of stock options (Treasury stock method).....	2	2	2	--	--
	230	219	221	196	202
Net earnings per share before cumulative effect of accounting changes.....	\$3.51	\$2.79	\$3.91	\$ 3.46	\$3.13
Cumulative effect of accounting changes.....				\$(1,060)	
Weighted average number of common shares.....				196	
Dilutive effect of stock options (Treasury stock method).....				--	
				196	
Cumulative effect of accounting changes per share.....				\$ (5.41)	
Net earnings (loss).....	\$ 807	\$ 612	\$ 865	\$ (382)	\$ 632
Weighted average number of common shares.....	199	198	197	196	202
Assumed conversion of Series A Preferred Stock.....	29	19	22	--	--
Dilutive effect of stock options (Treasury stock method).....	2	2	2	--	--
	230	219	221	196	202
Net earnings (loss) per share.....	\$3.51	\$2.79	\$3.91	\$ (1.95)	\$3.13
Cash Dividends per common share.....	\$.86	\$.82	\$1.09	\$ 1.04	\$.98

--end of notes--

COMPARISON OF STOCKHOLDERS' RIGHTS

At the Merger Date, the stockholders of Martin Marietta and Lockheed will become stockholders of Lockheed Martin, and their rights will be governed by the MGCL and Lockheed Martin's charter (the "Lockheed Martin Charter") and bylaws (the "Lockheed Martin Bylaws") in the forms that will become effective upon the Merger Date. The following are summaries of certain differences between (i) the rights of Martin Marietta stockholders and Lockheed Martin stockholders, and (ii) the rights of Lockheed stockholders and Lockheed Martin stockholders.

The following discussions are not intended to be complete and are qualified in their entirety by reference to the MGCL, the DGCL, the Lockheed Martin Charter and Lockheed Martin Bylaws, the charter and bylaws of Martin Marietta (the "Martin Marietta Charter" and the "Martin Marietta Bylaws," respectively), and the certificate of incorporation and bylaws of Lockheed (the "Lockheed Charter" and the "Lockheed Bylaws," respectively), as appropriate. Copies of the Lockheed Martin Charter and the Lockheed Martin Bylaws, in substantially the forms to be adopted prior to the consummation of the Combination, are exhibits to the Reorganization Agreement which is attached to this Joint Proxy Statement/Prospectus as Appendix I. Copies of the Martin Marietta Charter and the Martin Marietta Bylaws, and the Lockheed Charter and the Lockheed Bylaws are incorporated by reference herein and will be sent to holders of shares of Martin Marietta Common Stock (or Martin Marietta Series A Preferred Stock) and Lockheed Common Stock, respectively, upon request. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE."

COMPARISON OF STOCKHOLDER RIGHTS WITH RESPECT TO LOCKHEED MARTIN AND MARTIN MARIETTA

Since both Lockheed Martin and Martin Marietta are organized under the laws of the State of Maryland, any differences in the rights of holders of Martin Marietta Common Stock and Lockheed Martin Common Stock will arise solely from differences in their respective charters and bylaws. The Lockheed Martin Charter and Lockheed Martin Bylaws are substantially similar to the Martin Marietta Charter and Martin Marietta Bylaws, respectively, except for certain matters as described herein.

Authorized Capital. The total number of authorized shares of capital stock of Martin Marietta is 550,000,000 shares, consisting of 20,000,000 shares of Martin Marietta Series A Preferred Stock, 30,000,000 shares of series preferred stock, par value \$1.00 per share (the "Martin Marietta Series Preferred Stock"), and 500,000,000 shares of Martin Marietta Common Stock. The authorized capital of Lockheed Martin is as set forth under "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK -- Authorized Capital Stock."

Directors. The Lockheed Martin Charter provides for 24 directors, which number may be increased or decreased by the Board of Directors, but which shall not be less than 12. Pursuant to the Martin Marietta Charter, Martin Marietta has 17 directors, which number may also be increased or decreased by the Board of Directors, but not to less than five.

The Lockheed Martin Board will not be divided into separate classes. Each director will serve until the next annual meeting of stockholders after his or her election. The Martin Marietta Charter establishes three classes of directors, as nearly equal in number of directors as possible, with each director elected for a term expiring at the third succeeding annual meeting of stockholders after his or her election.

Under the Lockheed Martin Bylaws, the required quorum for any meeting of the Lockheed Martin Board will generally be a majority of its members. The Martin Marietta Bylaws provide for a quorum of one-third of the Martin Marietta Board, but in no case fewer than five directors.

Absence of Rights Plan. Martin Marietta recently adopted a stockholder rights plan and in connection therewith entered into a Rights Agreement, dated as of August 29, 1994, with First Chicago Trust Company of New York, as rights agent (the "Martin Marietta Rights Agreement"). Common stock purchase rights were distributed to the holders of Martin Marietta Common Stock of record on September 9, 1994, and rights attach to all shares of Martin Marietta Common Stock issued thereafter until the earlier of the Distribution Date (as defined therein), or on the date on which the rights expire or are redeemed. Initially, the rights trade in tandem with the shares of Martin Marietta Common Stock. The rights are exercisable only if a person or group acquires 15% or more of Martin Marietta Common Stock or announces a tender offer for 30% or more

of Martin Marietta Common Stock, subject to certain exceptions specified in the Martin Marietta Rights Agreement. The rights will expire immediately prior to the consummation of the transactions contemplated by the Reorganization Agreement; provided, however, that if the Reorganization Agreement is terminated without consummation of the transactions contemplated thereby, then the Martin Marietta Rights Agreement and the rights will expire at or prior to the close of business on September 9, 2004. Lockheed Martin has not adopted a rights plan at this time but may decide to do so in the future.

COMPARISON OF STOCKHOLDER RIGHTS WITH RESPECT TO LOCKHEED MARTIN AND LOCKHEED

Lockheed Martin is organized under the laws of the State of Maryland and Lockheed is organized under the laws of the State of Delaware. The following discussion summarizes certain differences between the Lockheed Martin Charter and Bylaws and the Lockheed Charter and Bylaws and between certain provisions of the MGCL and the DGCL affecting stockholders' rights.

Authorized Capital. The total number of authorized shares of capital stock of Lockheed is 102,500,000, consisting of 2,500,000 shares of preferred stock, \$1.00 par value per share (including 1,000,000 shares of Lockheed Junior Preferred Stock), and 100,000,000 shares of Lockheed Common Stock. The authorized capital of Lockheed Martin is as set forth under "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK -- Authorized Capital Stock."

Directors. The Lockheed Bylaws provide for a minimum of three directors (except in connection with rights to elect directors granted to holders of any class or series of Lockheed preferred stock), with the exact number of directors to be fixed from time to time by the Lockheed Board. There are currently 14 directors serving on the Lockheed Board. The Lockheed Martin Charter provides for 24 directors, which number may be increased or decreased by the Lockheed Martin Board, but which shall not be less than 12.

The Lockheed Bylaws provide that a plurality of stockholder votes cast will be sufficient to elect a director. The Lockheed Martin Bylaws require the vote of stockholders representing a majority of the votes entitled to be cast to elect a director. In addition, under the Lockheed Martin Charter, if any person beneficially owns shares of capital stock entitled to vote generally in the election of directors ("Voting Stock") representing 40% or more of the votes entitled to be cast by all stockholders, the Lockheed Martin Board will be elected by cumulative voting.

Under the Lockheed Bylaws, a majority of any quorum of the Lockheed Board must consist of directors who are not or have not theretofore ever been employees of, or who do not have or have not had other business or professional relations with, Lockheed. The Lockheed Martin Bylaws have no analogous provision.

Removal of Directors. The Lockheed Charter provides that, except with respect to additional directors elected under specified circumstances by holders of any class or series of Lockheed preferred stock, any director may be removed by a vote of the majority of the outstanding shares entitled to vote in connection with the election of such director, regardless of class, voting together as a single class. The Lockheed Martin Charter provides that directors may be removed, only for cause, by the affirmative vote of at least 80% of the votes that the holders of the outstanding shares of capital stock are entitled to cast at the annual election of directors.

Filling Vacancies on the Board of Directors. Under the DGCL, vacancies and newly created directorships may be filled by a majority of the directors then in office or a sole remaining director (even though less than a quorum) unless otherwise provided in the certificate of incorporation or bylaws. However, the DGCL also provides that if the directors then in office constitute less than a majority of the corporation's board of directors, then, upon application by stockholders representing at least 10% of outstanding shares entitled to vote for such directors, the Court of Chancery may order a stockholder election of directors to be held. Under the Lockheed Bylaws, except with respect to additional directors elected under specified circumstances by holders of any class or series of Lockheed preferred stock, any vacancies resulting from death, resignation, disqualification, removal or other cause or an increase in the number of directors shall be filled solely by a majority vote of the remaining directors, even if less than a quorum.

Under the Lockheed Martin Charter and the Lockheed Martin Bylaws, a majority of the remaining directors may appoint a director to fill a vacancy unless there is an increase in the size of the Lockheed Martin

Board. Any vacancy resulting from an increase shall be filled only by a majority vote of the entire Lockheed Martin Board. If the vacancy is caused by removal of a director by the stockholders, the successor director may be elected by the stockholders at the same meeting at which such removal occurs. Under the Lockheed Martin Charter, the provision with respect to election of directors to fill vacancies may be amended or repealed only by the affirmative vote of at least 80% of the votes entitled to be cast in the election of directors.

Amendment to Certificate of Incorporation or Charter. Under the DGCL and the Lockheed Charter, the affirmative vote of a majority of the outstanding shares entitled to vote is required to amend the Lockheed Charter. In addition, amendments which make changes relating to the capital stock by increasing or decreasing the par value or the aggregate number of authorized shares of a class or otherwise adversely affecting the rights of such class, must be approved by the majority vote of each class or series of stock affected, even though ordinarily they would not have such voting rights.

In accordance with the MGCL, under the Lockheed Martin Charter, except as described below or in connection with the rights of the holders of any class or series of Lockheed Martin Preferred Stock, the affirmative vote of a majority of the outstanding shares entitled to vote is necessary to amend the Lockheed Martin Charter. The affirmative vote of 80% of the votes that the holders of the then outstanding shares of capital stock would be entitled to cast at an annual election of directors is required to amend Sections 3 or 5 of Article V of the Lockheed Martin Charter relating to removal of directors and the general powers of the board of directors. Any amendment to Article XIII of the Lockheed Martin Charter regarding "business combinations" requires the affirmative vote of (a) 80% of the outstanding shares of Voting Stock and (b) 67% of the outstanding shares of Voting Stock excluding shares held by certain beneficial owners of 10% or more of the outstanding shares of any class or series of Voting Stock (as defined in the Lockheed Martin Charter, a "Related Person"), unless such amendment shall have been approved in advance by not less than two-thirds of the Lockheed Martin "continuing directors" (as defined in such Article XIII). Any amendment to Article XIV of the Lockheed Martin Charter regarding certain prohibitions on greenmail requires the affirmative vote of 80% of the votes entitled to be cast by holders of shares of Voting Stock.

Amendment of Bylaws. Under the DGCL, the Lockheed Bylaws and the Lockheed Charter, the Lockheed Bylaws may be amended by the action of the Lockheed Board or by the affirmative vote of a majority of the outstanding shares of stock, voting as a single class.

Under the MGCL, the power to adopt, amend or repeal a corporation's bylaws is vested in the corporation's stockholders, except to the extent the corporation's charter or bylaws vest it in the board of directors. The Lockheed Martin Bylaws grant the Lockheed Martin Board exclusive power to adopt, amend, alter or repeal the Lockheed Martin Bylaws.

Advance Notice of Director Nominations and New Business. The Lockheed Bylaws provide that with respect to any stockholder meeting, nominations of persons for election to the Lockheed Board and the proposal of business to be considered by stockholders may be made only (a) by or at the direction of the Lockheed Board or (b) by a stockholder who has complied with the advance notice procedures set forth in the Lockheed Bylaws.

The Lockheed Martin Bylaws provide that (a) with respect to an annual meeting of stockholders, nominations of persons for election to the Lockheed Martin Board and the proposal of business to be considered by stockholders may be made only (i) pursuant to Lockheed Martin's notice of the meeting, (ii) by or at the direction of the Lockheed Martin Board or (iii) by a stockholder who has complied with the advance notice procedures set forth in the Lockheed Martin Bylaws and is entitled to vote at the meeting, and (b) with respect to special meetings of stockholders, only the business specified in Lockheed Martin's notice of meeting may be brought before the meeting and nominations of persons for election to the Lockheed Martin Board may be made only pursuant to Lockheed Martin's notice of the meeting (i) by or at the direction of the Lockheed Martin Board or (ii) by a stockholder who has complied with the advance notice procedures set forth in the Lockheed Martin Bylaws and is entitled to vote at the meeting.

Stockholder Meetings and Provisions for Notices. Under the DGCL and the MGCL, stockholder meetings may be held at any place within or without the state, as provided in the bylaws, provided that under

the MGCL, stockholder meetings must be held in the United States. Under the Lockheed Bylaws, special stockholder meetings may be called by a majority of the Lockheed Board or the Chairman or the Vice Chairman of the Lockheed Board. Under the Lockheed Martin Bylaws, special stockholder meetings may be called by the Executive Committee of the Lockheed Martin Board, a majority of the Lockheed Martin Board, the Chairman of the Lockheed Martin Board, the President or by the Secretary at the written request of stockholders entitled to cast at least 25% of the votes entitled to be cast at such meeting. Under the MGCL, unless requested by the holders of a majority of shares entitled to vote thereon, a special meeting of stockholders does not need to be called to consider any matter that is substantially the same as a matter voted on at a special meeting held within the preceding 12 months.

Under both the DGCL and the MGCL, written notice of a stockholders meeting must state the place, date and time of the meeting, and if a special meeting, the purpose. Under the Lockheed Bylaws, such notice must be delivered personally or by mail not less than ten nor more than 60 days prior to the meeting. Under the Lockheed Martin Bylaws, such notice must be delivered personally or mailed not less than 30 nor more than 90 days prior to the meeting.

In accordance with the DGCL, the Lockheed Bylaws provide that stockholder proxies are valid for three years from their date unless the proxy provides for a longer period. The MGCL and the Lockheed Martin Bylaws provide that proxies are valid for 11 months from their date, unless the proxy otherwise provides.

Voting by Stockholders. Under the Lockheed Bylaws, except with respect to the election of directors (or as otherwise provided by the Lockheed Charter, the Lockheed Bylaws, or by applicable law), action by Lockheed stockholders is taken by the vote, at a meeting at which a quorum is present, of the holders of a majority of the outstanding shares entitled to vote thereon. However, subject to applicable law and the Lockheed Charter, the Lockheed Bylaws allow the Lockheed Board to require a larger vote upon any question or election. Under the Lockheed Martin Charter, except with respect to the amendment of certain provisions thereof (or as otherwise provided by the Lockheed Martin Charter or by applicable law), action by Lockheed Martin stockholders generally is taken by the affirmative vote, at a meeting at which a quorum is present, of stockholders representing a majority of all votes entitled to be cast on the matter (including without limitation, certain extraordinary actions, such as mergers, consolidations and charter amendments, that under the MGCL would, absent provision in the Lockheed Martin Charter, require the affirmative vote of two-thirds of the votes entitled to be cast thereon).

Stockholder Action Without a Meeting. Under the Lockheed Charter, consistent with the DGCL, no action may be taken by the stockholders except at a meeting. Under the MGCL, Lockheed Martin stockholders may act by unanimous written consent provided certain conditions are met.

Absence of Rights Plan. Lockheed entered into the Lockheed Rights Agreement in 1986. Lockheed Martin has not adopted a rights plan at this time but may decide to do so in the future.

Business Combinations. Under the MGCL, certain "business combinations" (including a merger, consolidation, share exchange or, in certain circumstances, an asset transfer or issuance or reclassification of equity securities) with certain "interested stockholders" (as defined for purposes of such provisions) may be prohibited for a five-year period and thereafter may be subject to, among other things, certain stockholder approvals. See "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK -- Certain Antitakeover Effects of Lockheed Martin Charter and Bylaws and Maryland Law -- Business Combinations."

In addition to the MGCL requirements, the Lockheed Martin Charter also contains a provision requiring that, subject to certain exceptions, any "business combination" between Lockheed Martin and a Related Person must be approved by 80% of the outstanding shares of Voting Stock and by 67% of the outstanding shares of Voting Stock not owned by the Related Person. See "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK -- Certain Antitakeover Effects of Lockheed Martin Charter and Bylaws and Maryland Law -- Business Combinations."

Under Section 203 of the DGCL ("Section 203"), certain "business combinations" with "interested stockholders" (each as defined in Section 203) of Delaware corporations are subject to a three-year

moratorium unless specified conditions are met. The provisions of Section 203 do not apply to Lockheed because Lockheed elected not to be subject to the provisions of Section 203.

Control Share Acquisitions. Under the MGCL, stock acquired in certain "control share" acquisitions has no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast by stockholders in the election of directors, excluding shares of stock as to which the acquiring person, officers of the corporation and directors of the corporation who are employees of the corporation are entitled to exercise or direct the exercise of the voting power of the shares in the election of directors. See "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK -- Certain Antitakeover Effects of Lockheed Martin Charter and Bylaws and Maryland Law -- Control Share Acquisitions." The DGCL has no comparable control share acquisition statute.

Indemnification and Limitation of Liability. Delaware and Maryland have similar laws respecting indemnification by a corporation of its officers, directors, employees and other agents. The laws of both states also permit, with certain exceptions, corporations to adopt a provision in their certificate of incorporation or charter eliminating the liability of a director to the corporation or its stockholders for monetary damages for breach of the director's fiduciary duty of care. There are nonetheless certain differences between the laws of the two states respecting indemnification and limitation of liability.

The Lockheed Charter eliminates the liability of directors to the fullest extent permissible under the DGCL, as such law exists currently or as it may be amended in the future. Such provision may not eliminate or limit director monetary liability for (a) breaches of the director's duty of loyalty to the corporation or its stockholders; (b) acts or omissions not in good faith or involving intentional misconduct or knowing violations of law; (c) the payment of unlawful dividends or unlawful stock repurchases or redemptions; or (d) transactions in which the director received an improper personal benefit. The DGCL provides that indemnification is mandatory to the extent a director, officer, employee or agent acting in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, or with respect to any criminal action or proceeding, there was no reason to believe his or her conduct was unlawful, or has been successful on the merits or otherwise in the defense of any proceeding covered by the indemnification statute.

The DGCL generally permits (and the Lockheed Charter therefore requires) indemnification for expenses incurred in the defense or settlement of derivative or third-party actions, provided there is a determination by a quorum of directors who were not parties to the action, or if such quorum is not obtainable or if directed by such quorum by independent legal counsel or by a majority vote of a quorum of the stockholders, that the person seeking indemnification acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, or in a criminal proceeding that the person had no reason to believe his or her conduct to be unlawful. Without court approval, however, no indemnification may be made in respect of any derivative action in which such person is adjudged liable. The DGCL states that the indemnification provided by statute shall not be deemed exclusive of any other rights under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

The Lockheed Martin Charter limits the monetary liability of both officers and directors to the maximum extent permissible under the MGCL. The exceptions to such a liability limitation in the charter of a Maryland corporation generally are to the extent that (a) it is proved that the person received an improper benefit or profit in money, property or services, for the amount of benefit or profit so received, and (b) a judgment or other final adjudication adverse to the person is entered in a proceeding based on a finding that the person's action or failure to act was the result of active and deliberate dishonesty and was material to the cause of action. Under the MGCL, unless limited by the charter, indemnification is mandatory if a director or an officer has been successful on the merits or otherwise in the defense of any proceeding by reason of his or her service as a director unless such indemnification is not otherwise permitted as described in the following sentence. Indemnification is permissive unless it is established that (a) the act or omission of the director was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty, (b) the director actually received an improper personal benefit in money, property or services or (c) in the case of a criminal proceeding, the director had reasonable cause to believe his or her

act or omission was unlawful. In addition to the foregoing, a court of appropriate jurisdiction may under certain circumstances order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the director or officer has met the standards of conduct set forth in the preceding sentence or has been adjudged liable on the basis that a personal benefit was improperly received in a proceeding charging improper personal benefit to the director or the officer. If the proceeding was an action by or in the right of the corporation or involved a determination that the director or officer received an improper personal benefit, however, no indemnification may be made if the individual is adjudged liable to the corporation, except to the extent of expenses approved by a court of appropriate jurisdiction.

Under the MGCL, where indemnification is permissible it must be authorized (a) by the board of directors by a majority vote of a quorum consisting of directors who are not parties to the proceeding (or if such a quorum cannot be obtained, the determination may be made by a majority vote of a committee of the board which consists solely of two or more directors who are not parties to the proceeding and who were designated to act by a majority of the full board), (b) by special legal counsel selected by the board of directors or by a committee of the board (or if the requisite quorum of the board cannot be obtained and the committee cannot be established, a majority of the full board, including directors who are parties, may select the special counsel), or (c) by a vote of the stockholders other than those stockholder-directors who are party to the proceedings.

In Maryland, expenses may be advanced to a director, and to an officer, employee or agent who is not a director to the same extent that they may be advanced to a director unless limited by the charter. Advances to officers, employees and agents may be generally authorized in the corporation's charter or bylaws, by action of the board of directors or by contract. Delaware law permits such general authorization of advances to directors and officers but requires approval by the directors of advances to employees and agents of the corporation.

Dissenter's or Appraisal Rights. Under the DGCL, a stockholder of a corporation who does not consent to certain major corporate transactions may, under varying circumstances, be entitled to dissenter's or appraisal rights pursuant to which such stockholder may receive cash in the amount of the fair market value of his or her shares in lieu of the consideration he or she would otherwise receive in the transaction. Unless the corporation's certificate of incorporation provides otherwise, such appraisal rights are not available in certain circumstances, including without limitation (a) with respect to the sale, lease or exchange of all or substantially all of the assets of a corporation, (b) with respect to a merger or consolidation by a corporation the shares of which are either listed on a national securities exchange or are held of record by more than 2,000 holders if such stockholders receive only shares of the surviving corporation or shares of any other corporation which are either listed on a national securities exchange or held of record by more than 2,000 holders, plus cash in lieu of fractional shares, or (c) to stockholders of a corporation surviving a merger if no vote of the stockholders of the surviving corporation is required to approve the merger because the merger agreement does not amend the existing certificate of incorporation, each share of the surviving corporation outstanding prior to the merger is an identical outstanding or treasury share after the merger, and the number of shares to be issued in the merger does not exceed 20% of the shares of the surviving corporation outstanding immediately prior to the merger and if certain other conditions are met. Under Delaware law, dissenter's or appraisal rights are not available to Lockheed stockholders in connection with the Combination.

Under the MGCL, stockholders have the right to demand and to receive payment of the fair value of their stock in the event of (a) a merger or consolidation, (b) a share exchange, (c) certain sales of all or substantially all of the assets, (d) a charter amendment altering contract rights of outstanding stock, as expressly set forth in the charter, and substantially adversely affecting the stockholder's rights (unless, as is the case with the Lockheed Martin Charter, the right to do so is reserved in the charter), or (e) certain business combinations with interested stockholders which are subject to or exempted from the MGCL's business combination statute and in connection with the approval of voting rights of certain stockholders under the MGCL's control share acquisition statute. Except with respect to certain business combinations and in connection with appraisal and dissenters' rights existing as a result of the MGCL's control share acquisition statute, the right to demand and receive payment of fair value does not apply to (a) stock listed on a national securities exchange or a national market system security designated on an interdealer quotation system by the

National Association of Securities Dealers, Inc., (b) stock of the successor in a merger (unless the merger alters the contract rights of the stock or converts the stock in whole or in part into something other than stock, cash, scrip or other interests) or (c) stock of an open-end investment company registered with the Commission under the Investment Company Act of 1940 and the stock is valued in the transaction at its net asset value. Except in the case of appraisal and dissenters' rights existing as a result of the MGCL's control share acquisition statutes, these rights are available only when the stockholder (a) files with the corporation a timely, written objection to the transaction and (b) does not vote in favor of the transaction. In addition, the stockholder must make a demand on the successor corporation for payment of the stock within 20 days of the acceptance of articles by the State Department of Assessments and Taxation of the State of Maryland.

Prohibition on Payment of Greenmail. The Lockheed Bylaws contain a provision requiring that any purchase by Lockheed or any subsidiary of shares of any class of equity securities from any beneficial owner of 5% or more of Lockheed's outstanding capital stock entitled to vote in the election of directors must first be approved by the affirmative vote of holders of a majority of outstanding shares of such stock not owned by such person. The provision is not effective with respect to the purchase, acquisition, redemption or exchange of such capital stock provided for under the Lockheed Charter or made as a part of a tender offer or exchange offer by Lockheed to purchase all securities of the same class made on the same terms to all holders.

The Lockheed Martin Charter contains a provision requiring that any purchase by Lockheed Martin of shares of stock entitled to vote generally in the election of directors from a beneficial owner for less than two years of 5% or more of outstanding shares of such stock at a price per share in excess of the market price for the shares at such time or certain other transactions with such stockholder, including a merger or consolidation, or the sale or transfer of more than \$10,000,000 of assets or equity securities, must first be approved by the affirmative vote of holders of a majority of outstanding shares of such stock not owned by such stockholder. Under the Lockheed Martin Charter, this provision may be amended or repealed only by the affirmative vote of holders of at least 80% of the outstanding shares of such stock.

Dissolution. Under the DGCL, unless the board of directors approves the proposal to dissolve, dissolution of the corporation must be approved by all stockholders entitled to vote thereon. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's stockholders.

Under the DGCL, the Court of Chancery, upon application by any stockholder, may appoint a custodian or receiver (a) if the stockholders are so divided that they have failed to elect successors to directors whose terms have expired, (b) if the business of the corporation is suffering or is threatened with irreparable injury because of a deadlock of directors, or (c) if the corporation has abandoned its business but has not liquidated. Upon the order of the Court of Chancery or in the event of clause (c) above, the corporation may be liquidated and its assets distributed.

The MGCL provides for the voluntary dissolution of a corporation by a resolution adopted by a majority of the corporation's board of directors. A vote of two-thirds of all votes entitled to be cast on the matter generally is necessary to approve the dissolution, but, in accordance with the MGCL, the Lockheed Martin Charter reduces the stockholder vote required to approve a dissolution to a majority of the votes entitled to be cast on the matter.

The MGCL also provides that stockholders entitled to cast at least 25% of all the votes entitled to be cast in the election of directors may petition a court of equity for an involuntary dissolution of the corporation on the ground that (a) the directors are so divided respecting the management of the corporation's affairs that the votes required for action by the board cannot be obtained, or (b) the stockholders are so divided that directors cannot be elected. Any stockholder entitled to vote in the election of directors of a Maryland corporation, however, may petition a court of equity to dissolve the corporation on the ground that (a) the stockholders are so divided that they have failed, for a period which includes at least two consecutive annual meeting dates, to elect successors to directors whose terms would have expired on the election and qualification of their successors, or (b) the acts of the directors or those in control of the corporation are illegal, oppressive or fraudulent.

Dividends. The DGCL permits a corporation to declare and pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and/or for the preceding fiscal year as long as the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets. In addition, the DGCL generally provides that a corporation may redeem or repurchase its shares only if such redemption or repurchase would not impair the capital of the corporation or if it repurchases shares having a preference upon the distribution of any of its assets that it retires such shares upon acquisition (and provided, that after any reduction in capital made in connection with such retirement of shares, the corporation's remaining assets are sufficient to pay any debts not otherwise provided for).

The MGCL permits a corporation to make a distribution, including dividends, redemptions or stock repurchases, unless prohibited by its charter or if following such distribution, the corporation would not be able to pay its debts in the ordinary course as they become due or the corporation's total assets would be less than the sum of its liabilities and, unless the charter provides otherwise, senior liquidation preferences. For purposes of determining whether a distribution is lawful, the corporation's assets may be based upon fair value or any other method of valuation that is reasonable under the circumstances.

Right to Examine Stockholder List. In compliance with the requirements of the DGCL, the Lockheed Bylaws provide that stockholders have a right for a period of ten days prior to any stockholder meeting and during such meeting, to examine a list of stockholders of Lockheed, arranged in alphabetical order and showing the address and the number of shares held by such stockholder, for any purpose germane to such meeting. Further, under the DGCL, any stockholder, following a written request, has the right to inspect the corporation's books and records, including the stockholder list, during usual business hours for a proper purpose.

Under the MGCL, any one or more persons who for at least six months have been the record holders of at least 5% of any class of stock are entitled to inspect and copy (among other things) the corporation's stock ledger and if the corporation does not maintain its stock ledger at its principal place of business, to request in writing a stockholder list. Following such request, the corporation has 20 days to produce a stockholder list with names, addresses and number of shares owned. In addition, under the Lockheed Martin Bylaws, the Secretary of the corporation must furnish a stockholder list at each meeting.

Interested Director Transactions. Under both the DGCL and the MGCL, certain contracts or transactions in which one or more of a corporation's directors has an interest are not void or voidable because of such interest provided that certain conditions are met. Under the DGCL and the MGCL, any such contract or transaction may be ratified by the stockholders (as set forth below) or a majority of disinterested members of the board of directors or a committee thereof if (a) the material facts are disclosed or known thereto, or (b) the contract or transaction was fair (and under the MGCL, reasonable) to the corporation at the time it was approved. Under the DGCL, any ratification of such a contract or transaction by the stockholders must be made by a majority of all stockholders in good faith. Under the MGCL, such ratification must be made by a majority of the disinterested stockholders.

Preemptive Rights. Under the DGCL, stockholders have no preemptive rights unless such rights are provided for in the certificate of incorporation. Under the MGCL, subject to several statutory exceptions and the power of the corporation to deny preemptive rights in its charter, stockholders have preemptive rights. The Lockheed Martin Charter denies preemptive rights to holders of any class of stock.

DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK

The summary of the terms of the stock of Lockheed Martin set forth below does not purport to be complete and is subject to and qualified in its entirety by reference to the Lockheed Martin Charter and the Lockheed Martin Bylaws. Copies of the Lockheed Martin Charter and the Lockheed Martin Bylaws, in substantially the forms to be adopted prior to the consummation of the Combination, are attached as

Exhibits A and B, respectively, to the Reorganization Agreement which is attached to this Joint Proxy Statement/Prospectus as Appendix I.

AUTHORIZED CAPITAL STOCK

Under the Lockheed Martin Charter, the total number of shares of all classes of stock that Lockheed Martin has authority to issue is 820,000,000 shares, of which 750,000,000 are shares of Lockheed Martin Common Stock, 20,000,000 are shares of Lockheed Martin Series A Preferred Stock, and 50,000,000 are shares of Lockheed Martin Series Preferred Stock.

The additional shares of authorized stock available for issuance by Lockheed Martin might be issued at such times and under such circumstances as to have a dilutive effect on earnings per share and on the equity ownership of the holders of Lockheed Martin Common Stock. The ability of the Lockheed Martin Board to issue additional shares of stock could enhance the Lockheed Martin Board's ability to negotiate on behalf of the stockholders in a takeover situation and also could be used by the Lockheed Martin Board to make a change in control more difficult, thereby denying stockholders the potential to sell their shares at a premium and entrenching current management.

COMMON STOCK

Subject to any preferential rights of the Lockheed Martin Series A Preferred Stock or any series of Lockheed Martin Series Preferred Stock, holders of shares of Lockheed Martin Common Stock will be entitled to receive dividends on such stock out of assets legally available for distribution when, as and if authorized and declared by the Lockheed Martin Board and to share ratably in the assets of Lockheed Martin legally available for distribution to its stockholders in the event of its liquidation, dissolution or winding-up. Lockheed Martin will not be able to pay any dividend or make any distribution of assets on shares of Lockheed Martin Common Stock until cumulative dividends on shares of the Lockheed Martin Series A Preferred Stock and on any other shares of Lockheed Martin Series Preferred Stock then outstanding with dividend or distribution rights senior to the Lockheed Martin Common Stock have been paid. See "THE REORGANIZATION AGREEMENT -- Lockheed Martin Following Combination" with respect to the anticipated initial quarterly dividend on the Lockheed Martin Common Stock.

Holders of Lockheed Martin Common Stock will be entitled to one vote per share on all matters voted on generally by the stockholders, including the election of directors, and, except as otherwise required by law or except as provided with respect to the Lockheed Martin Series A Preferred Stock or any series of Lockheed Martin Series Preferred Stock, the holders of such shares will possess all voting power. See "-- Series A Preferred Stock -- Voting Rights." The Lockheed Martin Charter does not provide for cumulative voting for the election of directors except as described under "-- Certain Antitakeover Effects of Lockheed Martin Charter and Bylaws and Maryland Law -- Prohibition on Payment of Greenmail; Cumulative Voting for Directors." Thus, the holders of more than one-half of the outstanding shares of Lockheed Martin Common Stock generally will be able to elect all the directors of Lockheed Martin then standing for election and holders of the remaining shares will not be able to elect any director.

The shares of Lockheed Martin Common Stock, when issued to holders of outstanding shares of Lockheed Common Stock or Martin Marietta Common Stock in connection with the Combination, or when issued upon conversion of shares of the Lockheed Martin Series A Preferred Stock, will be validly issued, fully paid and non-assessable.

Holders of Lockheed Martin Common Stock will have no preferences, preemptive, conversion, or exchange rights.

SERIES A PREFERRED STOCK

The shares of Lockheed Martin Series A Preferred Stock, when issued to the holder of the outstanding shares of Martin Marietta Series A Preferred Stock in connection with the Combination, will be validly issued, fully paid and non-assessable.

Designation and Amount

The Lockheed Martin Series A Preferred Stock will have a par value of \$1.00 per share and a liquidation preference of \$50 per share, plus accrued and unpaid dividends. The authorized number of shares of Lockheed Martin Series A Preferred Stock is 20,000,000. The terms of the Lockheed Martin Marietta Series A Preferred Stock are essentially the same as those of the Martin Marietta Series A Preferred Stock issued to GE on April 2, 1993.

Rank

With respect to dividend rights and rights on liquidation, dissolution and winding up, the Lockheed Martin Series A Preferred Stock will rank senior to all other classes of stock of Lockheed Martin except those classes of preferred stock expressly designated as ranking on a parity with the Lockheed Martin Series A Preferred Stock.

Dividends

Preferential cash dividends at the per share rate of \$.75 per quarter will accrue (whether or not declared and whether or not funds are legally available for payment) from the last quarterly dividend payment date on which dividends have been paid with respect to the Martin Marietta Series A Preferred Stock, will be cumulative and will compound quarterly, to the extent they are unpaid, at the rate of 6% per annum computed on the basis of a 360-day year of twelve 30-day months. Holders of shares of Lockheed Martin Series A Preferred Stock are not entitled to any other dividends.

Redemption

Upon the giving of specified notice, on or after April 2, 1998, Lockheed Martin, at its option, will be entitled to redeem any or all shares of Lockheed Martin Series A Preferred Stock, at a redemption price of \$50 per share, plus an amount equal to accrued and unpaid dividends thereon to and including the date of redemption (the "Redemption Price"), but only if the Average Closing Price (as described below) of Lockheed Martin Common Stock (calculated as of the record date fixed for notifying holders of such redemption) equals or exceeds the applicable percentage of the Conversion Price (as described below) set forth opposite the date that occurs on or that immediately preceded such record date:

APRIL 2	PERCENTAGE OF CONVERSION PRICE
1998.....	130.0%
1999.....	122.5%
2000.....	115.0%
2001.....	107.5%
2002 and thereafter.....	100.0%

The "Average Closing Price" per share of Lockheed Martin Common Stock on any day shall be deemed to be the average of the closing prices for Lockheed Martin Common Stock for the 20 consecutive trading days commencing 30 trading days before the day in question, with each day's closing sale price being the reported last sale price regular way or, in case no such reported sale takes place on such day, the average of the reported closing bid and asking prices, in either case on the NYSE.

In lieu of paying the Redemption Price in cash, Lockheed Martin may, at its sole option, pay such Redemption Price in shares of Lockheed Martin Common Stock. The number of shares of Lockheed Martin Common Stock issuable in lieu of a cash payment of the Redemption Price will be the number of fully paid and nonassessable shares of Lockheed Martin Common Stock as will have an aggregate Average Closing Price as of the redemption date equal to the aggregate liquidation preference of the shares of Lockheed Martin Series A Preferred Stock being redeemed.

Within 15 days of its receipt of notice of a redemption payable in shares of Lockheed Martin Common Stock, each holder of Lockheed Martin Series A Preferred Stock will have the right to elect not to retain such Lockheed Martin Common Stock and to request a Backstop Registration (as described below) of some or all of the shares of Lockheed Martin Common Stock to be received in the redemption (the "Redemption Common Stock"). A holder's failure to timely so request Backstop Registration will be deemed to be an election by the holder to retain such Lockheed Martin Common Stock.

A Backstop Registration for shares of Lockheed Martin Common Stock issued in lieu of a redemption in cash will be conducted substantially in the manner described under "STANDSTILL AGREEMENT -- Special Liquidity Provisions -- Backstop Registration."

When the Backstop Registration has been completed, the net proceeds thereof will be distributed to the holders who requested the Backstop Registration pro rata in respect of their interests in the Lockheed Martin Common Stock subject to the Backstop Registration. Any such Backstop Registration not consummated within six months will be deemed to have been abandoned. To the extent the net proceeds per share from such Backstop Registration are less than the sum of the Redemption Price and the interest on such Redemption Price (at an annual rate published by the Board of Governors of the Federal Reserve System for U.S. Treasury Bonds maturing 10 years from the applicable redemption date) from the applicable redemption date to and including the date of payment in respect of a requesting holder's redeemed shares of Lockheed Martin Series A Preferred Stock, Lockheed Martin will pay to the requesting holder an amount in cash equal to the applicable difference.

Conversion Rights

The holders of shares of Lockheed Martin Series A Preferred Stock will have the right, at their option, to convert each share into such number of fully paid and nonassessable shares of Lockheed Martin Common Stock as is determined by dividing \$50 by the Conversion Price (as defined below) in effect at the time of conversion. As of the Merger Date, the "Conversion Price" for the Lockheed Martin Series A Preferred Stock will be \$34.5525. The Conversion Price will be subject to anti-dilution adjustments as described below under "Anti-Dilution Provisions."

Anti-Dilution Provisions

The number of shares of stock into which each share of Lockheed Martin Series A Preferred Stock is convertible will be subject to certain anti-dilution adjustments upon the occurrence of certain events such as (i) stock dividends or other distributions on the Lockheed Martin Common Stock or other stock of Lockheed Martin payable in Lockheed Martin Common Stock, (ii) stock splits, reverse stock splits, share exchanges or reclassifications affecting the Lockheed Martin Common Stock, (iii) certain issuances of Lockheed Martin Common Stock (or rights, warrants or securities convertible or exchangeable into Lockheed Martin Common Stock) at a price per share (or having a conversion or exercise price per share) less than the Average Closing Price of Lockheed Martin Common Stock on the date of issuance, (iv) distributions to holders of Lockheed Martin Common Stock or any other class of stock of Lockheed Martin of evidences of indebtedness or assets of Lockheed Martin (excluding any regular quarterly dividend of Lockheed Martin paid in cash out of the consolidated earnings or consolidated retained earnings of Lockheed Martin in an amount not exceeding 125% of the average of the four regular quarterly dividends paid by Lockheed Martin for the immediately preceding four quarters (including for this purpose dividends paid by Martin Marietta prior to the Merger Date)), and (v) repurchases, by Lockheed Martin or any of its subsidiaries, by self tender offer or otherwise, of any shares of Lockheed Martin Common Stock at a weighted average purchase price in excess of the Average Closing Price immediately prior to such repurchase.

Voting Rights

Except as otherwise provided below or as required by law, the holders of shares of Lockheed Martin Series A Preferred Stock will not be entitled to vote on any matter on which the holders of any voting securities of Lockheed Martin will be entitled to vote.

Upon a default with respect to Lockheed Martin's senior bank facility (if any) or any successor thereto or replacement thereof (as amended from time to time, the "Senior Bank Facility") that is not substantially cured within six months from the declaration thereof pursuant to the Senior Bank Facility (but without regard to any waivers granted by the lenders under such Senior Bank Facility) (a "Bank Debt Default"), the holders of the Lockheed Martin Series A Preferred Stock, voting as a separate class, will be entitled to elect the smallest number of directors of the Lockheed Martin Board that shall constitute no less than 25% of the authorized number of directors of the Lockheed Martin Board until the Bank Debt Default is cured, or until GE is no longer entitled to designate any directors of Lockheed Martin pursuant to the Standstill Agreement, whichever first occurs. Following expiration of such rights of GE under the Standstill Agreement, the holders of the Lockheed Martin Series A Preferred Stock will have only the voting rights described below and as otherwise required by law. See "THE STANDSTILL AGREEMENT -- Voting."

In the event that dividends payable on the Lockheed Martin Series A Preferred Stock are in arrears for six quarters (whether or not consecutive)(a "Preferred Dividend Default") and if the holders of the Lockheed Martin Series A Preferred Stock are not then represented on the Lockheed Martin Board by directors elected as a result of a Bank Debt Default, until the Preferred Dividend Default is cured, a majority in interest of the holders of Lockheed Martin Series A Preferred Stock, voting separately as a class with holders of shares of any other class of preferred stock upon which like voting rights have been conferred, will be entitled to elect two additional directors of Lockheed Martin.

In the event of any merger, consolidation, business combination or share exchange involving Lockheed Martin or any sale, lease or conveyance of all or substantially all of the assets of Lockheed Martin upon which the holders of Lockheed Martin Common Stock are entitled to vote, the holder of each share of Lockheed Martin Series A Preferred Stock will be entitled to vote together with the holders of shares of Lockheed Martin Common Stock and to cast the number of votes equal to the number of shares of Lockheed Martin Common Stock into which such shares of Lockheed Martin Series A Preferred Stock are then convertible; provided, however, that the holders of the Lockheed Martin Series A Preferred Stock will not be entitled to vote upon acquisitions which, within any 12-month period, do not (i) involve greater than an aggregate of \$25 million of transaction value (including assumed liabilities, whether contingent or not) or (ii) adversely affect the economic or legal position of the holders of Lockheed Martin Series A Preferred Stock or their rights, preferences, privileges or voting powers.

So long as any shares of the Lockheed Martin Series A Preferred Stock remain outstanding, the consent of the holders of at least 66 2/3% of the shares of Lockheed Martin Series A Preferred Stock then outstanding (voting separately as a class) given in person or by proxy, at any special or annual meeting called for such purpose, or by written consent as permitted by law and the Lockheed Martin Charter and Lockheed Martin Bylaws, will be necessary to amend, alter or repeal any of the provisions of the Lockheed Martin Charter which would adversely affect any right, preference, privilege, or voting power of Lockheed Martin Series A Preferred Stock or of the holders thereof; provided, however, that any such amendment, alteration or repeal that would authorize, create or issue any additional shares of preferred stock or any other shares of stock (whether or not already authorized) ranking on a parity with or junior to the Lockheed Martin Series A Preferred Stock as to dividends and on the distribution of assets upon liquidation, dissolution or winding up, will be deemed not to materially and adversely affect such rights, preferences, privileges or voting powers.

Liquidation Rights

Subject to the rights of holders of Lockheed Martin Series Preferred Stock ranking on a parity with the Lockheed Martin Series A Preferred Stock, upon any dissolution, liquidation or winding up of the affairs of Lockheed Martin, whether voluntary or involuntary (collectively, a "Liquidation"), the holders of shares of Lockheed Martin Series A Preferred Stock will be entitled to receive liquidating distributions in the amount of \$50 per share, plus an amount equal to all dividends accrued and unpaid thereon to the date of Liquidation, before any distribution or payment is made to holders of Lockheed Martin Common Stock or on any other class of stock of Lockheed Martin ranking junior as to dividends or assets distributable upon Liquidation to the holders of shares of Lockheed Martin Series A Preferred Stock. After the payment to the holders of the Lockheed Martin Series A Preferred Stock of the full preferential amounts described above, the holders of the

Lockheed Martin Series A Preferred Stock will not be entitled to any further participation in any distribution or payment by Lockheed Martin.

Neither the merger or consolidation of Lockheed Martin into or with any other corporation, nor the merger or consolidation of any other corporation into or with Lockheed Martin, nor a sale, transfer or lease of all or any part of the assets of Lockheed Martin, will, without further corporate action, be deemed to be a Liquidation.

Tax Provisions

Lockheed Martin will treat the Lockheed Martin Series A Preferred Stock as equity (not debt) for all federal, state, local and other tax purposes. Lockheed Martin will use its reasonable best efforts to ensure that it has adequate earnings and profits, within the meaning of Section 312 of the Code, or any successor provision, to ensure that all dividend distributions on the Lockheed Martin Series A Preferred Stock and all distributions in redemption of the Lockheed Martin Series A Preferred Stock that are treated as distributions with respect to stock under Section 302(d) of the Code (or any successor provisions) will be treated as dividends within the meaning of Section 316 of the Code (or any successor provision); provided that such reasonable best efforts do not require Lockheed Martin to incur any material out-of-pocket costs unless such costs are reimbursed by GE.

Certain Potential Antitakeover Effects of the Lockheed Martin Series A Preferred Stock

Although the issuance of shares of Lockheed Martin Series A Preferred Stock to GE in connection with the Combination is not intended as an antitakeover device, it should be noted that such issuance, and the issuance of Lockheed Martin Common Stock or other securities into which the Lockheed Martin Series A Preferred Stock is convertible or exchangeable and the provisions of the Standstill Agreement, may have certain antitakeover effects. It may discourage or render more difficult a merger, tender offer or proxy contest involving Lockheed Martin or deter a third party from seeking to acquire control of Lockheed Martin. See "THE STANDSTILL AGREEMENT -- Voting" and "-- Certain Antitakeover Effects of Lockheed Martin Charter and Bylaws and Maryland Law."

SERIES PREFERRED STOCK

The Lockheed Martin Board is authorized to issue shares of Lockheed Martin Series Preferred Stock, in one or more series or classes, and to fix for each such series or class the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or terms or conditions of redemption, as are permitted by Maryland law. The Lockheed Martin Board could authorize the issuance of shares of Lockheed Martin Series Preferred Stock with terms and conditions which could discourage a takeover or other transaction that holders of some or a majority of shares of Lockheed Martin Common Stock might believe to be in their best interests or in which such holders might receive a premium for their shares of stock over the then market price of such shares. As of the date hereof, no shares of Lockheed Martin Series Preferred Stock are outstanding and the Lockheed Martin Board has no present intent to issue any shares of Lockheed Martin Series Preferred Stock after the Merger Date.

PREEMPTIVE RIGHTS

No holder of any shares of any class of stock of Lockheed Martin will have any preemptive or preferential right to acquire or subscribe for any unissued shares of any class of stock or any authorized securities convertible into or carrying any right, option or warrant to subscribe for or acquire shares of any class of stock.

TRANSFER AGENT AND REGISTRAR

The principal transfer agent and registrar for Lockheed Martin Common Stock will be First Chicago Trust Company of New York.

CERTAIN ANTITAKEOVER EFFECTS OF LOCKHEED MARTIN CHARTER AND BYLAWS AND MARYLAND LAW

General

Certain provisions of the Lockheed Martin Charter and Bylaws may have the effect of impeding the acquisition of control of Lockheed Martin by means of a tender offer, a proxy fight, open market purchases or otherwise in a transaction not approved by the Lockheed Martin Board.

The provisions of the Lockheed Martin Charter and Bylaws described below are designed to reduce the vulnerability of Lockheed Martin to an unsolicited proposal for the restructuring or sale of all or substantially all of the assets of Lockheed Martin or an unsolicited takeover attempt which does not provide that all of Lockheed Martin's outstanding shares will be acquired or which is otherwise unfair to Lockheed Martin stockholders. The summary of such provisions set forth below does not purport to be complete and is subject to and qualified in its entirety by reference to the Lockheed Martin Charter and Bylaws.

The Lockheed Martin Board is not presently aware of any attempt to bring about a change in control of Lockheed Martin and has no present intention to introduce additional measures which might have an anti-takeover effect. The Lockheed Martin Board, however, expressly reserves the right to introduce such measures in the future.

Removal of Directors

The Lockheed Martin Charter provides that a director may be removed by the stockholders only for cause and only by the affirmative vote of at least 80% of the votes entitled to be cast in the election of directors. This provision precludes stockholders from removing incumbent directors and filling the vacancies created by such removal with their own nominees except upon a substantial affirmative vote. This provision may be amended or repealed only by the affirmative vote of at least 80% of the votes entitled to be cast in the election of directors.

Business Combinations

Under the MGCL, certain "business combinations" (including a merger, consolidation, share exchange, or, in certain circumstances, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and (i) any person who beneficially owns 10% or more of the voting power of the corporation's shares, (ii) an affiliate of such corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then-outstanding voting stock of the corporation (in either case, an "interested stockholder"), or (iii) any affiliate of an interested stockholder, are prohibited for five years after the most recent date on which the interested stockholder became an interested stockholder, and thereafter must be recommended by the board of directors of the Maryland corporation and approved by the affirmative vote of at least (a) 80% of the votes entitled to be cast by holders of its outstanding voting shares, and (b) two-thirds of the votes entitled to be cast by holders of such outstanding voting shares, other than shares held by the interested stockholder with whom the business combination is to be effected; unless, among other things, the corporation's stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its shares. These provisions of the MGCL do not apply to business combinations that are approved or exempted by the board of directors of the corporation prior to the time that the interested stockholder becomes an interested stockholder.

Lockheed Martin will generally be governed by the MGCL's business combinations statute. However, the Lockheed Martin Board has exempted any business combination with GE from its application.

In addition to the MGCL requirements, the Lockheed Martin Charter also contains a provision requiring that any business combination between Lockheed Martin and a Related Person must be approved by 80% of the outstanding shares of Voting Stock and by two-thirds of the outstanding shares of Voting Stock not owned by the Related Person. This provision does not apply to a business combination approved by a two-thirds vote of the directors in office prior to the time a Related Person becomes a Related Person (and certain other directors designated from time to time as "Continuing Directors") or if the consideration received by the

stockholders other than the Related Person is not less than the highest price per share paid by the Related Person prior to the business combination and a proxy statement complying with the regulations of the Exchange Act shall have been sent to all stockholders. Under the Lockheed Martin Charter, this provision may be amended only by the same two supermajority votes required for approval of a business combination. The Lockheed Martin Charter provides that Lockheed and Martin Marietta and certain of their subsidiaries are not Related Persons for purposes of this provision.

Control Share Acquisitions

The MGCL provides that "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast by stockholders in the election of directors, excluding shares of stock as to which the acquiring person, officers of the corporation and directors of the corporation who are employees of the corporation are entitled to exercise or direct the exercise of the voting power of the shares in the election of directors. "Control shares" are voting shares of stock which, if aggregated with all other shares of stock previously acquired by such person, would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power: (i) one-fifth or more but less than one-third, (ii) one-third or more but less than a majority or (iii) a majority of all voting power. Control shares do not include shares which the acquiring person is entitled to vote as a result of having previously obtained stockholder approval. A "control share acquisition" means the acquisition, directly or indirectly, of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses), may compel the board of directors to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares.

If voting rights are not approved at the meeting or if the acquiror does not deliver an acquiring person statement as required by the statute, then subject to certain conditions and limitations, the corporation may redeem any or all of the control shares, except those for which voting rights have previously been approved, for fair value determined, without regard to voting rights, as of the date of the last control share acquisition or of any meeting of stockholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a stockholders' meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid in the control share acquisition, and certain limitations and restrictions generally applicable to the exercise of appraisal rights do not apply in the context of a control share acquisition.

The control share acquisition statute does not apply to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or to acquisitions approved or excepted by the charter or the bylaws of the corporation.

The business combination statute and the control share acquisition statute could have the effect of discouraging unsolicited offers to acquire Lockheed Martin and of increasing the difficulty of consummating any such offer.

Prohibition on Payment of Greenmail; Cumulative Voting for Directors

The Lockheed Martin Charter contains a provision requiring that any purchase by Lockheed Martin of shares of Voting Stock from an Interested Stockholder (as defined in such provision, any person who has been a beneficial owner for less than two years of 5% or more of outstanding shares of Voting Stock) other than pursuant to an offer to holders of all the outstanding shares of the same class at a price in excess of the market price of the stock on the day immediately preceding the purchase, must first be approved by the affirmative vote of holders of a majority of outstanding shares of Voting Stock not owned by such Interested Stockholder. Under the Lockheed Martin Charter, this provision may be amended or repealed only by the affirmative vote of holders of at least 80% of the outstanding shares of Voting Stock.

The Lockheed Martin Charter further provides that if any person (other than Lockheed Martin or certain of its affiliates) beneficially owns Voting Stock representing 40% or more of the votes entitled to be cast by all the holders of outstanding shares of Voting Stock, (i) the directors of Lockheed Martin will be elected by cumulative voting, and (ii) one or more candidates may be nominated by certain disinterested directors, or by any beneficial owner of Voting Stock having an aggregate market price of \$250,000 or more.

Advance Notice of Director Nominations and New Business

The Lockheed Martin Bylaws provide that (i) with respect to annual meetings of stockholders, nominations of persons for election to the Lockheed Martin Board and the proposal of business to be considered by stockholders may be made only (a) pursuant to Lockheed Martin's notice of the meeting, (b) by or at the direction of the Lockheed Martin Board or (c) by a stockholder who has complied with the advance notice procedures set forth in the Lockheed Martin Bylaws and is entitled to vote at the meeting; and (ii) with respect to special meetings of stockholders, only the business specified in Lockheed Martin's notice of meeting may be brought before the meeting. Nominations of persons for election to the Lockheed Martin Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to Lockheed Martin's notice of meeting only (i) by or at the direction of the Lockheed Martin Board, or (ii) by a stockholder who has complied with the advance notice provisions set forth in the Lockheed Martin Bylaws and is entitled to vote at the meeting.

Right to Examine Stockholder List

Under the MGCL, any one or more persons who for at least six months have been the record holders of at least 5% of any class of stock are entitled to inspect and copy the corporation's stock ledger and if the corporation does not maintain its stock ledger at its principal place of business, to request in writing a stockholder list. See "COMPARISON OF STOCKHOLDERS' RIGHTS -- Comparison of Stockholder Rights with Respect to Lockheed Martin and Lockheed -- Right to Examine Stockholder List."

Effect of Certain Provisions

The provisions in the Lockheed Martin Charter on removal of directors, payment of greenmail, cumulative voting for directors in the event that a stockholder owns 40% or more of the Voting Stock, and the business combinations, control share acquisition and right to examine stockholder list provisions of MGCL, and the advance notice provisions of the Lockheed Martin Bylaws, could have the effect of delaying, deterring or preventing a change in control of Lockheed Martin. In addition, the Lockheed Martin Omnibus Plan contains provisions applicable to a change of control situation. See "LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN."

MANAGEMENT OF LOCKHEED MARTIN

DIRECTORS

As provided in the Reorganization Agreement, immediately following the Combination, the Lockheed Martin Board will initially have 24 members, 12 of whom will be designated by Lockheed and 12 of whom will be designated by Martin Marietta.

The following table sets forth information as to the persons who are expected to serve as directors of Lockheed Martin following the Combination.

NAME AND YEAR FIRST BECAME A DIRECTOR OF LOCKHEED OR MARTIN MARIETTA, AS APPLICABLE	AGE AS OF DECEMBER 31, 1994	BUSINESS EXPERIENCE DURING THE PAST FIVE YEARS AND OTHER INFORMATION
Lockheed Designees Lynne V. Cheney (1994)	53	W. H. Brady, Jr., Distinguished Fellow at the American Enterprise Institute for Public Policy Research, an independent, nonpartisan organization sponsoring original research on domestic and international economic policy, foreign and defense policy, and social and political issues since 1992; served as Chairman of the National Endowment for the Humanities, an independent federal agency supporting education, research, preservation, and public programs in humanities, 1986-1992; director of Reader's Digest Association, Inc., IDS Mutual Fund Group and The Interpublic Group of Companies, Inc.
Lodwick M. Cook (1991)	66	Chairman of the Board of ARCO, a petroleum, coal and chemical company; served as Chief Executive Officer of ARCO from October 1985 to July 1994; served as a director of ARCO since 1980; served as an executive officer of ARCO since 1970; director of H. F. Ahmanson & Company; director of Home Savings of America and Chairman of the Board of Directors of ARCO Chemical Company.
Houston I. Flournoy (1976)	65	Special Assistant to the President for Governmental Affairs, University of Southern California, Sacramento, California, since August 1981; Professor of Public Administration, University of Southern California, Sacramento, California, 1981 to 1993; served as Vice President for Governmental Affairs, University of Southern California, Los Angeles, 1978 to 1981; director of Fremont General Corporation, Fremont Investment and Loan Corporation and Tosco Corporation.
James F. Gibbons (1985)	63	Dean of the School of Engineering, Stanford University, Stanford, California, since September 1984; Professor of Electronics, Stanford University, since 1964; director of Raychem Corporation, Centrigram Communications Corporation, Cisco Systems Incorporated and El Paso Natural Gas Company.

NAME AND YEAR FIRST BECAME A DIRECTOR OF LOCKHEED OR MARTIN MARIETTA, AS APPLICABLE	AGE AS OF DECEMBER 31, 1994	BUSINESS EXPERIENCE DURING THE PAST FIVE YEARS AND OTHER INFORMATION
Lawrence O. Kitchen (1975)	71	Chairman of the Executive Committee of Lockheed since January 1, 1989; served as Chairman of the Board and Chief Executive Officer of Lockheed, 1986 to 1988; served as President and Chief Operating Officer of Lockheed, 1975 to 1985; serves on the Advisory Board of the Industrial Bank of Japan; director of Kendall-Jackson Winery, Ltd.
Vincent N. Marafino (1980)	64	Vice Chairman of the Board and Chief Financial and Administrative Officer of Lockheed since August 1, 1988; served as Executive Vice President -- Chief Financial and Administrative Officer of Lockheed, 1983 to 1988; served as an executive officer of Lockheed since 1971.
David S. Potter (1987)	69	Served as Chairman of the Board of John Fluke Manufacturing Company, Inc., an electronic instrument and sensor firm, Everett, Washington, 1990-1991; retired Vice President and Group Executive of General Motors Corporation; served as Vice President of General Motors Corporation, 1976 to 1985; director of John Fluke Manufacturing Company, Inc.
Frank Savage (1990)	56	Chairman, Alliance Capital Management International, an investment management company, since 1994; Senior Vice President of The Equitable Life Assurance Society of the United States since 1987; Chairman of the Board of Alliance Corporate Finance Group, Inc. since 1993; Chairman of the Board of Equitable Capital Management Corporation, 1992-1993; and Vice Chairman of the Board of Equitable Capital Management Corporation, 1986-1992; director of Alliance Capital Management Corporation, ARCO Chemical Company, Lexmark Corporation, and Essence Communications, Inc.; trustee of Johns Hopkins University and Howard University; member of the Council on Foreign Relations; director of the Boys Choir of Harlem, New York Philharmonic; and former U.S. Presidential appointee to the Board of Directors of U.S. Synthetic Fuels Corporation.
Daniel M. Tellep (1987)	63	Chairman of the Board and Chief Executive Officer of Lockheed since January 1, 1989; served as President of Lockheed, August 1988 to December 1988; served as Group President -- Missiles and Space Systems of Lockheed, 1986 to 1988, and President, Lockheed Missiles & Space Company, Inc., a wholly owned subsidiary of Lockheed, 1984 to 1988; served as an executive officer of Lockheed since March 1983; director of First Interstate Bancorp, Southern California Edison Company, and SCEcorp.

NAME AND YEAR FIRST BECAME A DIRECTOR OF LOCKHEED OR MARTIN MARIETTA, AS APPLICABLE	AGE AS OF DECEMBER 31, 1994	BUSINESS EXPERIENCE DURING THE PAST FIVE YEARS AND OTHER INFORMATION
Carlisle A. H. Trost (1990)	64	Retired Admiral, U.S. Navy, 1990; Chief of Naval Operations, United States Navy, 1986-1990; also served as Commander in Chief, U.S. Atlantic Fleet, Commander U.S. Seventh Fleet, and Deputy Commander in Chief of the U.S. Pacific Fleet; director of Louisiana Land and Exploration Company, General Public Utilities Corp. and General Public Utilities -- Nuclear Corp., General Dynamics Corporation, Burdeshaw Associates Ltd., Precision Components Corporations, and Bird-Johnson Company, and Trustee of the U.S. Navy Academy Foundation.
James R. Ukropina (1988)	57	Partner, O'Melveny & Myers, a law firm, Los Angeles, California, since 1992; former Chairman of the Board and Chief Executive Officer of Pacific Enterprises, a diversified holding company, 1989 to 1991; served as President of Pacific Enterprises, 1986 to 1989; served as Executive Vice President and General Counsel of Pacific Lighting Corporation, 1984 to 1986; director of Pacific Mutual Life Insurance Company and member of the Board of Trustees of Stanford University.
Douglas C. Yearley (1990)	58	Chairman of the Board, President and Chief Executive Officer of Phelps Dodge Corporation, a producer of copper and copper products, carbon blacks, and wheels and rims for medium and heavy trucks, Phoenix, Arizona, serving as Chairman and Chief Executive Officer since 1989 and President since 1991; served as Executive Vice President of Phelps Dodge Corporation from 1987 to 1989; served as President of Phelps Dodge Industries, a division of Phelps Dodge Corporation, from 1988 to 1990; served as Senior Vice President of Phelps Dodge Corporation from 1982 to 1986; director of Phelps Dodge Corporation, J.P. Morgan & Co. Incorporated, Morgan Guaranty Trust Company of New York and USX Corporation.
Martin Marietta Designees Norman R. Augustine (1986)	59	Chairman of the Board of Martin Marietta since 1988 and Chief Executive Officer since 1987; served as Vice Chairman between 1987 and 1988, as President and Chief Operating Officer in 1986 and 1987, as Executive Vice President in 1985 and 1986, and as a Senior Vice President in 1985; director of Phillips Petroleum Company and Proctor & Gamble Co.

NAME AND YEAR FIRST BECAME A DIRECTOR OF LOCKHEED OR MARTIN MARIETTA, AS APPLICABLE	AGE AS OF DECEMBER 31, 1994	BUSINESS EXPERIENCE DURING THE PAST FIVE YEARS AND OTHER INFORMATION
Marcus C. Bennett (1993)	58	Vice President and Chief Financial Officer of Martin Marietta since 1988; served as Vice President of Finance from 1984 to 1988; serves as Chairman of Martin Marietta Materials, Inc., a majority owned subsidiary of Martin Marietta, and Orlando Central Park, Inc. and Chesapeake Park, Inc., wholly owned subsidiaries of Martin Marietta; director of Carpenter Technology, Inc.; member of the Financial Executives Institute, MAPI Finance Council and The Economic Club of Washington; serves as a director of the Private Sector Council and as a member of its CFO Task Force.
A. James Clark (1981)	67	Chairman of the Board of Clark Enterprises, Inc., a holding company engaged in the construction business since 1987; served as its President since 1972; director of GEICO Insurance Co., Potomac Electric Power Company and Carr Realty Corporation; member of the Board of Trustees of The Johns Hopkins University and a member of the University of Maryland Foundation.
Edwin I. Colodny (1987)	68	Of Counsel to Paul, Hastings, Janofsky & Walker; served as Chief Executive Officer of USAir, Inc. from 1975 until retiring in June 1991 and as Chairman of the Board of USAir, Inc. from 1978 until July 1992; also served as Chairman of the Board of USAir Group, Inc. from 1983 until retiring from that position in July 1992; director of USAir Group, Inc., COMSAT Corporation and Esterline Technologies Corp.; member of the Board of Trustees of the University of Rochester.
James L. Everett, III (1976)	68	Served as Chief Executive Officer of Philadelphia Electric Company from 1978 and Chairman of its Board of Directors from 1982 until his retirement in 1988; director of Tasty Baking Company.
Edward L. Hennessy, Jr. (1983)	66	Served as Chairman of the Board and Chief Executive Officer of AlliedSignal Inc. from May 1979 through June 1991 and served as Chairman of AlliedSignal Inc. from July 1991 through December 1991; director of The Bank of New York, Titan Pharmaceuticals, Inc., The Wackenhut Corporation and Walden Residential Properties, Inc; trustee of Catholic University of America and Stevens Institute of Technology, a director and treasurer of March of Dimes and a director of Public TV, Channel 13.

NAME AND YEAR FIRST BECAME A DIRECTOR OF LOCKHEED OR MARTIN MARIETTA, AS APPLICABLE	AGE AS OF DECEMBER 31, 1994	BUSINESS EXPERIENCE DURING THE PAST FIVE YEARS AND OTHER INFORMATION
Edward E. Hood, Jr.* (1993)	64	Joined GE in 1957 after service in the U.S. Air Force; elected a Vice President of GE in 1968 and Vice Chairman and Executive Officer of GE in 1979; served as a director of GE from 1980 until his retirement in 1993; director of FlightSafety International, Inc., The Lincoln Electric Company and Gerber Scientific, Inc; serves as Chairman of the Board of Trustees of Rensselaer Polytechnic Institute.
Caleb B. Hurtt (1987)	63	Served as President and Chief Operating Officer of Martin Marietta from 1987 until his retirement in January 1990; was its Executive Vice President in 1987 and a Senior Vice President from 1983 to 1987; Vice Chairman of the Board of Trustees of Stevens Institute of Technology; served as Chairman of the Board of Governors of the Aerospace Industries Association in 1989 and is a past Chairman of the NASA Advisory Council.
Gwendolyn S. King (1992)	54	Senior Vice President of Corporate and Public Affairs for PECO Energy Company (formerly Philadelphia Electric Company) since October 1992; served as Commissioner of the Social Security Administration from August 1989 through September 1992; and as Executive Vice President of Gogol & Associates in Washington, D.C. from March 1988 to July 1989; director of Monsanto Company; member of the Executive Committee of Pennsylvania Electric Association and recently appointed by President Clinton to the Notch Commission.
Gordon S. Macklin (1992)	66	Chairman of the Board of White River Corporation, an information services company; served as Chairman of the Board of Hambrecht & Quist, Inc., a venture capital and investment banking company, from 1987 until his retirement in April 1992; served as President of the National Association of Securities Dealers, Inc. from 1970 until 1987; director of Fund American Enterprises Holdings, Inc., MCI Communications Corporation, Med-Immune, Inc. and Info Vest Corporation; serves as director, trustee or managing general partner, as the case may be, of most of the investment companies in the Franklin/Templeton Group of Funds.

NAME AND YEAR FIRST BECAME A DIRECTOR OF LOCKHEED OR MARTIN MARIETTA, AS APPLICABLE	AGE AS OF DECEMBER 31, 1994	BUSINESS EXPERIENCE DURING THE PAST FIVE YEARS AND OTHER INFORMATION
Eugene F. Murphy* (1993)	58	President and Chief Executive Officer of GE Aircraft Engines since 1993; served as President and Chief Executive Officer of GE Aerospace from 1992 to 1993; served as Senior Vice President of GE Communications & Services from 1986 to 1992; served as a member of President Reagan's National Security Telecommunications Advisory Committee; former Chairman and permanent member of the Board of Directors of the Armed Forces Communications and Electronics Association; member of the Aerospace Industries Association Board of Governors.
Allen E. Murray (1991)	65	Served as Chairman of the Board and Chief Executive Officer of Mobil Corporation from 1986 until his retirement on March 1, 1994; director of Metropolitan Life Insurance Company, Minnesota Mining and Manufacturing Company, Morgan Stanley Group Inc. and St. Francis Hospital; member of the Board of Trustees of New York University, a member of the Chase Manhattan Bank International Advisory Committee, and serves as a director of the American Petroleum Institute; member of The Business Council, The Business Roundtable, The Council on Foreign Relations, and The Trilateral Commission.

* GE designees to the Lockheed Martin Board. See "THE STANDSTILL AGREEMENT -- Board Representation."

For information concerning the interests of the directors of Lockheed Martin in the Combination, see "THE COMBINATION -- Interests of Certain Persons in the Combination."

COMPENSATION OF DIRECTORS

Directors, other than employees of Lockheed Martin, will initially receive \$35,000 annually for service on the Lockheed Martin Board and \$1,000 per meeting attended, including the annual meeting of stockholders of Lockheed Martin. A total of \$10,000 of the \$35,000 will be paid annually in the form of share credits based on the value of Lockheed Martin Common Stock, subject to approval of the Directors Plan Proposal. Directors will also be reimbursed for expenses incurred in connection with attendance at Lockheed Martin Board and committee meetings.

The Lockheed Martin Board will have five standing committees: Audit and Ethics, Compensation, Executive, Finance and Nominating. Non-employee directors of Lockheed Martin will initially receive \$5,000 annually for each committee on which they serve and \$1,000 per committee meeting attended. Additionally, committee chairs, if held by non-employee directors, will receive the following compensation: initially, Chairmen of the Audit and Ethics, Compensation, Executive, and Finance Committees will receive \$4,000 additional compensation per year, and the Chairman of the Nominating Committee will receive \$2,000 additional compensation per year. See "-- Committees of the Board of Directors."

It is anticipated that a deferred compensation plan will be implemented for non-employee directors, pursuant to which they will be entitled to defer all or a portion of their cash compensation for service as a director and committee member.

The mandatory retirement age for directors is 70. However, in order to assist Lockheed Martin in the transition period following the Combination, Mr. Kitchen and Mr. Potter will be eligible to serve on the Lockheed Martin Board until the annual meetings of stockholders in 1996 and 1997, respectively, at which time each will be 72 years of age. It is expected that following retirement from the Lockheed Martin Board non-employee directors will be paid an annual retirement benefit equal to the amount of the annual fee (including both the cash and stock portions thereof) in effect on the date the director leaves the Lockheed Martin Board. These amounts will be paid in cash in regular installments for a period equal to the number of years that the director serves on the Lockheed Martin Board as a non-employee director. If the director retires at the mandatory retirement age after satisfying a vesting period to be determined, the benefit will be paid annually for life.

Lockheed Martin also intends to implement a financial counseling program which will provide reimbursement to directors for tax and financial planning and tax preparation services and for which Lockheed Martin will pay a maximum of \$6,000 annually per participant. In addition, for each non-employee director Lockheed Martin intends to provide a \$100,000 death benefit and provide \$500,000 coverage for death or dismemberment resulting from an accident while traveling on company business.

In the interests of promoting giving to charitable institutions and tax-exempt educational institutions, Lockheed Martin will maintain a plan which will allow each director (except continuing directors from Martin Marietta who have a comparable benefit through a substantially similar plan) to recommend one or more charitable organizations that would receive, in the aggregate, up to \$1 million, such contribution to be payable to the designated institution(s) upon a director's death. Lockheed Martin expects to fund the program through the purchase of insurance on the directors' lives. Directors will not receive any economic benefit from the program because the insurance proceeds and charitable deductions will accrue solely to Lockheed Martin.

COMMITTEES OF THE BOARD OF DIRECTORS

Pursuant to the Reorganization Agreement, Martin Marietta and Lockheed have agreed that membership on the major committees of the Lockheed Martin Board will initially consist of an equal number of designees of Martin Marietta and Lockheed. The members of such committees will be determined by the Lockheed Martin Board prior to the Combination.

OFFICERS

Set forth below are the names and titles of certain of the persons who are expected to serve as officers of Lockheed Martin following the Combination.

NAME	OFFICE
Daniel M. Tellep.....	Chairman of the Board; Chief Executive Officer
Norman R. Augustine.....	President
Vincent N. Marafino.....	Executive Vice President
A. Thomas Young.....	Executive Vice President
Kenneth W. Cannestra.....	Sector President -- Aeronautics
Vance D. Coffman.....	Sector President -- Space and Strategic Missiles
Thomas A. Corcoran.....	Sector President -- Electronics
Peter B. Teets.....	Sector President -- Information and Technology Services
Marcus C. Bennett.....	Senior Vice President and Chief Financial Officer
Frank H. Menaker, Jr.....	Vice President and General Counsel
Robert E. Rulon.....	Vice President and Controller
Walter E. Skowronski.....	Vice President and Treasurer
William T. Vinson.....	Vice President and Chief Counsel
Lillian M. Trippett.....	Corporate Secretary

It is expected that Mr. Tellep will be Chief Executive Officer of Lockheed Martin through 1995 and Chairman of the Lockheed Martin Board through 1996. It is also expected that Mr. Augustine will be President of Lockheed Martin through 1995, become President and Chief Executive Officer at the end of 1995 and Chairman of the Board and Chief Executive Officer at the end of 1996.

For information concerning the interests of certain of the above-named individuals in the Combination, see "THE COMBINATION -- Interests of Certain Persons in the Combination."

COMPENSATION OF EXECUTIVE OFFICERS

Lockheed Martin has not yet paid any compensation to its Chief Executive Officer or any of its other executive officers and the form and amount of such compensation has not yet been determined. The Lockheed Martin Board will rely on its Compensation Committee composed of non-employee Board members to recommend the form and amount of compensation to be paid to Lockheed Martin's executive officers.

It is anticipated that, when the Compensation Committee meets to determine such compensation, which meeting is not expected to occur until after the Merger Date, the Committee will generally adhere to compensation policies which reflect the belief that (i) Lockheed Martin must attract and retain individuals of outstanding ability and motivate and reward such individuals for sustained performance, (ii) a substantial portion of an executive's compensation should be at risk based upon that executive's performance and that of the corporation, and (iii) within these parameters, levels of compensation should generally be in line with that offered by comparable corporations. Hewitt Associates has been engaged to advise the Compensation Committee as to the compensation paid by companies of a size and complexity generally comparable to Lockheed Martin. In addition, each of Lockheed and Martin Marietta has asked three of its current directors to work with Hewitt Associates so as to be prepared to offer advice to the Compensation Committee shortly following the Merger Date. On an ongoing basis the type and amount of compensation to be paid by Lockheed

Martin to its officers will be entirely discretionary and within the subjective judgment of the Compensation Committee.

For information concerning the compensation paid to the Chief Executive Officers and the other four most highly compensated executive officers of each of Lockheed and Martin Marietta for the 1993 fiscal year, see the 1994 Proxy Statements for Lockheed and Martin Marietta, the relevant portions of which are incorporated by reference into the Lockheed Form 10-K and the Martin Marietta Form 10-K, respectively. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE."

OWNERSHIP OF LOCKHEED, MARTIN MARIETTA AND LOCKHEED MARTIN

LOCKHEED

Directors and Executive Officers. The following table sets forth the number of shares of Lockheed Common Stock beneficially owned, as of December 31, 1994 unless otherwise indicated, and the equivalent number of shares of Lockheed Martin Common Stock assuming consummation of the Combination, by each current director, the Chief Executive Officer and the four other most highly compensated executive officers of Lockheed and for all current directors and executive officers of Lockheed as a group. The number of shares shown for each director and each of the named executive officers represent less than 1 percent of the shares of Lockheed Common Stock outstanding and Lockheed Martin Common Stock expected to be outstanding upon consummation of the Combination. The number of shares shown for all directors and executive officers as a group represented approximately 2.7 percent of the Lockheed Common Stock outstanding. Unless otherwise indicated, and except as such powers may be shared with their spouses, the individuals named below have sole voting and investment power with respect to the shares indicated below.

NAME	SHARES OF LOCKHEED COMMON STOCK BENEFICIALLY OWNED	EQUIVALENT SHARES OF LOCKHEED MARTIN COMMON STOCK, ASSUMING CONSUMMATION OF THE COMBINATION
K. W. Cannestra.....	59,645(2)(3)	97,221
* Lynne V. Cheney.....	451(1)(4)	735
V. D. Coffman.....	62,862(2)(3)	102,465
* Lodwick M. Cook.....	1,414(1)	2,304
* Houston I. Flournoy.....	1,152(1)(5)	1,877
* James F. Gibbons.....	2,429(1)	3,959
Robert G. Kirby.....	1,577(1)	2,570
* Lawrence O. Kitchen.....	25,689(1)(2)	41,873
* Vincent N. Marafino.....	263,153(2)(3)	428,939
V. P. Peline.....	115,937(2)(3)	188,977
J. J. Pinola.....	1,152(1)(6)	1,877
* David S. Potter.....	5,081(1)	8,282
* Frank Savage.....	1,518(1)	2,474
* Daniel M. Tellep.....	327,179(2)(3)	533,301
* Carlisle A. H. Trost.....	748(1)	1,219
* James R. Ukropina.....	1,152(1)	1,877
* Douglas C. Yearley.....	1,152(1)	1,877
All directors and executive officers as a group (50 individuals, including those named above).....	1,619,7(7)	2,640,238

* Lockheed designees to the Lockheed Martin Board. See "MANAGEMENT OF LOCKHEED MARTIN -- Directors."

(1) Includes shares held in trust under Lockheed's directors deferred compensation plan. As of December 31, 1994, Directors Cheney, Cook, Flournoy, Gibbons, Kirby, Kitchen, Pinola, Potter, Savage, Trost,

Ukropina and Yearley have been credited with 151; 1,414; 152; 1,429; 1,577; 152; 152; 4,981; 768; 748; 152 and 152 shares, respectively, pursuant to such plan. The directors do not have or share voting or investment power for their respective shares held in the trust, except in the event of a tender offer.

- (2) Shares of Lockheed Common Stock held beneficially by Messrs. Cannestra, Coffman, Kitchen, Marafino, Peline and Tellep include 58,832; 60,909; 21,000; 220,998; 109,395; and 313,933 shares, respectively, which are subject to presently exercisable options or options which will become exercisable upon consummation of the Combination. See "THE COMBINATION -- Interests of Certain Persons in the Combination -- Lockheed."
- (3) Includes shares held under the Lockheed Salaried Employees Savings Plan Plus, as of November 30, 1994. Messrs. Cannestra, Coffman, Marafino, Peline and Tellep have been credited with 813; 753; 1,029; 1,042 and 877 shares, respectively, pursuant to such plan.
- (4) Includes 300 shares held in a trust of which Mrs. Cheney and her husband are trustees and with respect to which she has shared voting and investment power.
- (5) Includes 350 shares held in trusts of which Mr. Flournoy and his wife are trustees and with respect to which he has shared voting and investment power.
- (6) Includes 1,000 shares held in a trust of which Mr. Pinola and his wife are trustees and with respect to which he has shared voting and investment power.
- (7) Includes 1,509,637 shares which are subject to presently exercisable options or options which will become exercisable upon consummation of the Combination (see "THE COMBINATION -- Interests of Certain Persons in the Combination -- Lockheed"); 24,007 shares held as of November 30, 1994, by the Lockheed Savings Plan for the beneficial interest of officers; 11,828 shares held for the benefit of non-employee directors as of December 31, 1994, by the trustee of the Lockheed Directors' Deferred Compensation Plan and as to which such non-employee directors have no voting or investment power, other than as to a tender offer; and certain shares with respect to which the officers and directors disclaim beneficial ownership or do not have sole investment and voting power.

Five Percent Stockholders. The following table sets forth information with respect to the shares of Lockheed Common Stock which are held by persons known to Lockheed to be the beneficial owners of more than 5% of such stock. All information set forth in the following table is as of December 31, 1993, except as otherwise indicated.

NAME AND ADDRESS OF STOCKHOLDER	LOCKHEED COMMON STOCK BENEFICIALLY OWNED	
	NUMBER OF SHARES	PERCENT OF CLASS
US Trust Company of California, N.A., New York, N.Y., as trustee of the Lockheed (ESOP Feature) Trust established under the Lockheed Salaried Employee Savings Plan Plus, and the trustee of the Lockheed (Hourly ESOP) Trust established under the Lockheed Hourly Employee Savings Plan Plus and the Lockheed Space Operations Company Hourly Employee Investment Plan Plus 555 South Flower Street Los Angeles, California 90071	16,057,125(1)	25.6%
INVESCO PLC 11 Devonshire Square London EC2M 4YR England	5,301,085(2)	8.5%
Sanford C. Bernstein & Co., Inc. One State Street Plaza New York, New York 10004-1545	4,651,269(3)	7.5%

- (1) As reported in Schedule 13G dated February 11, 1994. Stockholder has sole dispositive power and shared voting power with respect to the number of shares stated.

- (2) As reported in Schedule 13G dated February 10, 1994. Stockholder has sole voting power with respect to none of the shares, shared voting power with respect to 5,301,085 of the shares, sole dispositive power with respect to none of the shares and shared dispositive power with respect to 5,301,085 of the shares.
- (3) Information as of December 30, 1994, as reported in Schedule 13F dated January 25, 1995. Stockholder has sole voting power with respect to 2,409,559 of the shares and sole dispositive power with respect to 4,651,269 of the shares.

MARTIN MARIETTA

Directors and Executive Officers. The following table sets forth the number of shares of Martin Marietta Common Stock beneficially owned as of December 31, 1994 by each current director, the Chief Executive Officer, and the four other most highly compensated executive officers of Martin Marietta and by all current directors and executive officers of Martin Marietta as a group. Such number of shares would also be the equivalent number of shares of Lockheed Martin Common Stock assuming consummation of the Combination. The number of shares shown for each director and each of the named executive officers represented less than 1 percent of the shares of Martin Marietta Common Stock outstanding and Lockheed Martin Common Stock expected to be outstanding upon consummation of the Combination. The number of shares shown for all executive officers and directors as a group represented approximately 1.3 percent of the Martin Marietta Common Stock outstanding. Individuals have sole voting and investment power over the stock unless otherwise indicated in the footnotes.

NAME	SHARES OF MARTIN MARIETTA COMMON STOCK BENEFICIALLY OWNED
Lamar Alexander.....	100
*Norman R. Augustine.....	429,380(1)(8)
*Marcus C. Bennett.....	67,529(2)(8)
John J. Byrne.....	6,750
*A. James Clark.....	21,612
*Edwin I. Colodny.....	2,000
*James L. Everett, III.....	6,750(3)
*Edward L. Hennessy, Jr.....	2,224
*Edward E. Hood, Jr.....	2,000
*Caleb B. Hurtt.....	4,336
*Gwendolyn S. King.....	200
Melvin R. Laird.....	69,100(4)
*Gordon S. Macklin.....	2,000
Frank H. Menaker, Jr.....	79,100(5)(8)
*Eugene F. Murphy.....	200
*Allen E. Murray.....	3,000
Peter B. Teets.....	74,833(6)(8)
John W. Vessey, Jr.....	400
A. Thomas Young.....	181,829(7)(8)
All executive officers and directors as a group (27 individuals, including those named above).....	1,234,64(8)(9)

* Martin Marietta designees to the Lockheed Martin Board. See "MANAGEMENT OF LOCKHEED MARTIN -- Directors."

- (1) Includes 47,000 shares awarded to Mr. Augustine under Martin Marietta's restricted stock award plans which are currently subject to the terms and conditions described in the governing plan documents. Also includes 326,800 shares which are subject to presently exercisable options or options which will become exercisable upon consummation of the Combination.

- (2) Includes 17,000 shares awarded to Mr. Bennett under Martin Marietta's restricted stock award plans which are currently subject to the terms and conditions described in the governing plan documents. Also includes 40,800 shares which are subject to presently exercisable options or options which will become exercisable upon consummation of the Combination.
- (3) Shares voting and investment power.
- (4) Includes approximately 66,100 shares held by Metropolitan Life Insurance Company and its subsidiaries. Mr. Laird specifically disclaims ownership of these shares.
- (5) Includes 11,500 shares awarded to Mr. Menaker under Martin Marietta's restricted stock award plans which are currently subject to the terms and conditions described in the governing plan documents. Also includes 59,400 shares which are subject to presently exercisable options or options which will become exercisable upon consummation of the Combination.
- (6) Includes 18,000 shares awarded to Mr. Teets under Martin Marietta's restricted stock award plans which are currently subject to the terms and conditions described in the governing plan documents. Also includes 42,000 shares which are subject to presently exercisable options or options which will become exercisable upon consummation of the Combination.
- (7) Includes 36,000 shares awarded to Mr. Young under Martin Marietta's restricted stock award plans which are currently subject to the terms and conditions described in the governing plan documents. Also includes 114,200 shares which are subject to presently exercisable options or options which will become exercisable upon consummation of the Combination.
- (8) From 1989 through 1992, and for a portion of 1993, Martin Marietta made matching contributions to participants' accounts in the Martin Marietta Corporation Performance Sharing Plan in Martin Marietta Common Stock. Where appropriate, the shares shown include an approximation of the number of shares in the participant's account as of December 31, 1994. Executive officers do not have investment power over these shares.
- (9) Includes 812,900 shares of Martin Marietta Common Stock which are subject to presently exercisable options or options which will become exercisable upon consummation of the Combination and 172,750 shares awarded under Martin Marietta's restricted stock award plans which are subject to the terms and conditions described in the governing plan documents.

For information concerning the effects of the Combination under certain Martin Marietta benefit plans, see "THE COMBINATION -- Interests of Certain Persons in the Combination -- Martin Marietta."

Five Percent Stockholders. The following table sets forth information concerning the only persons known to Martin Marietta to own beneficially more than 5% of the outstanding shares of Martin Marietta Common Stock.

NAME AND ADDRESS OF STOCKHOLDER	CLASS OF STOCK	BENEFICIAL OWNERSHIP OF INDICATED CLASS	
		NUMBER OF SHARES	PERCENT OF CLASS
General Electric Company 3135 Easton Turnpike Fairfield, Connecticut 06341	Martin Marietta Series A Preferred Stock(1)	20,000,000	100%
Bankers Trust New York Corporation and its wholly owned subsidiary Bankers Trust Company, as trustee of the Martin Marietta Corporation Performance Sharing Plan and the Martin Marietta Corporation Savings and Investment Plan for Hourly Employees 280 Park Avenue New York, New York 10017	Martin Marietta Common Stock	8,486,374(2)	8.8%
Brinson Partners, Inc. and its affiliated companies Brinson Holdings, Inc. and Brinson Trust Company 209 South LaSalle Street Suite 120 Chicago, Illinois 60604	Martin Marietta Common Stock	5,965,100(3)	6.2%

(1) The Martin Marietta Series A Preferred Stock is convertible into Martin Marietta Common Stock, has a liquidation preference of \$50 per share, and is non-voting except in certain circumstances. The Martin Marietta Series A Preferred Stock has a conversion price of \$34.5525 per share (subject to adjustment in certain circumstances) and is convertible into 28,941,466 shares (subject to adjustment) or approximately 23% of the outstanding shares of Martin Marietta Common Stock after giving effect to such conversion (based upon the number of shares of Martin Marietta Common Stock outstanding on February 7, 1995). See "THE STANDSTILL AGREEMENT."

(2) As of December 31, 1994. Bankers Trust Company has expressly disclaimed beneficial ownership of these shares. Participants in these plans are entitled to direct how shares in the plan participant's accounts are to be voted.

(3) As of September 30, 1994. Brinson Partners has advised Martin Marietta that it has sole investment power with respect to 5,825,000 shares and shared investment power with respect to 140,100 shares.

In the Reconfiguration Agreement referred to under "THE STANDSTILL AGREEMENT," GE's management agreed to support the transactions contemplated by the Reorganization Agreement and to recommend to GE's Board of Directors that GE's shares of Martin Marietta Series A Preferred Stock be voted in favor of such transactions and that GE not assert any appraisal or dissenters' rights under the MGCL. In addition, GE acknowledged that the Atlantic Sub Merger is intended to qualify for pooling of interests accounting treatment and as a tax-free transaction under Section 351 of the Code, and GE made certain representations and commitments in connection therewith. Pursuant to the Reconfiguration Agreement, Lockheed Martin agreed that for a specified period of time it would not transfer its interests in Martin Marietta or Martin Marietta Technologies, Inc. (a wholly owned subsidiary of Martin Marietta) other than for fair value nor permit either of such companies to become subject to restrictions on its ability to pay dividends. Lockheed Martin also agreed upon consummation of the Atlantic Sub Merger to become jointly and severally liable with Martin

Marietta for the obligations of Martin Marietta to GE under certain previous agreements between them. This agreement will be of no force or effect if the Combination is not consummated.

LOCKHEED MARTIN

There are currently outstanding 200 shares of Lockheed Martin Common Stock, of which 100 are owned by each of Lockheed and Martin Marietta, which shares will be cancelled on consummation of the Combination. It is anticipated that, after giving effect to the Combination, approximately 200,000,000 shares of Lockheed Martin Common Stock will be outstanding and approximately 38,200,000 additional shares will be reserved for issuance upon the exercise of options assumed by Lockheed Martin and upon conversion of the Lockheed Martin Series A Preferred Stock.

Directors and Executive Officers. No director or executive officer is expected to own more than one percent of the outstanding shares of Lockheed Martin Common Stock after giving effect to the Combination. The directors and executive officers of Lockheed Martin as a group are expected to beneficially own approximately 1.0% of the outstanding shares of Lockheed Martin Common Stock after giving effect to the Combination. See "-- Lockheed" and "-- Martin Marietta" for the number of shares of Lockheed Martin Common Stock expected to be beneficially owned by each director, the Chief Executive Officer of Lockheed Martin and certain other executive officers of Lockheed Martin.

Five Percent Stockholders. The following table sets forth information concerning each person or group of persons known to Lockheed or Martin Marietta expected to beneficially own more than 5% of the outstanding shares of Lockheed Martin Common Stock after giving effect to the Combination.

NAME AND ADDRESS OF STOCKHOLDER	CLASS OF STOCK	EXPECTED BENEFICIAL OWNERSHIP OF INDICATED CLASS UPON CONSUMMATION OF THE COMBINATION	
		NUMBER OF SHARES	PERCENT OF CLASS(1)
US Trust Company of California, N.A., New York, N.Y., as trustee of the Lockheed (ESOP Feature) Trust established under the Lockheed Salaried Employee Savings Plan Plus, and the trustee of the Lockheed (Hourly ESOP) Trust established under the Lockheed Hourly Employee Savings Plan Plus and the Lockheed Space Operations Company Hourly Employee Investment Plan Plus 555 South Flower Street Los Angeles, California 90071	Lockheed Martin Common Stock	26,173,113	13.1%
General Electric Company 3135 Easton Turnpike Fairfield, Connecticut 06341	Lockheed Martin Series A Preferred Stock(2)	20,000,000	100%

(1) Based on the number of shares of Lockheed Common Stock, Martin Marietta Common Stock and Martin Marietta Series A Preferred Stock outstanding on December 31, 1994.

(2) The Lockheed Martin Series A Preferred Stock will be convertible into Lockheed Martin Common Stock, will have a liquidation preference of \$50 per share, and will be non-voting except in certain circumstances. The Lockheed Martin Series A Preferred Stock will have a conversion price of 34.5525 per share (subject to adjustment in certain circumstances) and will be convertible into 28,941,466 shares (subject to adjustment) or approximately 13% of the outstanding shares of Lockheed Martin Common Stock after giving effect to such conversion (based upon the number of shares of

Lockheed Martin Common Stock expected to be outstanding immediately upon consummation of the Combination).

THE STANDSTILL AGREEMENT

In connection with the combination of the aerospace business of GE and certain other businesses of GE with the businesses of Martin Marietta Technologies, Inc., on April 2, 1993, Martin Marietta issued to GE 20,000,000 shares of Martin Marietta Series A Preferred Stock and entered into a standstill agreement with GE. On the Merger Date, as a result of the Atlantic Sub Merger, GE's shares of Martin Marietta Series A Preferred Stock will be converted into Lockheed Martin Series A Preferred Stock. In anticipation of that event, Martin Marietta, Lockheed Martin and GE entered into an agreement dated August 29, 1994 as amended as of November 30, 1994 (the "Reconfiguration Agreement") that, among other things, modified the standstill agreement with GE to anticipate the conversion of shares from Martin Marietta Series A Preferred Stock to Lockheed Martin Series A Preferred Stock.

The following description is a summary of the standstill agreement, as modified by the Reconfiguration Agreement (as such agreement would be in effect on the Merger Date, the "Standstill Agreement"), and is qualified in its entirety by reference to the provisions of the Standstill Agreement and Reconfiguration Agreement, which are incorporated by reference herein and included as exhibits to the Registration Statement of which this Joint Proxy Statement/Prospectus is a part.

TERM

The Standstill Agreement will continue in effect until the date on which GE beneficially owns voting securities of Lockheed Martin, the voting power of which in the general election of directors of Lockheed Martin represents less than two and one-half percent of the total combined voting power in the general election of directors of Lockheed Martin of all the voting securities of Lockheed Martin then outstanding; provided, however, that the special liquidity provisions described below will survive such termination. See "-- Special Liquidity Provisions." For purposes of the Standstill Agreement, the term "voting securities" includes the Lockheed Martin Series A Preferred Stock.

STANDSTILL PROVISIONS

During the term of the Standstill Agreement, except as otherwise expressly provided therein, GE will not, and will cause each of its affiliates and associates not to, singly or as part of a group (as defined in Section 13(d)(3) of the Exchange Act), directly or indirectly (i) acquire, offer to acquire, or agree to acquire, by purchase, gift or otherwise, any of Lockheed Martin's voting securities, (ii) make, or in any way participate in any "solicitation" of "proxies" to vote (as such terms are defined in Rule 14a-1 under the Exchange Act), solicit any consent or communicate with or seek to advise or influence any person or entity with respect to the voting of, any of Lockheed Martin's voting securities or become a "participant" in any "election contest" (as such terms are defined or used in Rule 14a-11 under the Exchange Act) with respect to Lockheed Martin, (iii) form, join or encourage the formation of, any "person" within the meaning of Section 13(d)(3) of the Exchange Act with respect to any of Lockheed Martin's voting securities (except an arrangement solely among GE and any of its wholly owned subsidiaries), (iv) deposit any Lockheed Martin voting securities into a voting trust or subject any such voting securities to any arrangement or agreement with respect to the voting thereof (except for such an arrangement solely among GE and any of its wholly owned subsidiaries), (v) initiate, propose or otherwise solicit stockholders for the approval of one or more stockholder proposals with respect to Lockheed Martin as described in Rule 14a-8 under the Exchange Act, or induce or attempt to induce any other person to initiate any stockholder proposal, (vi) seek election to or seek to place a representative on the Lockheed Martin Board or, except with the approval of management of Lockheed Martin, seek the removal of any member of the Lockheed Martin Board, (vii) except with the approval of management of Lockheed Martin, call or seek to have called any meeting of the stockholders of Lockheed Martin, (viii) except through its representatives on the Lockheed Martin Board (or any committee thereof), otherwise act to seek to control, disrupt or influence the management, policies or affairs, of Lockheed Martin,

except with the approval of management of Lockheed Martin; (ix) sell or otherwise transfer in any manner any of Lockheed Martin's voting securities to any "person" (within the meaning of Section 13(d)(3) of the Exchange Act) who owns or who as a result of such sale or transfer will own more than 3% of any class of Lockheed Martin's voting securities or who, without the approval of the Lockheed Martin Board, has proposed a business combination or similar transaction with, or a change of control of, Lockheed Martin or who has proposed a tender offer for Lockheed Martin's voting securities or who has discussed the possibility of proposing a business combination, tender offer or similar transaction with, or a change in control of, Lockheed Martin with GE or any of its respective affiliates or associates, (x) solicit, seek to effect, negotiate with or provide any information to any other party with respect to, or make any statement or proposal, whether written or oral, to the Lockheed Martin Board or any director or officer of Lockheed Martin or otherwise make any public announcement or proposal whatsoever with respect to, any form of business combination transaction involving Lockheed Martin, or (xi) instigate or encourage any third party to do any of the foregoing.

BOARD REPRESENTATION

Pursuant to the Standstill Agreement, two members of the Lockheed Martin Board have been designated by GE. During the term of the Standstill Agreement, Lockheed Martin's nominating committee will recommend to the Lockheed Martin Board that such persons or any two other persons designated by GE after consultation with Lockheed Martin be included in the slate of nominees recommended to stockholders for election as directors at each annual meeting of stockholders of Lockheed Martin. Notwithstanding the foregoing, Lockheed Martin's directors will be elected by its stockholders (subject to the power of the Lockheed Martin Board to fill vacancies). There is, therefore, no way to assure that GE's designees will ultimately be elected as directors. If GE designees are not elected, assuming that Lockheed Martin has satisfied its obligations under the Standstill Agreement, GE will have no recourse against Lockheed Martin or any other person or entity.

Notwithstanding the foregoing, GE will not be entitled to designate any person to the Lockheed Martin Board if such designation would result in any violation of applicable law, and Lockheed Martin will not be obligated to elect to the Lockheed Martin Board any person who would cause or be reasonably likely to cause Lockheed Martin to be unable in any material respect to conduct its business. However, GE is entitled, in such event, to select alternate designees, if necessary.

The initial designees of GE to serve on the Lockheed Martin Board are Messrs. Hood and Murphy. See "MANAGEMENT OF LOCKHEED MARTIN -- Directors."

VOTING

During the term of the Standstill Agreement, whenever GE or any of its affiliates or associates have the right to vote, GE will vote or cause to be voted, or consent with respect to, all Lockheed Martin voting securities beneficially owned by it and its affiliates and associates in the manner recommended by the Lockheed Martin Board, except that at any time when there is a valid order or judgment of a court of competent jurisdiction or a ruling, pronouncement or requirement of the NYSE to the contrary, then GE will, if so requested by the Lockheed Martin Board, vote or cause to be voted all such voting securities in the same proportion as the votes cast by or on behalf of the other holders of Lockheed Martin's voting securities. Notwithstanding the foregoing, GE will be entitled to vote freely, without regard to any request or recommendation of the Lockheed Martin Board, with respect to certain mergers, acquisitions and other matters specified in the Lockheed Martin Charter, as to which the Lockheed Martin Series A Preferred Stock is entitled to vote. See "DESCRIPTION OF LOCKHEED MARTIN CAPITAL STOCK -- Series A Preferred Stock -- Voting Rights."

Because GE will be required (with certain exceptions) to vote its shares of voting stock of Lockheed Martin in accordance with the recommendations of the Lockheed Martin Board, if GE converts its Lockheed Martin Series A Preferred Stock and retains the Lockheed Martin Common Stock into which it is converted, the ability of the Lockheed Martin Board to influence the outcome of any transaction or other proposal submitted to stockholders will be significantly enhanced.

TRANSFER RESTRICTIONS AND RIGHT OF FIRST OFFER

Subject to the limitation on sales to persons who will own more than 3% of any class of Lockheed Martin voting securities described in the standstill provisions above, if GE desires to transfer any Lockheed Martin voting securities it must give written notice ("GE's Notice") to Lockheed Martin (i) stating that it desires to make such transfer, and (ii) setting forth the number of shares of Lockheed Martin voting securities proposed to be transferred (the "Offered Shares"), the cash price per share that GE proposes to be paid for such Offered Shares (the "Offer Price"), and the other material terms and conditions of such transfer. GE's Notice will constitute an irrevocable offer by GE to sell to Lockheed Martin the Offered Shares at the Offer Price in cash and Lockheed Martin may elect to purchase all (but not less than all) of the Offered Shares at the Offer Price in cash. If Lockheed Martin fails to elect to purchase all of the Offered Shares within 10 business days after receipt of GE's Notice, then GE may, within a period of 120 days, transfer (or enter into an agreement to transfer) all or any Offered Shares; provided, that if the purchase price per share to be paid by any purchaser of the Offered Shares is less than 90% of the Offer Price (the "Reduced Transfer Price"), GE will promptly provide written notice to Lockheed Martin of such intended transfer (including the material terms and conditions thereof) and Lockheed Martin will have the right, exercisable by delivery of a written election notice to GE within five business days, to purchase such Offered Shares at the Reduced Transfer Price.

RIGHT OF FIRST REFUSAL WITH RESPECT TO RESTRICTED PERSONS

Not less than 30 business days prior to any proposed sale by GE of Lockheed Martin voting securities to any person who is a significant competitor of Lockheed Martin or whose ownership of Lockheed Martin voting securities would cause Lockheed Martin to be materially adversely affected in bidding for or obtaining contracts with federal, state or local governmental entities (a "Restricted Person"), GE will give Lockheed Martin notice of the identity of such Restricted Person and Lockheed Martin will have the right to purchase the Offered Shares at the Offer Price (or Reduced Transfer Price, as the case may be) at which the Restricted Person agreed to purchase the Offered Shares. If Lockheed Martin fails to purchase the Offered Shares within 20 business days, GE will be permitted to proceed with its sale to such Restricted Person at the Offer Price or Reduced Transfer Price, as the case may be.

RIGHTS PURSUANT TO A TENDER OFFER

GE will have the right to sell or exchange all of its Lockheed Martin voting securities pursuant to a tender or exchange offer for at least a majority of Lockheed Martin voting securities (a "Tender Offer"). However, prior to such sale or exchange, GE will give Lockheed Martin the opportunity to purchase such voting securities in the manner described below.

GE will give notice (the "Tender Notice") to Lockheed Martin in writing of its intention to sell or exchange Lockheed Martin voting securities in response to a Tender Offer no later than three calendar days prior to the latest time (including any extensions) by which voting securities must be tendered in order to be accepted pursuant to such Tender Offer, specifying the amount of voting securities proposed to be tendered by GE (the "Tendered Shares") and the purchase price per share, specified in the Tender Offer at the time of the Tender Notice.

Lockheed Martin will have the right to purchase all, but not part, of the Tendered Shares exercisable by giving written notice (an "Exercise Notice") to GE at least two calendar days prior to the latest time after delivery of the Tender Notice by which voting securities must be tendered in order to be accepted pursuant to the Tender Offer (including any extensions thereof) and depositing in escrow (or similar arrangement) a sum in cash sufficient to purchase all Tendered Shares at the price then being offered in the Tender Offer, without regard to any provision thereof with respect to proration or conditions to the offeror's obligation to purchase. The purchase price to be paid by Lockheed Martin for any voting securities so purchased by it will be the highest price offered or paid in the Tender Offer or in any competing tender offer, without regard to any provisions thereof with respect to proration or conditions to the offeror's obligation to purchase.

REGISTRATION RIGHTS

GE will have the right to require Lockheed Martin to register under the Act all or any portion of the Lockheed Martin Series A Preferred Stock then owned by GE or any Lockheed Martin Common Stock issued or issuable directly or indirectly upon conversion of the Lockheed Martin Series A Preferred Stock then owned by GE (collectively, the "Registrable Securities"), pursuant to not more than five "demand" registrations, provided that any such registration must include Lockheed Martin Series A Preferred Stock with an aggregate liquidation preference of at least \$100 million or at least one million shares of Lockheed Martin Common Stock, subject to adjustment in certain circumstances. In addition, if Lockheed Martin seeks to register under the Act for sale to the public any Lockheed Martin voting securities, then Lockheed Martin will, subject to certain exceptions, include Registrable Securities therein at GE's request (a "piggyback registration").

GE will pay all agent fees and commissions and underwriting discounts and commissions related to Registrable Securities being sold by GE and the fees and disbursements of its counsel and accountants and Lockheed Martin will pay all fees and disbursements of its counsel and accountants. All other fees and expenses in connection with any registration statement will (i) in the case of a demand registration, be borne equally by GE and Lockheed Martin and (ii) in the case of a piggyback registration, be shared pro rata based upon the respective market values of the securities to be sold by Lockheed Martin, GE and any other holders participating in such offering, provided that GE will not pay any expenses that would otherwise be incurred by Lockheed Martin including, but not limited to, the preparation and filing of periodic reports with the Commission. In addition, Lockheed Martin has agreed to enter into customary indemnification provisions with respect to such registered public offerings.

Any underwriters participating in a distribution of GE's voting securities of Lockheed Martin pursuant to GE's registration rights will be required to use all reasonable efforts to effect as wide a distribution as is reasonably practicable, and in no event will any sale (other than a sale to underwriters making such a distribution) of shares of voting securities be made knowingly to any person (including its affiliates or associates and any group in which that person or its affiliates or associates shall be a member if GE or underwriters know of the existence of such a group or affiliate or associate) that, after giving effect to such sale, would beneficially own voting securities representing 3% or more of the total outstanding securities of Lockheed Martin entitled to participate in the election of directors. GE must use all reasonable efforts to secure the agreement of the underwriters, in connection with any such underwritten offering of Lockheed Martin voting securities, to comply with the foregoing.

It is possible that GE's registration rights may reduce Lockheed Martin's flexibility in selecting its ongoing financing alternatives, and in particular its ability to issue equity securities in the capital markets. However, the impact of GE's registration rights on Lockheed Martin's overall financial flexibility and its access to the public capital markets is likely to be mitigated by several factors. The circumstances surrounding GE's ownership of Lockheed Martin shares will be publicly disclosed and the market will have had an opportunity to take account of the potential impact of this ownership. Lockheed Martin is also entitled to postpone for a reasonable period of time certain registrations requested by GE if they would interfere with any public offering of securities, material financings, acquisitions, dispositions, corporate reorganizations or other material transactions Lockheed Martin is about to conduct. In addition, Lockheed Martin believes a future market disruption to be unlikely because Lockheed Martin and GE should have a mutuality of interest in maximizing stockholder value.

SPECIAL LIQUIDITY PROVISIONS

Required GE Offering. No later than 90 days prior to April 2, 2003, GE will engage a nationally recognized investment banking firm reasonably acceptable to Lockheed Martin to make an underwritten public offering of all the Lockheed Martin Series A Preferred Stock then held by GE at a per share price no less than the liquidation preference per share of the Lockheed Martin Series A Preferred Stock. Such offering will be conducted so as to satisfy the requirements for distribution set forth in the next to last paragraph above under "-- Registration Rights." Lockheed Martin will promptly file a registration statement registering the

shares of Lockheed Martin Series A Preferred Stock to be sold and GE, Lockheed Martin and the applicable underwriters will use their best efforts to consummate such offering, unless the underwriter managing the offering advises Lockheed Martin in writing that, in such underwriter's good faith opinion, given then-applicable market conditions, the offering cannot be consummated at the price and on the terms specified above or that the inclusion of all (or a specified number) of the shares of Lockheed Martin Series A Preferred Stock in an offering at the price and on the terms specified above would materially adversely affect such offering (in which event, GE and Lockheed Martin will proceed with the unaffected portion of such offering).

Mandatory Conversions; Equity Conversion Securities. If GE continues to own Lockheed Martin Series A Preferred Stock after the offering contemplated above, or such offering is not consummated, Lockheed Martin must convert for Equity Conversion Securities (as described below) on April 2 of each year commencing April 2, 2003 (a "Mandatory Conversion Date"), \$200 million aggregate liquidation preference of Lockheed Martin Series A Preferred Stock; provided, however, that to the extent GE has sold, converted or otherwise disposed of any Lockheed Martin Series A Preferred Stock (including any Lockheed Martin Series A Preferred Stock redeemed in accordance with its terms) prior to the first Mandatory Conversion Date, the amount of Lockheed Martin Series A Preferred Stock to be converted will be reduced by the amount so sold or disposed of in reverse chronological order (i.e., with the aggregate liquidation preference to be converted on April 2, 2007 being the first amount so reduced and the aggregate liquidation preference to be converted on the April 2, 2003 being the last amount so reduced). Accrued and unpaid dividends to and including the Mandatory Conversion Date with respect to Lockheed Martin Series A Preferred Stock subject to mandatory conversion will be paid in cash on the Mandatory Conversion Date.

"Equity Conversion Securities" means any combination of (i) Lockheed Martin Common Stock, (ii) a perpetual convertible or non-convertible preferred stock of Lockheed Martin where the dividend rate is intended to be the rate necessary to value such preferred stock at its stated liquidation preference (and in any event no more than 11%) and with such other terms as are customary for issuers of similar credit posture to Lockheed Martin at the time of issuance (a "Market Preferred") and (iii) a perpetual 11% non-convertible preferred stock of Lockheed Martin which is not callable by Lockheed Martin until the fifth anniversary of the date of issuance and otherwise with terms customary for issuers of similar credit posture to Lockheed Martin at the time of issuance ("11% Preferred"). GE will have the right to request Backstop Registration (as described below) for Market Preferred and Lockheed Martin Common Stock issued as Equity Conversion Securities, but not for 11% Preferred.

No fewer than 30 days prior to a Mandatory Conversion Date, Lockheed Martin must give written notice to GE of the type or combination of types of Equity Conversion Securities it intends to issue on such Mandatory Conversion Date, the number of shares of each such type, the value per share it assigns to each such type, the aggregate liquidation preference of Lockheed Martin Series A Preferred Stock it intends to mandatorily convert into each such type and other material terms of the mandatory conversion.

Backstop Registration. Within 10 days of Lockheed Martin's notice regarding Equity Conversion Securities, GE may notify Lockheed Martin that, with respect to all or any part of the Lockheed Martin Series A Preferred Stock being mandatorily converted and specified in such notice, GE does not wish to retain the Equity Conversion Securities to be issued in exchange therefor and that it requests Backstop Registration in respect thereof. GE's notice to Lockheed Martin will specify those Equity Conversion Securities (if more than one type is proposed to be issued) as to which it requests Backstop Registration. If GE fails to elect Backstop Registration within the specified 10-day period, it will be deemed to have elected to retain all of the Equity Conversion Securities as proposed in Lockheed Martin's notice.

"Backstop Registration" means an underwritten public offering of the Equity Conversion Securities relating to those shares of the Lockheed Martin Series A Preferred Stock held by GE and specified by GE as those which it does not wish to retain. A Backstop Registration entails the registration for a public offering of that amount of Equity Conversion Securities, the sale of which in a public offering must result in proceeds, net of underwriting commissions and discounts and other offering expenses, not less than the aggregate liquidation preference of the Lockheed Martin Series A Preferred Stock for which such Equity Conversion Securities have been mandatorily converted. The managing underwriter for a Backstop Registration will be selected by

Lockheed Martin and must be reasonably satisfactory to GE. Lockheed Martin will not be permitted to postpone or decline making the Backstop Registration, in whole or in part, and GE will bear no expenses with respect thereto. Backstop Registrations will not be counted toward the five demand registrations of GE for purposes of GE's registration rights under the Standstill Agreement described above.

In connection with the pricing of any Backstop Registration, the terms of the Market Preferred, including its dividend rate, may be changed, in the sole discretion of Lockheed Martin, from the terms thereof as of the Mandatory Conversion Date, and will be so changed if required by the managing underwriter so that the net proceeds of the offering after such change will be sufficient, in the opinion of such underwriter, to equal or exceed the aggregate liquidation preference of the Lockheed Martin Series A Preferred Stock mandatorily converted; provided, however, that no such change may be made if it would have an adverse effect on GE.

When the Backstop Registration contemplated above has been completed, the net proceeds thereof will be distributed to GE. Any such offering not consummated within six months of GE's request therefor will be deemed to have been abandoned. To the extent the net proceeds of the Backstop Registration are less than the sum of the aggregate liquidation preference of the Lockheed Martin Series A Preferred Stock mandatorily converted and the Interest Amount (as defined below), Lockheed Martin will be obligated to pay to GE an amount in cash equal to the difference. "Interest Amount" means, with respect to the aggregate liquidation preference of the Lockheed Martin Series A Preferred Stock mandatorily converted, interest on such aggregate liquidation preference for each day, from the applicable Mandatory Conversion Date to and including the date of payment, at a rate per annum equal to the rate per annum, as published by the Board of Governors of the Federal Reserve System as reported by the U.S. Department of Treasury, for such day on U.S. Treasury Bonds maturing on the date that is the tenth anniversary of such Mandatory Conversion Date (or if no U.S. Treasury Bonds mature on such date, then on the date nearest to such date for which such a maturity exists).

CERTAIN TRANSACTIONS

There are existing business relationships between Lockheed and Martin Marietta. These relationships are the product of arms-length negotiations between the corporations. In connection with the preparation of the unaudited pro forma combined condensed financial statements, adjustments were made to eliminate intercompany sales and cost of sales between the corporations for the periods presented. No adjustments were made to eliminate the related intercompany profit in ending inventories and the net intercompany receivables and payables as of and for the periods presented as such amounts are not material. See Note 4(a) under "NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS."

LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN

For a number of years, Lockheed and Martin Marietta have utilized share-based and cash-based plans designed to assist each corporation in attracting, motivating, retaining and rewarding talented and experienced individuals. The Lockheed Board and the Martin Marietta Board each believe that these plans have encouraged and rewarded participating officers and employees who have contributed to the success of each corporation. The stockholders of Lockheed and Martin Marietta are being asked at their respective special meetings to consider and approve the adoption of a new plan for Lockheed Martin which provides for certain share-based and cash-based awards to employees of Lockheed Martin and its subsidiaries.

GENERAL

The Lockheed Martin Board has adopted and the Lockheed Board and the Martin Marietta Board have approved the Lockheed Martin Omnibus Plan, subject to the approval by the respective stockholders of Lockheed and Martin Marietta. If so approved, the Lockheed Martin Omnibus Plan will then become effective, and no further awards will be granted under the current stock incentive plans of Lockheed or Martin Marietta. All outstanding grants and awards under those plans, however, will remain in effect and be converted into grants or awards in or based on Lockheed Martin Common Stock. See "THE REORGANIZATION

AGREEMENT -- Certain Benefits Matters." A copy of the full text of the Lockheed Martin Omnibus Plan is set forth in Appendix IV to this Joint Proxy Statement/Prospectus and the following description is qualified in its entirety by reference to Appendix IV.

Awards under the Lockheed Martin Omnibus Plan may be granted to officers and other key salaried employees of Lockheed Martin and its subsidiaries. No individual, however, who beneficially owns stock possessing 5% or more of the combined voting power of all classes of stock of Lockheed Martin will be eligible to participate. Lockheed and Martin Marietta estimate that all officers of Lockheed Martin, including all officers listed under "MANAGEMENT OF LOCKHEED MARTIN -- Officers" (four of whom are also directors of Lockheed Martin), will be among those eligible to receive awards, subject to the discretion of the Committee (as defined below) to determine the particular individuals who, from time to time, will be selected to receive awards. The number of key salaried employees of Lockheed Martin and its subsidiaries eligible to receive awards has not been determined at this time. In addition, neither the individuals who are to receive awards, the number of awards that will be granted to any individual or group of individuals, nor the amounts to be payable with respect to awards, have been determined at this time. The Lockheed Martin Omnibus Plan will remain in existence as to all outstanding awards until all such awards are either exercised or terminated; however, no award can be made after September 21, 2004.

TYPES OF AWARDS

Awards under the Lockheed Martin Omnibus Plan may be in the form of nonqualified stock options, incentive stock options, stock appreciation rights (SARs), restricted stock and other share-based incentive awards, or cash-based incentive awards, such as performance units. Awards may be granted singly or in combination with other awards, consistent with the terms of the Lockheed Martin Omnibus Plan. Each award will be evidenced by an award agreement entered into between Lockheed Martin and the recipient setting forth the specific terms and conditions applicable to that award. Awards under the Lockheed Martin Omnibus Plan that are not vested or exercised generally will be nontransferable by a holder (other than by will or the laws of descent and distribution) and rights thereunder generally will be exercisable, during the holder's lifetime, only by the holder, subject to such exceptions as (consistent with applicable legal considerations) may be authorized from time to time by the Committee. The maximum term of unvested or unexercised awards under the Lockheed Martin Omnibus Plan is ten years after the initial date of grant.

Stock options authorized under the Lockheed Martin Omnibus Plan are rights to purchase a specified number of shares of Lockheed Martin Common Stock at an exercise price of not less than 100% of the fair market value of the stock on the date of grant (or date of amendment of the exercise price, if any) during the period set forth in the award agreement. Stock options that are granted as incentive stock options will be granted with such additional terms as are necessary to satisfy the applicable requirements of Section 422 of the Code. The fair market value of the Lockheed Martin Common Stock for which incentive stock options are exercisable for the first time by an optionee during any calendar year can not exceed \$100,000 (measured as of the date of grant) under current tax law. Other awards are not limited in this manner.

SARs entitle the recipient to receive, upon exercise of the SAR, an amount (payable in cash and/or stock or other property) equal to the amount of the excess, if any, of the fair market value of a share of Lockheed Martin Common Stock on the date the SAR is exercised (or some lesser ceiling amount) over the base price of the SAR, which cannot be less than the fair market value of a share of the Lockheed Martin Common Stock on the date the SAR was awarded or the exercise price of a related stock option. SARs may be granted on a free-standing basis, in relation to a stock option or in "tandem" with a stock option, such that the exercise of either the option or the SAR cancels the recipient's rights under the tandem award with respect to the number of shares so exercised.

Restricted stock is Lockheed Martin Common Stock issued to the recipient, typically for minimal lawful consideration and subject to certain risks of forfeiture and restrictions and limitations on transfer, the vesting of which may depend on individual or corporate performance, continued service or other criteria.

Other share-based incentive awards might include phantom stock or units, performance stock or units, bonus stock or units, dividend equivalent units, similar securities or rights and other awards payable in or with

a value derived from or a price related to the fair market value of the Lockheed Martin Common Stock, payable in Lockheed Martin Common Stock and/or cash, all on such terms as the Committee may approve. Such awards may be granted, become vested or be payable based upon the continued employment of a participant, or upon the attainment of specified corporate or individual performance goals (as in the case of performance stock or units).

The Lockheed Martin Omnibus Plan also provides for the grant of long-term incentive awards that are not denominated nor payable in and do not have a value derived from the value of or a price related to shares of Lockheed Martin Common Stock and are payable only in cash ("Cash-Based Awards"). Under recent changes in the federal tax laws ("Section 162(m)"), Lockheed Martin may not deduct certain compensation of over \$1,000,000 in any year to the Chief Executive Officer or one of the four other most highly compensated executive officers of Lockheed Martin ("Executive Officers") unless, among other things, this compensation qualifies as "performance-based compensation" under Section 162(m), and the material terms of the plan for such compensation are stockholder approved. Cash-Based Awards to Executive Officers are intended to satisfy the requirements for performance-based compensation under Section 162(m). With reference to the Cash-Based Awards, the material terms of the Lockheed Martin Omnibus Plan include the eligible class of participants, the performance goal or goals and the maximum annual amount payable thereunder to any individual participant.

The eligible class of persons for Cash-Based Awards under the Lockheed Martin Omnibus Plan is all key salaried employees of Lockheed Martin and its subsidiaries. Cash-Based Awards granted to Executive Officers thereunder may be granted only in accordance with the requirements of Section 162(m), as set forth below. Cash-Based Awards to other key salaried employees may or may not be limited by the requirements of Section 162(m), but will in any event be based on the performance goals described below.

The performance goals for Cash-Based Awards under the Lockheed Martin Omnibus Plan are any one or a combination of Earnings Per Share, Return on Equity, Total Stockholder Return and Cash Flow (each as defined in the Lockheed Martin Omnibus Plan). These goals will be applied over either consecutive or rolling cycles of more than one but not more than five fiscal years. Specific cycles, weightings of more than one performance goal and target levels of performance upon which actual payments will be based, as well as the award levels payable upon achievement of specified levels of performance, will be determined by the Committee (as defined below) not later than the applicable deadline under Section 162(m) and in any event at a time when achievement of such targets is substantially uncertain. These variables may change from cycle to cycle. Appropriate adjustments to the performance goals and targets in respect of Cash-Based Awards may be made by the Committee based upon objective criteria in the case of significant acquisitions or dispositions by Lockheed Martin, extraordinary gains or losses, material changes in accounting principles or practices, or certain other events that in any case were not anticipated (or the effects of which were not anticipated) at the time goals were established, in order to neutralize the effect of such events on the Cash-Based Awards. Lockheed and Martin Marietta believe that specific performance targets (when established) are likely to constitute confidential business information, the disclosure of which may adversely affect Lockheed Martin or mislead the public.

The Committee must certify the achievement of the applicable performance goals and the actual amount payable to each participant under the Cash-Based Awards prior to payment. Cash-Based Awards generally will be paid following the completion of each cycle. The Committee may retain discretion to reduce, but not increase, the amount payable under a Cash-Based Award to any participant, notwithstanding the achievement of targeted performance goals. Cash-Based Awards may be accelerated in the event of a Change in Control of Lockheed Martin, as described below. The maximum amount payable to any participant under all Cash-Based Awards during any calendar year will be \$3,000,000. There is no maximum aggregate dollar amount of Cash-Based Awards under the Lockheed Martin Omnibus Plan.

In addition to Cash-Based Awards, other types of awards under the Lockheed Martin Omnibus Plan may be granted to qualify as performance-based compensation under Section 162(m). Stock options and SARs that are granted under the Lockheed Martin Omnibus Plan at a fair market value exercise price are intended to qualify as performance-based compensation. In addition, other share-based awards (such as restricted stock

or performance units) may be granted under the plan to qualify as performance-based compensation under Section 162(m). With reference to such other share-based awards intended to so qualify, the material terms of the Lockheed Martin Omnibus Plan are similar to those described above for Cash-Based Awards: the eligible class of persons is all key salaried employees of Lockheed Martin and its subsidiaries, and the performance goals are any one or a combination of Earnings Per Share, Return on Equity, Total Stockholder Return and Cash Flow. The certification and payout procedures and nature of Committee discretion with respect to the other share-based awards are substantially the same as for the Section 162(m) Cash-Based Awards. The maximum number of shares (or share units) of Lockheed Martin Common Stock that may be subject to all qualifying share-based awards, including stock options and SARs, that are granted to any participant during any calendar year will not exceed 500,000 shares (or share units), either individually or in the aggregate.

The Committee also has the authority to grant awards under the Lockheed Martin Omnibus Plan in substitution for or assumption of stock incentive awards held by employees of other entities who become employees of Lockheed Martin or a subsidiary as a result of a merger or acquisition of the entity.

Awards may be granted in connection with the surrender or cancellation of previously granted awards, or may be amended, under such terms and conditions, including numbers of shares and exercise price, exercisability or termination, that are the same as or different from the existing awards, all as the Committee may approve. Any amendment of an award to reduce its exercise or purchase price will be subject to stockholder approval, except in the event of a change in control or upon certain reorganization or recapitalization events or certain anti-dilutive adjustments, as described below under "Authorized Shares; Other Provisions; Non-Exclusivity".

ADMINISTRATION; CHANGE IN CONTROL

The Lockheed Martin Omnibus Plan provides that it will be administered by a committee of the Lockheed Martin Board ("Committee"), constituted so as to permit the plan to comply with the "disinterested administration" requirements of Rule 16b-3 under the Exchange Act and the "outside director" requirements of Section 162(m). The Committee will have the authority within the terms and limitations of the Lockheed Martin Omnibus Plan to designate recipients of awards, determine or modify the form, amount, terms, conditions, restrictions, and limitations of awards, including vesting provisions, terms of exercise of an award, expiration dates and the treatment of an award in the event of the retirement, disability, death or other termination of a participant's employment with Lockheed Martin, and to construe and interpret the Lockheed Martin Omnibus Plan. Such authority includes the discretion to accelerate, extend and reduce (subject to the limitations noted above) the exercise price of outstanding awards.

The Committee is authorized to include specific provisions in award agreements relating to the treatment of awards in the event of a "Change in Control" of Lockheed Martin (as defined in the Lockheed Martin Omnibus Plan) and is authorized to take certain other actions in such an event. Change in Control under the Lockheed Martin Omnibus Plan is defined generally to include a change in ownership involving 25% or more of the outstanding voting securities of Lockheed Martin (or a combined entity), a transfer of substantially all of its assets, or a change in a majority of the members of its Board of Directors as a result of any such change or reorganization or a contested election.

The Committee may delegate to the officers or employees of Lockheed Martin or its subsidiaries the authority to execute and deliver such instruments and documents and to take actions necessary, advisable or convenient for the effective administration of the Lockheed Martin Omnibus Plan. It is intended generally that the share-based awards under the Lockheed Martin Omnibus Plan and the Lockheed Martin Omnibus Plan itself comply with and (as to share-based awards) be interpreted in a manner that, in the case of participants who are subject to Section 16 of the Exchange Act and for whom (or whose awards) the benefits of Rule 16b-3 are intended, satisfy the applicable requirements of Rule 16b-3, so that such persons will be entitled to the benefits of Rule 16b-3 or other exemptive rules under that Section. In general, the Cash-Based Awards will not be subject to Section 16. The Lockheed Martin Omnibus Plan provides that neither Lockheed

Martin nor any member of the Lockheed Martin Board or of the Committee shall have any liability to any person for any action taken or not taken in good faith under the Lockheed Martin Omnibus Plan.

AMENDMENT AND TERMINATION

The Lockheed Martin Board will have the authority to amend, suspend or discontinue the Lockheed Martin Omnibus Plan at any time, provided that no such action will affect any outstanding award in any manner adverse to the participant without the consent of the participant. The Lockheed Martin Omnibus Plan may be amended by the Lockheed Martin Board without further stockholder approval, and no guidelines have been established relating to the nature of the amendments that may be made to the Plan without stockholder approval. Such approval, however, may be required (e.g., in the case of amendments that materially increase the available number of shares under the Lockheed Martin Omnibus Plan) to preserve the qualifying status of the Lockheed Martin Omnibus Plan under Rule 16b-3, to satisfy tax rules applicable to performance-based compensation under Section 162(m) or to subsequent grants of incentive stock options, or to satisfy other applicable legal requirements. Amendments made without stockholder approval could increase the costs to Lockheed Martin under the Lockheed Martin Omnibus Plan, although the amount thereof is not determinable. Because the Committee will retain the discretion to set and change the specific targets for each performance period under a performance-based award intended to be exempt from Section 162(m), stockholder ratification of the performance goals will be required, in any event at five-year intervals in the future to exempt awards granted under the Lockheed Martin Omnibus Plan from the limitations on deductibility.

AUTHORIZED SHARES; OTHER PROVISIONS; NON-EXCLUSIVITY

The number of shares of Lockheed Martin Common Stock that may be issued in respect of awards under the Lockheed Martin Omnibus Plan will not exceed 12,000,000 shares. An equal number of share units representing share-based awards exercisable for or payable in cash will also be available. Shares of Lockheed Martin Common Stock subject to share-based awards payable in cash or stock (whether at the discretion of Lockheed Martin or the participant) will initially be counted against each of the share limit and the share unit limit. When payment is ultimately made in respect to the award in either shares or cash, a number of shares or share units relating to the alternative form of consideration not so paid will be recredited to the applicable limit. The 12,000,000 figure for each of the number of shares and the number of units to be available under the Plan is based on an estimate of the number of shares and units that will be subject to awards granted during the first five years of the term of the Plan.

The number and kind of shares available for grant and the shares subject to outstanding awards (as well as individual share and share unit limits on awards, performance targets and exercise prices of awards) may be adjusted to reflect the effect of a stock dividend, split, recapitalization, merger, consolidation, reorganization, combination or exchange of shares, extraordinary dividend or other distribution or other similar transaction. Any unexercised or undistributed portion of any expired, cancelled, terminated or forfeited award, or any alternative form of consideration under an award that is not paid in connection with the settlement of any portion of an award, will again be available for award under the Lockheed Martin Omnibus Plan, whether or not the participant has received benefits of ownership (such as dividends or dividend equivalents or voting rights) during the period in which the participant's ownership was restricted or otherwise not vested. Although shares subject to repriced or cancelled options or SARs will be counted against the individual share-based award limits to the extent required by Section 162(m), only shares actually issued or share units actually paid will be charged against the aggregate share or share unit limits, respectively, under the Lockheed Martin Omnibus Plan. Upon approval of the Lockheed Martin Omnibus Plan by the stockholders and consummation of the Combination, Lockheed Martin intends to register under the Act the number of shares of Lockheed Martin Common Stock reserved for issuance under the Lockheed Martin Omnibus Plan.

Full payment for shares purchased on exercise of any option, along with payment of any required tax withholding, must be made at the time of such exercise in cash or, if permitted by the Committee, in exchange for a promissory note in favor of Lockheed Martin, in shares of stock having a fair market value equivalent to the exercise price and withholding obligation, or any combination thereof, or pursuant to such "cashless

exercise" procedures as may be permitted by the Committee. Any payment required in respect of other awards may be in such amount and in any lawful form of consideration as may be authorized by the Committee.

The Lockheed Martin Omnibus Plan does not impose any minimum vesting periods on options or other awards. However, shares of stock acquired after exercise of an option may not, in the ordinary course, be sold before the expiration of six months from the date of grant. The maximum term of an option or any other award is ten years.

The Lockheed Martin Omnibus Plan is not exclusive and does not limit the authority of the Lockheed Martin Board or its committees to grant awards or authorize any other compensation, with or without reference to the Lockheed Martin Common Stock, under any other plan or authority. The Lockheed Martin Omnibus Plan is not expected to be the exclusive cash incentive plan for eligible persons (including Executive Officers) of Lockheed Martin and its subsidiaries; other cash incentive plans (such as short-term or operating entity specific plans) may be retained and/or developed to implement Lockheed Martin's broader-based compensation objectives and policies. Approval of the adoption of the Lockheed Martin Omnibus Plan by the stockholders of Lockheed and Martin Marietta will not be deemed to constitute an approval of any such other compensation, plan or authority.

FEDERAL INCOME TAX CONSEQUENCES

The following is a general description of Federal income tax consequences to participants and Lockheed Martin relating to nonqualified and incentive stock options and certain other awards that may be granted under the Lockheed Martin Omnibus Plan. This discussion does not purport to cover all tax consequences relating to stock options and other awards.

An optionee will not recognize income upon the grant of a nonqualified stock option to purchase shares of Lockheed Martin Common Stock. Upon exercise of the option, the optionee will recognize ordinary compensation income equal to the excess of the fair market value of the Lockheed Martin Common Stock on the date the option is exercised over the option price for such stock. The tax basis of the option stock in the hands of the optionee will equal the option price for the stock plus the amount of ordinary compensation income the optionee recognizes upon exercise of the option, and the holding period for the stock will commence on the day the option is exercised. An optionee who sells option stock will recognize capital gain or loss measured by the difference between the tax basis of the stock and the amount realized on the sale. Such gain or loss will be long-term if the stock is held for more than one year after exercise. Lockheed Martin or a subsidiary will be entitled to a deduction equal to the amount of ordinary compensation income recognized by the optionee. The deduction will be allowed at the same time the optionee recognizes the income.

An optionee will not recognize income upon the grant of an incentive stock option to purchase shares of Lockheed Martin Common Stock, and will not recognize income upon exercise of the option, provided such optionee was an employee of Lockheed Martin or a subsidiary at all times from the date of grant until three months prior to exercise (or one year prior to exercise in the event of death or disability). Generally, the amount by which the fair market value of the Lockheed Martin Common Stock on the date of exercise exceeds the option price will be includable in alternative minimum taxable income for purposes of determining alternative minimum tax and such amount will be added to the tax basis of such stock for purposes of determining alternative minimum taxable income in the year the stock is sold. Where an optionee who has exercised an incentive stock option sells the shares acquired upon exercise more than two years after the grant date and more than one year after exercise, long-term capital gain or loss will be recognized equal to the difference between the sales price and the option price. An optionee who sells such shares within two years after the grant date or within one year after exercise will recognize ordinary compensation income in an amount equal to the lesser of the difference between (a) the option price and the fair market value of such shares on the date of exercise or (b) the option price and the sales proceeds. Any remaining gain or loss will be treated as a capital gain or loss. Lockheed Martin or a subsidiary will be entitled to a deduction equal to the amount of ordinary compensation income recognized by the optionee in this case. The deduction will be allowable at the same time the optionee recognizes the income.

The current federal income tax consequences of other awards authorized under the plan generally follow certain basic patterns: SARs are taxed and deductible in substantially the same manner as nonqualified stock options; nontransferable restricted stock subject to a substantial risk of forfeiture results in income recognition equal to the excess of the fair market value of the stock over the purchase price (if any) only at the time the restrictions lapse (unless the recipient elects to accelerate recognition as of the date of grant); performance awards and dividend equivalents generally are subject to tax at the time of payment; unconditional stock bonuses are generally subject to tax measured by the value of the payment received; and Cash-Based Awards generally are subject to tax at the time of payment; in each of the foregoing cases, Lockheed Martin will generally have (at the time the participant recognizes income) a corresponding deduction.

If, as a result of a change in control event, a participant's options or SARs or other rights become immediately exercisable, or restrictions immediately lapse on an award, or cash, shares or other benefits covered by another type of award are immediately vested or issued, the additional economic value, if any, attributable to the acceleration or issuance may be deemed a "parachute payment" under Section 280G of the Code. In such case, the participant may be subject to a 20% non-deductible excise tax as to all or a portion of such economic value, in addition to any income tax payable. Lockheed Martin will not be entitled to a deduction for that portion of any parachute payment that is subject to the excise tax.

Notwithstanding any of the foregoing discussion with respect to the deductibility of compensation under the Lockheed Martin Omnibus Plan, Section 162(m) would render non-deductible to Lockheed Martin certain compensation in excess of \$1,000,000 in any year to certain executive officers of Lockheed Martin, unless such excess compensation is "performance-based" (as defined) or is otherwise exempt from Section 162(m). The applicable conditions of an exemption for a performance-based compensation plan include, among others, a requirement that the stockholders approve the material terms of the plan. Stock options, SARs and certain (but not all) other types of awards that may be granted to Executive Officers as contemplated by the Lockheed Martin Omnibus Plan are intended to qualify for the exemption for performance-based compensation under Section 162(m). However, in light of the ambiguities in Section 162(m) and uncertainties regarding its ultimate interpretation and application in these circumstances, no assurances can be given that compensation paid under the Lockheed Martin Omnibus Plan to any Executive Officer will in fact be deductible if it should, together with other non-exempt compensation paid to such Executive Officer, exceed \$1,000,000.

THE RESPECTIVE BOARDS OF DIRECTORS OF LOCKHEED AND MARTIN MARIETTA EACH RECOMMEND A VOTE FOR ADOPTION OF THE LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN.

LOCKHEED MARTIN DIRECTORS DEFERRED STOCK PLAN

Lockheed and Martin Marietta expect that Lockheed Martin's initial arrangement with respect to remuneration of non-employee Directors will include an annual retainer of \$35,000, in addition to other compensation described herein. See "MANAGEMENT OF LOCKHEED MARTIN -- Compensation of Directors." The stockholders of Lockheed Martin are being asked at their respective meetings to consider and approve the annual accrual of \$10,000 of this amount in the form of share credits payable solely in Lockheed Martin Common Stock by the adoption of the new Lockheed Martin Directors Plan.

The Lockheed Martin Board has adopted and the Lockheed Board and the Martin Marietta Board have approved the Lockheed Martin Directors Plan, subject to the approval by the respective stockholders of Lockheed and Martin Marietta. The purpose of the Lockheed Martin Directors Plan is to attract and retain persons of exceptional ability to serve as directors and further align the common interests of directors and stockholders in enhancing the value of Lockheed Martin Common Stock. No additional dollars will be paid to directors through this Plan. Participation is not voluntary. Shares of Lockheed Martin Common Stock credited under the Lockheed Martin Directors Plan will be in lieu of an equivalent cash portion of the retainer otherwise payable to directors.

The following description of the principal features of the Lockheed Martin Directors Plan is qualified in its entirety by reference to the complete text of the Lockheed Martin Directors Plan, a copy of which is set forth in Appendix V to this Joint Proxy Statement/Prospectus.

Under the Lockheed Martin Directors Plan, each eligible director will receive, on June 1 of each year, share credits equal to the number of shares of Lockheed Martin Common Stock that \$10,000 would then buy. All share credits will be fully vested as accrued. Eligible directors include all directors who are compensated in such capacity through retainers and who are not officers or employees of Lockheed Martin or a subsidiary. Twenty of the proposed directors of Lockheed Martin will be eligible to participate in this Plan. The value of the Lockheed Martin Common Stock for purpose of establishing the number of share credits will be its fair market value at the time of crediting, based on the average reported price over the preceding ten trading days. Over the 10-year term of the Lockheed Martin Directors Plan, an aggregate of 50,000 shares of Lockheed Martin Common Stock may be issued to all eligible directors in the aggregate, in lieu of a portion of their cash retainers. Upon approval of the Lockheed Martin Directors Plan by the stockholders and consummation of the Combination, Lockheed Martin intends to register under the Act the number of shares of Lockheed Martin Common Stock reserved for issuance under the Lockheed Martin Directors Plan.

Share credits accrued will constitute bookkeeping entries that will be settled and paid in an equivalent number of shares of Lockheed Martin Common Stock upon the director's termination of service on the Lockheed Martin Board. A director may irrevocably elect to receive his or her accrued share credits in a lump-sum or in equal annual installments over a period of up to five years after termination of service. However, in the case of a director's termination of service as a result of death or disability, the share credits will be paid in a lump-sum after a director's service as a director ends. During the period the director's interest is represented by share credits, a director will have no voting, dividend or other rights of a stockholder with respect to the shares to be issued in his or her name, but will be entitled to additional share credits representing dividend equivalents based on cash distributions on the underlying shares (converted to share credits based on the market value of shares on the applicable dividend payment dates). The number of share credits and shares subject to the Lockheed Martin Directors Plan are subject to appropriate adjustment in event of stock split, recapitalization or other reorganization.

If the Lockheed Martin Directors Plan had been in effect in 1994 and the Combination had occurred as currently contemplated but as of January 1, 1994, the annual benefit to each eligible director and to all 20 eligible directors as a group, based on the average closing prices of Lockheed and Martin Marietta Common Stock (converted on a pro forma basis based on shares then outstanding) as of June 1, 1994, would have been 243 share credits (calculated based on the \$10,000 annual share credit divided by a pro forma share price of \$41.15 per share) and 4,860 share credits in the aggregate, respectively, prior to crediting for any dividend equivalents thereon from June 1 to December 31, 1994.

The compensation of directors, including the Lockheed Martin Directors Plan, may be amended from time to time by the Lockheed Martin Board in its sole discretion, without stockholder approval, but subject to applicable legal requirements. No guidelines have been established relating to the nature of the amendments that may be made to the Lockheed Martin Directors Plan without stockholder approval, but such approval may be required to preserve the qualifying status of the Plan under Rule 16b-3 under the Exchange Act. Amendments made without stockholder approval could increase the costs of the Lockheed Martin Directors Plan, although the amount thereof is not determinable. Consent of the director will be required to revoke or alter an outstanding award in a manner unfavorable to such director. The term of the Lockheed Martin Directors Plan is 10 years, subject to earlier termination by the Lockheed Martin Board.

In general, under current federal income tax laws, share credits under the Lockheed Martin Directors Plan will be includible in taxable income of an eligible director and deductible to Lockheed Martin based on the fair market value of the Lockheed Martin Common Stock at the time or times the share credits are paid in shares to a director following termination of service.

THE RESPECTIVE BOARDS OF DIRECTORS OF LOCKHEED AND MARTIN MARIETTA EACH RECOMMEND A VOTE FOR ADOPTION OF THE LOCKHEED MARTIN DIRECTORS DEFERRED STOCK PLAN.

LEGAL MATTERS

The validity of the Lockheed Martin Common Stock and Lockheed Martin Series A Preferred Stock to be issued in connection with the Combination will be passed upon by Miles & Stockbridge, a Professional Corporation, Baltimore, Maryland.

EXPERTS

The consolidated financial statements of Lockheed at December 26, 1993 and December 27, 1992 and for each of the three years in the period ended December 26, 1993, incorporated by reference in this Joint Proxy Statement/Prospectus, which are referred to herein and made part of the Registration Statement of which this Joint Proxy Statement/Prospectus is a part; the financial statements of Martin Marietta and consolidated subsidiaries as of December 31, 1993 and 1992 and for each of the three years in the period ended December 31, 1993, incorporated by reference in this Joint Proxy Statement/Prospectus, which are referred to herein and made part of the Registration Statement of which this Joint Proxy Statement/Prospectus is a part; and the consolidated balance sheet of Lockheed Martin as of October 31, 1994, included in this Joint Proxy Statement/Prospectus; have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports thereon also incorporated herein by reference or included elsewhere herein. Such consolidated financial statements of Lockheed and Martin Marietta and the consolidated balance sheet of Lockheed Martin are incorporated herein by reference or included herein in reliance upon such reports given upon the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of the GE Aerospace Businesses as of December 31, 1992 and 1991, and for each of the years in the two-year period ended December 31, 1992, incorporated by reference in the Martin Marietta Form 10-K, which is incorporated herein by reference, have been audited by KPMG Peat Marwick LLP, independent certified public accountants, as set forth in their report thereon incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon the report of KPMG Peat Marwick LLP and upon the authority of said firm as experts in accounting and auditing.

The combined financial statements of General Dynamics Space Systems Group as of December 31, 1993 and 1992 and for each of the three years in the period ended December 31, 1993 incorporated by reference in the Registration Statement of which this Joint Proxy Statement/Prospectus is a part have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto dated January 20, 1994, and are included herein in reliance upon the authority of said firm as experts in giving said report. Reference is made to said report which includes an explanatory paragraph that describes the uncertainty discussed in Note 1 to the aforementioned financial statements.

It is expected that representatives of Ernst & Young LLP, Lockheed's and Martin Marietta's independent auditors, will be present at the Special Meetings to respond to appropriate questions of stockholders and to make a statement if they desire.

FUTURE STOCKHOLDER PROPOSALS

If the Combination is consummated, the first annual meeting of the public stockholders of Lockheed Martin after such consummation is expected to be held April 25, 1996. If the Combination is not consummated, the 1995 annual meeting of stockholders of Lockheed is expected to be held on or about May 9, 1995 and the 1995 annual meeting of stockholders of Martin Marietta is expected to be held on or about June 23, 1995.

Subject to the foregoing, if any Lockheed Martin stockholder intends to present a proposal at the 1996 Lockheed Martin annual meeting and wishes to have such proposal considered for inclusion in the proxy materials for such meeting, such holder must submit the proposal to the Secretary of Lockheed Martin in writing so as to be received at the executive offices of Lockheed Martin by November 30, 1995. Such proposals must also meet the other requirements of the rules of the Commission relating to stockholders'

proposals. In the event the Combination is not consummated, the only stockholder proposals eligible to be considered for inclusion in the proxy materials for the 1995 annual meetings of Lockheed and Martin Marietta will be those which were duly submitted to the Secretary of Lockheed by December 8, 1994 or the Corporate Secretary of Martin Marietta by November 18, 1994, as the case may be, as provided in the respective 1994 Annual Meeting Proxy Statements of Lockheed and Martin Marietta.

LOCKHEED MARTIN CORPORATION
INDEX TO FINANCIAL STATEMENTS

	PAGE

Report of Ernst & Young LLP, Independent Auditors.....	F-2
Consolidated Balance Sheet as of October 31, 1994.....	F-3
Notes to Consolidated Balance Sheet.....	F-4

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

Stockholders of
Lockheed Martin Corporation:

We have audited the accompanying consolidated balance sheet of Lockheed Martin Corporation as of October 31, 1994. This consolidated balance sheet is the responsibility of Lockheed Martin Corporation's management. Our responsibility is to express an opinion on this consolidated balance sheet based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated balance sheet presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated balance sheet referred to above presents fairly, in all material respects, the financial position of Lockheed Martin Corporation at October 31, 1994 in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

November 1, 1994
Washington, D.C.

LOCKHEED MARTIN CORPORATION

CONSOLIDATED BALANCE SHEET
OCTOBER 31, 1994

ASSETS	
Cash.....	\$200

Total assets.....	\$200
	=====
STOCKHOLDERS' EQUITY	
Common stock, par value \$1.00 a share, 200 shares issued and outstanding.....	\$200

Total stockholders' equity.....	\$200
	=====

See accompanying notes to consolidated balance sheet.

LOCKHEED MARTIN CORPORATION

NOTES TO CONSOLIDATED BALANCE SHEET
OCTOBER 31, 1994

1. BACKGROUND OF ORGANIZATION

Lockheed Martin Corporation ("Lockheed Martin") was incorporated under the Maryland General Corporation Law on August 29, 1994, for the purpose of effectuating the proposed combination of the businesses of Lockheed Corporation ("Lockheed") and Martin Marietta Corporation ("Martin Marietta") (the "Combination"). Lockheed Martin is jointly owned by Lockheed and Martin Marietta and has not engaged in any activity not related to preparing to effect the Combination since its formation.

2. BASIS OF ACCOUNTING

The accompanying consolidated balance sheet includes all of the relevant assets and liabilities attributable to Lockheed Martin. During August 1994, Lockheed Martin formed two wholly owned subsidiaries, Atlantic Sub, Inc. ("Atlantic Sub") and Pacific Sub, Inc. ("Pacific Sub"), which are Maryland and Delaware corporations, respectively. Lockheed Martin is the sole stockholder of both Atlantic Sub and Pacific Sub. Atlantic Sub and Pacific Sub have not engaged in any activity not related to preparing to effect the Combination since their formation.

3. STOCKHOLDERS' EQUITY

There are 100,000 shares of Lockheed Martin Common Stock authorized at a par value of \$1.00 per share of which 200 are issued and outstanding, held as follows:

	COMMON STOCK

Lockheed Corporation.....	\$100
Martin Marietta Corporation.....	100

	\$200
	=====

AGREEMENT AND PLAN OF REORGANIZATION,

DATED AS OF AUGUST 29, 1994,

AMONG

PARENT CORPORATION,*

MARTIN MARIETTA CORPORATION

AND

LOCKHEED CORPORATION

AS AMENDED AS OF FEBRUARY 7, 1995

*ON OCTOBER 3, 1994, THE NAME PARENT CORPORATION WAS CHANGED TO LOCKHEED MARTIN CORPORATION.

TABLE OF CONTENTS

	PAGE

ARTICLE I	
THE MERGERS	
SECTION 1.1	Charter and Bylaws of Parent..... I-1
SECTION 1.2	Atlantic Sub Merger..... I-1
SECTION 1.3	Pacific Sub Merger..... I-2
SECTION 1.4	Exchange of Certificates..... I-3
SECTION 1.5	Cancellation of Parent Stock..... I-3
ARTICLE II	
STOCKHOLDER APPROVAL	
ARTICLE III	
BOARDS OF DIRECTORS OF PARENT, MARTIN MARIETTA AND LOCKHEED; OFFICERS OF MARTIN MARIETTA AND LOCKHEED	
SECTION 3.1	Parent Board of Directors..... I-4
SECTION 3.2	Martin Marietta Board of Directors; Officers..... I-4
SECTION 3.3	Lockheed Board of Directors; Officers..... I-4
SECTION 3.4	Parent Dividend..... I-4
ARTICLE IV	
REPRESENTATIONS AND WARRANTIES OF MARTIN MARIETTA	
SECTION 4.1	Organization, Qualification, Etc. I-5
SECTION 4.2	Capital Stock..... I-5
SECTION 4.3	Corporate Authority Relative to this Agreement; No Violation..... I-6
SECTION 4.4	Reports and Financial Statements..... I-6
SECTION 4.5	No Undisclosed Liabilities..... I-7
SECTION 4.6	No Violation of Law..... I-7
SECTION 4.7	Environmental Laws and Regulations..... I-7
SECTION 4.8	No Undisclosed Employee Benefit Plan Liabilities..... I-7
SECTION 4.9	Absence of Certain Changes or Events..... I-8
SECTION 4.10	Investigations; Litigation..... I-8
SECTION 4.11	Joint Proxy Statement; Registration Statement; Other Information..... I-8
SECTION 4.12	Accounting Matters..... I-8
SECTION 4.13	Martin Marietta Rights Plan..... I-8
SECTION 4.14	Ownership of Lockheed Stock..... I-9
SECTION 4.15	Tax Matters..... I-9
ARTICLE V	
REPRESENTATIONS AND WARRANTIES OF LOCKHEED	
SECTION 5.1	Organization, Qualification, Etc. I-9
SECTION 5.2	Capital Stock..... I-10
SECTION 5.3	Corporate Authority Relative to this Agreement; No Violation..... I-10
SECTION 5.4	Reports and Financial Statements..... I-11
SECTION 5.5	No Undisclosed Liabilities..... I-11
SECTION 5.6	No Violation of Law..... I-11

	PAGE

SECTION 5.7	Environmental Laws and Regulations..... I-11
SECTION 5.8	No Undisclosed Employee Benefit Plan Liabilities..... I-12
SECTION 5.9	Absence of Certain Changes or Events..... I-12
SECTION 5.10	Investigations; Litigation..... I-12
SECTION 5.11	Joint Proxy Statement; Registration Statement; Other Information..... I-12
SECTION 5.12	Accounting Matters..... I-12
SECTION 5.13	Lockheed Rights Plan..... I-12
SECTION 5.14	Ownership of Martin Marietta Stock..... I-13
SECTION 5.15	Tax Matters..... I-13

ARTICLE VI

ADDITIONAL COVENANTS AND AGREEMENTS

SECTION 6.1	Conduct of Business by Martin Marietta or Lockheed..... I-13
SECTION 6.2	Investigation..... I-15
SECTION 6.3	Cooperation..... I-15
SECTION 6.4	Affiliate Agreements..... I-16
SECTION 6.5	Employee Stock Options, Incentive and Benefit Plans..... I-16
SECTION 6.6	Further Assurances..... I-17
SECTION 6.7	No Solicitation..... I-17
SECTION 6.8	Public Announcements..... I-18
SECTION 6.9	Agreements with Respect to Martin Marietta Common Stock and Lockheed Common Stock..... I-18
SECTION 6.10	Indemnification and Insurance..... I-18
SECTION 6.11	Accountants' "Comfort" Letters..... I-18
SECTION 6.12	Additional Reports..... I-18

ARTICLE VII

CONDITIONS TO THE MERGERS

SECTION 7.1	Conditions to Both Mergers..... I-19
SECTION 7.2	Conditions to Obligations of Martin Marietta to Effect the Atlantic Sub Merger..... I-19
SECTION 7.3	Conditions to Obligations of Lockheed to Effect the Pacific Sub Merger..... I-20

ARTICLE VIII

TERMINATION, WAIVER, AMENDMENT AND CLOSING

SECTION 8.1	Termination or Abandonment..... I-20
SECTION 8.2	Termination Fee..... I-21
SECTION 8.3	Expense Reimbursement..... I-21
SECTION 8.4	Amendment or Supplement..... I-21
SECTION 8.5	Extension of Time, Waiver, Etc. I-21
SECTION 8.6	Closing..... I-21

ARTICLE IX

MISCELLANEOUS

SECTION 9.1	No Survival of Representations and Warranties..... I-22
SECTION 9.2	Expenses..... I-22
SECTION 9.3	Counterparts..... I-22

	PAGE	

SECTION 9.4	Governing Law.....	I-22
SECTION 9.5	Notices.....	I-22
SECTION 9.6	Miscellaneous.....	I-22
SECTION 9.7	Subsidiaries; Significant Subsidiaries.....	I-23
SECTION 9.8	Finders or Brokers.....	I-23

Exhibit A -- Charter of Parent Corporation*

Exhibit B -- Bylaws of Parent Corporation*

Exhibit C -- Plan and Agreement of Merger relating to Martin Marietta

Exhibit D -- Plan and Agreement of Merger relating to Lockheed

 * On October 3, 1994 the name Parent Corporation was changed to Lockheed Martin Corporation.

AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION, dated as of August 29, 1994 (this "Agreement"), is among Parent Corporation* ("Parent"), Martin Marietta Corporation ("Martin Marietta") and Lockheed Corporation ("Lockheed"), as amended as of February 7, 1995.

WHEREAS, Martin Marietta is a corporation duly organized and existing under the laws of the State of Maryland and Lockheed is a corporation duly organized and existing under the laws of the State of Delaware; and

WHEREAS, Parent is a corporation duly organized under the laws of the State of Maryland, with Martin Marietta and Lockheed each owning one-half of the outstanding capital stock of Parent; and

WHEREAS, the Boards of Directors of Martin Marietta and Lockheed deem it advisable and in the best interest of their respective stockholders that each corporation become a subsidiary of Parent pursuant to the mergers hereafter provided for, and desire to make certain representations, warranties and agreements in connection with such mergers;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the parties hereby agree as follows:

ARTICLE I
THE MERGERS

SECTION 1.1 Charter and Bylaws of Parent. The Charter and Bylaws of Parent shall be amended prior to the Merger Date (as hereinafter defined) to be in substantially the form of Exhibits A and B hereto, respectively, and the name of Parent shall be changed to Lockheed Martin Corporation. From the date hereof until the Merger Date, Martin Marietta and Lockheed shall consult with each other prior to causing or permitting Parent to take any action and neither shall cause or permit Parent to take any action inconsistent with the provisions of this Agreement without the written consent of the other.

SECTION 1.2 Atlantic Sub Merger. (a) Martin Marietta and Lockheed will cause Parent to form a wholly owned subsidiary named Atlantic Sub, Inc. ("Atlantic Sub") under the laws of the State of Maryland. Atlantic Sub will be formed solely to facilitate the Atlantic Sub Merger referred to below and will conduct no business or activity other than in connection with the Atlantic Sub Merger. Martin Marietta and Lockheed will cause Parent to cause Atlantic Sub to execute and deliver, and Martin Marietta agrees to execute and deliver and to submit to its stockholders for approval, together with this Agreement in accordance with Article II, an Agreement and Plan of Merger (the "Atlantic Sub Merger Agreement") in substantially the form attached hereto as Exhibit C, providing for the merger of Atlantic Sub with and into Martin Marietta (the "Atlantic Sub Merger"). Martin Marietta shall be the surviving corporation in the Atlantic Sub Merger and as a result thereof shall become a wholly owned subsidiary of Parent.

(b) Pursuant to the Atlantic Sub Merger:

(i) each share of Martin Marietta Common Stock (as hereinafter defined) outstanding immediately prior to the effective time of the Atlantic Sub Merger, other than any shares of Martin Marietta Common Stock owned by Lockheed or any Subsidiary (as hereinafter defined) of Lockheed, shall be converted into and become one share of common stock, par value \$1.00 per share, of Parent ("Parent Common Stock");

(ii) each share of Martin Marietta Preferred Stock (as hereinafter defined) outstanding immediately prior to the effective time of the Atlantic Sub Merger, other than any shares of Martin Marietta Preferred Stock owned by Lockheed or any Subsidiary of Lockheed, shall be converted into and become

* On October 3, 1994, the name Parent Corporation was changed to Lockheed Martin Corporation.

one share of Series A Preferred Stock, par value \$1.00 per share, of Parent ("Parent Preferred Stock"); and

(iii) each share of Martin Marietta Common Stock and Martin Marietta Preferred Stock owned by Lockheed or any Subsidiary of Lockheed shall be cancelled and cease to exist immediately upon the effective time of the Atlantic Sub Merger without any payment being made in respect thereof.

(c) The parties will take such action as may be necessary to cause Parent to reserve sufficient shares of Parent Common Stock following the Mergers (as hereinafter defined) to permit conversion of the Parent Preferred Stock and delivery of shares of Parent Common Stock upon conversion thereof following the Atlantic Sub Merger. Subject to the terms and conditions of this Agreement, Martin Marietta shall use its reasonable efforts to cause the Atlantic Sub Merger to be consummated in accordance with the terms of the Atlantic Sub Merger Agreement. Martin Marietta and Lockheed will cause Parent to execute a formal written consent under Section 2-505 of the Maryland General Corporation Law (the "Maryland Statute"), as the sole stockholder of Atlantic Sub, to the execution, delivery and performance of the Atlantic Sub Merger Agreement by Atlantic Sub.

SECTION 1.3 Pacific Sub Merger. (a) Lockheed and Martin Marietta will cause Parent to form a wholly owned subsidiary named Pacific Sub, Inc. ("Pacific Sub") under the laws of the State of Delaware. Pacific Sub will be formed solely to facilitate the Pacific Sub Merger referred to below and will conduct no business or activity other than in connection with the Pacific Sub Merger. Lockheed and Martin Marietta will cause Parent to cause Pacific Sub to execute and deliver, and, subject to the terms and conditions of this Agreement, Lockheed agrees to execute and deliver and to submit to its stockholders for adoption and approval, together with this Agreement in accordance with Article II, an Agreement and Plan of Merger (the "Pacific Sub Merger Agreement") in substantially the form attached hereto as Exhibit D, providing for the merger of Pacific Sub with and into Lockheed (the "Pacific Sub Merger"). Lockheed shall be the surviving corporation in the Pacific Sub Merger and as a result thereof shall become a wholly owned subsidiary of Parent.

(b) Pursuant to the Pacific Sub Merger:

(i) each share of Lockheed Common Stock (as hereinafter defined) outstanding immediately prior to the effective time of the Pacific Sub Merger, other than any shares of Lockheed Common Stock owned by Martin Marietta or any Subsidiary of Martin Marietta or held in the treasury of Lockheed, shall be converted into and become the right to receive 1.63 shares of Parent Common Stock; and

(ii) each share of Lockheed Common Stock owned by Martin Marietta or any Subsidiary of Martin Marietta or held in the treasury of Lockheed shall be cancelled and cease to exist immediately upon the effective time of the Pacific Sub Merger without any payment being made in respect thereof.

Notwithstanding the foregoing, no fractional shares of Parent Common Stock will be issued as a result of the Pacific Sub Merger. In lieu of the issuance of fractional shares, cash payments will be made to holders of Lockheed Common Stock in respect of any fractional share that would otherwise be issuable in an amount equal to such fractional part of a share of Parent Common Stock multiplied by the closing price of a share of Parent Common Stock on the New York Stock Exchange (the "NYSE") on the last business day preceding the Merger Date if such stock is then being traded, including without limitation trading on a "when issued" basis, and otherwise shall be the closing price on the first business day that such stock is traded. No such holder shall be entitled to dividends, voting rights, or any other stockholder right in respect of any fractional share. For this purpose, shares held of record by any particular stockholder of Lockheed and represented by two or more certificates may be aggregated.

(c) Subject to the terms and conditions of this Agreement, Lockheed shall use its reasonable efforts to cause the Pacific Sub Merger to be consummated in accordance with the terms of the Pacific Sub Merger Agreement. Lockheed and Martin Marietta will cause Parent to execute a formal written consent under Section 228 of the Delaware General Corporation Law (the "Delaware Statute"), as the sole stockholder of Pacific Sub, to the execution, delivery and performance of the Pacific Sub Merger Agreement by Pacific Sub.

SECTION 1.4 Exchange of Certificates. Except as set forth above, from and after the Merger Date, each holder of a certificate which immediately prior to the Merger Date represented outstanding shares of Martin Marietta Common Stock, Lockheed Common Stock or Martin Marietta Preferred Stock shall be entitled to receive in exchange therefor, upon surrender thereof to an exchange agent to be selected by the parties, a certificate or certificates representing the number of shares of Parent Common Stock or Parent Preferred Stock into which such holder's shares of Martin Marietta Common Stock, Lockheed Common Stock or Martin Marietta Preferred Stock were converted. No holder of a certificate or certificates which immediately prior to the Merger Date represented shares of Martin Marietta Common Stock, Lockheed Common Stock or Martin Marietta Preferred Stock shall be entitled to receive any dividend or other distribution from Parent until surrender of such holder's certificate or certificates for a certificate or certificates representing shares of Parent Common Stock (in the case of holders of Lockheed Common Stock or Martin Marietta Common Stock) or Parent Preferred Stock (in the case of holders of Martin Marietta Preferred Stock). Upon such surrender, there shall be paid to the holder the amount of any dividends or other distributions (without interest) which theretofore became payable, but which were not paid by reason of the foregoing, with respect to the number of whole shares of Parent Common Stock or Parent Preferred Stock, as the case may be, represented by the certificates issued upon such surrender. From and after the Merger Date, Parent shall, however, be entitled to treat such certificates for shares of Martin Marietta Common Stock, Lockheed Common Stock or Martin Marietta Preferred Stock which have not yet been surrendered for exchange as evidencing the ownership of the number of shares of Parent Common Stock or Parent Preferred Stock, as the case may be, into which the shares of Martin Marietta Common Stock, Lockheed Common Stock or Martin Marietta Preferred Stock represented by such certificates shall have been converted, notwithstanding any failure to surrender such certificates. If any certificate for shares of Parent Common Stock or Parent Preferred Stock, as the case may be, is to be issued in a name other than that in which the certificate for shares of Martin Marietta Common Stock, Lockheed Common Stock or Martin Marietta Preferred Stock surrendered in exchange therefor is registered, it shall be a condition of such issuance that the person requesting such issuance shall pay any transfer or other tax required by reason of the issuance of certificates for such shares of Parent Common Stock or Parent Preferred Stock, as the case may be, in a name other than that of the registered holder of the certificate surrendered, or shall establish to the satisfaction of Parent or its agent that such tax has been paid or is not applicable. Notwithstanding the foregoing, none of Martin Marietta, Lockheed or Parent shall be liable to any holder of shares of Martin Marietta Common Stock, Lockheed Common Stock or Martin Marietta Preferred Stock for any shares of Parent Common Stock or Parent Preferred Stock, as the case may be (or dividends or distributions with respect thereto), delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

SECTION 1.5 Cancellation of Parent Stock. The shares of the capital stock of Parent owned by Martin Marietta and Lockheed immediately prior to the Merger Date will be cancelled immediately upon consummation of the Atlantic Sub Merger and the Pacific Sub Merger, respectively. The Atlantic Sub Merger and the Pacific Sub Merger are sometimes together referred to as the "Mergers" and the Atlantic Sub Merger Agreement and the Pacific Sub Merger Agreement are sometimes together referred to as the "Merger Agreements."

ARTICLE II

STOCKHOLDER APPROVAL

Subject to the terms and conditions contained herein, this Agreement, together with the Atlantic Sub Merger Agreement and the transactions contemplated thereby, shall be submitted for approval to the holders of shares of Martin Marietta Common Stock and Martin Marietta Preferred Stock, all of whom shall vote together as a single class at a meeting to be duly held for this purpose by Martin Marietta (the "Martin Marietta Meeting"), and this Agreement, together with the Pacific Sub Merger Agreement, shall be submitted for adoption and approval to the holders of shares of Lockheed Common Stock at a meeting to be duly held for this purpose by Lockheed (the "Lockheed Meeting"). Martin Marietta and Lockheed shall coordinate and cooperate with respect to the timing of such meetings and shall endeavor to hold such meetings on the same day and as soon as practicable after the date hereof. Subject to the applicable fiduciary duties of

their respective directors, Martin Marietta and Lockheed shall recommend that their respective stockholders approve this Agreement and the transactions contemplated hereby and such recommendation shall be contained in the Joint Proxy Statement referred to in Sections 4.11 and 5.11. On the first business day on or by which (a) this Agreement and the Atlantic Sub Merger Agreement have been duly approved by the requisite vote of the holders of shares of Martin Marietta Common Stock and Martin Marietta Preferred Stock, (b) this Agreement and the Pacific Sub Merger Agreement have been duly adopted and approved by the requisite vote of the holders of shares of Lockheed Common Stock and (c) the closing of the transactions contemplated by this Agreement and the Merger Agreements shall have occurred, or such later date as shall be agreed upon by Martin Marietta and Lockheed, Articles of Merger (in the case of the Atlantic Sub Merger) and a Certificate of Merger (in the case of the Pacific Sub Merger) relating to the Mergers shall be filed in accordance with the Maryland Statute and the Delaware Statute, respectively, and the Mergers shall become effective simultaneously in accordance with the terms of the Merger Agreements (such time and date are referred to as the "Merger Date").

ARTICLE III

BOARDS OF DIRECTORS OF PARENT, MARTIN MARIETTA AND LOCKHEED; OFFICERS OF MARTIN MARIETTA AND LOCKHEED

It is the intent of the parties to this Agreement that Martin Marietta and Lockheed, as subsidiaries of Parent, will each continue (so far as practicable and consistent with the basic purposes of this Agreement) the separate operations of their respective business enterprises, subject to the combining of such operations and to such other organizational and structural changes as management may from time to time deem appropriate. With that objective in mind, Martin Marietta, Lockheed and Parent agree as follows:

SECTION 3.1 Parent Board of Directors. On the Merger Date, the number of directors comprising the full Board of Directors of Parent shall be 24 (as provided in Parent's Bylaws), composed as follows:

(a) twelve directors shall be designated by Martin Marietta by its Board Nominating Committee; and

(b) twelve directors shall be designated by Lockheed by its Board Nominating Committee.

It is the intent of the parties that membership on the major committees of Parent's Board of Directors shall initially consist of an equal number of designees of Martin Marietta and Lockheed.

SECTION 3.2 Martin Marietta Board of Directors; Officers. On the Merger Date, the Board of Directors of Martin Marietta shall include those current directors of Martin Marietta who are designated as such by the Chief Executive Officer of Martin Marietta. The officers of Martin Marietta immediately prior to the Merger Date will continue in such capacities immediately following the Merger Date.

SECTION 3.3 Lockheed Board of Directors; Officers. On the Merger Date, the Board of Directors of Lockheed shall include those current directors of Lockheed who are designated as such by the Chief Executive Officer of Lockheed. The officers of Lockheed immediately prior to the Merger Date will continue in such capacities immediately following the Merger Date.

SECTION 3.4 Parent Dividend. It is the intention of the parties that the initial quarterly dividend with respect to Parent stock shall be at the annual rate of \$1.40 per share, subject to approval and declaration by the Board of Directors of Parent.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF MARTIN MARIETTA

Martin Marietta represents and warrants to, and agrees with, Lockheed as follows (except as disclosed in a schedule dated the date hereof and furnished to Lockheed, hereafter referred to as the "Martin Marietta Schedule"):

SECTION 4.1 Organization, Qualification, Etc. Martin Marietta is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has the corporate power and authority to own its properties and assets and to carry on its business as it is now being conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the ownership of its properties or the conduct of its business requires such qualification, except for jurisdictions in which such failure to be so qualified or to be in good standing would not, individually or in the aggregate, have a material adverse effect on the business, results of operations or financial condition of Martin Marietta and its Subsidiaries taken as a whole. The copies of Martin Marietta's charter and bylaws which have been delivered to Lockheed are complete and correct and in full force and effect on the date hereof. Each of Martin Marietta's Significant Subsidiaries (as hereinafter defined) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, has the corporate power and authority to own its properties and to carry on its business as it is now being conducted, and is duly qualified to do business and is in good standing in each jurisdiction in which the ownership of its property or the conduct of its business requires such qualification, except for jurisdictions in which such failure to be so qualified or to be in good standing would not, individually or in the aggregate, have a material adverse effect on the business, results of operations or financial condition of Martin Marietta and its Subsidiaries taken as a whole. All the outstanding shares of capital stock of Martin Marietta's Significant Subsidiaries are validly issued, fully paid and non-assessable and (except as set forth in the next sentence) are owned by Martin Marietta, directly or indirectly, free and clear of all liens, claims, charges or encumbrances, except for restrictions contained in credit agreements and similar instruments to which Martin Marietta is a party under which no event of default has occurred or arisen. Martin Marietta owns approximately 81% of the outstanding shares of common stock of Martin Marietta Materials, Inc. There are no existing options, rights of first refusal, preemptive rights, calls or commitments of any character relating to the issued or unissued capital stock or other securities of any Subsidiary of Martin Marietta other than rights of refusal and preemptive rights held by Martin Marietta with respect to certain Subsidiaries.

SECTION 4.2 Capital Stock. The authorized capital stock of Martin Marietta consists of 550,000,000 shares, divided into 20,000,000 shares of Series A Preferred Stock, par value \$1.00 per share ("Martin Marietta Preferred Stock"), 30,000,000 shares of Series Preferred Stock, par value \$1.00 per share ("Martin Marietta Series Preferred Stock"), and 500,000,000 shares of common stock, par value \$1.00 per share ("Martin Marietta Common Stock"). As of July 31, 1994, 20,000,000 shares of Martin Marietta Preferred Stock, no shares of Martin Marietta Series Preferred Stock and 95,948,640 shares of Martin Marietta Common Stock were outstanding. All the outstanding shares of capital stock of Martin Marietta have been validly issued and are fully paid and nonassessable. As of July 31, 1994, there were no outstanding subscriptions, options, warrants, rights or other arrangements or commitments obligating Martin Marietta to issue any shares of its capital stock ("Martin Marietta Options") other than:

(a) upon conversion of the Martin Marietta Preferred Stock;

(b) options to acquire 4,706,450 shares of Martin Marietta Common Stock granted on or prior to July 31, 1994 pursuant to employee incentive and benefit plans; and

(c) Martin Marietta's dividend reinvestment plan.

Since July 31, 1994 (A) no shares of Martin Marietta Common Stock or Martin Marietta Preferred Stock have been issued except issuances of Martin Marietta Common Stock upon the exercise of Martin Marietta Options referred to in clause (b) above, and (B) no Martin Marietta Options have been authorized, issued or granted, except pursuant to Martin Marietta's Shareholder Rights Agreement, dated as of August 29, 1994, with First Chicago Trust Company of New York (the "Martin Marietta Rights Plan").

SECTION 4.3 Corporate Authority Relative to this Agreement; No Violation. Martin Marietta has the corporate power to enter into this Agreement and the Atlantic Sub Merger Agreement, and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Atlantic Sub Merger Agreement and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by the Board of Directors of Martin Marietta and, except for the approval of its stockholders, no other corporate proceedings on the part of Martin Marietta are necessary to authorize this Agreement, the Atlantic Sub Merger Agreement and the transactions contemplated hereby and thereby. The Board of Directors of Martin Marietta has determined that the transactions contemplated by this Agreement and the Atlantic Sub Merger Agreement are in the best interests of Martin Marietta and its stockholders and to recommend to such stockholders that they vote in favor thereof. This Agreement and the Atlantic Sub Merger Agreement have been duly and validly executed and delivered by Martin Marietta and, assuming this Agreement and the Atlantic Sub Merger Agreement constitute valid and binding Agreements of the other parties hereto and thereto, this Agreement and the Atlantic Sub Merger Agreement constitute valid and binding agreements of Martin Marietta, enforceable against Martin Marietta in accordance with their respective terms (except insofar as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies). Martin Marietta is not subject to or obligated under any charter, bylaw or contract provision or any license, franchise or permit, or subject to any order or decree, which would be breached or violated by its executing or, subject to the approval of its stockholders, carrying out this Agreement or the Atlantic Sub Merger Agreement, except for any breaches or violations which individually or in the aggregate would not have a material adverse effect on the business, results of operations or financial condition of Martin Marietta and its Subsidiaries taken as a whole. Other than in connection with or in compliance with the provisions of the Maryland Statute, the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), Section 4043 of ERISA (as hereinafter defined), any non-United States competition, antitrust and investment laws, and the securities or blue sky laws of the various states (collectively, the "Martin Marietta Required Statutory Approvals"), no authorization, consent or approval of, or filing with, any governmental body or authority is necessary for the consummation by Martin Marietta of the transactions contemplated by this Agreement and the Atlantic Sub Merger Agreement, except for such authorizations, consents, approvals or filings, the failure to obtain or make which would not have a material adverse effect on the business, results of operations or financial condition of Martin Marietta and its Subsidiaries taken as a whole or on the consummation of the transactions contemplated hereby.

SECTION 4.4 Reports and Financial Statements. Martin Marietta has previously furnished to Lockheed true and complete copies of:

- (a) Martin Marietta's Annual Reports on Form 10-K filed with the Securities and Exchange Commission (the "SEC") for each of the years ended December 31, 1991 through 1993;
- (b) Martin Marietta's Quarterly Reports on Form 10-Q filed with the SEC for the quarters ended March 31 and June 30, 1994;
- (c) each definitive proxy statement filed by Martin Marietta with the SEC since December 31, 1991;
- (d) each final prospectus filed by Martin Marietta with the SEC since December 31, 1991, other than prospectuses contained in filings on Form S-8 and filings with respect to Martin Marietta's dividend reinvestment plan on Form S-3;
- (e) all Current Reports on Form 8-K filed by Martin Marietta with the SEC since December 31, 1993; and
- (f) Reports on Form 11-K filed with the SEC with respect to employee benefit plans of Martin Marietta or any of its Subsidiaries since December 31, 1993.

As of their respective dates, such reports, proxy statements and prospectuses did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited consolidated financial statements and unaudited consolidated interim financial statements included in such reports, proxy statements and prospectuses (including any related notes and schedules) fairly present the financial position of Martin Marietta and its consolidated Subsidiaries as of the dates thereof and the results of operations and changes in financial position or other information included therein for the periods or as of the dates then ended (subject, where appropriate, to normal year-end accrual adjustments), in each case in accordance with past practice and generally accepted accounting principles in the United States ("GAAP") consistently applied during the periods involved (except as otherwise disclosed in the notes thereto). Since December 31, 1991, Martin Marietta has timely filed all reports, registration statements and other filings required to be filed with the SEC under the rules and regulations of the SEC. For purposes of this Section 4.4, the term "Martin Marietta" shall include "Martin Marietta Technologies, Inc." and "Martin Marietta Materials, Inc.".

SECTION 4.5 No Undisclosed Liabilities. As of June 30, 1994, neither Martin Marietta nor any of its Subsidiaries had any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, that would be required by GAAP to be reflected on a consolidated balance sheet of Martin Marietta and its Subsidiaries (including the notes thereto), except (a) liabilities or obligations reflected in any of the documents referred to in Section 4.4 and (b) liabilities or obligations which would not have, individually or in the aggregate, a material adverse effect on the business, results of operations or financial condition of Martin Marietta and its Subsidiaries taken as a whole.

SECTION 4.6 No Violation of Law. The businesses of Martin Marietta and its Subsidiaries are not being conducted in violation of any law, ordinance or regulation of any governmental entity (provided that no representation or warranty is made in this Section 4.6 with respect to Environmental Laws (as defined in Section 4.7)) except (a) as described in any of the documents referred to in Section 4.4 and (b) for violations or possible violations which individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future would not, have a material adverse effect on the business, results of operations or financial condition of Martin Marietta and its Subsidiaries taken as a whole.

SECTION 4.7 Environmental Laws and Regulations. Except as described in any of the documents referred to in Section 4.4, (i) Martin Marietta and each of its Subsidiaries is in material compliance with all applicable federal, state and local laws and regulations relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) (collectively, "Environmental Laws"), except for non-compliance that individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future would not, have a material adverse effect on the business, results of operations or financial condition of Martin Marietta and its Subsidiaries taken as a whole, which compliance includes, but is not limited to, the possession by Martin Marietta and its Subsidiaries of all material permits and other governmental authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof; (ii) neither Martin Marietta nor any of its Subsidiaries has received written notice of, or, to the knowledge of Martin Marietta, is the subject of, any actions, causes of action, claims, investigations, demands or notices by any person or entity alleging liability under or non-compliance with any Environmental Law ("Environmental Claims") that individually or in the aggregate would have a material adverse effect on the business, results of operations or financial condition of Martin Marietta and its Subsidiaries taken as a whole; and (iii) to the knowledge of Martin Marietta, there are no circumstances that are reasonably likely to prevent or interfere with such material compliance in the future.

SECTION 4.8 No Undisclosed Employee Benefit Plan Liabilities. All "employee benefit plans," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), maintained or contributed to by Martin Marietta or its Subsidiaries are in compliance with all applicable provisions of ERISA and the Internal Revenue Code of 1986, as amended (the "Code"), and Martin Marietta and its Subsidiaries do not have any liabilities or obligations with respect to any such employee benefit plans, whether or not accrued, contingent or otherwise, except (a) as described in any of the

documents referred to in Section 4.4 and (b) for instances of non-compliance or liabilities or obligations that would not have, individually or in the aggregate, a material adverse effect on the business, results of operations or financial condition of Martin Marietta and its Subsidiaries taken as a whole.

SECTION 4.9 Absence of Certain Changes or Events. Other than as disclosed in the documents referred to in Section 4.4, since December 31, 1993 there has been no material adverse change in the business, prospects, results of operations or financial condition of Martin Marietta and its Subsidiaries taken as a whole.

SECTION 4.10 Investigations; Litigation. Except as described in any of the documents referred to in Section 4.4:

(a) no material investigation or review by any governmental entity with respect to Martin Marietta or any of its Subsidiaries is pending (or, to Martin Marietta's knowledge, threatened) nor has any governmental entity indicated to Martin Marietta an intention to conduct the same; and

(b) there are no actions, suits or proceedings pending (or, to Martin Marietta's knowledge, threatened) against or affecting Martin Marietta or its Subsidiaries at law or in equity, or before any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which, either individually or in the aggregate, are reasonably likely to result in any material adverse change in the business, prospects, results of operations or financial condition of Martin Marietta and its Subsidiaries taken as a whole.

SECTION 4.11 Joint Proxy Statement; Registration Statement; Other Information. None of the information with respect to Martin Marietta or its Subsidiaries or the Atlantic Sub Merger to be included in the Joint Proxy Statement (as defined herein) or the Registration Statement (referred to in Section 6.3) will, in the case of the Joint Proxy Statement or any amendments thereof or supplements thereto, at the time of the mailing of the Joint Proxy Statement or any amendments or supplements thereto, and at the time of the Martin Marietta Meeting, or, in the case of the Registration Statement, at the time it becomes effective, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Joint Proxy Statement will comply as to form in all material respects with the provisions of the Exchange Act and the rules and regulations promulgated thereunder, except that no representation is made by Martin Marietta with respect to information supplied in writing by Lockheed or any affiliate of Lockheed specifically for inclusion in the Joint Proxy Statement. The letters to stockholders, notices of meeting, joint proxy statement and forms of proxies to be distributed to stockholders in connection with the Mergers, and any schedules required to be filed with the SEC in connection therewith are collectively referred to herein as the "Joint Proxy Statement".

SECTION 4.12 Accounting Matters. Neither Martin Marietta nor, to its knowledge, any of its affiliates has taken or agreed to take any action that would prevent Parent from accounting for the transactions to be effected pursuant to Article I of this Agreement in accordance with the pooling of interests method of accounting under the requirements of Opinion No. 16 "Business Combinations" of the Accounting Principles Board of the American Institute of Certified Public Accountants, as amended by applicable pronouncements by the Financial Accounting Standards Board ("APB No. 16"). As used in this Agreement (except as specifically otherwise defined), the term "affiliate" shall mean, as to any person, any other person which directly or indirectly controls, or is under common control with, or is controlled by, such person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

SECTION 4.13 Martin Marietta Rights Plan. Under the terms of the Martin Marietta Rights Plan, the transactions contemplated by this Agreement will not cause a Distribution Date to occur or cause the rights issued pursuant to the Martin Marietta Rights Plan to become exercisable, and as a result of the terms of the Martin Marietta Rights Plan such rights will be cancelled and cease to exist upon consummation of the transactions contemplated hereby.

SECTION 4.14 Ownership of Lockheed Stock. On the date hereof Martin Marietta and its Subsidiaries do not beneficially own in excess of 1,000 shares of Lockheed Common Stock in the aggregate (exclusive of any shares owned by Martin Marietta's employee benefit plans) and is not an "interested stockholder" of Lockheed within the meaning of Section 203 of the Delaware Statute.

SECTION 4.15 Tax Matters. (a) All federal, state, local, and foreign tax returns required to be filed by or on behalf of Martin Marietta and each of its Subsidiaries have been timely filed, and all returns filed are complete and accurate to the knowledge of Martin Marietta. All taxes shown on filed returns have been paid or adequate provision for the payment of all such taxes has been made. As of the date of this Agreement, there is no audit examination, deficiency, refund litigation, proposed adjustment or matter in controversy with respect to any taxes that may reasonably be expected to result in a determination materially adverse to Martin Marietta or any of its Subsidiaries, except as adequately reserved against in the most recent financial statements contained in the documents referred to in Section 4.4. All assessments for taxes, interest, additions, and penalties due with respect to completed and settled examinations or concluded litigation have been paid.

(b) No stock or securities will be issued to any person other than the securityholders of Martin Marietta, Lockheed or Parent in connection with the transactions contemplated by this Agreement; except in connection with employee benefit programs or Martin Marietta's dividend reinvestment plan, the management of Martin Marietta has no plan or intention for Parent to issue any stock other than Parent Common Stock and Parent Preferred Stock in connection with the transactions contemplated by this Agreement; except in connection with employee benefit programs, Martin Marietta's dividend reinvestment plan or otherwise in the ordinary course of business, the management of Martin Marietta has no plan or intention for Parent to redeem or otherwise reacquire any Parent Preferred Stock or Parent Common Stock to be issued in connection with the transactions contemplated by this Agreement; and the management of Martin Marietta has no plan or intention to terminate the existence of Parent or to merge Parent with any other corporation.

(c) Martin Marietta is not aware of any plan or intention of Parent to liquidate Martin Marietta, to merge Martin Marietta with or into another corporation or to sell or otherwise dispose of the stock of Martin Marietta except for transfers of stock to corporations controlled by Parent. For purposes of this representation, "control" is defined in Section 368(c) of the Code.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF LOCKHEED

Lockheed represents and warrants to, and agrees with, Martin Marietta as follows (except as disclosed in a schedule dated the date hereof and furnished to Martin Marietta, hereafter referred to as the "Lockheed Schedule"):

SECTION 5.1 Organization, Qualification, Etc. Lockheed is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation and has the corporate power and authority to own its properties and assets and to carry on its business as it is now being conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the ownership of its properties or the conduct of its business requires such qualification, except for jurisdictions in which such failure to be so qualified or to be in good standing would not, individually or in the aggregate, have a material adverse effect on the business, results of operations or financial condition of Lockheed and its Subsidiaries taken as a whole. The copies of Lockheed's certificate of incorporation and bylaws which have been delivered to Martin Marietta are complete and correct and in full force and effect on the date hereof. Each of Lockheed's Significant Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, has the corporate power and authority to own its properties and to carry on its business as it is now being conducted, and is duly qualified to do business and is in good standing in each jurisdiction in which the ownership of its property or the conduct of its business requires such qualification, except for jurisdictions in which such failure to be so qualified or to be in good standing would not, individually or in the aggregate, have a material adverse effect on the business, results of operations or financial condition of Lockheed and its Subsidiaries taken as a whole. All the outstanding shares of capital stock of Lockheed's

Significant Subsidiaries are validly issued, fully paid and non-assessable and are owned by Lockheed, directly or indirectly, free and clear of all liens, claims charges or encumbrances, except for restrictions contained in credit agreements and similar instruments to which Lockheed is a party under which no event of default has occurred or arisen. There are no existing options, rights of first refusal, preemptive rights, calls or commitments of any character relating to the issued or unissued capital stock or other securities of any Subsidiary of Lockheed.

SECTION 5.2 Capital Stock. The authorized capital stock of Lockheed consists of 100,000,000 shares of common stock, par value \$1.00 per share ("Lockheed Common Stock"), and 2,500,000 shares of Preferred Stock, par value \$1.00 per share ("Lockheed Preferred Stock"), of which 1,000,000 shares were designated as Series A Junior Participating Preferred Stock ("Lockheed Series A Preferred"). As of July 31, 1994, 62,867,345 shares of Lockheed Common Stock (excluding 9,775,996 shares held in Lockheed's treasury) and no shares of Lockheed Preferred Stock were issued and outstanding. All the outstanding shares of Lockheed Common Stock have been validly issued and are fully paid and nonassessable. As of July 31, 1994, there were no outstanding subscriptions, options, warrants, rights or other arrangements or commitments obligating Lockheed to issue any shares of its capital stock ("Lockheed Options") other than:

(a) rights to acquire shares of Lockheed Series A Preferred pursuant to Lockheed's Shareholder Rights Agreement, dated as of December 8, 1986, with First Interstate Bank, Ltd., as amended (the "Lockheed Rights Plan"); and

(b) options to acquire 3,287,077 shares of Lockheed Common Stock granted on or prior to July 31, 1994 pursuant to employee incentive and benefit plans.

Since July 31, 1994 (A) no shares of Lockheed Common Stock have been issued except issuances of Lockheed Common Stock upon the exercise of Lockheed Options referred to in clause (b) above, and (B) except for an option grant relating to 1,500 shares, no Lockheed Options have been authorized, issued or granted.

SECTION 5.3 Corporate Authority Relative to this Agreement; No Violation. Lockheed has the corporate power to enter into this Agreement and the Pacific Sub Merger Agreement, and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Pacific Sub Merger Agreement, and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by the Board of Directors of Lockheed and, except for the approval of its stockholders, no other corporate proceedings on the part of Lockheed are necessary to authorize this Agreement, the Pacific Sub Merger Agreement and the transactions contemplated hereby and thereby. The Board of Directors of Lockheed has determined that the transactions contemplated by this Agreement and the Pacific Sub Merger Agreement are in the best interests of Lockheed and its stockholders and to recommend to such stockholders that they vote in favor thereof. This Agreement and the Pacific Sub Merger Agreement have been duly and validly executed and delivered by Lockheed and, assuming this Agreement and the Pacific Sub Merger Agreement constitute valid and binding agreements of the other parties hereto and thereto, this Agreement and the Pacific Sub Merger constitute valid and binding agreements of Lockheed, enforceable against Lockheed in accordance with their respective terms (except insofar as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies). Lockheed is not subject to or obligated under any charter, by-law or contract provision or any license, franchise or permit, or subject to any order or decree, which would be breached or violated by its executing or, subject to the approval of its stockholders, carrying out this Agreement or the Pacific Sub Merger Agreement, except for any breaches or violations which individually or in the aggregate would not have a material adverse effect on the business, results of operations or financial condition of Lockheed and its Subsidiaries taken as a whole. Other than in connection with or in compliance with the provisions of the Delaware Statute, the Securities Act, the Exchange Act, the HSR Act, Section 4043 of ERISA, any non-United States competition, antitrust and investment laws, and the securities or blue sky laws of the various states (collectively, the "Lockheed Required Statutory Approvals"), no authorization, consent or approval of, or filing with, any governmental body or authority is necessary for the consummation by Lockheed of the transactions contemplated by this

Agreement and the Pacific Sub Merger Agreement, except for such authorizations, consents, approvals or filings, the failure to obtain or make which would not have a material adverse effect on the business, results of operations or financial condition of Lockheed and its Subsidiaries taken as a whole or on the consummation of the transaction contemplated hereby.

SECTION 5.4 Reports and Financial Statements. Lockheed has previously furnished to Martin Marietta true and complete copies of:

- (a) Lockheed's Annual Reports on Form 10-K filed with the SEC for each of the years ended December 31, 1991 through 1993;
- (b) Lockheed's Quarterly Reports on Form 10-Q filed with the SEC for the quarters ended March 31 and June 30, 1994;
- (c) each definitive proxy statement filed by Lockheed with the SEC since December 31, 1991;
- (d) each final prospectus filed by Lockheed with the SEC since December 31, 1991;
- (e) all Current Reports on Form 8-K filed by Lockheed with the SEC since December 31, 1993; and
- (f) Reports on Form 11-K filed with the SEC with respect to employee benefit plans of Lockheed or any of its Subsidiaries since December 31, 1993.

As of their respective dates, such reports, proxy statements and prospectuses did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited consolidated financial statements and unaudited consolidated interim financial statements included in such reports, proxy statements and prospectuses (including any related notes and schedules) fairly present the financial position of Lockheed and its consolidated Subsidiaries as of the dates thereof and the results of operations and changes in financial position or other information included therein for the periods or as of the dates then ended (subject, where appropriate, to normal year-end accrual adjustments), in each case in accordance with past practice and GAAP consistently applied during the periods involved (except as otherwise disclosed in the notes thereto). Since December 31, 1991, Lockheed has timely filed all reports, registration statements and other filings required to be filed with the SEC under the rules and regulations of the SEC.

SECTION 5.5 No Undisclosed Liabilities. As of June 30, 1994, neither Lockheed nor any of its Subsidiaries had any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, that would be required by GAAP to be reflected on a consolidated balance sheet of Lockheed and its Subsidiaries (including the notes thereto), except (a) liabilities or obligations reflected in any of the documents referred to in Section 5.4 and (b) liabilities or obligations, which would not have, individually or in the aggregate, a material adverse effect on the business, results of operations or financial condition of Lockheed and its Subsidiaries taken as a whole.

SECTION 5.6 No Violation of Law. The businesses of Lockheed and its Subsidiaries are not being conducted in violation of any law, ordinance or regulation of any governmental entity (provided that no representation or warranty is made in this Section 5.6 with respect to Environmental Laws) except (a) as described in any of the documents referred to in Section 5.4, and (b) for violations or possible violations which individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future would not, have a material adverse effect on the business, results of operations or financial condition of Lockheed and its Subsidiaries taken as a whole.

SECTION 5.7 Environmental Laws and Regulations. Except as described in any of the documents referred to in Section 5.4, (i) Lockheed and each of its Subsidiaries is in material compliance with all applicable Environmental Laws, except for non-compliance that individually or in the aggregate do not, and, insofar as reasonably can be foreseen, in the future would not, have a material adverse effect on the business, results of operations or financial condition of Lockheed and its Subsidiaries taken as a whole, which

compliance includes, but is not limited to, the possession by Lockheed and its Subsidiaries of all material permits and other governmental authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof; (ii) neither Lockheed nor any of its Subsidiaries has received written notice of, or, to the knowledge of Lockheed, is the subject of, any Environmental Claims that individually or in the aggregate would have a material adverse effect on the business, results of operations or financial condition of Lockheed and its Subsidiaries taken as a whole; and (iii) to the knowledge of Lockheed, there are no circumstances that are reasonably likely to prevent or interfere with such material compliance in the future.

SECTION 5.8 No Undisclosed Employee Benefit Plan Liabilities. All "employee benefit plans," as defined in Section 3(3) of ERISA, maintained or contributed to by Lockheed or its Subsidiaries are in compliance with all applicable provisions of ERISA and the Code, and Lockheed and its Subsidiaries do not have any liabilities or obligations with respect to any such employee benefit plans, whether or not accrued, contingent or otherwise, except (a) as described in any of the documents referred to in Section 5.4 and (b) for instances of non-compliance or liabilities or obligations that would not have, individually or in the aggregate, a material adverse effect on the business, results of operations or financial condition of Lockheed and its Subsidiaries taken as a whole.

SECTION 5.9 Absence of Certain Changes or Events. Other than as disclosed in the documents referred to in Section 5.4, since December 31, 1993 there has been no material adverse change in the business, prospects, results of operations or financial condition of Lockheed and its Subsidiaries taken as a whole.

SECTION 5.10 Investigations; Litigation. Except as described in any of the documents referred to in Section 5.4:

(a) no material investigation or review by any governmental entity with respect to Lockheed or any of its Subsidiaries is pending (or, to Lockheed's knowledge, threatened), nor has any governmental entity indicated to Lockheed an intention to conduct the same; and

(b) there are no actions, suits or proceedings pending (or, to Lockheed's knowledge, threatened) against or affecting Lockheed or its Subsidiaries at law or in equity, or before any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which, either individually or in the aggregate, are reasonably likely to result in any material adverse change in the business, prospects, results of operations or financial condition of Lockheed and its Subsidiaries taken as a whole.

SECTION 5.11 Joint Proxy Statement; Registration Statement; Other Information. None of the information with respect to Lockheed or its Subsidiaries or the Pacific Sub Merger to be included in the Joint Proxy Statement or the Registration Statement will, in the case of the Joint Proxy Statement or any amendments thereof or supplements thereto, at the time of the mailing of the Joint Proxy Statement or any amendments or supplements thereto, and at the time of the Lockheed Meeting or, in the case of the Registration Statement, at the time it becomes effective, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Joint Proxy Statement will comply as to form in all material respects with the provisions of the Exchange Act and the rules and regulations promulgated thereunder, except that no representation is made by Lockheed with respect to information supplied in writing by Martin Marietta or any affiliate of Martin Marietta specifically for inclusion in the Joint Proxy Statement.

SECTION 5.12 Accounting Matters. Neither Lockheed nor, to its best knowledge, any of its affiliates has taken or agreed to take any action that would prevent Parent from accounting for the transactions to be effected pursuant to Article I of this Agreement in accordance with the pooling of interests method of accounting under the requirements of APB No. 16.

SECTION 5.13 Lockheed Rights Plan. Under the terms of the Lockheed Rights Plan, the transactions contemplated by this Agreement will not cause a Distribution Date to occur or cause the rights issued pursuant to the Lockheed Rights Plan to become exercisable, and, by action taken prior to the Merger Date,

as a result of the terms of the Lockheed Rights Plan and the Pacific Sub Merger such rights will be cancelled and cease to exist.

SECTION 5.14 Ownership of Martin Marietta Stock. On the date hereof Lockheed and its Subsidiaries do not beneficially own in excess of 1,000 shares of Martin Marietta Common Stock in the aggregate (exclusive of any shares owned by Lockheed's employee benefit plans) and is not an "interested stockholder" or an affiliate of an "interested stockholder" of Martin Marietta within the meaning of Section 3-601(j) of the Maryland Statute.

SECTION 5.15 Tax Matters. (a) All federal, state, local, and foreign tax returns required to be filed by or on behalf of Lockheed and each of its Subsidiaries have been timely filed, and all returns filed are complete and accurate to the knowledge of Lockheed. All taxes shown on filed returns have been paid or adequate provision for the payment of all such taxes has been made. As of the date of this Agreement, there is no audit examination, deficiency, refund litigation, proposed adjustment or matter in controversy with respect to any taxes that may reasonably be expected to result in a determination materially adverse to Lockheed or any of its Subsidiaries, except as adequately reserved against in the most recent financial statements contained in the documents referred to in Section 5.4. All assessments for taxes, interest, additions, and penalties due with respect to completed and settled examinations or concluded litigation have been paid.

(b) No stock or securities will be issued to any person other than the securityholders of Lockheed, Martin Marietta or Parent in connection with the transactions contemplated by this Agreement; except in connection with employee benefit programs, the management of Lockheed has no plan or intention for Parent to issue any stock other than Parent Common Stock and Parent Preferred Stock in connection with the transactions contemplated by this Agreement; except in connection with employee benefit programs or otherwise in the ordinary course of business, the management of Lockheed has no plan or intention for Parent to redeem or otherwise reacquire any Parent Preferred Stock or Parent Common Stock to be issued in connection with the transactions contemplated by this Agreement; and the management of Lockheed has no plan or intention to terminate the existence of Parent or to merge Parent with any other corporation.

(c) Following the Pacific Sub Merger, Lockheed will hold at least 90 percent of the fair market value of its net assets and at least 70 percent of the fair market value of its gross assets and at least 90 percent of the fair market value of Pacific Sub's net assets and at least 70 percent of the fair market value of Pacific Sub's gross assets held immediately prior to such Merger. For purposes of this representation, amounts used by Lockheed or Pacific Sub to pay reorganization expenses, and all redemptions and distributions (except for regular, normal dividends) made by Lockheed will be included as assets held by Lockheed or Pacific Sub, respectively, immediately prior to the Pacific Sub Merger.

(d) Lockheed has no plan or intention to issue additional shares of its stock following the Pacific Sub Merger that would result in Parent's ceasing to own all the outstanding shares of stock of Lockheed.

(e) Lockheed is not aware of any plan or intention of Parent: to liquidate Lockheed; to merge Lockheed with or into another corporation; to sell or otherwise dispose of the stock of Lockheed except for transfers of stock to corporations controlled by Parent; to cause Lockheed to sell or otherwise dispose of any of its assets or of any of the assets acquired from Pacific Sub, except for dispositions made in the ordinary course of business or transfers of assets to a corporation controlled by Lockheed; or to cause Lockheed to issue any shares of capital stock to any person other than Parent. For purposes of this representation, "control" is defined by Section 368(c) of the Code.

ARTICLE VI

ADDITIONAL COVENANTS AND AGREEMENTS

It is further agreed as follows:

SECTION 6.1 Conduct of Business by Martin Marietta or Lockheed. Prior to the Merger Date or the date, if any, on which this Agreement is earlier terminated pursuant to Section 8.1 (the "Termination Date"),

and except as set forth in the Martin Marietta Schedule or the Lockheed Schedule, as may be agreed to by the other parties hereto or as may be permitted pursuant to this Agreement, Martin Marietta and Lockheed:

(a) shall, and shall cause each of their respective Subsidiaries to, conduct their respective operations according to their ordinary and usual course of business;

(b) shall use their reasonable efforts, and cause each of their respective Subsidiaries to use its reasonable efforts, to preserve intact their respective business organizations and goodwill in all material respects, keep available the services of their respective officers and employees as a group and maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with them;

(c) shall confer on a regular and frequent basis with one or more representatives of one another to report operational matters of materiality and the general status of ongoing operations;

(d) shall notify one another of any emergency or other change in the normal course of their or their Subsidiaries' respective businesses or in the operation of their or their Subsidiaries' respective properties and of any governmental complaints, investigations or hearings (or communications indicating that the same may be contemplated) if such emergency, change, complaint, investigation or hearing would be material to the business, operations or financial condition of either Martin Marietta or Lockheed and their respective Subsidiaries, as the case may be, taken as a whole;

(e) shall not, and shall not permit any of their respective Subsidiaries which is not wholly owned to, declare or pay any dividends on or make any distribution with respect to their outstanding shares of capital stock other than, with respect to Martin Marietta and Lockheed, their respective regular quarterly cash dividends and, in the case of Martin Marietta, pursuant to the Martin Marietta Rights Plan.

(f) shall not, and shall not permit any of their respective Subsidiaries to, except in the ordinary course of business or except as otherwise provided in this Agreement, enter into or amend any employment, severance or similar agreements or arrangements with any directors or executive officers;

(g) shall not, and shall not permit any of their respective Subsidiaries to, authorize, propose or announce an intention to authorize or propose, or enter into an agreement with respect to (or, subject to applicable fiduciary duties of the directors of Martin Marietta and Lockheed, recommend), any merger, consolidation or business combination (other than the Mergers), any acquisition of a material amount of assets or securities, any disposition of a material amount of assets or securities or any release or relinquishment of any material contract rights not in the ordinary course of business;

(h) shall not propose or adopt any amendments to their respective corporate charters or bylaws;

(i) shall not, and shall not permit any of their respective Subsidiaries to, issue any shares of their capital stock, except upon conversion of the Martin Marietta Preferred Stock in the case of Martin Marietta or upon exercise of rights issued pursuant to the Martin Marietta Rights Plan or Lockheed Rights Plan or upon exercise of rights or options issued pursuant to employee benefit plans, programs or arrangements in existence on the date hereof, or Martin Marietta's dividend reinvestment plan or effect any stock split or otherwise change its capitalization as it existed on July 31, 1994 (except as contemplated herein);

(j) shall not, and shall not permit any of their respective Subsidiaries to, grant, confer or award any options, warrants, conversion rights or other rights, not existing on the date hereof, to acquire any shares of its capital stock, except grants of options pursuant to employee benefit plans, programs or arrangements in existence on the date hereof in the ordinary course of business and consistent with past practice covering not in excess of 25,000 shares of Martin Marietta Common Stock or 25,000 shares of Lockheed Common Stock;

(k) shall not, and shall not permit any of their respective Subsidiaries to, except in connection with employee benefit plans in the ordinary course of business or Martin Marietta's dividend reinvestment plan, purchase or redeem any shares of its capital stock;

(l) shall not, and shall not permit any of their respective Subsidiaries to, take any actions which would, or would be reasonably likely to, prevent Parent from accounting for the transactions to be effected pursuant to Article I of this Agreement in accordance with the pooling of interests method of accounting under the requirements of APB No. 16;

(m) shall not, and shall not permit any of their respective Subsidiaries to, except as contemplated by Section 6.5, amend in any significant respect the terms of their respective employee benefit plans, programs or arrangements or any severance or similar agreements or arrangements in existence on the date hereof, or adopt any new employee benefit plans, programs or arrangements or any severance or similar agreements or arrangements;

(n) shall not, and shall not permit any of their respective Subsidiaries to, (i) enter into any material loan agreement or (ii) enter into or bid with respect to any contract that is expected to result in a material loss; and

(o) shall not, and shall not permit any of their respective Subsidiaries to, agree in writing or otherwise, to take any of the foregoing actions or any action which would make any representation or warranty in Articles IV and V hereof untrue or incorrect.

For purposes of this Section 6.1, Martin Marietta Materials, Inc. or any of its Subsidiaries shall not be considered to be a Subsidiary of Martin Marietta.

SECTION 6.2 Investigation. Each of Martin Marietta and Lockheed shall afford to one another and to one another's officers, employees, accountants, counsel and other authorized representatives full and complete access during normal business hours, throughout the period prior to the earlier of the Merger Date or the Termination Date, to its and its Subsidiaries' plants, properties, contracts, commitments, books, and records (including but not limited to tax returns) and any report, schedule or other document filed or received by it pursuant to the requirements of federal or state securities laws, and shall use their reasonable efforts to cause their respective representatives to furnish promptly to one another such additional financial and operating data and other information as to its and its Subsidiaries' respective businesses and properties as the other or its duly authorized representatives may from time to time reasonably request. The parties hereby agree that each of them will treat any such information in accordance with the Confidentiality Agreement, dated March 29, 1994, between Martin Marietta and Lockheed (the "Confidentiality Agreement"), and, subject to applicable law, will not disclose any such information to any other party. Notwithstanding any provision of this Agreement to the contrary, no party shall be obligated to make any disclosure in violation of applicable laws or regulations, including any such laws or regulations pertaining to the treatment of classified information. If for any reason the Mergers are not consummated, each of Martin Marietta and Lockheed shall return or shall cause to be returned all information (and any copies thereof or extracts therefrom) obtained by it or its representatives pursuant to this Agreement or in connection with the negotiations hereof to the other party and will thereafter continue to treat as confidential all such information and shall not use, or knowingly permit any other party to use, any such information.

SECTION 6.3 Cooperation. Martin Marietta and Lockheed shall together, or pursuant to an allocation of responsibility to be agreed upon between them:

(a) prepare and file with the SEC as soon as is reasonably practicable the Joint Proxy Statement and a registration statement of Parent (the "Registration Statement") with respect to the transactions contemplated by this Agreement, and use their reasonable efforts to have the Joint Proxy Statement cleared by the SEC under the Exchange Act and the Registration Statement declared effective by the SEC under the Securities Act;

(b) as soon as is reasonably practicable take all such action as may be required under state blue sky or securities laws in connection with the transactions contemplated by this Agreement;

(c) cooperate with one another in determining whether any filings are required to be made with or consents required to be obtained from, any third party or governmental authority in any jurisdiction prior to the Merger Date in connection with the consummation of the transactions contemplated in this

Agreement and cooperate in making any such filings promptly and in seeking to obtain timely any such consents;

(d) promptly make application to the NYSE and such other stock exchanges as shall be agreed upon for the listing of the Parent Common Stock and use its reasonable efforts to list such stock on the NYSE or such other exchanges;

(e) promptly make their respective filings and any other required or requested submissions under the HSR Act; and

(f) cooperate with one another in order to lift any injunctions or remove any other impediment to the consummation of the transactions contemplated herein, except that no party shall be required to agree to the divestiture of any of its or the other party's material assets or to other materially onerous conditions in order to obtain any governmental approval.

Subject to the limitations contained in Section 6.2, Martin Marietta and Lockheed shall each furnish to one another and to one another's counsel all such information as may be required in order to effect the foregoing actions and each represents and warrants to the other that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the transactions contemplated by this Agreement will contain any untrue statement of a material fact or omit to state a material fact required to be stated in order to make any information so furnished, in light of the circumstances under which it is so furnished, not misleading.

SECTION 6.4 Affiliate Agreements. Each of Martin Marietta and Lockheed (each of which is referred to in this Section 6.4 as a "Subject Company") shall, prior to the Merger Date, cause to be delivered to the other a list, reviewed by its counsel, identifying all persons who are, in its opinion, at the time of the meeting of the Subject Company's stockholders to be held in accordance with Article II, "affiliates" of the Subject Company for purposes of Rule 145 promulgated by the SEC under the Securities Act. Each Subject Company shall furnish such information and documents as the other may reasonably request for the purpose of reviewing such list. Each Subject Company shall use its reasonable efforts to cause each person who is identified as an "affiliate" in the list furnished pursuant to this Section 6.4 to execute a written agreement on or prior to the Merger Date, in a form satisfactory to the other (an "Affiliate Agreement"), that such person (a) will not offer or sell or otherwise dispose of any of the shares of Parent Common Stock issued to such person pursuant to the Mergers in violation of the Securities Act or the rules or regulations promulgated by the SEC thereunder, and (b) will not offer or sell or otherwise dispose of any of the shares of Martin Marietta Common Stock, Martin Marietta Preferred Stock, Lockheed Common Stock, Parent Common Stock or Parent Preferred Stock in a manner or at a time that will disqualify Parent from accounting for the transactions contemplated by this Agreement in accordance with the pooling of interests method of accounting.

SECTION 6.5 Employee Stock Options, Incentive and Benefit Plans. (a) Simultaneously with the Atlantic Sub Merger, (i) each outstanding option to purchase or acquire a share of Martin Marietta Common Stock under option plans presently maintained by Martin Marietta ("Martin Marietta Option Plans") shall be converted into an option to purchase that number of shares of Parent Common Stock which could have been obtained upon the exercise of each such option at the same exercise price, and all references in each such option to Martin Marietta shall be deemed to refer to Parent, where appropriate, (ii) each outstanding stock appreciation right under the Martin Marietta Option Plans ("Martin Marietta SAR") to receive a cash payment based on the Martin Marietta Common Stock shall be converted into a stock appreciation right to receive a cash payment based on the Parent Common Stock, for the same number of shares and at the same base price as applied to the Martin Marietta SAR, and all references in each Martin Marietta SAR to Martin Marietta shall be deemed to refer to Parent, where appropriate, (iii) Parent shall assume the obligations of Martin Marietta under the Martin Marietta Option Plans and (iv) each outstanding award made pursuant to Martin Marietta's Amended and Restated Long Term Performance Incentive Compensation Plan and its predecessor plans shall be amended or converted into a similar instrument of Parent, in either case with such adjustments to the terms of such awards, including but not limited to, the formula setting forth the redemption value of such awards as are appropriate to preserve the value inherent in such awards with no detrimental

effects on the holders thereof without their consent. Subject to stockholder approval of the 1994 Parent Stock Plan (as hereinafter defined), no additional options or awards shall be granted pursuant to the Martin Marietta Option Plans after the Atlantic Sub Merger.

(b) Simultaneously with the Pacific Sub Merger, (i) each outstanding option (and related stock appreciation right ("Lockheed SAR"), if any) to purchase or acquire a share of Lockheed Common Stock under option plans presently maintained by Lockheed ("Lockheed Option Plans") shall be converted into an option (together with a related stock appreciation right of Parent, if applicable), to purchase 1.63 times the number of shares of Parent Common Stock which could have been obtained upon the exercise of each such option, at an exercise price per share equal to the exercise price for each such share of Lockheed Common Stock subject to an option (and related Lockheed SAR, if any) under the Lockheed Option Plans divided by 1.63, and all references in each such option (and related Lockheed SAR, if any) to Lockheed shall be deemed to refer to Parent, where appropriate, and (ii) Parent shall assume the obligations of Lockheed under the Lockheed Option Plans. Subject to stockholder approval of the 1994 Parent Stock Plan, no additional options or awards shall be granted pursuant to the Lockheed Option Plans after the Pacific Sub Merger.

(c) Martin Marietta and Lockheed agree that effective as of the Merger Date, and subject to approval by the stockholders of Martin Marietta and Lockheed, Parent shall adopt an omnibus securities award plan (the "1994 Parent Stock Plan") for the purpose of granting stock options, restricted stock, stock appreciation rights or other stock-based incentive awards to such employees of Parent, Martin Marietta and Lockheed, and their respective Subsidiaries, in such amounts and upon such terms and conditions as the Compensation Committee of the Board of Directors of Parent shall, in its sole discretion, determine (subject to the provisions of the 1994 Parent Stock Plan).

(d) Martin Marietta and Lockheed agree that each of their respective stock option, employee incentive and benefit plans, programs and arrangements (in addition to those for non-employee directors) and in the case of Martin Marietta, its dividend reinvestment plan, shall be amended, to the extent necessary or appropriate, to reflect the transactions contemplated by this Agreement, including, but not limited to, (i) the conversion of shares of Martin Marietta Common Stock or Lockheed Common Stock held pursuant to such benefit plans, programs or arrangements into shares of Parent Common Stock on a basis consistent with the transactions contemplated by this Agreement, and (ii) the appointment of appropriate committees consisting of directors of Martin Marietta or Lockheed, as the case may be, or Parent, if appropriate, who are not participants in such plans, programs or arrangements. The actions to be taken by Martin Marietta and Lockheed pursuant to this section 6.5(d) shall include the submission of the amendments to the plans, programs or arrangements referred to herein to their respective stockholders at the special meetings to consider this Agreement and the Merger Agreements, if such submission is determined to be necessary or advisable by counsel to Martin Marietta or Lockheed after consultation with one another; provided, however, that such approval shall not be a condition to the consummation of the Mergers.

(e) Parent shall (i) reserve for issuance the number of shares of Parent Common Stock that will become subject to the benefit plans, programs and agreements referred to in this Section 6.5, and (ii) issue or cause to be issued the appropriate number of shares of Parent Common Stock pursuant to such agreements, plans and programs, upon the exercise or maturation of rights existing thereunder on the Merger Date or thereafter granted or awarded.

SECTION 6.6 Further Assurances. Subject to the terms and conditions provided herein, each of the parties agrees to use its reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable law and regulation to consummate and make effective the Mergers in accordance with the terms of this Agreement and the Merger Agreements, subject, however, to the vote of stockholders of Martin Marietta and Lockheed in accordance with Article II. In case at any time after the Merger Date any further action is necessary or desirable to carry out the purposes of this Agreement or the Merger Agreements, the proper officers or directors of Martin Marietta and Lockheed shall take all such necessary action.

SECTION 6.7 No Solicitation. Unless and until this Agreement shall have been terminated by either party pursuant to Section 8.1, neither Martin Marietta nor Lockheed nor any of their respective officers,

directors or agents shall directly or indirectly, encourage, solicit or initiate discussions or negotiations with, or engage in negotiations or discussions with, or provide any nonpublic information to, any corporation, partnership, person or other entity or group (other than to Martin Marietta or Lockheed or an affiliate or an associate of either Martin Marietta or Lockheed) concerning any merger, sale of substantial assets, sale of shares of capital stock or similar transactions involving Martin Marietta or Lockheed or any of their respective Subsidiaries or divisions, unless its Board of Directors, upon written advice of counsel, has determined that it is in the best interests of such Company's stockholders to do so. In the event Martin Marietta or Lockheed shall receive any proposal concerning any such transaction, such party shall promptly advise the other as to such proposal and as to any discussions conducted in connection therewith.

SECTION 6.8 Public Announcements. Martin Marietta and Lockheed will consult with each other before issuing any press release relating to this Agreement or the transactions contemplated herein and shall not issue any such press release prior to such consultation, except as may be required by law or by obligations pursuant to any listing agreement with any national securities exchange.

SECTION 6.9 Agreements with Respect to Martin Marietta Common Stock and Lockheed Common Stock. (a) Martin Marietta agrees that it will, and will use its reasonable efforts to the end that its Subsidiaries will, (i) not tender into any tender or exchange offer or sell, transfer or otherwise dispose of any shares of the voting capital stock of Lockheed ("Lockheed Voting Stock") which they own, (ii) vote all shares of Lockheed Voting Stock owned by them in favor of the transactions contemplated by this Agreement and (iii) vote all shares of Lockheed Voting Stock owned by them against any merger, consolidation, business combination, or other extraordinary corporate transaction (including without limitation any reclassification of securities, recapitalization, sale, lease, exchange or other disposition of all or substantially all of its respective assets, issuance of securities in exchange for cash or securities or other property, liquidation or dissolution) involving Lockheed other than the transactions contemplated by this Agreement.

(b) Lockheed agrees that it will, and will use its reasonable efforts to the end that its Subsidiaries will, (i) not tender into any tender or exchange offer or sell, transfer or otherwise dispose of any shares of the voting capital stock of Martin Marietta ("Martin Marietta Voting Stock") which they own, (ii) vote all shares of Martin Marietta Voting Stock owned by them in favor of the transactions contemplated by this Agreement and (iii) vote all shares of Martin Marietta Voting Stock owned by them against any merger, consolidation, business combination or other extraordinary corporate transaction (including without limitation any reclassification of securities, recapitalization, sale, lease, exchange or other disposition of all or substantially all of its respective assets, issuance of securities in exchange for cash or securities or other property, liquidation or dissolution) involving Martin Marietta other than the transactions contemplated by this Agreement.

SECTION 6.10 Indemnification and Insurance. For a period of six years after the Merger Date, Parent shall cause to be maintained in effect (a) the current provisions regarding indemnification of officers and directors contained in the charter and bylaws of Martin Marietta and the certificate of incorporation and bylaws and officers and directors indemnification agreements of Lockheed, and (b) the current policies of directors' and officers' liability insurance and fiduciary liability insurance maintained by Martin Marietta and Lockheed (provided that Parent may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are, in the aggregate, no less advantageous to the insured) with respect to claims arising from facts or events which occurred on or before the Merger Date.

SECTION 6.11 Accountants' "Comfort" Letters. Martin Marietta and Lockheed will each use reasonable efforts to cause to be delivered to each other letters from their respective independent accountants, dated a date within two business days before the date of the Registration Statement, in form and substance reasonably satisfactory to the recipient and customary in scope and substance for comfort letters delivered by independent accountants in connection with registration statements on Form S-4.

SECTION 6.12 Additional Reports. Martin Marietta and Lockheed shall each furnish to the other copies of any reports of the type referred to in Sections 4.4 and 5.4 which it files with the SEC on or after the date hereof, and Martin Marietta or Lockheed, as the case may be, represents and warrants that as of the respective dates thereof, such reports will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statement therein, in light of the

circumstances under which they were made, not misleading. Any unaudited consolidated interim financial statements included in such reports (including any related notes and schedules) will fairly present the financial position of Martin Marietta and its consolidated Subsidiaries or Lockheed and its consolidated Subsidiaries, as the case may be, as of the dates thereof and the results of operations and changes in financial position or other information included therein for the periods or as of the date then ended (subject, where appropriate, to normal year-end accrual adjustments), in each case in accordance with past practice and GAAP consistently applied during the periods involved (except as otherwise disclosed in the notes thereto).

ARTICLE VII

CONDITIONS TO THE MERGERS

SECTION 7.1 Conditions to Both Mergers. The obligation of Martin Marietta to effect the Atlantic Sub Merger and the obligation of Lockheed to effect the Pacific Sub Merger shall each be subject to the simultaneous effectuation by the other of the Merger to which the other is a party and to the following additional conditions:

(a) The holders of shares of Martin Marietta Common Stock and Martin Marietta Preferred Stock, voting together as a single class shall have duly approved this Agreement and the Atlantic Sub Merger Agreement, and holders of shares of Lockheed Common Stock shall have duly approved this Agreement and the Pacific Sub Merger Agreement, all in accordance with applicable law.

(b) No statute, rule, regulation, executive order, decree, or injunction shall have been enacted, entered, promulgated or enforced by any court or governmental authority which prohibits the consummation of either of the Mergers substantially on the terms contemplated hereby.

(c) The Registration Statement shall have become effective in accordance with the provisions of the Securities Act, and no stop order suspending such effectiveness shall have been issued and remain in effect.

(d) The shares of Parent Common Stock issuable in the Mergers shall have been approved for listing on the NYSE upon official notice of issuance.

(e) Any applicable waiting period under the HSR Act shall have expired or been terminated and the other Martin Marietta Required Statutory Approvals and other Lockheed Required Statutory Approvals shall have been obtained at or prior to the Merger Date, except where the failure to obtain such other Martin Marietta Required Statutory Approvals or other Lockheed Required Statutory Approvals would not have a material adverse effect on the transactions contemplated hereby or on the business, results of operations or financial condition of Martin Marietta and its Subsidiaries taken as a whole or Lockheed and its Subsidiaries taken as a whole, as the case may be.

(f) Each of Martin Marietta and Lockheed shall have received a letter of its independent public accountants, dated the Merger Date, in form and substance reasonably satisfactory to it, stating that, they concur with management's conclusion that the transactions effected pursuant to Article I of this Agreement will qualify as transactions to be accounted for in accordance with the pooling of interests method of accounting under the requirements of APB No. 16.

(g) Each of Martin Marietta and Lockheed shall have received an opinion of its tax counsel, in form and substance reasonably satisfactory to it, and dated within five days of the date of the Joint Proxy Statement, to the effect that neither it, nor any of its stockholders shall recognize gain or loss for Federal income tax purposes as a result of the Merger to which it is a party (other than in respect of any cash paid in lieu of fractional shares), which opinion shall have been re-confirmed as of the Merger Date.

SECTION 7.2 Conditions to Obligations of Martin Marietta to Effect the Atlantic Sub Merger. The obligation of Martin Marietta to effect the Atlantic Sub Merger is further subject to the conditions that the representations and warranties of Lockheed contained herein shall in all material respects be true as of the Merger Date with the same effect as though made as of the Merger Date (except for changes specifically

permitted by the terms of this Agreement); Lockheed shall in all material respects have performed all obligations and complied with all covenants required by this Agreement to be performed or complied with by it prior to the Merger Date; and Lockheed shall have delivered to Martin Marietta a certificate, dated the Merger Date and signed by its Chairman of the Board and Chief Executive Officer or President to both such effects.

SECTION 7.3 Conditions to Obligations of Lockheed to Effect the Pacific Sub Merger. The obligation of Lockheed to effect the Pacific Sub Merger is further subject to the conditions that the representations and warranties of Martin Marietta contained herein shall in all material respects be true as of the Merger Date with the same effect as though made as of the Merger Date (except for changes specifically permitted by the terms of this Agreement); Martin Marietta shall in all material respects have performed all obligations and complied with all covenants required by this Agreement to be performed or complied with by it prior to the Merger Date; and Martin Marietta shall have delivered to Lockheed a certificate, dated the Merger Date and signed by its Chairman of the Board and Chief Executive Officer or President to both such effects.

ARTICLE VIII

TERMINATION, WAIVER, AMENDMENT AND CLOSING

SECTION 8.1 Termination or Abandonment. Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated and abandoned at any time prior to the Merger Date, whether before or after approval of this Agreement and the Merger Agreements by the respective stockholders of Martin Marietta and Lockheed:

(a) by the mutual written consent of Martin Marietta and Lockheed;

(b) by Martin Marietta or Lockheed if the Merger Date shall not have occurred on or before March 31, 1995;

(c) by Martin Marietta or Lockheed if any court of competent jurisdiction in the United States or other United States governmental body shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the Mergers on substantially the terms contemplated by this Agreement and such order, decree, ruling or other action shall have become final and non-appealable;

(d) by Martin Marietta if (i) the Board of Directors of Lockheed shall have altered its determination to recommend that the stockholders of Lockheed approve this Agreement or (ii) any third party or group shall have acquired, after the date of this Agreement, beneficial ownership of 15% or more of the outstanding shares of Lockheed Common Stock;

(e) by Lockheed if (i) the Board of Directors of Martin Marietta shall have altered its determination to recommend that the stockholders of Martin Marietta approve this Agreement or (ii) any third party or group shall have acquired, after the date of this Agreement, beneficial ownership of 15% or more of the outstanding shares of Martin Marietta Common Stock;

(f) by Lockheed or Martin Marietta if there shall have been a material breach by the other of any of its representations, warranties, covenants or agreements contained in this Agreement and such breach shall not have been cured within 30 days after notice thereof shall have been received by the party alleged to be in breach; or

(g) by Martin Marietta or Lockheed if, other than as a result of a breach by it, it reasonably concludes that any of the conditions to its obligations hereunder set forth in Section 7.1(b) through (g) shall have become impossible of fulfillment.

In the event of termination of this Agreement pursuant to this Section 8.1, this Agreement shall terminate (except for the last sentence of Section 6.2 and Sections 8.2, 8.3 and 9.2), and there shall be no other liability on the part of Martin Marietta or Lockheed to the other except liability arising out of a wilful breach of this Agreement.

SECTION 8.2 Termination Fee. In the event of a termination by Martin Marietta under Section 8.1(d)(i) following receipt by Lockheed of an Acquisition Proposal, or under Section 8.1(d)(ii), or a termination by Lockheed under Section 8.1(e)(i) following receipt by Martin Marietta of an Acquisition Proposal, or under Section 8.1(e)(ii), the terminating party shall be paid by wire transfer in immediately available funds a fee of \$50 million by the other party within two business days of such termination. For purposes of this Section 8.2 and Section 8.3 below, Parent shall be deemed not to be a party to this Agreement. For purposes of this Agreement, the term "Acquisition Proposal" shall mean any bona fide proposal made by a third party to (i) acquire beneficial ownership (as defined under Rule 13(d) of the Exchange Act) of a majority equity interest in either Martin Marietta or Lockheed pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, tender offer or exchange offer or similar transaction, including, without limitation, any single or multi-step transaction or series of related transactions which is structured to permit such third party to acquire beneficial ownership of a majority or greater equity interest in Martin Marietta or Lockheed, (ii) purchase all or substantially all of the business or assets of Martin Marietta or Lockheed or (iii) otherwise effect a business combination involving Martin Marietta or Lockheed.

SECTION 8.3 Expense Reimbursement. In the event Martin Marietta or Lockheed fails to recommend the transaction contemplated hereby to its stockholders, or withdraws any such recommendation previously made and the Mergers are not consummated, such party shall (unless a fee shall have become payable under Section 8.2 or unless such failure to recommend or such withdrawal shall have been a result of a breach hereof by the other party) at the time of termination of this Agreement pay to the other party an amount equal to such other party's actual costs and expenses incurred in connection herewith, provided that such reimbursement shall not exceed \$15 million.

SECTION 8.4 Amendment or Supplement. At any time before or after approval of this Agreement and the Merger Agreements by the respective stockholders of Martin Marietta and Lockheed and prior to the Merger Date, this Agreement may be amended or supplemented in writing by Martin Marietta and Lockheed with respect to any of the terms contained in this Agreement, except that following approval by the stockholders of Martin Marietta and Lockheed there shall be no amendment or change to the provisions hereof with respect to the conversion ratio of shares of Martin Marietta Common Stock, Martin Marietta Preferred Stock or Lockheed Common Stock into shares of Parent Common Stock and Parent Preferred Stock as provided herein nor any amendment or change not permitted under applicable law, without further approval by the stockholders of Martin Marietta and Lockheed.

SECTION 8.5 Extension of Time, Waiver, Etc. At any time prior to the Merger Date, Martin Marietta and Lockheed may:

(a) extend the time for the performance of any of the obligations or acts of the other party;

(b) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered pursuant hereto; or

(c) waive compliance with any of the agreements or conditions of the other party contained herein; provided, however, that no failure or delay by Martin Marietta or Lockheed in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

SECTION 8.6 Closing. The closing of the transactions contemplated by this Agreement and the Merger Agreements shall take place at the offices of Dewey Ballantine, 1301 Avenue of the Americas, New York, New York at 10:00 A.M., local time, on the Merger Date or at such other time and place as Martin Marietta and Lockheed shall agree.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1 No Survival of Representations and Warranties. None of the representations, warranties and agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Mergers, except for the agreements set forth in Article III, the agreements of "affiliates" of Martin Marietta and Lockheed to be delivered pursuant to Section 6.4, and the provisions of Section 6.5, the last sentence of Section 6.6, and the provisions of Section 6.10.

SECTION 9.2 Expenses. Except as provided in Section 8.3 above, whether or not the Mergers are consummated, all costs and expenses incurred in connection with this Agreement, the Merger Agreements and the transactions contemplated hereby and thereby shall be paid by the party incurring such expenses, except that the expenses incurred in connection with printing the Joint Proxy Statement and any expenses incurred by Parent relating to the issuance, registration and listing of the Parent Common Stock and the Parent Preferred Stock and the qualification thereof under state blue sky or securities laws, shall be paid in equal shares by Martin Marietta and Lockheed.

SECTION 9.3 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered the same agreement.

SECTION 9.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the principles of conflicts of laws thereof.

SECTION 9.5 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered by hand or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses (or at such other addresses for a party as shall be specified by like notice) and shall be deemed given on the date on which so hand-delivered or on the third business day following the date on which so mailed:

To Martin Marietta:
 Martin Marietta Corporation
 6801 Rockledge Drive
 Bethesda, Maryland 20817
 Attention: Frank H. Menaker, Jr., Esq.

copy to:
 Leonard P. Larrabee, Jr., Esq.
 Dewey Ballantine
 1301 Avenue of the Americas
 New York, New York 10019

To Lockheed:
 Lockheed Corporation
 4500 Park Granada Blvd.
 Calabasas, California 91399
 Attention: William T. Vinson, Esq.

copy to:
 C. Douglas Kranwinkle, Esq.
 O'Melveny & Myers
 153 E. 53rd Street
 New York, New York 10022

SECTION 9.6 Miscellaneous. This Agreement:

(a) along with the Confidentiality Agreement and the Merger Agreements constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof and thereof; and

(b) except for the provisions of Section 6.10 hereof, is not intended to and shall not confer upon any person other than the parties hereto any rights or remedies hereunder; and

(c) shall not be assignable by operation of law or otherwise. The headings contained in this Agreement are for reference purposes and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 9.7 Subsidiaries; Significant Subsidiaries. When a reference is made in this Agreement to subsidiaries of Martin Marietta or Lockheed, the word "Subsidiaries" means any corporation of which more than 50% on the date hereof of the outstanding voting securities are directly or indirectly owned by Martin Marietta or Lockheed (as the case may be). When a reference is made in this Agreement to Significant Subsidiaries, the words "Significant Subsidiaries" shall refer to Subsidiaries (as defined above) which constitute "significant subsidiaries" under Rule 405 promulgated by the SEC under the Securities Act.

SECTION 9.8 Finders or Brokers. Except for Bear, Stearns & Co. Inc. with respect to Martin Marietta, and Morgan Stanley & Co. Incorporated with respect to Lockheed, neither Martin Marietta nor Lockheed has employed any investment banker, broker, finder or intermediary in connection with the transactions contemplated hereby who might be entitled to any fee or any commission in connection with or upon consummation of the Mergers.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

[Signatures omitted]

CHARTER OF
LOCKHEED MARTIN CORPORATION

ARTICLE I

NAME

The name of the Corporation is Lockheed Martin Corporation.

ARTICLE II

PERIOD OF DURATION

The period of duration of the Corporation is perpetual.

ARTICLE III

PURPOSE AND POWERS

The purpose for which the Corporation is formed is to engage in any lawful act, activity or business for which corporations may now or hereafter be organized under the Maryland General Corporation Law (the "GCL"). The Corporation shall have all the general powers granted by law to Maryland corporations and all other powers not inconsistent with law which are appropriate to promote and attain its purpose.

ARTICLE IV

PRINCIPAL OFFICE AND RESIDENT AGENT

The address of the principal office of the Corporation in the State of Maryland is 6801 Rockledge Drive, Bethesda, Maryland 20817. The Resident Agent of the Corporation is Jennifer E. Bashaw, whose address is c/o Lockheed Martin Corporation, 6801 Rockledge Drive, Bethesda, Maryland 20817. The Resident Agent is a citizen of the State of Maryland and actually resides therein.

ARTICLE V

DIRECTORS

SECTION 1. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

SECTION 2. The number of directors of the Corporation shall be twenty-four (24), which number may be increased or decreased from time to time pursuant to the Charter or the Bylaws of the Corporation, but which never shall be less than twelve (12). The names of the current directors who shall act until their successors are duly chosen and qualified, are:

Norman R. Augustine
 Marcus C. Bennett
 Lynne V. Cheney
 A. James Clark
 Edwin I. Colodny
 Lodwick M. Cook
 James L. Everett, III
 Houston I. Flourney
 James F. Gibbons
 Edward L. Hennessy, Jr.
 Edward E. Hood, Jr.
 Caleb B. Hurtt
 Gwendolyn S. King
 Lawrence O. Kitchen
 Gordon S. Macklin
 Vincent N. Marafino
 Eugene F. Murphy
 Allen E. Murray
 David S. Potter
 Frank Savage
 Daniel M. Tellep
 Carlisle A.H. Trost
 James R. Ukropina
 Douglas C. Yearley

SECTION 3. Any director or the entire Board of Directors may be removed from office as a director or directors at any time, but only for cause, by the affirmative vote at a duly called meeting of stockholders of at

least 80% 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 4. 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 entire Board of Directors. Except to the extent provided in the Charter, no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

SECTION 5. Except to the extent prohibited by law or limited by the Charter, the Board of Directors shall have the power (which, to the extent exercised, shall be exclusive) to fix the number of directors and to establish the rules and procedures that govern the internal affairs of the Board of Directors and nominations for director, including, without limitation, the vote required for any action by the Board of Directors, and that from time to time shall affect the directors' power to manage the business and affairs of the Corporation, and no Bylaw shall be adopted by stockholders which shall modify the foregoing.

SECTION 6. Notwithstanding any other provisions of law or the Charter or Bylaws of the Corporation, the affirmative vote of at least 80% 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, shall be required to amend, or repeal, or to adopt any provision inconsistent with Sections 3 or 5 of this Article V.

ARTICLE VI

AUTHORIZED SHARES OF STOCK

The total number of shares of stock of all classes which the Corporation has authority to issue is 820,000,000 shares, divided into 20,000,000 shares of Series A Preferred Stock, \$1.00 par value per share, 50,000,000 shares of Series Preferred Stock, \$1.00 par value per share, and 750,000,000 shares of Common Stock, \$1.00 par value per share. The aggregate par value of all shares of all classes is \$820,000,000.00.

A description of each class with the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of each class, is as follows:

A. Series A Preferred Stock

SECTION 1. Designation, Amount and Rank. The class of Preferred Stock shall be designated "Series A Preferred Stock" and the authorized number of shares constituting such class shall be 20,000,000. The Series A Preferred Stock shall rank on a parity as to dividends and as to distribution of assets upon liquidation, dissolution or winding up with any other class of Preferred Stock which the Corporation may in the future issue and which by its terms is not stated to rank junior to the Series A Preferred Stock and the Series A Preferred Stock shall rank senior, as to dividends and to distribution of assets upon liquidation, dissolution or winding up to all other classes or series of stock of the Corporation which are currently outstanding or which the Corporation may in the future issue.

SECTION 2. Dividends. (a) The holders of outstanding shares of Series A Preferred Stock will be entitled to receive, subject to the rights of holders of any class of Preferred Stock which the Corporation may in the future issue which ranks on a parity with the Series A Preferred Stock in respect of dividends, and when, as and if declared by the Board of Directors out of funds legally available therefor, cumulative preferential cash dividends at the per share rate of \$.75 for each of the quarters ending on the last day of March, June, September and December of each year and no more, payable in arrears on each succeeding April 1, July 1, October 1 and January 1, respectively (each such date being hereinafter referred to as a "Preferred Dividend Payment Date") commencing on that Preferred Dividend Payment Date which next follows the issuance of such shares. Dividends shall (i) commence to accrue (whether or not declared and whether or not funds are

legally available for payment) and shall be cumulative on the Series A Preferred Stock from and after the last dividend payment date with respect to the Series A Preferred Stock of Martin Marietta Corporation provided that all dividends have been paid through such last dividend payment date and (ii) shall compound quarterly, to the extent they are unpaid, at the rate of 6% per annum computed on the basis of a 360-day year of twelve 30-day months. If any Preferred Dividend Payment Date shall not be a Business Day, then the Preferred Dividend Payment Date shall be on the next succeeding Business Day. Each such dividend will be payable to holders of record as they appear on the stock books of the Corporation on the record dates, not less than 10 nor more than 50 days preceding the payment dates thereof, as shall be fixed by the Board of Directors. As used herein, the term "Business Day" shall mean any day other than a Saturday, Sunday, or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close or a day which is or is declared a national or New York State holiday.

(b) Holders of the shares of Series A Preferred Stock shall not be entitled to any dividends on such shares, whether payable in cash, property or stock, in excess of full cumulative dividends, as herein provided.

(c) (i) So long as any share of Series A Preferred Stock shall remain outstanding, no dividend or distribution whatsoever shall be declared or paid upon or set apart for any class of stock or series thereof ranking junior to the Series A Preferred Stock in payment of dividends nor shall any shares of any class of stock or series thereof ranking junior to or on a parity with the Series A Preferred Stock in payment of dividends be redeemed or purchased by the Corporation or any subsidiary thereof nor shall any moneys be paid to or made available for a sinking fund for redemption or purchase of any shares of any class of stock or series thereof ranking junior to or on a parity with the Series A Preferred Stock in payment of dividends, unless, in each such instance, full dividends on all outstanding shares of Series A Preferred Stock for all past dividend periods shall have been paid at the rate fixed therefor, the dividends on all outstanding shares of Series A Preferred Stock for the then current quarterly dividend period shall have been paid or declared and sufficient funds set aside for payment thereof and all redemption payments with respect to the Series A Preferred Stock which the Corporation shall have become obligated to make shall have been made. Notwithstanding the immediately preceding sentence, the Corporation shall be permitted to purchase or acquire any preferred or common stock purchase rights of the Corporation ("Rights") distributed pursuant to any rights agreements to which it may be a party (the "Rights Agreement").

(ii) No dividend shall be paid upon or declared or set apart for any share of Series A Preferred Stock for any dividend period unless at the same time (a) a like proportionate dividend for the same dividend period shall be paid upon or declared or set apart for all shares of Series A Preferred Stock then outstanding and entitled to receive such dividend and (b) there shall have been paid upon or declared or set aside for all shares of any other class of stock or series thereof, if any, then outstanding and ranking on a parity with the Series A Preferred Stock in payment of dividends, for the same dividend period of the Series A Preferred Stock, dividends ratably in proportion to the respective dividend rates fixed for the Series A Preferred Stock and said parity stock. No dividend shall be paid upon or declared or set apart for any shares of any other class of stock or series thereof, if any, then outstanding and ranking on a parity with Series A Preferred Stock in payment of dividends for any dividend period, unless there shall have been paid upon or declared or set apart for all shares then outstanding of Series A Preferred Stock, for the same dividend period, dividends ratably in proportion to the respective dividend rates fixed for the Series A Preferred Stock and said parity stock.

SECTION 3. Redemption. (a) On or after the fifth anniversary of April 2, 1993 (the "Initial Issuance Date"), the Corporation, at its option, may redeem any or all shares of Series A Preferred Stock, at a redemption price of \$50 per share, plus an amount equal to accrued and unpaid dividends thereon (whether or not declared and whether or not funds are legally available for payment) to and including the date of redemption (the "Redemption Price"), but only if the Average Closing Price (as defined in Section 4(e)(vii) below) of the Common Stock (calculated as of the record date fixed in accordance with Section 3(c) for notifying holders of such redemption) equals or exceeds the applicable percentage of the

Conversion Price (as defined in Section 4(a)) set forth below opposite the anniversary of the Initial Issuance Date that occurs on or that immediately preceded such record date:

ANNIVERSARY OF INITIAL ISSUANCE DATE -----	PERCENTAGE OF CONVERSION PRICE -----
5.....	130%
6.....	122.5%
7.....	115.0%
8.....	107.5%
9 and thereafter.....	100%

Immediately prior to authorizing or making any such redemption with respect to the Series A Preferred Stock, the Corporation, by resolution of its Board of Directors, shall, to the extent of any funds legally available therefor, declare a dividend on the Series A Preferred Stock payable on the redemption date in an amount equal to any accrued and unpaid dividends on the Series A Preferred Stock as of such date and, if the Corporation does not have sufficient funds legally available therefor to declare and pay all dividends accrued at the time of such redemption, then (i) the dividend shall be paid pro rata as among the Series A Preferred Stock and any other Preferred Stock ranking on a parity as to dividends with the Series A Preferred Stock in accordance with Section 2(c)(ii), and (ii) an amount equal to any remaining accrued and unpaid dividends shall be added to the redemption price of the Series A Preferred Stock.

(b) If less than all the outstanding shares of Series A Preferred Stock are to be redeemed, the shares to be redeemed shall be selected pro rata (subject to rounding to avoid fractional shares) as nearly as practicable or by lot, or by such other method as the Board of Directors may determine to be equitable.

(c) Notice of any redemption shall be given by first class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the date fixed for redemption to the holders of record of the shares of Series A Preferred Stock to be redeemed at their respective addresses appearing on the stock books of the Corporation. The Board of Directors of the Corporation shall fix a record date for determining holders of record who are entitled to receive notice of any redemption, not more than 10 days prior to the mailing of such notice. Notice so mailed shall be conclusively presumed to have been duly given whether or not actually received. Such notice shall state: (i) the date fixed for redemption; (ii) the Redemption Price; (iii) whether the Redemption Price will be paid in cash or, pursuant to Section 3(d) below, in Common Stock; (iv) that the holder has the right to convert such shares into Common Stock until the close of business on the second Business Day immediately preceding the related redemption date, together with a statement of the then effective Conversion Price and the place where certificates for such shares may be surrendered for conversion; (v) the number of shares of Series A Preferred Stock to be redeemed and if less than all the shares held by such holder are to be redeemed, the number of such shares to be so redeemed from such holder; (vi) the place where certificates for such shares are to be surrendered for payment of the Redemption Price; (vii) that after the close of business on such date fixed for redemption the shares to be redeemed shall not accrue dividends; and (viii) if the Redemption Price will be paid in Common Stock, that the holder has the right to cause a Backstop Registration of such Common Stock as described below. Upon surrender in accordance with the aforesaid notice of the certificate for any shares of Series A Preferred Stock so redeemed (duly endorsed or accompanied by appropriate instruments of transfer, if so required by the Corporation in such notice), the holders of record of such shares shall be entitled to receive the Redemption Price, without interest. In case fewer than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

(d) At the option of the Corporation, if notice of redemption is mailed as aforesaid, and if prior to the date fixed for redemption funds or shares of Common Stock sufficient to pay in full the Redemption Price are deposited in trust, for the account of the holders of the shares to be redeemed, with a bank or trust company named in such notice doing business in the Borough of Manhattan, The City of New York, State of New York and having capital surplus and undivided profits of at least \$500 million (which bank or trust company also may be the transfer agent and/or paying agent for the Series A Preferred Stock), notwithstanding the fact that

any certificate(s) for shares called for redemption shall not have been surrendered for cancellation, on and after such date of deposit the shares represented thereby so called for redemption shall be deemed to be no longer outstanding, and all rights of the holders of such shares as stockholders of the Corporation shall cease, except the right of the holders thereof to convert such shares in accordance with the provisions of Section 4 at any time prior to the close of business on the second Business Day immediately preceding the related redemption date and the right of the holders thereof to receive out of the funds or shares of Common Stock so deposited in trust the Redemption Price, without interest, upon surrender of the certificate(s) representing such shares. Any funds or shares of Common Stock so deposited with such bank or trust company in respect of shares of Series A Preferred Stock converted before the close of business on the second Business Day immediately preceding the related redemption date shall be returned to the Corporation upon such conversion. Any funds or shares of Common Stock so deposited with such bank or trust company which shall remain unclaimed by the holders of shares called for redemption at the end of two years after the related redemption date shall be repaid to the Corporation, on demand, and thereafter the holder of any such shares shall look only to the Corporation for the payment, without interest thereon, of the Redemption Price.

(e) (i) In lieu of paying the Redemption Price in cash, the Corporation may, at its sole option, pay such Redemption Price in shares of Common Stock.

(ii) The number of shares of Common Stock issuable in lieu of a cash payment of the Redemption Price shall be the number of fully paid and nonassessable shares (calculated to the nearest 1/100th of a share) of Common Stock (which shares of Common Stock shall consist of authorized but unissued shares) as shall have an aggregate Specified Value (as defined below) as of the redemption date equal to the aggregate liquidation preference of the shares of Series A Preferred Stock being redeemed. The shares to be redeemed shall be selected pro rata from each holder; provided that, if the number of shares of Series A Preferred Stock held by a holder which are subject to redemption as aforesaid is not a whole number, the number of shares of Series A Preferred Stock held by such holder to be redeemed as aforesaid shall be rounded upward to the nearest whole number. The shares of Common Stock issuable on any redemption to be paid in Common Stock will be delivered to the Corporation for the account of such holders. By their acceptance of shares of Series A Preferred Stock, each holder thereof shall be deemed (i) to have accepted the appointment of the Corporation to act as such referred to below and (ii) to have appointed the Corporation as its attorney-in-fact for purposes of making any endorsements on certificates for shares of Common Stock received by such holder upon redemption of shares of Series A Preferred Stock to the extent any such endorsement is necessary or appropriate for purposes of effecting the sale of such shares of Common Stock in a Backstop Registration, as described below. No fractional shares of Common Stock will be issued upon redemption. A holder of shares of Series A Preferred Stock who would otherwise be entitled to receive such a fractional share shall, in lieu thereof, receive cash in an amount equal to the same fraction of the Specified Value.

(iii) For purposes hereof, "Specified Value" means the Average Closing Price (as defined in Section 4(e)(vii)) per share of Common Stock as of the applicable redemption date.

(iv) Before any holder of shares of Series A Preferred Stock shall receive certificates for shares of Common Stock in respect of the redemption of shares of Series A Preferred Stock (or cash representing fractional share settlements in respect thereof) such holder shall surrender the certificate or certificates of shares of Series A Preferred Stock duly endorsed if required by the Corporation, at the office of the Corporation and, if certificates for shares of Common Stock are to be received by such holder, shall state in writing the name or names and the denominations in which such holder wishes the certificate or certificates for the Common Stock to be issued. The Corporation will, as soon as practicable after receipt thereof, issue and deliver to such holder, or such holder's designee or designees, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid, together with a certificate or certificates representing any shares of Series A Preferred Stock which are not to be redeemed, but which shall have constituted part of the shares of Series A Preferred Stock represented by the certificate or certificates so surrendered.

(v) Each redemption of shares of Series A Preferred Stock paid in Common Stock shall be deemed to have been made as of the close of business on the applicable redemption date, so that the rights of the holder

of such shares of Series A Preferred Stock shall, to the extent of such redemption, cease at such time and the person or persons entitled to receive shares of the Common Stock upon redemption of such shares (including the person or persons to whom any shares of Common Stock shall have been sold pursuant to a Backstop Registration (as defined in Section 3(f)) shall be treated for all purposes as having become the record holder or holders of the Common Stock at such time, provided, however, that in the event a dividend, distribution, subdivision, combination, reclassification, merger or similar event is declared or occurs with respect to the shares of Common Stock, and the record date for any such action is on or after the close of business on the record date for such redemption, but prior to the close of business on the date of such redemption, then the person or persons entitled to receive shares of the Common Stock upon redemption of shares of Series A Preferred Stock (including the person or persons to whom any shares of Common Stock shall have been sold pursuant to a Backstop Registration) shall be treated for purposes of such action as having become the record holder or holders of the Common Stock at the close of business on the Trading Day (as defined in Section 4(e)(vii)) next preceding the record date of such redemption. From and after the redemption, dividends on the shares of Series A Preferred Stock redeemed with shares of Common Stock as a result of such redemption shall cease to accrue, and said shares of Series A Preferred Stock shall no longer be deemed to be outstanding.

(vi) The Corporation will pay any and all taxes that may be payable in respect of the issuance or delivery of shares of Common Stock upon redemption of shares of Series A Preferred Stock pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the delivery of shares of Common Stock pursuant to a Backstop Registration registered in a name other than the name (x) in which such shares of Series A Preferred Stock were formerly registered or (y) of any underwriter participating in such Backstop Registration, and no such issue or delivery shall be made unless and until the person requesting such issue or delivery has paid to the Corporation the amount of any such tax, or has established, to the satisfaction of the Corporation, that such tax has been paid.

(f) (i) Within 15 days of its receipt of notice pursuant to Section 3(c) above of a redemption payable in shares of Common Stock, each holder of Series A Preferred Stock shall have the right to elect not to retain such Common Stock and to request a backstop registration (a "Backstop Registration") of the shares of Common Stock received in the redemption by delivering to the Corporation a written request specifying the amount of Common Stock that the holder proposes not to retain and to sell pursuant to the Backstop Registration. A holder's failure to timely deliver such notice shall be deemed to be an election by the holder thereof to retain such Common Stock.

(ii) The Corporation shall use its best efforts to cause such shares to be registered under the Securities Act of 1933, as amended (the "Securities Act") as soon as reasonably practicable so as to permit the sale thereof promptly. In connection therewith, the Corporation shall prepare, and within 120 days of the receipt of the request file, on Form S-3 if permitted or otherwise on the appropriate form, a registration statement under the Securities Act to effect such registration. Each holder requesting a Backstop Registration shall thereby be deemed to agree to provide all such information and materials and to take all such action as may be reasonably required in order to permit the Corporation to comply with all applicable requirements of the Securities Act and the Securities and Exchange Commission (the "Commission") and to obtain any desired acceleration of the effective date of such registration statement. If the offering to be registered is to be underwritten, the managing underwriter shall be selected by the Corporation, and the Corporation and each requesting holder shall enter into an underwriting agreement containing customary terms and conditions. For purposes hereof the Common Stock required to be registered is referred to herein as the "Subject Stock." The Corporation shall not be required to include Subject Stock of any requesting holder therein if the requesting holder does not agree to offer its stock by or through the underwriters selected by the Corporation for the registration of the shares of Subject Stock and execute an underwriting agreement in customary form. If a requesting holder has been permitted to participate in a proposed offering pursuant to this Section 3(f), the Corporation thereafter may determine in its sole discretion either not to file a registration statement, or otherwise not to consummate such offering, in whole or in part, without any liability hereunder, except as provided herein.

(iii) In connection with any Backstop Registration of shares of Subject Stock registered pursuant hereto, the Corporation shall (A) furnish to the requesting holders such number of copies of any prospectus

(including preliminary and summary prospectuses) and conformed copies of the registration statement (including amendments or supplements thereto and, in each case, all exhibits) and such other documents as they may reasonably request, but only while the Corporation shall cause the registration statement to remain current; (B)(1) use its best efforts to register or qualify the Subject Stock covered by such registration statement under such blue sky or other state securities laws for offer and sale and (2) keep such registration or qualification in effect for so long as the registration statement remains in effect; (C) use its best efforts to cause all shares of Subject Stock covered by such registration statement to be registered with or approved by such other federal or state government agencies or authorities as may be necessary in the opinion of counsel to the Corporation to enable the requesting holders to consummate the disposition of such shares of Subject Stock; (D) notify the requesting holders any time when a prospectus relating thereto is required to be delivered under the Securities Act upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading, in the light of the circumstances under which they were made, and at the request of the requesting holders promptly prepare and furnish to them a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statement therein not misleading, in the light of the circumstances under which they were made; (E) otherwise use its best efforts to comply with all applicable rules and regulations of the Commission; (F) use its best efforts to list the Subject Stock covered by such registration statement on the New York Stock Exchange or on any other securities exchange on which Subject Stock is then listed; and (G) before filing any registration statement or any amendment or supplement thereto, and as far in advance as is reasonably practicable, furnish to the requesting holders copies of such documents. In connection with any offering of Subject Stock registered pursuant to this Section 3(f), the Corporation shall (x) furnish to the underwriter unlegended certificates representing ownership of the Common Stock being sold in such denominations as requested and (y) instruct any transfer agent and registrar of the Subject Stock to release any stop transfer orders with respect to such Subject Stock. Upon any registration becoming effective pursuant to this Section 3(f), the Corporation shall use its best efforts to keep such registration statement current for a period of 60 days (or 90 days, if the Corporation is eligible to use a Form S3, or successor form) or such shorter period as shall be necessary to effect the distribution of the Subject Stock.

(iv) By requesting Backstop Registration, each requesting holder shall be deemed to agree that upon receipt of any notice from the Corporation of the happening of any event of the kind described in subdivision (iii)(D) of this Section 3(f), it will forthwith discontinue its disposition of Subject Stock pursuant to the registration statement relating to such Subject Stock until its receipt of the copies of the supplemented or amended prospectus contemplated by subdivision (iii)(D) of this Section 3(f) and, if so directed by the Corporation, will deliver to the Corporation all copies then in its possession of the prospectus relating to such Subject Stock current at the time of receipt of such notice.

(v) The Corporation shall pay all agent fees and commissions and underwriting discounts and commissions related to shares of Subject Stock being sold by the requesting holders, the fees and disbursements of one counsel for the requesting holders which shall be selected by a majority in interest of the requesting holders and all other fees and expenses in connection with any registration statement hereunder, including, without limitation, all registration and filing fees, all printing costs, all fees and expenses of complying with securities or blue sky laws and fees and disbursements of the Corporation's counsel and accountants.

(vi) In the case of any offering registered pursuant hereto, the Corporation agrees to indemnify and hold the requesting holders, each underwriter of the Subject Stock under such registration and each person who controls any of the foregoing within the meaning of Section 15 of the Securities Act, and any officer, employee or partner of the foregoing, harmless against any and all losses, claims, damages, or liabilities (including reasonable legal fees and other reasonable expenses incurred in the investigation and defense thereof) to which they or any of them may become subject under the Securities Act or otherwise (collectively "Losses"), insofar

as any such Losses shall arise out of or shall be based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the registration statement relating to the sale of such Subject Stock (as amended if the Corporation shall have filed with the Commission any amendment thereof), or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) any untrue statement or alleged untrue statement of a material fact contained in the prospectus relating to the sale of such Subject Stock (as amended or supplemented if the Corporation shall have filed with the Commission any amendment thereof or supplement thereto), or the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the indemnification contained in this Section 3(f)(vi) shall not apply to such Losses which shall arise out of or shall be based upon any such untrue statement or alleged untrue statement, or any such omission or alleged omission, which shall have been made in reliance upon and in conformity with information furnished in writing to the Corporation by a requesting holder or any such underwriter, as the case may be, specifically for use in connection with the preparation of the registration statement or prospectus contained in the registration statement or any such amendment thereof or supplement thereto.

In the case of each Backstop Registration pursuant to this Section 3(f), each requesting holder and each underwriter participating therein shall agree, substantially in the same manner and to the same extent as set forth in the preceding paragraph, severally to indemnify and hold harmless the Corporation and each person, if any, who controls the Corporation within the meaning of Section 15 of the Securities Act, and the directors and officers of the Corporation, with respect to any statement in or omission from such registration statement or prospectus contained in such registration statement (as amended or as supplemented, if amended or supplemented as aforesaid) if such statement or omission shall have been made in reliance upon and in conformity with information furnished in writing to the Corporation by a requesting holder or such underwriter, as the case may be, specifically for use in connection with the preparation of such registration statement or prospectus contained in such registration statement or any such amendment thereof or supplement thereto.

If the indemnification provided for in this Section 3(f) is unavailable to an indemnified party or is insufficient to hold such indemnified party harmless from any Losses in respect of which this Section 3(f) would otherwise apply by its terms (other than by reason of exceptions provided herein), then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall have a joint and several obligation to contribute to the amount paid or payable by such indemnified party as a result of such Losses, in such proportion as is appropriate to reflect the relative benefits received by and fault of the indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the offering to which such contribution relates as well as any other relevant equitable considerations. The relative benefit shall be determined by reference to, among other things, the amount of proceeds received by each party from the offering to which such contribution relates. The relative fault shall be determined by reference to, among other things, each party's relative knowledge and access to information concerning the matter with respect to which the claim was asserted, and the opportunity to correct and prevent any statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include any legal or other fees or expenses incurred by such party in connection with any investigation or proceeding, to the extent such party would have been indemnified for such expenses if the indemnification provided for in this Section 3(f) was available to such party.

(g) When the offering contemplated by Section 3(f) above has been completed, the net proceeds thereof shall be distributed to the requesting holders pro rata in respect of their interests in the Subject Stock. Any such offering not consummated within six months of delivery of the notice to the Corporation pursuant to Section 3(f)(i) shall be deemed to have been abandoned. To the extent the net proceeds per share to each requesting holder from such offering (treating the net proceeds as zero if such offering has been abandoned) are less than the sum of the Redemption Price and the Interest Amount (as defined below) in respect of such requesting holder's shares of Series A Preferred Stock redeemed pursuant to this Section, the Corporation shall pay to each requesting holder an amount in cash equal to the applicable difference. "Interest Amount" means, with respect to the Redemption Price payable to any holder for such holder's shares of Series A

Preferred Stock redeemed pursuant to this Section, interest on such Redemption Price for each day, from the applicable redemption date to and including the date of payment pursuant to this Section 3(g) at a rate per annum equal to the rate per annum, as published by the Board of Governors of the Federal Reserve System as reported by the U.S. Department of Treasury, for such day on U.S. Treasury Bonds maturing on the date that is the tenth anniversary of such redemption date (or if no U.S. Treasury Bonds mature on such date, then on the date nearest to such date for which such a maturity exists).

SECTION 4. Conversion Rights. The holders of shares of Series A Preferred Stock shall have the right, at their option, to convert such shares into shares of Common Stock on the following terms and conditions:

(a) Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share and prior to the close of business of the Corporation on the second Business Day immediately preceding any date set for the redemption thereof (provided that consideration sufficient to redeem all shares to be redeemed on such date has been paid or made available for payment on or prior to such date), at the office of the Corporation or any transfer agent for the Series A Preferred Stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing \$50 by the Conversion Price, determined as hereinafter provided, in effect at the time of conversion. The price at which shares of Common Stock shall be deliverable upon conversion (the "Conversion Price") shall initially be \$34.5525 per share of Common Stock. The Conversion Price shall be subject to adjustment from time to time as hereinafter provided. No payment or adjustment shall be made on account of any dividend on the shares of Common Stock issued upon conversion of shares of Series A Preferred Stock if the record date for such dividend occurs prior to the date of such conversion. If any shares of Series A Preferred Stock shall be called for redemption, the right to convert the shares designated for redemption shall terminate after the close of business on the second Business Day immediately preceding the date fixed for redemption unless default is made in the payment of the Redemption Price. In the event of default in the payment of the Redemption Price, the right to convert the shares designated for redemption shall terminate at the close of business on the Business Day immediately preceding the date that such default is cured.

(b) In order to convert shares of Series A Preferred Stock into Common Stock, the holder thereof shall surrender the certificates therefor, duly endorsed if the Corporation shall so require, or accompanied by appropriate instruments of transfer satisfactory to the Corporation, at the office of the transfer agent for the Series A Preferred Stock, or at such other office as may be designated by the Corporation, together with written notice that such holder irrevocably elects to convert such shares of Series A Preferred Stock. Such notice shall also state the name and address in which such holder wishes the certificate for the shares of Common Stock issuable upon conversion to be issued. As soon as practicable after receipt of the certificates representing the shares of Series A Preferred Stock to be converted and the notice of election to convert the same, the Corporation shall issue and deliver at said office a certificate for the number of whole shares of Common Stock issuable upon conversion of the shares of Series A Preferred Stock surrendered for conversion, together with a cash payment in lieu of any fraction of a share, as hereinafter provided, to the person entitled to receive the same. If more than one stock certificate for Series A Preferred Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares represented by all the certificates so surrendered. Shares of Series A Preferred Stock shall be deemed to have been converted immediately prior to the close of business on the date such shares are surrendered for conversion and notice of election to convert the same is received by the Corporation in accordance with the foregoing provision, and the person entitled to receive the Common Stock issuable upon such conversion shall be deemed for all purposes as the record holder of such Common Stock as of such date.

(c) Dividends shall cease to accrue on shares of Series A Preferred Stock surrendered for conversion into Common Stock from and after the date of conversion; provided, however, that any accrued but unpaid dividends (whether or not declared and whether or not funds are legally available for payment) upon such shares to and including the conversion date shall be paid in cash upon such conversion or as soon thereafter as permitted by law.

(d) No fractional shares of Common Stock shall be issued upon conversion of any shares of Series A Preferred Stock. If more than one share of Series A Preferred Stock is surrendered at one time by the same holder, the number of full shares issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares so surrendered. If the conversion of any shares of Series A Preferred Stock results in a fractional share of Common Stock, the Corporation shall pay cash in lieu thereof in an amount equal to such fraction multiplied by the Average Closing Price, determined as provided in subsection (vii) of Section 4(e) below, on the date on which the shares of Series A Preferred Stock were duly surrendered for conversion, or if such date is not a Trading Date, on the next succeeding Trading Date.

(e) The Conversion Price shall be adjusted from time to time as follows:

(i) In case the Corporation shall pay or make a dividend or other distribution on shares of Common Stock or any other class of capital stock of the Corporation in Common Stock, the Conversion Price in effect at the opening of business on the date following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be reduced by multiplying such Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such reduction to become effective immediately after the opening of business on the date following the date fixed for such determination. For purposes of this subsection, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Corporation. The Corporation will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Corporation.

(ii) In case the Corporation shall issue shares of Common Stock or rights or warrants or other securities convertible into or exchangeable or exercisable for shares of Common Stock to any person (other than pursuant to (A) a dividend reinvestment plan, (B) the exercise of stock options granted with the approval of the Corporation's Board of Directors where the exercise price is not less than the Average Closing Price on the date the option was granted, (C) a restricted stock plan where the issuance is consistent with the past practices of Martin Marietta Corporation, Martin Marietta Technologies, Inc. or Lockheed Corporation, as determined by the Board of Directors, (D) a stock option or other stock incentive plan where the issuance is required in accordance with any obligation of Martin Marietta Corporation to provide benefits similar to those provided under certain plans of General Electric Company in effect prior to April 2, 1993 as determined by the Board of Directors, or (E) any option or other security of the Corporation issued in exchange for, or upon exercise or conversion of, any option or other security outstanding as of the Merger Date (as defined in the Agreement and Plan of Reorganization dated August 29, 1994 among the Corporation, Martin Marietta Corporation and Lockheed Corporation) and theretofore issued by (X) Martin Marietta Corporation (provided that the exercise of any option or other security issued by Martin Marietta Corporation after April 2, 1993 with an exercise price less than the "Average Closing Price" (as defined in Section 4 of Article V of Martin Marietta Corporation's Charter) on the date of grant shall result in an adjustment under this clause (ii) to the same extent it would have resulted in an adjustment under Section 4 of Martin Marietta Corporation's Charter) or (Y) Lockheed Corporation), entitling such person to subscribe for or purchase shares of Common Stock at a price per share (or having a conversion, exercise or exchange price per share) in any case, less than the Average Closing Price per share (determined as provided in subsection (vii) below) of the Common Stock on the date of issuance (or in the case of any issuance of Common Stock, rights, warrants or such other securities to all holders of Common Stock, on the date fixed for the determination of the holders entitled to receive such Common Stock, rights, warrants or other securities), the Conversion Price in effect at the opening of business on the day following the date of such issuance or the date fixed for such determination, as the case may be, shall be reduced by multiplying such Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock

outstanding at the close of business on the date of such issuance or the date fixed for such determination, as the case may be, plus the number of shares of Common Stock which the aggregate consideration receivable by the Corporation for the total number of shares of Common Stock so offered for subscription or purchase (or into or for which such rights, warrants or other securities are convertible, exchangeable or exercisable) would purchase at such Average Closing Price and the denominator shall be the number of shares of Common Stock outstanding at the close of business on the date of such issuance or the date fixed for such determination, as the case may be, plus the number of shares of Common Stock so offered for subscription or purchase (or into or for which such rights, warrants or other securities are convertible, exchangeable or exercisable), such reduction to become effective immediately after the opening of business on the date following the date of such issuance or the date fixed for such determination, as the case may be. For the purposes of this subsection (ii), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Corporation. The Corporation will not issue any rights, warrants or other securities convertible into or exchangeable or exercisable for shares of Common Stock held in the treasury of the Corporation. If the Corporation adopts a shareholder rights plan (a "Rights Plan"), and after any Distribution Date (as defined in such Rights Plan) thereunder, holders converting shares of Series A Preferred Stock are not entitled to receive the Rights (as defined in such Rights Plan) which would otherwise be attributable (but for the date of conversion) to the shares of Common Stock received upon such conversion, then adjustment of the Conversion Price shall be made under this subsection (ii) as if the Rights were then being issued to holders of the Common Stock. If such an adjustment is made and the Rights are later redeemed, invalidated or terminated, then a corresponding reversing adjustment shall be made to the Conversion Price, on an equitable basis, to take account of such event. However, the Corporation may elect to provide that each share of Common Stock issuable upon conversion of the Series A Preferred Stock, whether or not issued after the Distribution Date for such Rights, will be accompanied by the Rights which would otherwise be attributable (but for the date of conversion) to such shares of Common Stock, in which event the preceding two sentences will not apply.

(iii) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately reduced, and, conversely, in case outstanding shares of Common Stock shall be combined into a smaller number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(iv) In case the Corporation shall, by dividend or otherwise, distribute to all holders of its Common Stock or any other class of capital stock of the Corporation evidences of its indebtedness or assets (including securities, but excluding (x) any rights, warrants or other securities referred to in subsection (ii) above, (y) any regular quarterly dividend of the Corporation paid in cash out of the consolidated earnings or consolidated retained earnings of the Corporation in an amount not exceeding 125% of the average of the four regular quarterly dividends paid by the Corporation for the immediately preceding four quarters (including for this purpose dividends paid by Martin Marietta Corporation prior to the Merger Date), and (z) any dividend or distribution referred to in subsection (i) above), the Conversion Price shall be reduced so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by a fraction of which the numerator shall be the Average Closing Price (determined as provided in subsection (vii) below) of the Common Stock on the date fixed for such determination less the then fair market value (as reasonably determined by the Board of Directors, whose determination shall be conclusive and shall be described in a statement filed with the transfer agent for the Series A Preferred Stock) of the portion of the evidences of indebtedness or assets so distributed applicable to one share of

Common Stock and the denominator shall be such Average Closing Price per share of the Common Stock, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such distribution.

(v) The reclassification of Common Stock into securities including securities other than Common Stock (other than any reclassification upon a consolidation or merger to which Section 4(g) below applies) shall be deemed to involve (A) a distribution of such securities other than Common Stock to all holders of Common Stock (and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of stockholders entitled to receive such distribution" and the "date fixed for such determination" within the meaning of subsection (iv) above), and (B) a subdivision or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be "the day upon which such subdivision becomes effective" or "the day upon which such combination becomes effective" as the case may be, and "the day upon which such subdivision or combination becomes effective" within the meaning of subsection (iii) above).

(vi) In case at any time the Corporation or any subsidiary thereof shall repurchase, by self tender offer or otherwise, any shares of Common Stock of the Corporation at a weighted average purchase price in excess of the Average Closing Price (as defined in subsection (vii) below) on the Business Day immediately prior to the earliest of the date of such repurchase, the commencement of an offer to repurchase or the public announcement of either (such date being referred to as the "Determination Date"), the Conversion Price in effect as of such Determination Date shall be reduced by multiplying such Conversion Price by a fraction, the numerator of which shall be (I) the product of (x) the number of shares of Common Stock outstanding on such Determination Date and (y) the Average Closing Price of the Common Stock on such Determination Date minus (II) the aggregate purchase price of such repurchase and the denominator of which shall be the product of (x) the number of shares of Common Stock outstanding on such Determination Date minus the number of shares of Common Stock repurchased by the Company or any subsidiary thereof in such repurchase and (y) the Average Closing Price of the Common Stock on such Determination Date. An adjustment made pursuant to this subsection (vi) shall become effective immediately after the effective date of such repurchase.

(vii) For the purposes of any computation under these provisions of the Corporation's Charter, the Average Closing Price per share of Common Stock on any day shall be deemed to be the average of the closing prices for the Common Stock for the 20 consecutive Trading Days commencing 30 Trading Days before the day in question, with each day's closing sale price being the reported last sale price regular way or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices, in either case on the New York Stock Exchange or, if the Common Stock is no longer listed or admitted to trading on such Exchange, on the principal national securities exchange on which the Common Stock is listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, on the National Association of Securities Dealers Automated Quotations National Market System or, if the Common Stock is not listed or admitted to trading on any national securities exchange or quoted on such National Market System, the average of the closing bid and asked prices in the over-the-counter market as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors for that purpose. As used herein, the term "Trading Day" shall mean a date on which the New York Stock Exchange (or any successor to such Exchange) is open for the transaction of business.

(viii) No adjustment in the Conversion Price for the Series A Preferred Stock shall be required unless such adjustment would require an increase or decrease of at least 1% in such price; provided, however, that any adjustments which by reason of this subsection (viii) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be.

(f) Whenever the Conversion Price shall be adjusted as herein provided (i) the Corporation shall forthwith make available at the office of the transfer agent for the Series A Preferred Stock a statement describing in reasonable detail the adjustment, the facts requiring such adjustment and the method of calculation used; and (ii) the Corporation shall cause to be mailed by first class mail, postage prepaid, as soon as practicable to each holder of record of shares of Series A Preferred Stock a notice stating that the Conversion Price has been adjusted and setting forth the adjusted Conversion Price.

(g) In the event that the Corporation shall be a party to any transaction constituting a recapitalization, reclassification, consolidation, merger, share exchange, or a sale, lease or conveyance of all or substantially all of its assets, the holder of each share of Series A Preferred Stock shall have the right, after such consolidation, merger, sale or exchange to convert such share into the number and kind of shares of stock or other securities, and the amount of cash or other property receivable upon such consolidation, merger, sale or exchange by a holder of the number of shares of Common Stock issuable upon conversion of such share of Series A Preferred Stock immediately prior to such consolidation, merger, sale or exchange. No provision shall be made for adjustments in the Conversion Price. The provisions of this Section 4(g) shall similarly apply to any such successive event.

(h) The Corporation shall not be required to pay any taxes which may be payable in respect of any transfer involved in the issuance of shares of Common Stock in the name other than that in which the shares of Series A Preferred Stock so converted are registered, and the Corporation shall not be required to issue or deliver any such shares unless and until the person requesting such issuance in another name shall have paid to the Corporation the amount of any such taxes, or shall have established to the satisfaction of the Corporation that such taxes have been paid.

(i) The Corporation may make such reductions in the Conversion Price, in addition to those required by subsections (i) through (vi) of Section 4(e) above, as it considers to be advisable in order that any event treated for federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

(j) Except as provided in this Section 4, the Corporation will not, by amendment of its Charter or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series A Preferred Stock against impairment.

(k) The Corporation shall at all times reserve and keep available out of its authorized but unissued Common Stock the full number of shares of Common Stock issuable upon the conversion of all shares of Series A Preferred Stock then outstanding.

(l) In the event that:

(i) the Corporation shall declare a dividend or any other distribution on its Common Stock (other than any regular quarterly dividend described in Section 4(e)(iv) above) payable otherwise than in cash out of consolidated earnings or consolidated retained earnings;

(ii) the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of capital stock of any class or of any other rights;

(iii) any capital reorganization of the Corporation, reclassification of the capital stock of the Corporation, consolidation or merger of the Corporation with or into another corporation, or sale, lease or conveyance of all or substantially all of the assets of the Corporation occurs;

(iv) the voluntary or involuntary dissolution, liquidation or winding up of the Corporation occurs; or

(v) any other event for which an adjustment would be required pursuant to subsections (i) through (vi) of Section 4(e) or pursuant to Section 4(g) occurs;

the Corporation shall cause to be mailed to the holders of record of Series A Preferred Stock at least 20 days prior to the applicable date hereinafter specified a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights are to be determined or (y) the date on which such reorganization, reclassification, consolidation, merger, sale, lease, conveyance, dissolution, liquidation or winding up or other event specified in subsections (i) through (v) of this Section 4(l) is expected to take place, and the date, if any is to be fixed, as of which holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, lease, conveyance, dissolution, liquidation or winding up or other such event. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such dividend, distribution, reorganization, reclassification, consolidation, merger, sale, lease, conveyance, dissolution, liquidation or winding up or other such event.

SECTION 5. Voting Rights. (a) Except as otherwise provided by paragraphs (b), (c), (d) and (e) of this Section 5 or as required by law, the holders of shares of Series A Preferred Stock shall not be entitled to vote on any matter on which the holders of any voting securities of the Corporation shall be entitled to vote.

(b) Upon a default with respect to the Corporation's senior bank facility or any successor thereto or replacement thereof (as amended from time to time, the "Senior Bank Facility") that is not substantially cured within six months from the declaration thereof pursuant to the Senior Bank Facility (but without regard to any waivers granted by the lenders under such Senior Bank Facility) (a "Bank Debt Default"), the holders of the Series A Preferred Stock, voting as a separate class, shall be entitled to elect the smallest number of directors of the Corporation's Board of Directors that shall constitute no less than 25% of the authorized number of directors of the Corporation's Board of Directors until such right is terminated as provided herein. The voting rights provided by this Section 5(b) shall terminate immediately upon the initial holder of all outstanding shares of Series A Preferred Stock being no longer entitled to designate any director pursuant to Section 3.02 of the Standstill Agreement dated April 2, 1993 between the Corporation (as successor to Martin Marietta Corporation pursuant to, and as such Standstill Agreement is modified by, the Reconfiguration Agreement dated August, 1993 among the Corporation, Martin Marietta Corporation and General Electric Company), as so amended, and the holders of the Series A Preferred Stock, following such termination, shall have only the voting rights provided by Sections 5(c), (d) and (e) below or as otherwise required by law.

(c) In the event that dividends payable on the Series A Preferred Stock shall be in arrears for six quarters (whether or not consecutive) (a "Preferred Dividend Default") and the holders of the Series A Preferred Stock are not then represented on the Corporation's Board of Directors by directors elected as a result of a Bank Debt Default, a majority in interest of the holders of Series A Preferred Stock, voting separately as a class with holders of shares of any other class of Preferred Stock upon which like voting rights have been conferred and are exercisable, shall be entitled to elect two directors of the Corporation until such right is terminated as provided herein.

(d) (i) Upon the occurrence of a Bank Debt Default or a Preferred Dividend Default, the Board of Directors of the Company shall promptly call a special meeting of the holders of shares of Series A Preferred Stock (and, in the case of a Preferred Dividend Default, any holders of shares of any other class of Preferred Stock who are then entitled to participate in the election of such directors) for the purpose of electing the directors provided by the foregoing provisions; provided that, in lieu of holding such meeting, the holders of record of Series A Preferred Stock (and, in the case of a Preferred Dividend Default, the holders of any such other Preferred Stock) may, by action taken by written consent as permitted by law and the Charter and Bylaws of the Corporation, elect such directors. At elections for such directors, each holder of Series A Preferred Stock shall be entitled to one vote for each share held. Upon the vesting of voting rights in the holders of Series A Preferred Stock as a result of a Preferred Dividend Default or a Bank Debt Default, the maximum authorized number of members of the Board of Directors shall automatically be increased by two (or such greater number as may be required in respect of a Bank Debt Default). The two vacancies (or greater

number) so created shall be filled by vote of the holders of Series A Preferred Stock (and, in the case of a Preferred Dividend Default, the holders of any such other Preferred Stock). The right of the holders of Series A Preferred Stock, voting separately as a class (except as aforesaid), to elect members of the Board of Directors of the Corporation in the manner described above shall continue until such time as any Bank Debt Default shall have ceased (other than as a result of any waiver, amendment or accommodation granted by the lenders under such Senior Bank Facility), or all dividends accumulated on Series A Preferred Stock shall have been paid in full, as the case may be, at which time such right shall terminate, except as required by law, subject to vesting in the event of each and every subsequent Bank Debt Default and Preferred Dividend Default.

(ii) Upon any termination of the right of the holders of Series A Preferred Stock (and, in the case of a Preferred Dividend Default, the holders of shares of any other class of Preferred Stock who are then entitled to vote on the election of directors) to vote as a class for directors as herein provided, the term of office of all directors then in office elected by holders of Series A Preferred Stock (or such other holders, as the case may be) voting as a class (hereunder referred to as a "Preferred Stock Director") shall terminate immediately. Any Preferred Stock Director may be removed by, and shall not be removed otherwise than by, the vote of the holders of record of Series A Preferred Stock (or, in the case of any Preferred Stock Director elected as a result of a Preferred Dividend Default, the holders of Series A Preferred Stock together with holders of any other Preferred Stock that participated in the election of such Preferred Stock Director) voting as a separate class, at a meeting called for such purpose or by written consent as permitted by law and the Charter and Bylaws of the Corporation. If the office of any Preferred Stock Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, the remaining Preferred Stock Director or Directors may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred or, if none remains in office, by vote of the holders of record of Series A Preferred Stock (or, in the case of any Preferred Stock Director elected as a result of a Preferred Dividend Default, the holders of Series A Preferred Stock together with holders of any other Preferred Stock that participated in the election of such Preferred Stock Director). Holders of Series A Preferred Stock shall not, as such stockholders, be entitled to vote on the election or removal of directors other than Preferred Stock Directors. Whenever the special voting powers vested in the holders of Series A Preferred Stock as provided herein shall have expired, the number of directors shall become such number as may be provided for in the Bylaws, irrespective of any increase made pursuant to the provisions hereof.

(iii) So long as any shares of the Series A Preferred Stock remain outstanding, the consent of the holders of at least 66 2/3% of the shares of Series A Preferred Stock then outstanding (voting separately as a class) given in person or by proxy, at any special or annual meeting called for such purpose, or by written consent as permitted by law and the Charter and Bylaws of the Corporation, shall be necessary to amend, alter or repeal any of the provisions of the Charter of the Corporation which would adversely affect any right, preference, privilege or voting power of Series A Preferred Stock or of the holders thereof; provided, however, that any such amendment, alteration or repeal, that would authorize, create or issue any additional shares of Preferred Stock or any other shares of stock (whether or not already authorized) ranking on a parity with or junior to the Series A Preferred Stock as to dividends and on the distribution of assets upon liquidation, dissolution or winding up, shall be deemed not to materially and adversely affect such rights, preferences, privileges or voting powers.

(e) The holder of each share of Series A Preferred Stock shall be entitled to vote together with the holders of shares of Common Stock and to cast the number of votes equal to the number of shares of Common Stock into which such shares of Series A Preferred Stock are then convertible in the event of any merger, consolidation or business combination or share exchange involving the Corporation or any sale, lease or conveyance of all or substantially all of the assets of the Corporation upon which the holders of Common Stock shall be entitled to vote, provided, however, that the holders of the Series A Preferred Stock shall not be entitled to vote upon acquisitions which, within any 12-month period, do not (i) involve greater than an aggregate of Twenty-Five Million Dollars (\$25,000,000) of transaction value (including assumed liabilities, whether contingent or not) or (ii) adversely affect the economic or legal position of the Series A Preferred Stock or its rights, preferences, privileges or voting powers.

(f) The foregoing voting provisions shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of the Series A Preferred Stock shall have been redeemed for cash or converted for Common Stock and funds, if any, necessary for such redemption or conversion shall have been deposited in trust to effect such redemption.

SECTION 6. Liquidation Rights. (a) Subject to the rights of holders of any class of Preferred Stock which the Corporation may in the future issue which ranks on a parity with the Series A Preferred Stock upon any dissolution, liquidation or winding up of the affairs of the Corporation, whether voluntary or involuntary (collectively, a "Liquidation"), the holders of shares of Series A Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to stockholders, whether from capital, surplus or earnings, before any distribution or payment is made to holders of Common Stock of the Corporation or on any other class of stock of the Corporation ranking junior as to assets distributable upon Liquidation to the shares of Series A Preferred Stock upon a Liquidation, liquidating distributions in the amount of \$50 per share, plus the amount equal to all dividends accrued and unpaid thereon (including dividends accumulated and unpaid) to the date of Liquidation, and no more.

(b) Written notice of any Liquidation, stating the payment date or dates when and the place or places where the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage prepaid, not less than 30 days prior to any payment date stated therein, to the holders of record of the Series A Preferred Stock at their respective addresses as the same shall appear on the books of the Corporation or any transfer agent for the Series A Preferred Stock.

(c) Neither the merger or consolidation of the Corporation into or with any other corporation, nor the merger or consolidation of any other corporation into or with the Corporation, nor a sale, transfer or lease of all or any part of the assets of the Corporation, shall, without further corporate action, be deemed to be a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this Section 6.

SECTION 7. Tax Provisions. (a) The Corporation will treat the Series A Preferred Stock as equity (not debt) for all federal, state, local and other tax purposes.

(b) The Corporation will use its reasonable best efforts to ensure that it has adequate earnings and profits, within the meaning of Section 312 of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision, to ensure that all dividend distributions on the Series A Preferred Stock and all distributions in redemption of the Series A Preferred Stock that are treated as distributions with respect to stock under Section 302(d) of the Code (or any successor provision) will be treated as dividends within the meaning of Section 316 of the Code (or any successor provision); provided that such reasonable best efforts shall not require the Corporation to incur any material out-of-pocket costs unless such costs are reimbursed by the initial holder of the Series A Preferred Stock.

B. Series Preferred Stock

The Board of Directors of the Corporation shall have the power from time to time (a) to classify or reclassify, in one or more series, any unissued shares of Series Preferred Stock and (b) to reclassify any unissued shares of any series of Series Preferred Stock, in the case of either (a) or (b) by setting or changing the number of shares constituting such series and the designation, preference, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of such shares, and, in such event, the Corporation shall file for record with the State Department of Assessments and Taxation of Maryland articles supplementary in substance and form as prescribed by the GCL.

Without limiting any of the foregoing, the Board of Directors shall be entitled to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series of Series Preferred Stock subsequent to the issuance of shares of that series.

C. Common Stock

Subject to the rights of holders of shares of Series A Preferred Stock and any series of Series Preferred Stock established pursuant to Section B of this Article VI, each share of Common Stock shall entitle the holder to one vote per share on all matters upon which stockholders are entitled to vote, to receive dividends and other distributions authorized by Board of Directors in accordance with the GCL and to all rights of a stockholder pursuant thereto. The Common Stock shall have no preferences or preemptive, conversion or exchange rights.

D. General

In determining whether a distribution (other than upon voluntary or involuntary liquidation), by dividend, redemption or other acquisition of shares or otherwise, is permitted under the GCL, no effect shall be given to amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights upon dissolution are superior to those receiving the distribution.

ARTICLE VII

PROVISIONS DEFINING, LIMITING
AND REGULATING POWERS

The following provisions are hereby adopted for the purposes of defining, limiting and regulating the powers of the Corporation and the directors and stockholders, subject, however, to any provisions, conditions and restrictions hereafter authorized pursuant to Article VI hereof:

SECTION 1. The Board of Directors of the Corporation is empowered to authorize the issuance from time to time of shares of its stock of any class, whether now or hereafter authorized, and securities convertible into shares of its stock of any class, whether now or hereafter authorized, for such consideration as the Board of Directors may deem advisable, subject to such limitations and restrictions, if any, as may be set forth in the Bylaws of the Corporation.

SECTION 2. No holders of shares of stock of the Corporation of any class shall have any preemptive or other right to subscribe for or purchase any part of any new or additional issue of stock of any class or of securities convertible into stock of any class, whether now or hereafter authorized, and whether issued for money, for a consideration other than money or by way of dividend.

SECTION 3. The Board of Directors shall have the power, from time to time, to determine whether any, and if any, what part, of the surplus of the Corporation shall be declared in dividends and paid to the stockholders, and to direct and determine the use and disposition of any such surplus. The Board of Directors may in its discretion use and apply any of such surplus in purchasing or acquiring any of the shares of the stock of the Corporation, or any of its bonds or other evidences of indebtedness, to such extent and in such manner and upon such lawful terms as the Board of Directors shall deem expedient.

SECTION 4. The Corporation reserves the right to adopt, repeal, rescind, alter or amend in any respect any provision contained in this Charter, including but not restricted to, any amendments changing the terms of any class of its stock by classification, reclassification or otherwise, and all rights conferred on stockholders herein are granted subject to this reservation.

SECTION 5. Notwithstanding any provision of law requiring any action to be taken or authorized by the affirmative vote of the holders of a designated proportion of the shares of stock of the Corporation, or to be otherwise taken or authorized by vote of the stockholders, such action shall be effective and valid, except as otherwise required by provisions of the Charter, if taken or authorized by the affirmative vote, at a meeting, of a majority of all votes entitled to be cast on the matter.

ARTICLE VIII

BYLAWS

The Board of Directors shall have the power, at any regular or special meeting of the Board of Directors (or by action taken pursuant to Article XII), to make and adopt, or to amend, rescind, alter or repeal, any Bylaws of the Corporation. The Bylaws may contain any provision for the regulation and management of the affairs of the Corporation not inconsistent with law or the provisions of the Charter.

ARTICLE IX

INSPECTION OF RECORDS BY STOCKHOLDERS

The Board of Directors shall have power to determine from time to time whether and to what extent and at what times and places and under what conditions and regulations the books, records, accounts, and documents of the Corporation, or any of them, shall be open to inspection by stockholders, except as otherwise provided by law or by the Bylaws; and except as so provided no stockholders shall have any rights to inspect any book, record, account or document of the Corporation unless authorized to do so by resolution of the Board of Directors.

ARTICLE X

COMPENSATION

The Board of Directors in its discretion may allow, in and by the Bylaws of the Corporation or by resolution, the payment of expenses, if any, to directors for attendance at each regular or special meeting of the Board of Directors or of any committee thereof, and the payment of reasonable compensation to such directors for their services as members of the Board of Directors, or any committee thereof, and shall fix the basis and conditions upon which such expenses and compensation shall be paid. Any member of the Board of Directors or of a committee thereof, also may serve the Corporation in any other capacity and receive compensation therefor in any form.

ARTICLE XI

INDEMNIFICATION AND LIMITATION OF
LIABILITY OF DIRECTORS AND OFFICERS

SECTION 1. The Board of Directors shall have the power to adopt Bylaws or resolutions for the indemnification of the Corporation's directors, officers, employees and agents, provided that any such Bylaws or resolutions shall be consistent with applicable law.

SECTION 2. To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers, no director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages. Neither the amendment nor repeal of this Article, nor the adoption or amendment of any provision of the Charter or Bylaws inconsistent with this Article, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

ARTICLE XII

INFORMAL ACTION BY BOARD OF DIRECTORS

Any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting, if a written consent to such action is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

ARTICLE XIII

BUSINESS COMBINATIONS

SECTION 1. The affirmative vote of the holders of not less than (i) 80% of the outstanding shares of "Voting Stock" (as hereinafter defined) of the Corporation and (ii) not less than 67% of the outstanding shares of Voting Stock of the Corporation held by stockholders other than a "Related Person" (as hereinafter defined) shall be required for the approval or authorization of any "Business Combination" (as hereinafter defined) involving a Related Person; provided, however, that the foregoing voting requirements shall not be applicable and the other applicable provisions of the Charter related to the percentage of stockholder approval required, if any, shall apply to any such Business Combination if:

Clause 1. The "Continuing Directors" of the Corporation (as hereinafter defined) by a two-thirds vote have expressly approved the Business Combination either in advance of or subsequent to the acquisition of outstanding shares of Voting Stock of the Corporation that caused the Related Person to become a Related Person; or

Clause 2. The following conditions are satisfied:

(a) The aggregate amount of the cash and fair market value of the property, securities, or other consideration to be received per share of Voting Stock of the Corporation in the Business Combination by holders of Voting Stock of the Corporation, other than the Related Person involved in the Business Combination, is not less than the "Highest Per Share Price" or the "Highest Equivalent Price" (as these terms are hereinafter defined) paid after the Merger Date by the Related Person in acquiring any of its holdings of the Corporation's Voting Stock; and

(b) A proxy statement complying with the requirements of the Securities Exchange Act of 1934, as amended, shall have been mailed to all stockholders of the Corporation for the purpose of soliciting stockholder approval of the Business Combination. The proxy statement shall contain at the front thereof, in a prominent place, the position of the Continuing Directors as to the advisability (or inadvisability) of the Business Combination and, if deemed advisable by a majority of the Continuing Directors, the opinion of an investment banking firm selected by the Continuing Directors as to the fairness of the terms of the Business Combination, from the point of view of the holders of the outstanding shares of Voting Stock of the Corporation other than any Related Person.

SECTION 2. For purposes of this Article XIII:

Clause 1. The term "Business Combination" shall mean:

(a) any merger, consolidation or share exchange of the Corporation or any of its subsidiaries into or with a Related Person, in each case irrespective of which corporation or company is the surviving entity in the merger or consolidation;

(b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition to or with a Related Person (in a single transaction or a series of related transactions) of all or a Substantial Part (as hereinafter defined) of the assets of the Corporation (including without limitation any securities of a subsidiary) or a Substantial Part of the assets of any of its subsidiaries;

(c) any sale, lease, exchange, mortgage, pledge, transfer, or other disposition to or with the Corporation or to or with any of its subsidiaries (in a single transaction or series of related transactions) of all or a Substantial Part of the assets of a Related Person;

(d) the issuance or transfer of any equity securities of the Corporation or any of its subsidiaries by the Corporation or such subsidiary (in a single transaction or a series of related transactions) to a Related Person (other than an issuance or transfer of securities which is effected on a pro rata basis to all stockholders of the Corporation);

(e) the acquisition by the Corporation or any of its subsidiaries of any equity securities of a Related Person;

(f) any reclassification of securities or recapitalization that would have the effect of increasing the voting power of a Related Person; or

(g) any agreement, contract, or other arrangement providing for any of the transactions described in this definition of Business Combination.

Clause 2. The term "Related Person" shall mean any individual, corporation, partnership, or other person or entity which, as of the record date for the determination of stockholders entitled to notice of and to vote on any Business Combination or, immediately prior to the consummation of such transaction, together with their "Affiliates" and "Associates" (as defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect at the Merger Date (collectively and as so in effect, the "Exchange Act")), which on or after the Merger Date became and then are "Beneficial Owners" (as defined in Rule 13d-3 of the Exchange Act) in the aggregate of 10% or more of the outstanding shares of any class or series of Voting Stock of the Corporation, and any Affiliate or Associate of any such individual, corporation, partnership, or other person or entity. Notwithstanding the foregoing, neither Martin Marietta Corporation nor Lockheed Corporation, nor any of their Subsidiaries (as hereinafter defined), shall be a "Related Person."

Clause 3. The term "Substantial Part" shall mean more than 20% of the fair market value, as determined by two-thirds of the Continuing Directors, of the total consolidated assets of the Corporation and its subsidiaries taken as a whole as of the end of its most recent fiscal year ending prior to the time the determination is being made, subject to adjustments made by the Continuing Directors to take into account transactions made subsequent to year end.

Clause 4. For the purposes of Clause 2(a) of Section 1 of this Article XIII, the term "other consideration to be received" shall include, without limitation, any shares of any class or series of capital stock of the Corporation retained by stockholders of the Corporation other than Related Persons or parties to such Business Combination in the event of a Business Combination in which the Corporation is the surviving corporation.

Clause 5. The term "Subsidiary" shall mean any corporation of which a majority of the Voting Stock thereof entitled to vote generally in the election of directors is owned, directly or indirectly, by the Corporation (or another corporation, if so indicated).

Clause 6. The term "Voting Stock" shall mean all outstanding shares of capital stock of the Corporation or another corporation entitled to vote generally in the election of directors, and each reference to a proportion of shares of Voting Stock shall refer to such proportion of the votes entitled to be cast by such shares.

Clause 7. The term "Continuing Director" shall mean a director who either:

(a) was a member of the Board of Directors of the Corporation immediately prior to the time that the Related Person involved in a Business Combination became the Beneficial Owner of 10% of any class or series of Voting Stock of the Corporation; or

(b) was designated (before his or her initial election as director) as a Continuing Director by a majority of the then Continuing Directors.

Clause 8. A "Related Person" shall be deemed to have acquired a share of the Voting Stock of the Corporation at the time when such Related Person became the Beneficial Owner thereof. With respect to the shares owned by Affiliates, Associates, or other persons whose ownership is attributed to a Related Person under the foregoing definition of Related Person, if the price paid by such Related Person for such shares is not determinable by the Continuing Directors, the price so paid shall be deemed to be the higher of:

(a) the price paid upon the acquisition thereof by the Affiliate, Associate, or other person; or

(b) the market price of the shares in question at the time when the Related Person became the Beneficial Owner thereof.

Clause 9. The terms "Highest Per Share Price" and "Highest Equivalent Price" as used in this Article XIII shall mean the following. If there is only one class of Voting Stock of the Corporation issued and outstanding, the Highest Per Share Price shall mean the highest price that can be determined to have been paid at any time on or after the Merger Date by the Related Person for any share or shares of that class of Voting Stock. If there is more than one class of Voting Stock of the Corporation issued and outstanding, the Highest Equivalent Price shall mean, with respect to each class and series of Voting Stock of the Corporation, the amount determined by two-thirds of the Continuing Directors, on whatever basis they believe is appropriate, to be the highest per share price equivalent to the highest price that can be determined to have been paid at any time by the Related Person for any share or shares of any class or series of Voting Stock of the Corporation. In determining the Highest Per Share Price and Highest Equivalent Price, all purchases after the Merger Date by the Related Person shall be taken into account regardless of whether the shares were purchased before or after the Related Person became a Related Person. Also, the Highest Per Share Price and the Highest Equivalent Price shall include any brokerage commissions, transfer taxes, and soliciting dealers' fees paid by the Related Person with respect to the shares of Voting Stock of the Corporation acquired by the Related Person. In the case of any Business Combination with a Related Person, the Highest Equivalent Price for each class and series of the Voting Stock of the Corporation shall be determined by the Continuing Directors.

SECTION 3. Any amendment, change, or repeal of this Article XIII, or any other amendment of this Charter which will have the effect of modifying or permitting circumvention of this Article XIII, shall require the favorable vote, at a meeting of the stockholders of the Corporation, of the holders of at least (i) 80% of the then outstanding shares of the Voting Stock of the Corporation and (ii) 67% of the outstanding shares of Voting Stock of the Corporation held by stockholders other than a Related Person; provided, however, that this Section 3 shall not apply to and such vote shall not be required for any such amendment, change, or repeal recommended to stockholders by the affirmative vote of not less than two-thirds of the Continuing Directors and such amendment, change, or repeal so recommended shall require only the vote, if any, required under the applicable provision of the Charter. For the purposes of this Section 3 only, if at the time when any such amendment, change, or repeal is under consideration there is no proposed Business Combination (in which event, the definition of Continuing Director in Clause 7 of Section 2 of this Article XIII would be inapplicable), the "Continuing Directors" shall be deemed to be those persons who are members of the Board of Directors of the Corporation at the Merger Date, plus those persons who are Continuing Directors under Clause 7(b) of Section 2 of this Article XIII.

ARTICLE XIV

REGULATION OF TRANSACTIONS INVOLVING THE PURCHASE OF STOCK AT A PREMIUM OVER MARKET

SECTION 1. Any purchase by the Corporation of shares of Voting Stock (as hereinafter defined) from an Interested Stockholder (as hereinafter defined) who has beneficially owned such securities for less than two years prior to the date of such purchase or any agreement in respect thereof, other than pursuant to an offer to the holders of all of the outstanding shares of the same class as those so purchased, at a per share price in excess of the Market Price (as hereinafter defined), at the time of such purchase, of the shares so purchased, shall require the affirmative vote of the holders of a majority of the voting power of the Voting Stock not beneficially owned by the Interested Stockholder, voting together as a single class.

SECTION 2. In addition to any affirmative vote required by law or the Charter:

Clause 1. Any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with (i) any Interested Stockholder or (ii) any other corporation (whether or not itself an Interested Stockholder) which is, or after such merger or consolidation would be, an Affiliate (as hereinafter defined) of an Interested Stockholder;

Clause 2. Any sale, lease, exchange, mortgage, pledge, transfer, or other disposition (in one transaction or a series of transactions) to or with any Interested Stockholder or any Affiliate of any Interested Stockholder of any assets of the Corporation or any Subsidiary having an aggregate Fair Market Value (as hereinafter defined) of \$10,000,000 or more;

Clause 3. The issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any equity securities of the Corporation or any Subsidiary having an aggregate Fair Market Value of \$10,000,000 or more to any Interested Stockholder or any Affiliate of any Interested Stockholder in exchange for cash, securities, or other property (or combination thereof);

Clause 4. The adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of an Interested Stockholder or any Affiliate of any Interested Stockholder; or

Clause 5. Any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries, or any other transaction (whether or not with or into or otherwise involving an Interested Stockholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Interested Stockholder or any Affiliate of any Interested Stockholder;

shall require the affirmative vote of the holders of a majority of the voting power of the Voting Stock not beneficially owned by any Interested Stockholder, voting together as a single class; provided, however, that no such vote shall be required for (i) the purchase by the Corporation of shares of Voting Stock from an Interested Stockholder unless such vote is required by Section 1 of this Article XIV, (ii) any transaction approved by a majority of the Disinterested Directors (as hereinafter defined), (iii) any transaction with an Interested Stockholder who shall also be a Related Person as defined under Article XIII and to which the provisions of Article XIII apply, or (iv) any transaction with an Interested Stockholder who has beneficially owned his shares of Voting Stock for two years or more.

SECTION 3.

Clause 1. In the event that there shall exist a Substantial Stockholder (as hereinafter defined) of the Corporation and such existence shall be known or made known to the Corporation in advance of a meeting of stockholders at which directors will be elected, each holder of Voting Stock shall be entitled, in connection with any vote taken for such election of directors, to as many votes as shall equal the number of votes which (except for this provision as to cumulative voting) such stockholder would be entitled to cast for the election of directors with respect to such stockholder's shares of Voting Stock multiplied by the number of directors to be elected, and such stockholder may cast all of such votes for a single director or may distribute them among the number of directors to be voted for, or for any two or more of them as such stockholder may see fit.

Clause 2. In connection with any election of directors in which stockholders are entitled to cumulative voting, one or more candidates may be nominated by a majority of the Disinterested Directors or by any person who is the beneficial owner of shares of Voting Stock having an aggregate Market Price of \$250,000 or more.

Clause 3. The Corporation's proxy statement and other communications with respect to such an election shall contain on an equal basis and at the expense of the Corporation, descriptions and other statements of or with respect to all nominees for election which qualify under the procedures set forth in this Section 3.

SECTION 4. For the purpose of this Article XIV:

Clause 1. A "person" shall mean any individual, firm, corporation, partnership, or other entity.

Clause 2. "Voting Stock" shall mean all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors and each reference to a proportion of shares of Voting Stock shall refer to such proportion of the votes entitled to be cast by such shares.

Clause 3. "Interested Stockholder" shall mean any person (other than the Corporation or any Subsidiary or any employee benefit plan maintained by the Corporation or any Subsidiary) who or which:

(a) is the beneficial owner, directly or indirectly, of 5% or more of the voting power of the outstanding Voting Stock;

(b) is an Affiliate of the Corporation and at any time within the two-year period immediately prior to the date as of which a determination is being made was the beneficial owner, directly or indirectly, of 5% or more of the voting power of the then outstanding Voting Stock; or

(c) is an assignee of or has otherwise succeeded to any shares of Voting Stock which were at any time within the two-year period immediately prior to the date as of which a determination is being made beneficially owned by any person described in Clauses 3(a) or 3(b) of this Section 4 if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933, as amended.

Clause 4. The term "Substantial Stockholder" shall mean any person (other than the Corporation or any Subsidiary or any employee benefit plan maintained by the Corporation or any Subsidiary) who or which is the beneficial owner of Voting Stock representing 40% or more of the votes entitled to be cast by the holders of all the outstanding shares of Voting Stock.

Clause 5. A person shall be a "beneficial owner" of any Voting Stock:

(a) which such person or any of its Affiliates or Associates (as hereinafter defined) beneficially owns, directly or indirectly;

(b) which such person or any of its Affiliates or Associates has (i) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement, or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (ii) the right to vote pursuant to any agreement, arrangement, or understanding; or

(c) which are beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement, or understanding for the purpose of acquiring, holding, voting, or disposing of any shares of Voting Stock.

Clause 6. (a) For the purposes of determining whether a person is an Interested Stockholder pursuant to Clause 3 of this Section 4 or a Substantial Stockholder pursuant to Clause 4 of this Section 4, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned through application of Clause 5 of this Section 4, but shall not include any other shares of Voting Stock which may be issuable pursuant to any agreement, arrangement, or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(b) Notwithstanding anything to the contrary in Clause 3 or Clause 4 of this Section 4, neither Martin Marietta Corporation or Lockheed Corporation, nor any of their Subsidiaries, shall be an "Interested Stockholder" or a "Substantial Stockholder".

Clause 7. "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

Clause 8. "Subsidiary" shall mean any corporation of which a majority of the voting stock thereof entitled to vote generally in the election of directors is owned, directly or indirectly, by the Corporation (or another corporation, if so indicated).

Clause 9. "Market Price" shall mean: the last closing sale price immediately preceding the time in question of a share of the stock in question on the Composite Tape for New York Stock Exchange -- Listed Stocks, or if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, Inc., or if such stock is not listed on such Exchange, on the principal United States securities exchange

registered under the Securities Exchange Act of 1934 on which such stock is listed, or if such stock is not listed on any such exchange, the last closing bid quotation with respect to a share of such stock immediately preceding the time in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use (or any other system of reporting or ascertaining quotations then available), or if such stock is not so quoted, the Fair Market Value at the time in question of a share of such stock as determined by the Board of Directors in good faith.

Clause 10. "Fair Market Value" shall mean:

(a) in the case of stock, the Market Price, and

(b) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined by the Board of Directors in good faith.

Clause 11. "Disinterested Director" shall mean any member of the Board of Directors of the Corporation who is unaffiliated with an Interested Stockholder and was a member of the Board of Directors prior to the time that the Interested Stockholder became an Interested Stockholder, and any successor of a Disinterested Director who is unaffiliated with an Interested Stockholder as is recommended to succeed a Disinterested Director by a majority of Disinterested Directors then on the Board of Directors.

SECTION 5. A majority of the Disinterested Directors shall have the power and duty to determine for the purposes of this Article XIV, on the basis of information known to them after reasonable inquiry, whether (i) a person is an Interested Stockholder, (ii) a person is a Substantial Stockholder, or (iii) a transaction or series of transactions constitutes one of the transactions described in Section 2 of this Article XIV.

SECTION 6. Notwithstanding any other provisions of the Charter (and notwithstanding the fact that a lesser percentage may be specified by law, the Charter, or the Bylaws of the Corporation), the affirmative vote of the holders of at least 80% of the votes entitled to be cast by holders of outstanding Voting Stock, voting together as a single class, shall be required to amend or repeal, or adopt any provisions inconsistent with, this Article XIV.

LOCKHEED MARTIN CORPORATION
BYLAWS

I-B-1

TABLE OF CONTENTS
 BYLAWS
 OF
 LOCKHEED MARTIN CORPORATION

PAGE

ARTICLE I

STOCKHOLDERS

SECTION 1.01.	Annual Meetings.....	I-B-4
SECTION 1.02.	Special Meetings.....	I-B-4
SECTION 1.03.	Place of Meetings.....	I-B-4
SECTION 1.04.	Notice of Meetings.....	I-B-4
SECTION 1.05.	Conduct of Meetings.....	I-B-4
SECTION 1.06.	Quorum.....	I-B-4
SECTION 1.07.	Votes Required.....	I-B-5
SECTION 1.08.	Proxies.....	I-B-5
SECTION 1.09.	List of Stockholders.....	I-B-5
SECTION 1.10.	Inspectors of Election.....	I-B-5
SECTION 1.11.	Director Nominations and Stockholder Business.....	I-B-5

ARTICLE II

BOARD OF DIRECTORS

SECTION 2.01.	Powers.....	I-B-7
SECTION 2.02.	Number of Directors.....	I-B-7
SECTION 2.03.	Election of Directors.....	I-B-7
SECTION 2.04.	Chairman of the Board.....	I-B-7
SECTION 2.05.	Removal.....	I-B-7
SECTION 2.06.	Vacancies.....	I-B-7
SECTION 2.07.	Regular Meetings.....	I-B-7
SECTION 2.08.	Special Meetings.....	I-B-7
SECTION 2.09.	Notice of Meetings.....	I-B-7
SECTION 2.10.	Presence at Meeting.....	I-B-8
SECTION 2.11.	Presiding Officer and Secretary at Meetings.....	I-B-8
SECTION 2.12.	Quorum.....	I-B-8
SECTION 2.13.	Compensation.....	I-B-8
SECTION 2.14.	Voting of Shares by Certain Holders.....	I-B-8

ARTICLE III

COMMITTEES

SECTION 3.01.	Executive Committee.....	I-B-8
SECTION 3.02.	Finance Committee.....	I-B-9
SECTION 3.03.	Audit and Ethics Committee.....	I-B-9
SECTION 3.04.	Compensation Committee.....	I-B-10
SECTION 3.05.	Nominating Committee.....	I-B-10
SECTION 3.06.	Other Committees.....	I-B-10
SECTION 3.07.	Meetings of Committees.....	I-B-10

I-B-2

ARTICLE IV

OFFICERS

SECTION 4.01.	Executive Officers -- Election and Term of Office.....	I-B-11
SECTION 4.02.	Chairman of the Board.....	I-B-11
SECTION 4.03.	President.....	I-B-11
SECTION 4.04.	Vice Presidents.....	I-B-11
SECTION 4.05.	Secretary.....	I-B-11
SECTION 4.06.	Treasurer.....	I-B-11
SECTION 4.07.	Subordinate Officers.....	I-B-12
SECTION 4.08.	Other Officers and Agents.....	I-B-12
SECTION 4.09.	When Duties of an Officer May Be Delegated.....	I-B-12
SECTION 4.10.	Officers Holding Two Or More Offices.....	I-B-12
SECTION 4.11.	Compensation.....	I-B-12
SECTION 4.12.	Resignations.....	I-B-12
SECTION 4.13.	Removal.....	I-B-12

ARTICLE V

STOCK

SECTION 5.01.	Certificates.....	I-B-12
SECTION 5.02.	Transfer of Shares.....	I-B-12
SECTION 5.03.	Transfer Agents and Registrars.....	I-B-13
SECTION 5.04.	Stock Ledgers.....	I-B-13
SECTION 5.05.	Record Dates.....	I-B-13
SECTION 5.06.	New Certificates.....	I-B-13

ARTICLE VI

INDEMNIFICATION

SECTION 6.01.	Indemnification of Directors, Officers, and Employees.....	I-B-13
SECTION 6.02.	Standard.....	I-B-13
SECTION 6.03.	Advance Payment of Expenses.....	I-B-14
SECTION 6.04.	General.....	I-B-14

ARTICLE VII

SUNDRY PROVISIONS

SECTION 7.01.	Seal.....	I-B-14
SECTION 7.02.	Voting of Stock in Other Corporations.....	I-B-14
SECTION 7.03.	Amendments.....	I-B-14

BYLAWS
OF
LOCKHEED MARTIN 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 business within the powers of the Corporation on such date during the month of April in each year as shall be determined by the Board of Directors, except that the 1995 annual meeting of stockholders shall be held on February 6, 1995. Subject to Article I, Section 1.11 of these Bylaws, any business of the Corporation may be transacted at such annual meeting. 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. At any time in the interval between annual meetings, special meetings of the stockholders may be called by the Chairman of the Board, President, or by the Board of Directors or by the Executive Committee by vote at a meeting or in writing with or without a meeting. Special meetings of stockholders shall also be called by the Secretary of the Corporation on the written request of stockholders entitled to cast at least 25% of all the votes entitled to be cast at the meeting.

SECTION 1.03. Place of Meetings. All meetings of stockholders shall be held at such place within the United States as may be 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, 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. 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. 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, may adjourn from time to time without further notice to a date not more than one hundred twenty (120) days after the original record date at the same or some other place.

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 his or her absence the President, or in their absence 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 meeting shall choose a chairman by a majority of all votes cast at a meeting at which a quorum is present. 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.

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 thereat shall constitute a quorum; but this section shall not affect 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 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 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, at a meeting of stockholders, the vote of a majority of the votes entitled to be cast at a meeting, 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 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.

SECTION 1.08. Proxies. A stockholder may vote the shares owned of record by him or her either in person or by proxy executed in writing by the stockholder or by his or her duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from its date, unless otherwise provided in the proxy. Every proxy shall be in writing, subscribed by the stockholder or his or her duly authorized attorney, and dated, but need not be sealed, witnessed or acknowledged.

SECTION 1.09. List of Stockholders. At each meeting of stockholders, a true and complete list of all stockholders entitled to vote at such meeting, stating the number and class of shares held by each, shall be furnished by the Secretary.

SECTION 1.10. 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, upon the demand of stockholders present in person or by proxy entitled to cast 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 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 may be proper to conduct the election and the vote with fairness to all stockholders. 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 1.11. Director Nominations and Stockholder Business.

(a) Nominations and Stockholder Business at Annual Meetings of Stockholders. 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 was a stockholder of record at the time of giving of notice provided for in this Section 1.11(a), who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 1.11(a).

For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of paragraph (a) of this Section 1.11, 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 not less than sixty (60) days nor more than ninety (90) days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) days or delayed by more than sixty (60) days from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such 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, 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 brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and the class and number of shares of stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

Notwithstanding anything in this paragraph (a) of this Section 1.11 to the contrary, in the event that Section 2.02 of these Bylaws is amended, altered or repealed so as to increase or decrease the maximum or minimum number of directors and there is no public announcement of such action at least seventy (70) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 1.11(a) shall also be considered timely, but only with respect to nominees for director, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 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 pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors or (ii) provided that the Board of Directors has determined that directors shall be elected at such special meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this Section 1.11, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 1.11. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (a) of this Section 1.11 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the 90th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such special meeting or the 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 such meeting.

(c) General. Only such persons who are nominated in accordance with the procedures set forth in this Section 1.11 shall be eligible to serve 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 procedures set forth in this Section 1.11. The presiding officer 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 in accordance with the procedures set forth in this Section 1.11 and, if any proposed nomination or business is not in compliance with this Section 1.11, to declare that such defective nomination or proposal be disregarded.

For purposes of this Section 1.11, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

Notwithstanding the foregoing provisions of this Section 1.11, a stockholder shall also 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 1.11. Nothing in this Section 1.11 shall be deemed to affect any rights of stockholders to request inclusion of proposals in 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 not less than four (4) nor more than twenty-four (24). By vote of a majority of the 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 the Board of Directors on or before March 15, 1995, 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 70 years.

SECTION 2.04. Chairman of the Board. The Board of Directors shall designate from its membership a Chairman of the Board, who shall have such powers and perform such duties as may be prescribed by these Bylaws and assigned to him or her by the Board of Directors pursuant to Section 4.02.

SECTION 2.05. 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 80% 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 2.06. 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, though 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 2.07. 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 2.08. 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 President, the Chairman of the Executive Committee, any three (3) directors, or by any officer of the Corporation upon the request of a majority of the Board.

SECTION 2.09. 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, 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 or by facsimile, such notice shall be deemed to be given when the telegram is delivered to the telegraph company or when the facsimile is transmitted. 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 2.10. Presence at Meeting. Members of the Board, 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 2.11. Presiding Officer and Secretary at Meetings. Each meeting of the Board of Directors shall be presided over by the Chairman of the Board of Directors or in his or her absence by the President or if neither is present by such member of the Board of Directors as shall be chosen by 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 2.12. 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 and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall be present. 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 2.13. 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 2.14. 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 Corporations and Associations Article of the Annotated Code of Maryland (or any successor statute) shall not apply to any acquisition by General Electric Company of shares of stock of the Corporation.

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. Unless a Chairman of the Board shall have been selected by the Board of Directors, the President shall act as chairman thereof. 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. Vacancies in the Executive Committee shall be filled by the Board of Directors.

SECTION 3.02. Finance Committee. The Board of Directors by resolution adopted by a majority of the Board of Directors may provide for a Finance Committee of three (3) or more directors. If provision is made for a Finance Committee, the members of the Finance 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 from among the membership of the Finance Committee a chairman. During the intervals between the meetings of the Board of Directors, the Finance Committee shall, except when such powers are by statute or the Charter or the Bylaws either reserved to the full Board of Directors or delegated to another committee of the Board of Directors, possess and may exercise all of the powers of the Board of Directors in the management of the financial affairs of the Corporation, including but not limited to establishing bank lines of credit or other short-term borrowing arrangements and investing excess working capital funds on a short-term basis. The Finance Committee will review all proposed changes to the capital structure of the Corporation, including the incurrence of long-term indebtedness and the issuance of additional equity securities, and will make suitable recommendations to the Board of Directors. It will likewise review on an annual basis the proposed capital expenditure and contributions budgets of the Corporation and make recommendations to the Board of Directors for their adoption. It will review the financial impact of the implementation of all compensation and employee benefit plans and of any amendments or modifications thereto, will approve the actuarial assumptions and financial policies pertaining to the investment of funds related to such plans, and it will further review such plans to ensure that they are operated in accordance with existing legal requirements and sound financial principles. All action by the Finance 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. Vacancies in the Finance Committee shall be filled by the Board of Directors.

SECTION 3.03. Audit and Ethics Committee. The Board of Directors by resolution adopted by a majority of the Board of Directors shall provide for an Audit and Ethics Committee of three or more directors who are not officers or employees of the Corporation, and who are otherwise independent of management and free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of the independent judgment of each member as a Committee member. The members of the Audit and Ethics 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 from among the membership of the Audit and Ethics Committee a chairman. The Audit and Ethics Committee shall, except when such powers are by statute or the Charter or the Bylaws either reserved to the full Board of Directors or delegated to another committee of the Board of Directors, possess and may exercise the powers of the Board of Directors relating to all accounting and auditing matters of this Corporation. The Audit and Ethics Committee shall recommend to the Board of Directors the selection of and monitor the independence of the independent public accountants for this Corporation and prior to the end of the Corporation's fiscal year shall review the scope and timing of the work to be performed and the compensation to be paid to the accountants selected by the Board; review with the Corporation's management and the independent public accountants the financial accounting and reporting principles appropriate for the Corporation, the policies and procedures concerning audits, accounting and financial controls, and any recommendations to improve existing practices, and the qualifications and work of the Corporation's internal auditing staff; review with the Corporation's independent public accountants the results of their audit and their report including any changes in accounting principles and any significant amendments; and shall meet with the Corporation's internal audit department representative to review the plan and scope of work of the internal auditing staff. The Committee shall hold quarterly meetings, and shall separately meet in executive session, with the Corporation's independent public accountants and internal audit department representative to review and resolve all matters of concern presented to the Committee. The Committee shall monitor compliance with the Code of Ethics and Standards of Conduct and shall review and resolve all matters of concern presented to it by the Corporate Ethics Committee or the Corporate Ethics Office. The Committee shall review and monitor the adequacy of the Corporation's policies and procedures, as well as the organizational structure, for ensuring compliance with environmental laws and regulations; review,

at least annually, the Corporation's record of compliance with environmental laws and regulations and the policies and procedures relating thereto; review with the Corporation's management significant environmental litigation and regulatory proceedings in which the Corporation is or may become involved; and review the accounting and financial reporting issues, including the adequacy of disclosure, for all environmental matters. The Committee shall have the power to investigate any matter falling within its jurisdiction, and it shall also perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board of Directors. All action by the Audit and Ethics 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. Vacancies in the Audit and Ethics Committee shall be filled by the Board of Directors.

SECTION 3.04. Compensation Committee. The Board of Directors by resolution adopted by a majority of the Board of Directors may provide for a Compensation Committee of three (3) or more directors who are not officers or employees of the Corporation. If provision is made for a Compensation Committee, the members of the Compensation 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 from among the membership of the Compensation Committee a chairman. The Compensation Committee shall recommend to the Board of Directors the compensation to be paid for services of elected officers of the Corporation. The Compensation Committee shall have the power to fix the compensation of all employees, except elected officers, whose compensation is at such rate as may be established by resolution of the Board of Directors from time to time and to approve the benefits provided by any bonus, supplemental, and special compensation plans, including pension, insurance, and health plans, except such powers as are by statute or the Charter or the Bylaws reserved to the full Board of Directors. The Compensation Committee shall serve as the Stock Option Committee of the Board, and it shall also perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board of Directors. All action by the Compensation 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. Vacancies in the Compensation Committee shall be filled by the Board of Directors.

SECTION 3.05. Nominating Committee. The Board of Directors by resolution adopted by a majority of the Board of Directors may provide for a Nominating Committee of three (3) or more Directors who are not officers or employees of the Corporation. If provision is made for a Nominating Committee, the members of the Nominating 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 from among the membership of the Nominating Committee a committee chairman. The Nominating Committee shall make recommendations to the Board of Directors concerning the fees and compensation for directors, the composition of the Board including its size and the qualifications for membership, and the Nominating Committee shall recommend to the Board of Directors nominees for election to fill any vacancy occurring in the Board and to fill new positions created by an increase in the authorized number of directors of the Corporation. Annually the Nominating 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. Vacancies in the Nominating Committee shall be filled by the Board of Directors.

SECTION 3.06. 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 3.07. 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 the article of these Bylaws entitled the "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.

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, a President, such number of Vice Presidents as the Board of Directors may determine, a Secretary and a Treasurer. The Chairman of the Board and the President shall be chosen from among the Directors. 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. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors. Unless the Board of Directors provides otherwise, the Chairman of the Board shall be the Chief Executive Officer of the Corporation. Subject to the authority of the Board of Directors, he or she shall have general charge and supervision of the business and affairs of the Corporation. He or she may sign with the Secretary or an Assistant Secretary certificates of stock of the Corporation. He or she shall have the authority to sign and execute in the name of the Corporation all deeds, mortgages, bonds, contracts or other instruments. He or she shall have the authority to vote stock in other corporations, and he or she shall perform such other duties of management as may be prescribed by a resolution or resolutions or as otherwise may be assigned to him or her by the Board of Directors. He or she shall have the authority to delegate such authorization and power as vested in him or her by these Bylaws to some other officer or employee or agent of the Corporation as he or she shall deem appropriate.

SECTION 4.03. President. The President shall be the Chief Operating Officer of the Corporation. He or she 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 4.04. 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. The Vice Presidents shall perform such duties as from time to time may be assigned to them by the President or the Chief Executive Officer.

SECTION 4.05. 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 4.06. 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 President.

SECTION 4.07. Subordinate Officers. The subordinate officers shall consist of such assistant officers and agents as may be deemed desirable and as may be appointed by the Chief Executive Officer or the President. Each such subordinate officer shall hold office for such period, have such authority and perform such duties as the Chief Executive Officer or the President may prescribe.

SECTION 4.08. Other Officers and Agents. The Board of Directors may create such other offices and appoint or provide for the appointment of such other officers and agents, attorneys-in-fact and employees as it shall deem necessary, who shall bear such titles, have such authority, receive such compensation, and provide such security for faithful service and hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

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 Board of Directors, or any officer designated by it, 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 those of President and a 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 President 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. 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 him or her in the Corporation. Such 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. Stock certificates 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 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.

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. 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.

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 issue of a new certificate 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, in their discretion, may refuse to issue such new certificate 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 to the fullest extent permitted by, and under, applicable law as it presently exists and as is further set forth in Section 6.02 below or as may hereafter be amended any person who is or was a director, officer or employee of the Corporation or who is or was serving at the request of the Corporation as a director, officer or employee of another corporation or entity (including service with employee benefit plans), who by reason of this status or service in that capacity was, is, or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative, or investigative. Such indemnification shall be against all liability and loss suffered and expenses (including, but not limited to, attorneys' fees, judgments, fines, penalties, and amounts paid in settlement) actually and reasonably incurred by the individual in connection with such proceeding; provided, however, that the Corporation shall not be required to indemnify a person in connection with an action, suit or proceeding initiated by such person unless the action, suit or proceeding was authorized by the Board of Directors of the Corporation.

SECTION 6.02. Standard. Maryland General Corporation Law Section 2-418, on August 29, 1994, provided generally that a corporation may indemnify any individual made a party to a proceeding by reason of service on behalf of the corporation unless it is established that:

(i) The act or omission of the individual was material to the matter giving rise to the proceeding; and

(1) Was committed in bad faith; or

(2) Was the result of active and deliberate dishonesty; or

(ii) The individual actually received an improper personal benefit in money, property, or services; or

(iii) In the case of any criminal proceeding, the individual had reasonable cause to believe that the act or omission was unlawful.

SECTION 6.03. Advance Payment of Expenses. The Corporation shall pay or reimburse reasonable expenses in advance of a final disposition of the proceeding and without requiring a preliminary determination of the ultimate entitlement to indemnification provided that the individual first provides the Corporation with: (a) a written affirmation of the individual's good faith belief that the individual meets the standard of conduct necessary for indemnification under the laws of the State of Maryland; and (b) a written undertaking by or on behalf of the individual to repay the amount advanced if it shall ultimately be determined that the applicable standard of conduct has not been met.

SECTION 6.04. General. The Board of Directors, by resolution, may authorize the management of the Corporation to act for and on behalf of the Corporation in all matters relating to indemnification within any such limits as may be specified from time to time by the Board of Directors, all consistent with applicable law.

The rights conferred on any person by this Article VI shall not be exclusive of any other rights which such 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.

Repeal or modification of this Article VI or the relevant law shall not affect adversely any rights or obligations then existing with respect to any facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such 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 or President of the Corporation or by proxy or proxies appointed by the Chairman or President of the Corporation. The Board of Directors or Chairman, 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.

PLAN AND AGREEMENT OF MERGER

THIS PLAN AND AGREEMENT OF MERGER dated as of August 29, 1994 is among Martin Marietta Corporation, a Maryland corporation ("Martin Marietta"), Atlantic Sub, Inc., a Maryland corporation ("Atlantic Sub"), and Parent Corporation,* a Maryland corporation ("Parent"). Martin Marietta and Atlantic Sub are hereinafter sometimes collectively referred to as the Constituent Corporations.

All of the outstanding stock of Atlantic Sub is owned by Parent and all of the outstanding stock of Parent is owned, in equal amounts, by Martin Marietta and by Lockheed Corporation, a Delaware corporation ("Lockheed"). Parent will be authorized, at the time of the merger provided for herein, to issue 820,000,000 shares of capital stock, of which 50,000,000 shares will be series preferred stock, \$1.00 par value, 20,000,000 shares will be Series A Preferred Stock, par value \$1.00, and 750,000,000 shares will be common stock, \$1.00 par value ("Parent Common Stock").

This Plan and Agreement of Merger is being entered into pursuant to a Plan and Agreement of Reorganization dated as of August 29, 1994 among Martin Marietta, Lockheed and Parent (the "Reorganization Agreement"). Capitalized terms used but not defined herein have the meanings given to them in the Reorganization Agreement.

ARTICLE I

1.1 On the Merger Date (as defined in paragraph 1.6) Atlantic Sub shall merge into Martin Marietta (the "Atlantic Sub Merger") and the separate existence of Atlantic Sub shall cease. Martin Marietta shall be the surviving corporation in the Atlantic Sub Merger (hereinafter sometimes referred to as the "Surviving Corporation") and its separate corporate existence, with all its purposes, objects, rights, privileges, powers and franchises, shall continue unaffected and unimpaired by the Atlantic Sub Merger.

1.2 The Surviving Corporation shall succeed to all of the rights, privileges, powers and franchises, as well of a public as of a private nature, of the Constituent Corporations, all of the properties and assets of the Constituent Corporations and all of the debts, choses in action and other interests due or belonging to the Constituent Corporations and shall be subject to, and responsible for, all of the debts, liabilities and duties of the Constituent Corporations with the effect set forth in the Maryland General Corporation Law.

1.3 If, at any time after the Merger Date, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of Atlantic Sub acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Atlantic Sub Merger or to otherwise carry out this Plan and Agreement of Merger, the officers and directors of the Surviving Corporation shall and will be authorized to execute and deliver, in the name and on behalf of the Constituent Corporations or otherwise, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of the Constituent Corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or to otherwise carry out this Plan and Agreement of Merger.

1.4 The Charter and the Bylaws of Martin Marietta, in each case as amended to and including the Merger Date, shall be the Charter and Bylaws of the Surviving Corporation and shall thereafter continue to be its Charter and its Bylaws until changed as provided therein and by law.

1.5 The directors and officers of Martin Marietta immediately prior to the Merger Date shall be the directors and officers of the Surviving Corporation and shall thereafter continue in office in accordance with the Charter and Bylaws of the Surviving Corporation.

* On October 3, 1994, the name Parent Corporation was changed to Lockheed Martin Corporation.

1.6 If this Plan and Agreement of Merger is duly approved by the stockholders of each of the Constituent Corporations in accordance with the Maryland General Corporation Law and the respective Charters and Bylaws of the Constituent Corporations and is not terminated under paragraph 3.1, Articles of Merger with respect to the Atlantic Sub Merger shall be promptly filed and recorded in accordance with the Maryland General Corporation Law. The Atlantic Sub Merger shall become effective at the time and date of such filing or at such date and time otherwise specified in the Articles of Merger (such time and date are herein collectively referred to as the "Merger Date").

ARTICLE II

2.1 On the Merger Date, by virtue of the Atlantic Sub Merger and without further action by the holder thereof, each share of the common stock, par value \$1.00 per share, of Atlantic Sub outstanding immediately prior thereto shall be converted into and become one share of the common stock, par value \$1.00 per share, of the Surviving Corporation ("Surviving Corporation Common Stock").

2.2 On the Merger Date, by virtue of the Atlantic Sub Merger and without further action by the holder thereof, each share of the Martin Marietta Common Stock outstanding immediately prior thereto (other than shares of Martin Marietta Common Stock owned by Lockheed or any Subsidiary of Lockheed, which shall be cancelled and cease to exist immediately upon the Merger Date) shall be converted into and become one share of Parent Common Stock.

2.3 On the Merger Date, by virtue of the Atlantic Sub Merger and without further action by the holder thereof, each share of Martin Marietta Preferred Stock outstanding immediately prior thereto (other than shares of Martin Marietta Preferred Stock owned by Lockheed or any Subsidiary of Lockheed, which shall be cancelled and cease to exist immediately upon the Merger Date) shall be converted into and become one share of Parent Preferred Stock.

2.4 On and after the Merger Date, the holders of certificates theretofore representing shares of Martin Marietta Common Stock (other than shares owned by Lockheed or any Subsidiary of Lockheed), on surrender of such certificates to an agent or agents designated for that purpose by Parent, shall be entitled to receive in exchange therefor certificates representing the number of shares of Parent Common Stock into which the shares of Martin Marietta Common Stock theretofore represented by the surrendered certificates shall have been converted in the Atlantic Sub Merger; provided, however, that if any such holder is not registered in the stock transfer records of Martin Marietta as the holder of the shares of Martin Marietta Common Stock represented by a certificate so surrendered, such certificate shall be accompanied by all documents required to evidence such holder's rights to the shares represented thereby and by payment for any applicable stock transfer or other taxes.

2.5 On and after the Merger Date, the holders of certificates theretofore representing shares of Martin Marietta Preferred Stock (other than shares owned by Lockheed or any Subsidiary of Lockheed), on surrender of such certificates to an agent or agents designated for that purpose by Parent, shall be entitled to receive in exchange therefor certificates representing the number of shares of Parent Preferred Stock into which the shares of Martin Marietta Preferred Stock theretofore represented by the surrendered certificates shall have been converted in the Atlantic Sub Merger; provided, however, that if any such holder is not registered in the stock transfer records of Martin Marietta as the holder of the shares of Martin Marietta Preferred Stock represented by a certificate so surrendered, such certificate shall be accompanied by all documents required to evidence such holder's rights to the shares represented thereby and by payment for any applicable stock transfer or other taxes.

2.6 All shares of Parent Common Stock and Parent Preferred Stock into which shares of Martin Marietta Common Stock and Martin Marietta Preferred Stock are converted on the Merger Date pursuant to paragraphs 2.2 and 2.3, respectively, shall be deemed, for all corporate purposes, to have been issued by Parent on such Date. On and after such Date and prior to the surrender, pursuant to paragraphs 2.4 and 2.5, of any certificate theretofore representing shares of Martin Marietta Common Stock or Martin Marietta Preferred Stock, such certificate shall, for all corporate purposes (including, without limitation, entitlement to vote and

to receipt of dividends), be treated as representing the number of shares of Parent Common Stock and Parent Preferred Stock into which such shares of Martin Marietta Common Stock or Martin Marietta Preferred Stock shall have been converted in the Atlantic Sub Merger. No holder of a certificate or certificates which immediately prior to the Merger Date represented shares of Martin Marietta Common Stock or Martin Marietta Preferred Stock shall be entitled to receive any dividend or other distribution from Parent until surrender of such holder's certificate or certificates for a certificate or certificates representing shares of Parent Common Stock (in the case of holders of Martin Marietta Common Stock) or Parent Preferred Stock (in the case of holders of Martin Marietta Preferred Stock). Upon such surrender, there shall be paid to the holder the amount of any dividends or other distributions (without interest) which theretofore became payable, but which were not paid by reason of the foregoing, with respect to the number of whole shares of Parent Common Stock or Parent Preferred Stock, as the case may be, represented by the certificates issued upon such surrender.

ARTICLE III

3.1 Notwithstanding the approval and adoption of this Plan and Agreement of Merger by the stockholders of Martin Marietta and Atlantic Sub, this Plan and Agreement of Merger shall terminate forthwith in the event that the Reorganization Agreement shall be terminated as therein provided. In the event of the termination of this Plan and Agreement of Merger as provided above, this Plan and Agreement of Merger shall forthwith become void and there shall be no liability on the part of any of the parties hereto.

3.2 This Plan and Agreement of Merger shall not be amended other than pursuant to an amendment to the Reorganization Agreement approved in the manner therein provided. If any such amendment to the Reorganization Agreement is so approved, any amendment to this Plan and Agreement of Merger required by such amendment to the Reorganization Agreement shall be effected by the parties hereto by action taken by their respective Boards of Directors.

3.3 This Plan and Agreement of Merger may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to each of the other parties.

3.4 This Plan and Agreement of Merger shall be governed by and construed in accordance with the laws of the State of Maryland.

IN WITNESS WHEREOF, this Plan and Agreement of Merger has been executed by each of the parties hereto by their duly authorized officers, as of the date first above written.

[Signatures omitted]

I-C-3

PLAN AND AGREEMENT OF MERGER

THIS PLAN AND AGREEMENT OF MERGER dated as of August 29, 1994 is among Lockheed Corporation, a Delaware corporation ("Lockheed"), Pacific Sub, Inc., a Delaware corporation ("Pacific Sub"), and Parent Corporation,* a Maryland corporation ("Parent"). Lockheed and Pacific Sub are hereinafter sometimes collectively referred to as the Constituent Corporations.

All of the outstanding stock of Pacific Sub is owned by Parent and all of the outstanding stock of Parent is owned, in equal amounts, by Lockheed and by Martin Marietta Corporation, a Maryland corporation ("Martin Marietta"). Parent will be authorized, at the time of the merger provided for herein, to issue 820,000,000 shares of capital stock of which 50,000,000 shares will be series preferred stock, \$1.00 par value, 20,000,000 shares will be Series A Preferred Stock \$1.00 par value, and 750,000,000 shares will be Common Stock, \$1.00 par value ("Parent Common Stock").

This Plan and Agreement of Merger is being entered into pursuant to a Plan and Agreement of Reorganization dated as of August 29, 1994 among Martin Marietta, Lockheed and Parent (the "Reorganization Agreement"). Capitalized terms used but not defined herein have the meanings given to them in the Reorganization Agreement.

ARTICLE I

1.1 On the Merger Date (as defined in paragraph 1.6) Pacific Sub shall merge into Lockheed (the "Pacific Sub Merger") and the separate existence of Pacific Sub shall cease. Lockheed shall be the surviving corporation in the Pacific Sub Merger (hereinafter sometimes referred to as the "Surviving Corporation") and its separate corporate existence, with all its purposes, objects, rights, privileges, powers and franchises, shall continue unaffected and unimpaired by the Pacific Sub Merger.

1.2 The Surviving Corporation shall succeed to all of the rights, privileges, powers and franchises, as well of a public as of a private nature, of the Constituent Corporations, all of the properties and assets of the Constituent Corporations and all of the debts, choses in action and other interests due or belonging to the Constituent Corporations and shall be subject to, and responsible for, all of the debts, liabilities and duties of the Constituent Corporations with the effect set forth in the General Corporation Law of Delaware.

1.3 If, at any time after the Merger Date, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of Pacific Sub acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Pacific Sub Merger or to otherwise carry out this Plan and Agreement of Merger, the officers and directors of the Surviving Corporation shall and will be authorized to execute and deliver, in the name and on behalf of the Constituent Corporations or otherwise, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of the Constituent Corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or to otherwise carry out this Plan and Agreement of Merger.

1.4 The Certificate of Incorporation and the Bylaws of Lockheed, in each case as amended to and including the Merger Date, shall be the Certificate of Incorporation and Bylaws of the Surviving Corporation and shall thereafter continue to be its Certificate of Incorporation and its Bylaws until changed as provided therein and by law.

1.5 The directors and officers of Lockheed immediately prior to the Merger Date shall be the directors and officers of the Surviving Corporation and shall thereafter continue in office in accordance with the Certificate of Incorporation and Bylaws of the Surviving Corporation.

* On October 3, 1994, the name Parent Corporation was changed to Lockheed Martin Corporation

1.6 If this Plan and Agreement of Merger is duly adopted by the stockholders of each of the Constituent Corporations in accordance with the Delaware General Corporation Law and the respective Certificates of Incorporation and Bylaws of the Constituent Corporations and is not terminated under paragraph 3.1, a Certificate of Merger with respect to the Pacific Sub Merger shall be promptly filed and recorded in accordance with the Delaware General Corporation Law. The Pacific Sub Merger shall become effective at the time and date of such filing or at such date and time otherwise specified in the Certificate of Merger (such time and date are herein collectively referred to as the "Merger Date").

ARTICLE II

2.1 On the Merger Date, by virtue of the Pacific Sub Merger and without further action by the holder thereof, each share of the common stock, par value \$1.00 per share, of Pacific Sub outstanding immediately prior thereto shall be converted into and become one share of the common stock, par value \$1.00 per share, of the Surviving Corporation ("Surviving Corporation Common Stock").

2.2 On the Merger Date, by virtue of the Pacific Sub Merger and without further action by the holder thereof, each share of common stock, par value \$1.00 per share, of Lockheed outstanding immediately prior thereto (other than shares of Lockheed Common Stock held in the treasury of Lockheed or owned by Martin Marietta or any Subsidiary of Martin Marietta, which shall be cancelled and cease to exist immediately upon the Merger Date) shall be converted into and become the right to receive 1.63 shares of Parent Common Stock, except that if the application of such ratio would otherwise result in conversion into a fractional number of shares of Parent Common Stock, cash payments will be made to holders of Lockheed Common Stock in respect of such fractional share in an amount equal to such fractional part of a share of Parent Common Stock multiplied by the closing price of Parent Common Stock on the New York Stock Exchange on the last business day preceding the Merger Date if such stock is then being traded, including without limitation trading on a "when issued" basis, and otherwise shall be the closing price on the first business day that such stock is traded.

2.3 On and after the Merger Date, the holders of certificates theretofore representing shares of Lockheed Common Stock (other than shares held in the treasury of Lockheed or owned by Martin Marietta or any Subsidiary of Martin Marietta), on surrender of such certificates to an agent or agents designated for that purpose by Parent, shall be entitled to receive in exchange therefor certificates representing the number of shares of Parent Common Stock into which the shares of Lockheed Common Stock theretofore represented by the surrendered certificates shall have been converted in the Pacific Sub Merger; provided, however, that if any such holder is not registered on the stock transfer records of Lockheed as the holder of the shares of Lockheed Common Stock represented by a certificate so surrendered, such certificate shall be accompanied by all documents required to evidence such holder's rights to the shares represented thereby and by payment for any applicable stock transfer or other taxes.

2.4 All shares of Parent Common Stock into which shares of Lockheed Common Stock are converted on the Merger Date pursuant to paragraph 2.2 shall be deemed, for all corporate purposes, to have been issued by Parent on such Date. On and after such Date and prior to the surrender, pursuant to paragraph 2.3, of any certificate theretofore representing shares of Lockheed Common Stock, such certificate shall, for all corporate purposes (including, without limitation, entitlement to vote and to the receipt of dividends), be treated as representing the number of shares of Parent Common Stock into which such shares of Lockheed Common Stock, as the case may be, shall have been converted in the Pacific Sub Merger. No holder of a certificate or certificates which immediately prior to the Merger Date represented shares of Lockheed Common Stock shall be entitled to receive any dividend or other distribution from Parent until surrender of such holder's certificate or certificates for a certificate or certificates representing shares of Parent Common Stock. Upon such surrender, there shall be paid to the holder the amount of any dividends or other distributions (without interest) which theretofore became payable, but which were not paid by reason of the foregoing, with respect to the number of whole shares of Parent Common Stock represented by the certificates issued upon such surrender.

ARTICLE III

3.1 Notwithstanding the approval and adoption of this Plan and Agreement of Merger by the stockholders of Lockheed and Pacific Sub, this Plan and Agreement of Merger shall terminate forthwith in the event that the Reorganization Agreement shall be terminated as therein provided. In the event of the termination of this Plan and Agreement of Merger as provided above, this Plan and Agreement of Merger shall forthwith become void and there shall be no liability on the part of any of the parties hereto.

3.2 This Plan and Agreement of Merger may be amended to the extent permitted by applicable law, but only pursuant to an amendment to the Reorganization Agreement approved in the manner therein provided. If any such amendment to the Reorganization Agreement is so approved, any amendment to this Plan and Agreement of Merger required by such amendment to the Reorganization Agreement shall be effected by the parties hereto by action taken by their respective Boards of Directors.

3.3 This Plan and Agreement of Merger may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to each of the other parties.

3.4 This Plan and Agreement of Merger shall be governed by and construed in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, this Plan and Agreement of Merger has been executed by each of the parties hereto by their duly authorized officers, as of the date first above written.

[Signatures Omitted]

I-D-3

[MORGAN STANLEY LETTERHEAD]

February 9, 1995

Board of Directors
Lockheed Corporation
4500 Park Granada Blvd.
Calabasas, CA 91399

Members of the Board:

We understand that Lockheed Martin Corporation ("Parent"), Lockheed Corporation ("Lockheed") and Martin Marietta Corporation ("Martin Marietta") have entered into an Agreement and Plan of Reorganization, dated as of August 29, 1994, as amended as of February 7, 1995, and the related Plan and Agreement of Merger (collectively, the "Reorganization Agreement"), which provide, among other things, for Lockheed and Martin Marietta to cause Parent to form two wholly owned subsidiaries named Pacific Sub, Inc. ("Pacific Sub") and Atlantic Sub, Inc. ("Atlantic Sub") and for the merger of Pacific Sub into Lockheed and the merger of Atlantic Sub into Martin Marietta (the "Combination"). Pursuant to the Combination, (i) Lockheed will become a wholly owned subsidiary of Parent and each issued and outstanding share of common stock, par value \$1.00 per share (the "Lockheed Common Stock") of Lockheed, other than shares of Lockheed Common Stock held in treasury or owned by Martin Marietta or any subsidiary of Martin Marietta, will be converted into the right to receive 1.630 (the "Lockheed Exchange Ratio") shares of common stock, par value \$1.00 per share (the "Parent Common Stock") of Parent, and (ii) Martin Marietta will become a wholly owned subsidiary of Parent and each issued and outstanding share of common stock, par value \$1.00 per share (the "Martin Marietta Common Stock") of Martin Marietta, other than shares of Martin Marietta Common Stock owned by Lockheed or any subsidiary of Lockheed, will be converted into the right to receive 1.000 share of Parent Common Stock and each issued and outstanding share of Series A Preferred Stock, par value \$1.00 per share (the "Martin Marietta Preferred Stock") of Martin Marietta other than shares of Martin Marietta Preferred Stock owned by Lockheed or any affiliate of Lockheed, will be converted into and become one share of Series A Preferred Stock, par value \$1.00 per share, of Parent. The terms and conditions of the Combination are more fully set forth in the Reorganization Agreement.

You have asked for our opinion as to whether the Lockheed Exchange Ratio pursuant to the Reorganization Agreement is fair from a financial point of view to the holders of shares of Lockheed Common Stock.

For purposes of the opinion set forth herein, we have:

(i) analyzed certain publicly available financial statements and other information of Lockheed and Martin Marietta, respectively;

(ii) analyzed certain internal financial statements and other financial and operating data concerning Martin Marietta prepared by the management of Martin Marietta;

(iii) analyzed certain financial projections prepared by the management of Martin Marietta;

(iv) discussed the past and current operations and financial condition and the prospects of Martin Marietta with senior executives of Martin Marietta;

(v) analyzed certain internal financial statements and other financial and operating data concerning Lockheed prepared by the management of Lockheed;

(vi) analyzed certain financial projections prepared by the management of Lockheed;

(vii) discussed the past and current operations and financial condition and the prospects of Lockheed with senior executives of Lockheed, and analyzed the pro forma impact of the Combination on Lockheed's earnings per share and consolidated capitalization;

(viii) reviewed the reported prices and trading activity for the Lockheed Common Stock and the Martin Marietta Common Stock, respectively;

(ix) discussed with the senior management of Lockheed their view of the strategic rationale for the Mergers and the benefits of the Combination to Lockheed and to the holders of shares of Lockheed Common Stock;

(x) compared the financial performance of Lockheed and Martin Marietta and the prices and trading activity of Lockheed Common Stock and Martin Marietta Common Stock with that of certain other comparable publicly-traded companies and their securities;

(xi) reviewed the financial terms, to the extent publicly available, of certain comparable merger transactions;

(xii) participated in discussions and negotiations among representatives of Lockheed, Martin Marietta and their respective financial and legal advisers;

(xiii) reviewed the Reorganization Agreement;

(xiv) reviewed the reconfiguration agreement between Martin Marietta and the General Electric Company;

(xv) reviewed the Joint Proxy Statement/Prospectus in substantially the final form to be sent to the stockholders of Lockheed; and

(xvi) performed such other analyses as we have deemed appropriate.

We have assumed and relied upon without independent verification the accuracy and completeness of the information reviewed by us for the purposes of this opinion. With respect to the financial projections, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the future financial performance of Lockheed and Martin Marietta. We have not made any independent valuation or appraisal of the assets or liabilities of Lockheed or Martin Marietta nor have we been furnished with any such appraisals. We have assumed that the Combination will be accounted for as a "pooling-of-interests" business combination in accordance with U.S. Generally Accepted Accounting Principles and will be consummated in accordance with the terms set forth in the Reorganization Agreement. Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof.

We have acted as financial advisor to the Board of Directors of Lockheed in connection with this transaction and will receive a fee for our services, including a payment which is contingent upon consummation of the Combination. In the past, Morgan Stanley & Co. Incorporated and its affiliates have provided financial advisory and financing services for Lockheed and Martin Marietta and have received fees for the rendering of these services.

It is understood that this letter is for the information of the Board of Directors of Lockheed only and may not be used for any other purpose without our prior written consent. We hereby consent, however, to the inclusion of this opinion as an exhibit to any proxy or registration statement distributed in connection with the Combination.

Based on and subject to the foregoing, we are of the opinion on the date hereof that the Lockheed Exchange Ratio pursuant to the Reorganization Agreement is fair from a financial point of view to the holders of shares of Lockheed Common Stock.

Very truly yours,

MORGAN STANLEY & CO. INCORPORATED

By: /s/ James B. Stynes

James B. Stynes
Managing Director

II-3

[BEAR STEARNS LETTERHEAD]

February 9, 1995

Board of Directors
Martin Marietta Corporation
6801 Rockledge Drive
Bethesda, MD 20817

Dear Sirs and Madam:

We understand that Martin Marietta Corporation ("Martin Marietta") and Lockheed Corporation ("Lockheed") are considering merging into subsidiaries of a new corporation ("Lockheed Martin") in a transaction pursuant to which each share of common stock of Martin Marietta would be converted into one common share of Lockheed Martin, each share of Series A Preferred Stock of Martin Marietta would be converted into one share of Lockheed Martin Series A Preferred Stock with substantially similar terms, and each share of common stock of Lockheed would be converted into 1.63 common shares of Lockheed Martin (the "Transaction"). You have provided us with a copy of the proxy statement in substantially the final form to be sent to the stockholders of Martin Marietta (the "Joint Proxy Statement/Prospectus"), which includes the Reorganization Agreement and the Merger Agreements with respect to the Transaction. We further understand that the Transaction will be accounted for as a pooling of interests as contemplated by the Joint Proxy Statement/Prospectus.

You have asked us to render our opinion as to whether the Transaction is fair, from a financial point of view, to the stockholders of Martin Marietta.

In the course of our analyses for rendering this opinion, we have:

1. reviewed the Joint Proxy Statement/Prospectus;
2. reviewed Martin Marietta's and Lockheed's respective Annual Reports to Shareholders and Annual Reports on Form 10-K for the fiscal years ended December 1990 through 1993, and their respective Quarterly Reports on Form 10-Q for the fiscal periods ended March, June and September 1994;
3. reviewed certain operating and financial information, including projections, provided to us by Martin Marietta's and Lockheed's managements relating to their respective business prospects;
4. met with certain members of Martin Marietta's and Lockheed's senior managements to discuss their operations, historical financial statements and future prospects and their views of the business, operational and strategic benefits, potential synergies and other implications of the Transaction;
5. reviewed the pro forma financial impact of the Transaction on Martin Marietta;
6. reviewed the historical stock prices and trading volumes of the common stock of Martin Marietta and of Lockheed;
7. reviewed publicly available financial information and stock market performance data of other publicly-held companies which we deemed generally comparable to Martin Marietta and to Lockheed;

8. reviewed the financial terms of certain other recent acquisitions of companies which we deemed generally comparable to Martin Marietta and to Lockheed; and

9. conducted such other studies, analyses, inquiries and investigations as we deemed appropriate.

In the course of our review, we have relied upon and assumed, without independent verification, the accuracy and completeness of the financial and other information provided to us by Martin Marietta and Lockheed, and we have further relied upon the assurances of management of Martin Marietta and Lockheed that they are unaware of any facts that would make the information provided to us incomplete or misleading. In arriving at our opinion, we have not performed or obtained any independent appraisal of the assets of Martin Marietta or Lockheed nor have we been furnished with any such appraisals. Our opinion is necessarily based on the economic, market, and other conditions as in effect on, and the information made available to us as of the date hereof.

We have acted as financial advisor to Martin Marietta in connection with the Transaction and will receive a fee for such advisory services, including the rendering of this opinion, payment of a significant portion of which is contingent upon the consummation of the Transaction.

In the ordinary course of our business, we may actively trade the equity securities of Martin Marietta and Lockheed for our own account and for the accounts of customers and accordingly, may, at any time, hold a long or short position in such securities.

It is understood that this letter is intended solely for the benefit and use of the Board of Directors of Martin Marietta and is not to be used for any other purpose without our prior written consent, which shall not be unreasonably withheld.

Based on and subject to the foregoing, it is our opinion that, as of the date hereof, the Transaction is fair, from a financial point of view, to the stockholders of Martin Marietta.

Very truly yours,

BEAR, STEARNS & CO. INC.

By: /s/ Denis A. Bovin

Managing Director

LOCKHEED MARTIN CORPORATION
1995 OMNIBUS PERFORMANCE AWARD PLAN

TABLE OF CONTENTS

	PAGE

SECTION 1.	Purpose..... IV-1
SECTION 2.	Definitions; Rules of Construction..... IV-1
SECTION 3.	Eligibility..... IV-3
SECTION 4.	Awards..... IV-3
SECTION 5.	Shares of Stock and Share Units Available Under Plan..... IV-5
SECTION 6.	Award Agreements..... IV-6
SECTION 7.	Adjustments; Change in Control; Acquisitions..... IV-7
SECTION 8.	Administration..... IV-9
SECTION 9.	Amendment and Termination of this Plan..... IV-11
SECTION 10.	Miscellaneous..... IV-11

LOCKHEED MARTIN CORPORATION

1995 OMNIBUS PERFORMANCE AWARD PLAN

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 a proprietary interest in the Corporation and/or 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.

"Beneficiary" means a person or persons (including a trust or trusts) validly designated by a Participant or, in the absence of a valid designation, entitled by will or the laws of descent and distribution, to receive the benefits specified in the Award Agreement and under this Plan in the event of a Participant's death.

"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 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 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.

"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 by dividing (a) net earnings, less dividends on preferred stock of the Corporation by (b) the weighted average number of common shares and common share equivalents outstanding.

"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 shall be conclusive for purposes of this Plan.

"Fair Market Value" means the closing price of the relevant security as reported on the composite tape of New York Stock Exchange issues (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.

"Insider" means any person who is subject to Section 16(b) of the Exchange Act.

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

"Participant" means an Employee who is granted an Award pursuant to this Plan that remains outstanding.

"Performance-Based Awards" is defined in Section 4(b).

"Performance Goal" means EPS or ROE or Cash Flow or Total Stockholder Return, and "Performance Goals" means any combination thereof.

"ROE" means consolidated net income of the Corporation (less preferred dividends), divided by the average consolidated common stockholders equity.

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

"Share-Based Awards" means Awards that are payable or denominated in or have a value derived from the value of, or an exercise 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% 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 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, generally accepted accounting principles and as derived from the audited consolidated financial statements of the Corporation, prepared in the ordinary course of business.

(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.

SECTION 3. Eligibility.

Any one or more Awards may be granted to any Employee who is designated by the Committee to receive an Award, provided that no individual who beneficially owns Stock possessing five percent (5%) 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, in tandem 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. 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 that the Option is granted or, if the exercise price of an Option is reduced by amendment, the Fair Market Value of the Stock on the date of the amendment. All Nonqualified Stock Options granted at an exercise price not less than Fair Market Value on the date of grant shall be treated as Performance-Based Awards subject to the applicable restrictions of 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 section 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 the Option is granted or, if the exercise price of an Option is reduced by amendment, the Fair Market Value of the Stock on the date of the amendment. 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 the Options were awarded. All Incentive Stock Options granted at an exercise price not less than Fair Market Value on the date of grant shall be treated as Performance-Based Awards subject to the applicable restrictions of Section 4(b).

(3) Stock Appreciation Rights. A Stock Appreciation Right 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 (which may include a Change in Control), as may be approved by the Committee. The minimum base price of a Stock Appreciation Right granted under this Plan shall be not less than the lowest of the Fair Market Value of the underlying Stock on the date the Stock Appreciation Right is granted or, if the base price of a Stock Appreciation Right is reduced by amendment, the Fair Market Value of the Stock on the date of the amendment, or, in the case of a Stock Appreciation Right related to an Option (whether already outstanding or concurrently granted), the exercise price of the related Option. All Stock Appreciation Rights granted at a base price not less than Fair Market Value on the date of grant 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. Restricted Stock Awards 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 under Section 4(b).

(5) Other Share-Based Awards. The Committee may from time to time grant Awards under this Plan that provide the Participants with Stock or the right to purchase Stock, or provide other incentive Awards (including, but not limited to phantom stock or units, performance stock or units, bonus stock, dividend equivalent units, or similar securities or rights) that have a value derived from the value of, or an exercise or conversion privilege at a price related to, or that are otherwise payable in shares of Stock. The Awards shall be in a form determined by the Committee, provided that the Awards shall not be inconsistent with the other express terms of this Plan. Awards under this Section 4(a)(5) to Executive Officers that are either granted or become vested, exercisable or payable based on attainment of one or more of the Performance Goals shall only be granted as Performance-Based Awards 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 under Section 4(b).

(b) Special Performance-Based Awards. Without limiting the generality of the foregoing, any of the type 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 preestablished targeted levels for the Corporation on a consolidated basis. Notwithstanding anything contained in this Section 4(b) to the contrary, any Option or Stock Appreciation Right with an exercise price or a base price not less than Fair Market Value on the date of grant shall be subject only to the requirements of clauses (1) and (3)(A) below in order for such Awards to satisfy the requirements for Performance-Based Awards under this Section 4(b) (with such Awards hereinafter 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.

(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 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) Individual Limits.

(A) Share-Based Awards. The maximum number of shares of Stock or Share Units that are issuable under Options, Stock Appreciation Rights, Restricted Stock or other Share-Based Awards (described under Section 4(a)(5)) that are granted as Performance-Based Awards during any calendar year to any Participant shall not exceed 500,000, either individually or in the aggregate, subject to adjustment as provided in Section 7. Awards that are cancelled or repriced during the year shall be counted against this limit to the extent required by Code Section 162(m).

(B) 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 \$3,000,000.

(4) 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).

(5) 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 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 impose.

(6) Adjustments for Material Changes. In the event of (i) a change in corporate capitalization, a corporate transaction or a complete or partial corporate liquidation, or (ii) any extraordinary gain or loss or other event that is treated for accounting purposes as an extraordinary item under generally accepted accounting principles, or (iii) any material change in accounting policies or practices affecting the Corporation and/or the Performance Goals or targets, then, to the extent any of the foregoing events (or a material effect thereof) was not anticipated at the time the targets were set, the Committee may make adjustments to the Performance Goals and/or targets, applied as of the date of the event, and based solely on objective criteria, so as to neutralize, in the Committee's judgment, the effect of the event on the applicable Performance-Based Award.

(7) Interpretation. Except as specifically provided in this Section 4(b), the provisions of this Section 4(b) shall be interpreted and administered by the Committee in a manner consistent with the requirements for exemption of Performance-Based Awards granted to Executive Officers as "performance-based compensation" under Code Section 162(m) and regulations and other interpretations issued by the Internal Revenue Service thereunder.

(c) 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 the Award was initially granted.

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

(a) Aggregate Share Limit. The maximum number of shares of Stock that may be issued pursuant to all Share-Based Awards (including Incentive Stock Options) is 12,000,000, subject to adjustment as provided in this Section 5 or Section 7.

(b) Aggregate Share Unit Limit. The maximum number of Share Units that may be paid pursuant to all Share-Based Awards is 12,000,000, subject to adjustment as provided in this Section 5 or Section 7. Notwithstanding the foregoing, if a Share-Based Award paid or payable in Units satisfies the requirements for an exclusion from the definition of a derivative security under Rule 16a-1(c) that does not require that the Award be made under a Rule 16b-3 plan, the Share Units that may be paid under the Award shall not be counted against the Share Unit limit of this Section 5(b).

(c) Reissue of Shares and Share Units. Any unexercised, unconverted or undistributed portion of any expired, cancelled, terminated or forfeited Award, or any alternative form of consideration under an Award that is not paid in connection with the settlement of an Award or any portion of an Award, shall again be available for Award under Section 5(a) or 5(b), as applicable, whether or not the Participant has received benefits of ownership (such as dividends or 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 Awards and subsequently reacquired by the Corporation pursuant to the terms and conditions of the Awards shall be available for reissuance under the Plan.

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

(e) Treasury Shares; No Fractional Shares. The Stock which may be issued (which term includes Stock reissued or otherwise delivered) pursuant to an Award under this Plan may be treasury or authorized but unissued Stock or Stock acquired, subsequently or in anticipation of a transaction under this Plan, in the open market or in privately negotiated transactions to satisfy the requirements of this Plan. No fractional shares shall be issued but fractional interests may be accumulated.

(f) 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) and 4(a)(1), (2) and (3), may require.

(g) 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 restrictions, conditions and procedures as the Committee may impose, any one or combination of (i) cash, (ii) the delivery of shares of Stock, (iii) a reduction in the amount of Stock or other amounts otherwise issuable or payable pursuant to such Award, or (iv) the delivery of a promissory note, or other obligation for the future payment in money, the terms and conditions of which shall be determined (subject to Section 10(d)) by the Committee. 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.

(h) Cashless Exercise. The Committee may permit the exercise of the Award and payment of any applicable withholding tax in respect of an Award by delivery of written notice, subject to the Corporation's receipt of a third party 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, the applicable Performance Goals. The Award Agreement shall also 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) Incorporated Provisions. 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 otherwise (consistent with applicable legal considerations) provides:

(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 such 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 these securities. 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: The 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).

(4) Option 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 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 to enforce this requirement.

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

(1) Termination of Employment: A provision describing the treatment of an Award in the event of the retirement, disability, death or other termination of a Participant's employment with or services to the Company, including any provisions relating to the vesting, exercisability, forfeiture or cancellation of the Award in these circumstances, subject, in the case of Performance-Based Awards, to the requirements for "performance-based compensation" under Code Section 162(m).

(2) Vesting; Effect of Termination; Change in Control: Any other terms consistent with the terms of this Plan as are necessary and appropriate to effect the Award to the Participant, including but not limited to the vesting provisions, any requirements for continued employment, any other restrictions or conditions (including performance requirements) of the Award, and the method by which (consistent with Section 7) the restrictions or conditions lapse, and the effect on the Award of a Change in Control.

(3) Replacement and Substitution: Any provisions permitting or requiring the surrender of outstanding Awards or securities held by the Participant in whole or in part in order to exercise or realize rights under or as a condition precedent to other Awards, or in exchange for the grant of new or amended Awards under similar or different terms.

(4) Reloading. Any provisions for successive or replenished Awards, including but not limited to reload Options.

(c) 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. No Award shall be enforceable until the Award Agreement or a 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 or, in the case of an Award to an Insider, by the Participant and the Corporation, whose signature shall be acknowledged by a member of the Committee. By executing the Award Agreement or 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 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, 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 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:

(1) proportionately adjust any or all of

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

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

(C) 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,

(D) the securities, cash or other property deliverable upon exercise or conversion of any or all outstanding Awards,

(E) subject to Section 4(b), the performance targets or standards appropriate to any outstanding Performance-Based Awards, or

(F) any other terms as are affected by the event; or

(2) subject to any applicable limitations in the case of a transaction to be accounted for as a pooling of interests under generally accepted accounting principles, provide for

(A) an appropriate and proportionate cash settlement or distribution, or

(B) the substitution or exchange of any or all outstanding Awards, or the cash, securities or property deliverable on exercise, conversion or vesting of the Awards;

Notwithstanding the foregoing, in the case of an Incentive Stock Option, no adjustment shall be made which 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 paragraph (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 paragraph (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) 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; (iii) that only certain or limited benefits under the Awards shall be accelerated; (iv) that the Awards shall be accelerated for a limited time only; or (v) 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 acceleration or extension of time periods for purposes of exercising, vesting in, or realizing gain from, the Awards; (ii) the waiver of conditions on the Awards that were imposed for the benefit of the Corporation, (iii) provision for the cash settlement of the Awards for their equivalent cash value, as determined by the Committee, as of the date of the Change in Control; 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 the 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, (i) in no event shall the Committee be deemed to have discretion to accelerate or not accelerate or make other changes in or to any or all Awards, in respect of a transaction, if such action or inaction would be inconsistent with or would otherwise frustrate the intended accounting for a proposed transaction as a pooling of interests under generally accepted accounting principles; and (ii) if any Award to any Insider is accelerated to a date that is less than six months after the date of the Award, the Committee may prohibit a sale of the underlying Stock (other than a sale by operation or law in exchange for or through conversion into

other securities), 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 of control shall include and be deemed to occur upon the following events:

(1) A tender offer or exchange offer is consummated for the ownership of securities of the Corporation representing 25% 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 Corporation is merged, combined, consolidated, recapitalized or otherwise reorganized with one or more other entities that are not Subsidiaries and, as a result of the merger, combination, consolidation, recapitalization or other reorganization, less than 75% 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% 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 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 or the sale or transfer of substantially all of the Corporation's business and/or assets as an entirety to an entity that is not a Subsidiary.

(d) Business Acquisitions. Awards may be granted under this Plan on the 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 of the employing entity with, or the acquisition of the property 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 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 members of the Committee shall be designated by the Board. A majority of the members of the Committee (but not fewer than two) shall constitute a quorum. The vote of a majority of a quorum or the unanimous written consent of the Committee shall constitute action by the Committee.

(b) Selection and Grant. The Committee shall have the authority to determine the Employees (if any) 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, Stock Appreciation Rights, or 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) Express Authority (and Limitations on Authority) to Change Terms of Awards. Without limiting the Committee's authority under other provisions of this Plan (including Sections 7 and 9), but subject to any express limitations of this Plan (including under 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(b)), to waive the Corporation's rights with respect to an Award or restrictive conditions of an Award (including forfeiture conditions), and (subject to stockholder approval) to reduce by amendment the exercise or purchase price of an outstanding Award, with or without adjusting any holding period or other terms of the Award, in any case in such circumstances as the Committee deems appropriate.

(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) Limitations Prior to Expiration of Rule 16b-3 Transition Period. Notwithstanding any other provision of this Plan, any Award granted to an Insider prior to September 1, 1995 (or any other date at which the transition period for purposes of new Rule 16b-3, as to this Plan, expires) is subject to the following additional limitations:

(1) the Award may provide for the issuance of shares of Stock as a stock bonus for no consideration other than services rendered; and

(2) in the event of an Award under which shares of Stock are or in the future may be issued for any other type of consideration, the amount of the consideration either (A) shall be equal to the minimum amount (such as the par value of the shares) required to be received by the Corporation to comply with applicable state law, or (B) shall be equal to or greater than 50% of the Fair Market Value of the shares of Stock on the date of the Award; provided that in the case of Restricted Stock Awards, the amount shall equal the minimum lawful amount (but not more than 10% of the market value of the Stock subject to the Award on the Award Date) and any right to purchase the Restricted Stock must be exercised within 60 days of the Award Date.

(g) 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.

(h) 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.

SECTION 9. Amendment and Termination of this Plan.

The Board of Directors may at any time amend, suspend or discontinue this Plan, subject to any stockholder approval that may be required under 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). 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.

SECTION 10. Miscellaneous.

(a) Unfunded Plans. This Plan shall be unfunded. Neither the Corporation nor 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 Committee, nor the Board of Directors 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 Award.

(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 approved by Lockheed Corporation and Martin Marietta Corporation as stockholders of the Corporation. This Plan shall become effective upon and shall be subject to the approvals of the respective stockholders of Lockheed Corporation and of Martin Marietta Corporation. 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 September 21, 2004. Notwithstanding the foregoing, any Award granted prior to such date 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 subject to, comprising or referenced in such Award.

(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 in connection therewith. 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 the Corporation may deem necessary or desirable to assure compliance with all applicable legal requirements.

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

(g) Non-Exclusivity of Plan. Nothing in this Plan shall limit or be deemed to limit the authority of the Corporation, the Board 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 CORPORATION
DIRECTORS DEFERRED STOCK PLAN

LOCKHEED MARTIN CORPORATION
DIRECTORS DEFERRED STOCK PLAN

TABLE OF CONTENTS

		PAGE

ARTICLE I	TITLE, PURPOSE AND AUTHORIZED SHARES.....	V-1
ARTICLE II	DEFINITIONS.....	V-1
ARTICLE III	PARTICIPATION.....	V-2
ARTICLE IV	DEFERRAL ACCOUNTS.....	V-2
	4.1. Stock Unit Account.....	V-2
	4.2. Dividend Equivalents; Dividend Equivalent Stock Account.....	V-2
	4.3. Vesting of Stock Unit Account and Dividend Equivalent Stock Account.....	V-2
	4.4. Distribution of Benefits.....	V-2
	4.5. Adjustments in Case of Changes in Common Stock.....	V-3
	4.6. Corporation's Right to Withhold.....	V-3
	4.7. Limitations on Rights Associated with Units.....	V-3
	4.8. Restrictions on Resale.....	V-4
ARTICLE V	ADMINISTRATION.....	V-4
	5.1. Formula Plan.....	V-4
	5.2. Decisions Final; Delegation; Reliance; and Limitation on Liability.....	V-4
ARTICLE VI	PLAN CHANGES AND TERMINATION.....	V-4
	6.1. Amendments.....	V-4
	6.2. Term.....	V-5
	6.3. Distribution of Shares.....	V-5
ARTICLE VII	MISCELLANEOUS.....	V-5
	7.1. Limitation on Directors' Rights.....	V-5
	7.2. Beneficiaries.....	V-5
	7.3. Benefits Not Assignable; Obligations Binding Upon Successors.....	V-5
	7.4. Governing Law; Severability.....	V-5
	7.5. Compliance With Laws.....	V-5
	7.6. Plan Construction.....	V-5
	7.7. Headings Not Part of Plan.....	V-6
	7.8. Stockholder Approval; Effective Date.....	V-6

LOCKHEED MARTIN CORPORATION
DIRECTORS DEFERRED STOCK PLAN

ARTICLE I

TITLE, PURPOSE AND AUTHORIZED SHARES

This Plan shall be known as "Lockheed Martin Corporation Directors Deferred Stock Plan" and shall become effective as provided in Section 7.8, in anticipation of the business combination of Lockheed Corporation and Martin Marietta Corporation, as contemplated by the Agreement and Plan of Reorganization dated August 29, 1994, as the same may be amended. The purpose of this Plan is to attract, motivate and retain experienced and knowledgeable directors of the Corporation and to further align their economic interest with the interests of stockholders generally. The total number of shares of Common Stock that may be delivered pursuant to awards under this Plan is 50,000, subject to adjustments contemplated by Section 4.6.

ARTICLE II

DEFINITIONS

Whenever the following terms are used in this Plan they shall have the meaning specified below unless the context clearly indicates to the contrary:

Accounts means a Director's Stock Unit Account and Dividend Equivalent Stock Account.

Average Fair Market Value means the average of the Fair Market Values of a share of Common Stock of the Corporation during the last 10 trading days preceding the applicable date of determination.

Award means the crediting of a Unit or Units under this Plan.

Award Date means June 1 of each year, commencing in 1995.

Beneficiary shall have the meaning specified in Section 7.2(b).

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

Code means the Internal Revenue Code of 1986, as amended.

Common Stock means shares of Common Stock of the Corporation, par value \$1.00 per share, subject to adjustments made under Section 4.5 or by operation of law.

Corporation means Lockheed Martin Corporation, a Maryland corporation, and its successors and assigns.

Director means a member of the Board of Directors of the Corporation who is eligible to receive compensation in the form of retainer fees for services in such capacity and who is not an officer or employee of the Corporation or any of its subsidiaries.

Disability means a "permanent and total disability" within the meaning of Section 22(e)(3) of the Code.

Dividend Equivalent means the amount of cash dividends or other cash distributions paid by the Corporation on that number of shares of Common Stock equivalent to the number of Stock Units then credited to a Director's Stock Unit Account and Dividend Equivalent Stock Account, which amount shall be allocated as additional Stock Units to the Director's Dividend Equivalent Stock Account.

Dividend Equivalent Stock Account means the bookkeeping account maintained by the Corporation on behalf of a Director which is credited with Dividend Equivalents in the form of Stock Units in accordance with Section 4.2.

Effective Date means the effective date referred to in Section 7.8.

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

Fair Market Value means the closing price of the Stock as reported on the composite tape of New York Stock Exchange issues (or, if the Stock 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 Board) on the relevant date, or, if no sale of the Stock is reported for that date, the next preceding day for which there is a reported sale.

Merger means the business combination described in Article I.

Plan means the Lockheed Martin Corporation Directors Deferred Stock Plan.

Stock means Common Stock.

Stock Unit or Unit means a non-voting unit of measurement that is deemed for bookkeeping purposes to be equivalent to an outstanding share of Common Stock of the Corporation and includes fractional units.

Stock Unit Account means the bookkeeping account maintained by the Corporation on behalf of each Director which is credited with Stock Units in accordance with Section 4.1.

ARTICLE III

PARTICIPATION

Each Director shall become a participant in the Plan upon a crediting event under Article IV.

ARTICLE IV

DEFERRAL ACCOUNTS

4.1. Stock Unit Account.

The Stock Unit Account of each Director shall be credited on each Award Date with a number of Units determined by dividing \$10,000 by the Average Fair Market Value of the Common Stock on the Award Date. A Director who is not serving as a director on an Award Date is not eligible for any portion of the Award for the applicable year.

4.2. Dividend Equivalents; Dividend Equivalent Stock Account.

(a) Allocation of Dividend Equivalents. Each Director shall be entitled to receive Dividend Equivalents on the Units credited to his or her Stock Unit Account and Dividend Equivalent Account, whether before or after a termination of service, which Dividend Equivalents shall be credited to the Director's Dividend Equivalent Stock Account in accordance with Section 4.2(b) below.

(b) Dividend Equivalent Stock Account. The Director's Dividend Equivalent Stock Account shall be credited with an additional number of Units determined by dividing the amount of Dividend Equivalents by the Fair Market Value of a share of Common Stock as of each dividend payment date. The Units credited to a Director's Dividend Equivalent Stock Account shall be allocated (for purposes of distribution) in accordance with Section 4.4(b) and shall be subject to adjustment in accordance with Section 4.5.

4.3. Vesting of Stock Unit Account and Dividend Equivalent Stock Account.

The rights of each Director in respect of his or her Stock Unit Account and related Dividend Equivalent Stock Account shall vest immediately on crediting.

4.4. Distribution of Benefits.

(a) Commencement of Benefits Distribution. Subject to the terms of this Section 4.4, each Director shall be entitled to receive a distribution of his or her Accounts upon a termination of service (including but not limited to a retirement or resignation) as a Director of the Corporation.

(b) Manner of Distribution. The benefits payable under this Plan shall be distributed to the Director (or, in the event of his or her death, the Director's Beneficiary) in a lump sum, unless the Director elects in writing (on forms provided by the Corporation) by the time specified in Section 4.4(f), to receive a distribution of his or her benefits in respect of such Units in approximately equal annual installments (before giving effect to post-termination crediting of additional Dividend Equivalents before the applicable payment date) for up to five years thereafter. Elections with respect to any Units in the Stock Unit Account shall apply to all Dividend Equivalent Units attributable to those Stock Units, and to all Dividend Equivalent Units attributable to those Dividend Equivalent Units. Installment payments shall commence as of the date benefits become distributable under Section 4.4(a). Notwithstanding the foregoing, if the vested balance remaining in a Director's Stock Unit Account and Dividend Equivalent Stock Account is less than 50 shares, then the remaining balance shall be distributed in shares in a lump sum.

(c) Effect of Death or Disability. Notwithstanding Sections 4.4(a) and (b), if a Director's service as a director terminates by reason of Disability, or a Director or former Director dies, the distribution of a Director's Accounts (including remaining Account balances of a former Director) shall be made immediately in a lump sum.

(d) Form of Distribution. Stock Units credited to a Director's Stock Unit Account and Dividend Equivalent Stock Account shall be paid and distributed by means of a distribution of an equivalent whole number of shares of the Common Stock. Fractions shall be accumulated and converted to Units, but any fractional interest in a Unit shall be paid in cash on final distribution.

(e) Sub-Accounts. The Administrator shall retain sub-accounts of a Director's Accounts as may be necessary to determine which Units are subject to any distribution elections under Section 4.4(b).

(f) Timing of Elections. A Director may elect an installment distribution as provided in Section 4.4(b) only with respect to Units credited on a June 1 which is at least 12 months following his or her election. Notwithstanding the preceding sentence, a Director's election to receive an installment distribution may be made (i) with respect to Units to be credited on June 1, 1995, within 30 days after the Merger (or, if later, at the time described in clause (ii)), and (ii) with respect to Units credited during the Director's first year of service on the Board, within 30 days after the Director commenced service as a Director (but in any event prior to the date on which the Units are credited).

4.5. Adjustments in Case of Changes in Common Stock. If there shall occur any recapitalization, 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 non-cash dividend or other extraordinary distribution in respect of the Stock (whether in the form of Stock, other securities, or other property), or any split-up, spin-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 substantially all the assets of the Corporation as an entirety, proportionate and equitable adjustments consistent with the effect of such event on stockholders generally (but without duplication of benefits if Dividend Equivalents are credited) shall be made in the number and type of shares of Common Stock (or other cash, property or securities in respect thereof) reserved, and of Units, under this Plan.

4.6. Corporation's Right to Withhold. The Corporation shall satisfy state or federal income tax withholding obligations, if any, arising upon distribution of a Director's accounts by reducing the number of shares of Common Stock otherwise deliverable to the Director by the appropriate number of shares (based on the Average Fair Market Value) required to satisfy such tax withholding obligation. If the Corporation, for any reason, cannot satisfy the withholding obligation in accordance with the preceding sentence, the Director shall pay or provide for payment in cash of the amount of any taxes which the Corporation may be required to withhold with respect to the benefits hereunder.

4.7. Limitations on Rights Associated with Units. A Director's Accounts shall be memorandum accounts on the books of the Corporation. The Units credited to a Director's Accounts shall be used solely as a device for the determination of the number of shares of Common Stock to be eventually distributed to such Director in accordance with this Plan. The Units shall not be treated as property or as a trust fund of any kind,

although the Corporation shall reserve shares to satisfy its obligations under this Plan. All shares of Common Stock or other amounts attributed to the Units shall be and remain the sole property of the Corporation, and each Director's rights in the Units is limited to the right to receive shares of Common Stock in the future as herein provided. No Director shall be entitled to any voting or other stockholder rights with respect to Units granted under this Plan. The number of Units credited under this Section shall be subject to adjustment in accordance with Section 4.5.

4.8. Restrictions on Resale. Stock distributed in respect of those Stock Units that were first credited under Section 4.1 within six months of the distribution (and Dividend Equivalent Account Units credited under Section 4.2 solely in respect thereof) may be legended or otherwise restricted so as to prevent a sale of the Stock within six months of the initial crediting of those Stock Units. Installments shall be deemed payable and paid in the order (i.e., last-in, last-out) of the accrual of the underlying Units.

ARTICLE V

ADMINISTRATION

5.1. Formula Plan. This Plan shall be, to the maximum extent possible, self-effectuating. This Plan shall be construed, interpreted and, to the extent required, administered by the Board or a committee appointed by the Board to act on its behalf under this Plan. Notwithstanding the foregoing, but subject to Section 6.1 hereof, the Board shall have no discretionary authority with respect to the amount, price or timing (as these terms are used under Rule 16b-3(c) of Rule 16b-3, as promulgated under the Exchange Act ("Rule 16b-3")) of any Award granted under this Plan and no director shall participate in any decision relating solely to his or her benefits. Subject to the foregoing, the Board may resolve any questions and make all other determinations and adjustments required by this Plan, maintain all the necessary records for the administration of this Plan, and provide forms and procedures to facilitate the implementation of this Plan.

5.2. Decisions Final; Delegation; Reliance; and Limitation on Liability. Any determination of the Board or committee made in good faith shall be conclusive. In performing its duties, the Board or the committee shall be entitled to rely on public records and on information, opinions, reports or statements prepared or presented by officers or employees of the Corporation or other experts believed to be reliable and competent. The Board or the committee may delegate ministerial, bookkeeping and other non-discretionary functions to individuals who are officers or employees of the Corporation.

Neither the Corporation nor any member of the Board, 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 or payment in respect of an Award) to satisfy Code requirements for realization of 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.

ARTICLE VI

PLAN CHANGES AND TERMINATION

6.1. Amendments. The Board of Directors shall have the right to amend this Plan in whole or in part from time to time or may at any time suspend or terminate this Plan; provided, however, that no amendment or termination shall cancel or otherwise adversely affect in any way, without his or her written consent, any Director's rights with respect to Stock Units and Dividend Equivalents credited to his or her Stock Unit Account or Dividend Equivalent Stock Account. Notwithstanding the preceding, the provisions of this Plan that determine the amount, price or timing of benefits related to Stock Units or Dividend Equivalents shall not be amended more than once every six months (other than as may be necessary to conform to any applicable changes in the Code or the rules thereunder), unless such amendment would be consistent with the provisions of Rule 16b-3(c)(2)(ii) (or any successor provision).

6.2. Term. This Plan shall continue for a period of 10 years following the Merger, but continuance of this Plan is not assumed as a contractual obligation of the Corporation. In the event that the Board of Directors decides to terminate this Plan, it shall notify the Directors of its action in an instrument in writing, and this Plan shall be terminated at the time therein set forth, and all Directors shall be bound thereby.

6.3. Distribution of Shares. If this Plan terminates pursuant to Section 6.2, the distribution of the Accounts of a Director shall be made at the time provided in Section 4.4(a) and in a manner consistent with the elections made pursuant to Section 4.4(b).

ARTICLE VII

MISCELLANEOUS

7.1. Limitation on Directors' Rights. Participation in this Plan shall not give any Director the right to continue to serve as a member of the Board or any rights or interests other than as herein provided. No Director shall have any right to any payment or benefit hereunder except to the extent provided in this Plan. This Plan shall create only a contractual obligation on the part of the Corporation as to such amounts and shall not be construed as creating a trust. This Plan, in and of itself, has no assets. Directors shall have only the rights of general unsecured creditors of the Corporation with respect to amounts credited or vested and benefits payable, if any, on their Accounts.

7.2. Beneficiaries.

(a) Beneficiary Designation. Upon forms provided and in accordance with procedures established by the Corporation, each Director may designate in writing (and change a designation of) the Beneficiary or Beneficiaries (as defined in Section 7.3(b)) that the Director chooses to receive the Common Stock payable under this Plan after his or her death, subject to applicable laws (including any applicable community property and probate laws).

(b) Definition of Beneficiary. A Director's "Beneficiary" or "Beneficiaries" shall be the person or persons, including a trust or trusts, validly designated by the Director or, in the absence of a valid designation, entitled by will or the laws of descent and distribution to receive the Director's benefits under this Plan in the event of the Director's death.

7.3. Benefits Not Assignable; Obligations Binding Upon Successors. Benefits of a Director under this Plan shall not be assignable or transferable and any purported transfer, assignment, pledge or other encumbrance or attachment of any payments or benefits under this Plan, or any interest therein, other than pursuant to Section 7.2, shall not be permitted or recognized. Obligations of the Corporation under this Plan shall be binding upon successors of the Corporation.

7.4. Governing Law; Severability. The validity of this Plan or any of its provisions shall be construed, administered and governed in all respects under and by the laws of the State of Maryland. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

7.5. Compliance With Laws. This Plan and the offer, issuance and delivery of shares of Common Stock and/or the payment and deferral of compensation under this Plan are subject to compliance with all applicable federal and state laws, rules and regulations (including but not limited to state and federal reporting, registration, insider trading and other securities laws) and to such approvals by any listing agency or any regulatory or governmental authority as may, in the opinion of counsel for the Corporation, be necessary or advisable in connection therewith. Any securities delivered under this Plan shall be subject to such restrictions, and the person acquiring the securities shall, if requested by the Corporation, provide such assurances and representations to the Corporation as the Corporation may deem necessary or desirable to assure compliance with all applicable legal requirements.

7.6. Plan Construction. It is the intent of the Corporation that this Plan satisfy and be interpreted in a manner that satisfies the applicable requirements of Rule 16b-3 so that Directors remain "disinterested" as

defined in Rule 16b-3 for purposes of administering other stock plans of the Corporation and will be entitled to the benefits of Rule 16b-3 or other exemptive rules under Section 16 of the Exchange Act and will not be subjected to avoidable liability thereunder. Any contrary interpretation shall be avoided.

7.7. Headings Not Part of Plan. Headings and subheadings in this Plan are inserted for reference only and are not to be considered in the construction of this Plan.

7.8. Stockholder Approval; Effective Date. This Plan has been approved by the Board of Directors and by Lockheed Corporation and Martin Marietta Corporation as stockholders of the Corporation. This Plan shall become effective upon the later to occur of the approval of this Plan by the stockholders of Lockheed Corporation and by the stockholders of Martin Marietta Corporation, provided that no Awards will be issued under this Plan prior to the Merger.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Maryland General Corporation Law authorizes Maryland corporations to limit the liability of directors and officers to the corporation or its stockholders for money damages, except (a) to the extent that it is proved that the person actually received an improper benefit or profit in money, property or services, for the amount of benefit or profit in money, property or services actually received, (b) to the extent that a judgment or other final adjudication adverse to the person is entered in a proceeding based on a finding that the person's action or failure to act was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding or (c) in respect of certain other actions not applicable to the Registrant. Under the Maryland General Corporation Law, unless limited by the charter, indemnification is mandatory if a director or an officer has been successful on the merits or otherwise in the defense of any proceeding by reason of his or her service as a director unless such indemnification is not otherwise permitted as described in the following sentence. Indemnification is permissive unless it is established that (a) the act or omission of the director was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty, (b) the director actually received an improper personal benefit in money, property or services or (c) in the case of a criminal proceeding, the director had reasonable cause to believe his or her act or omission was unlawful. In addition to the foregoing, a court of appropriate jurisdiction may under certain circumstances order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the director or officer has met the standards of conduct set forth in the preceding sentence or has been adjudged liable on the basis that a personal benefit was improperly received in a proceeding charging improper personal benefit to the director or the officer. If the proceeding was an action by or in the right of the corporation or involved a determination that the director or officer received an improper personal benefit, however, no indemnification may be made if the individual is adjudged liable to the corporation, except to the extent of expenses approved by a court of appropriate jurisdiction.

Article XI of the charter of the Registrant limits the liability of directors and officers to the fullest extent permitted by the Maryland General Corporation Law. Article XI of the charter of the Registrant also authorizes the corporation to adopt by-laws or resolutions to provide for the indemnification of directors and officers. Article VI of the By-laws of the Registrant provides for the indemnification of the corporation's directors and officers to the fullest extent permitted by the Maryland General Corporation Law. In addition, the Registrant's officers and directors are covered by certain insurance policies maintained by the Registrant.

ITEM 21. EXHIBITS

- 2.1 -- Agreement and Plan of Reorganization, dated as of August 29, 1994, among the Registrant, Martin Marietta Corporation and Lockheed Corporation, as amended as of February 7, 1995 (attached as Appendix I to the Joint Proxy Statement/Prospectus included in this Registration Statement)
- 2.2 -- Plan and Agreement of Merger, dated as of August 29, 1994, among Lockheed Corporation, Pacific Sub, Inc. and the Registrant (attached as Exhibit D to Appendix I to the Joint Proxy Statement/Prospectus included in this Registration Statement)
- 2.3 -- Plan and Agreement of Merger, dated as of August 29, 1994, among Martin Marietta Corporation, Atlantic Sub, Inc. and the Registrant (attached as Exhibit C to Appendix I to the Joint Proxy Statement/Prospectus included in this Registration Statement)
- 2.4 -- Form of Proxy for holders of Lockheed Corporation Common Stock
- 2.5 -- Forms of Proxy for holders of Martin Marietta Corporation Common Stock
- 3.1 -- Charter of the Registrant (attached as Exhibit A to Appendix I to the Joint Proxy Statement/Prospectus included in this Registration Statement)

- 3.2 -- By-Laws of the Registrant (attached as Exhibit B to Appendix I to the Joint Proxy Statement/Prospectus included in this Registration Statement)
- 4.1 -- See Exhibits 3.1 and 3.2
- 5.1 -- Opinion of Miles & Stockbridge, a Professional Corporation, as to the legality of the securities
- 7.1 -- Opinion of Miles & Stockbridge, a Professional Corporation, with respect to the preference upon liquidation of the Series A Preferred Stock
- 8.1 -- Tax opinion of O'Melveny & Myers
- 8.2 -- Tax opinion of King & Spalding
- 10.1 -- Standstill Agreement, dated April 2, 1993, between Martin Marietta Corporation and General Electric Company
- 10.2 -- Reconfiguration Agreement, dated August 29, 1994, among Martin Marietta Corporation, the Registrant and General Electric Company
- 10.3 -- Amendment to the Reconfiguration Agreement, dated November 30, 1994, among Martin Marietta Corporation, the Registrant and General Electric Company
- 10.4 -- Agreement Containing Consent Order, dated December 22, 1994, among the Registrant, Lockheed Corporation, Martin Marietta Corporation and the Federal Trade Commission
- 10.5 -- Confidentiality and Standstill Agreement, dated March 29, 1994, between Martin Marietta Corporation and Lockheed Corporation
- 10.6 -- Martin Marietta Corporation Financial Counseling Program for directors, officers, company presidents, and other key employees, as amended
- 10.7 -- Martin Marietta Corporation Executive Incentive Plan, as amended
- 10.8 -- Martin Marietta Corporation Directors Charitable Award Plan
- 10.9 -- Martin Marietta Corporation Post-Retirement Death Benefit Plan for Senior Executives, as amended
- 10.10 -- Martin Marietta Corporation Deferred Compensation Plan for Selected Officers
- 10.11 -- Martin Marietta Corporation 1979 Stock Option Plan for Key Employees, as amended
- 10.12 -- Martin Marietta Corporation 1984 Stock Option Plan for Key Employees, as amended
- 10.13 -- Martin Marietta Corporation Amended Omnibus Securities Award Plan, as amended March 25, 1993
- 10.14 -- Format of the agreements between Martin Marietta Corporation and certain officers to provide for continuity of management in the event of a change in control of Martin Marietta Corporation
- 10.15 -- Martin Marietta Corporation Supplemental Excess Retirement Plan, as amended
- 10.16 -- Martin Marietta Corporation Restricted Stock Award Plan, as amended
- 10.17 -- Martin Marietta Corporation Directors' Life Insurance Program
- 10.18 -- Martin Marietta Corporation Executive Special Early Retirement Option and Plant Closing Retirement Option Plan
- 10.19 -- Martin Marietta Corporation Supplementary Pension Plan for Employees of Transferred GE Operations
- 10.20 -- Form of employment agreement between Martin Marietta Corporation and certain officers
- 10.21 -- Lockheed Corporation 1992 Employee Stock Option Program (included in the Registration Statement (No. 33-49003) of Lockheed Corporation and incorporated herein by reference).
- 10.22 -- Amendment to Lockheed Corporation 1992 Employee Stock Option Plan.
- 10.23 -- Lockheed Corporation 1986 Employee Stock Purchase Program, as amended.
- 10.24 -- Lockheed Corporation 1982 Employee Stock Purchase Program, as amended.
- 10.25 -- Incentive Retirement Benefit Plan for Certain Executives of Lockheed Corporation, as amended.
- 10.26 -- Supplemental Retirement Benefit Plan for Certain Transferred Employees of Lockheed Corporation, as amended.
- 10.27 -- Supplemental Benefit Plan of Lockheed Corporation, as amended.

- 10.28 -- Long-Term Performance Plan of Lockheed Corporation and its Subsidiaries
- 10.29 -- Supplemental Savings Plan of Lockheed Corporation, as amended.
- 10.30 -- Deferred Compensation Plan for Directors of Lockheed Corporation, as amended.
- 10.31 -- Lockheed Corporation Retirement Plan for Directors, as amended.
- 10.32 -- Form of Lockheed Corporation Termination Benefits Agreement effective January 1, 1991 (included in Form 8, Amendment No. 1 to Exhibit 28 of Form 8-K dated November 5, 1990 of Lockheed Corporation and incorporated hereby by reference).
- 10.33 -- Trust Agreement, as amended February 3, 1995, between Lockheed Corporation and First Interstate Bank of California.
- 10.34 -- Lockheed Corporation Directors' Deferred Compensation Plan Trust Agreement, as amended.
- 10.35 -- Trust Agreement, dated December 22, 1994, between Lockheed Corporation and J.P. Morgan California with respect to certain employee benefit plans of Lockheed Corporation.
- 10.36 -- Lockheed Martin Corporation 1995 Omnibus Performance Award Plan (attached as Appendix IV to the Joint Proxy Statement/Prospectus included in this Registration Statement).
- 10.37 -- Lockheed Martin Corporation Directors Deferred Stock Plan (attached as Appendix V to the Joint Proxy Statement/Prospectus included in this Registration Statement).
- 21.1 -- Subsidiaries of the Registrant
- 23.1 -- Consent of Ernst & Young LLP (Washington, D.C.)
- 23.2 -- Consent of Ernst & Young LLP (Los Angeles, CA)
- 23.3 -- Consent of KPMG Peat Marwick LLP
- 23.4 -- Consent of Arthur Anderson LLP
- 23.5 -- Consents of Miles & Stockbridge, a Professional Corporation (included in opinions filed as Exhibits 5.1 and 7.1)
- 23.6 -- Consent of O'Melveny & Myers (included is opinion filed as Exhibit 8.1)
- 23.7 -- Consent of King & Spalding (included in opinion filed as Exhibit 8.2)
- 23.8 -- Consent of Morgan Stanley & Co. Incorporated (contained in Appendix II to the Joint Proxy Statement/Prospectus included in this Registration Statement)
- 23.9 -- Consent of Bear Stearns & Co. Inc.
- 24.1 -- Powers of Attorney
- 99.1 -- Form of Notice to Participants in the Lockheed Salaried Employee Savings Plan Plus.
- 99.2 -- Forms of Voting Instructions to Trustee (Allocated Shares and Unallocated Shares) with respect to the Lockheed Salaried Employee Savings Plan Plus.
- 99.3 -- Form of Notice to Participants in the Lockheed Hourly Employee Savings Plan Plus and the Lockheed Space Operations Company Hourly Employee Investment Plan Plus.
- 99.4 -- Form of Voting Instructions to Trustee of the Lockheed Hourly Employee Savings Plan Plus.
- 99.5 -- Form of Voting Instructions to Trustee of the Lockheed Space Operations Company Hourly Employee Investment Plan Plus.
- 99.6 -- Form of Notice to Participants of the Lockheed Capital Accumulation Plan and the Lockheed Hourly Employee Savings and Stock Investment Plan -- Fort Worth and Abilene Divisions.
- 99.7 -- Form of Voting Instructions to Trustee of the Lockheed Capital Accumulation Plan and the Lockheed Hourly Employee Savings and Stock Investment Plan -- Fort Worth and Abilene Divisions.

ITEM 22. UNDERTAKINGS

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933 (the "Act"), each filing of the Registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form.

The Registrant undertakes that every prospectus (i) that is filed pursuant to the immediately preceding paragraph, or (ii) that purports to meet the requirements of section 10(a)(3) of the Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned Registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

The undersigned Registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF CALABASAS, STATE OF CALIFORNIA, ON THE 9TH DAY OF FEBRUARY, 1995.

LOCKHEED MARTIN CORPORATION

By: /s/ DANIEL M. TELLEP

DANIEL M. TELLEP
CHIEF EXECUTIVE OFFICER

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON FEBRUARY 9, 1995.

SIGNATURE

TITLE

/s/ DANIEL M. TELLEP

DANIEL M. TELLEP

Chief Executive Officer
and Director

MARCUS C. BENNETT*

MARCUS C. BENNETT

Chief Financial Officer
and Director

/s/ ROBERT E. RULON

ROBERT E. RULON

Chief Accounting Officer

NORMAN R. AUGUSTINE*

NORMAN R. AUGUSTINE

Director

/s/ LYNNE V. CHENEY

LYNNE V. CHENEY

Director

A. JAMES CLARK*

A. JAMES CLARK

Director

EDWIN I. COLODNY*

EDWIN I. COLODNY

Director

/s/ LODWRICK M. COOK

LODWRICK M. COOK

Director

JAMES L. EVERETT, III*

JAMES L. EVERETT, III

Director

/s/ HOUSTON I. FLOURNOY

HOUSTON I. FLOURNOY

Director

/s/ JAMES F. GIBBONS

JAMES F. GIBBONS

Director

SIGNATURE

TITLE

Edward L. Hennessy, Jr.*-----
EDWARD L. HENNESSY, JR.

Director

EDWARD E. HOOD, JR.*-----
EDWARD E. HOOD, JR.

Director

CALEB B. HURTT*-----
CALEB B. HURTT

Director

GWENDOLYN S. KING*-----
GWENDOLYN S. KING*

Director

/s/ LAWRENCE O. KITCHEN-----
LAWRENCE O. KITCHEN

Director

GORDON S. MACKLIN*-----
GORDON S. MACKLIN

Director

/s/ VINCENT N. MARAFINO-----
VINCENT N. MARAFINO

Director

EUGENE F. MURPHY*-----
EUGENE F. MURPHY

Director

ALLEN E. MURRAY*-----
ALLEN E. MURRAY

Director

/s/ DAVID S. POTTER-----
DAVID S. POTTER

Director

/s/ FRANK SAVAGE-----
FRANK SAVAGE

Director

/s/ CARLISLE A. H. TROST-----
CARLISLE A. H. TROST

Director

/s/ JAMES R. UKROPINA-----
JAMES R. UKROPINA

Director

/s/ DOUGLAS C. YEARLEY-----
DOUGLAS C. YEARLEY

Director

*By: /s/ STEPHEN M. PIPER-----
STEPHEN M. PIPER
ATTORNEY-IN-FACT

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	PAGE NO.
2.1	-- Agreement and Plan of Reorganization, dated as of August 29, 1994, among the Registrant, Martin Marietta Corporation and Lockheed Corporation, as amended as of February 7, 1995 (attached as Appendix I to the Joint Proxy Statement/Prospectus included in this Registration Statement)	
2.2	-- Plan and Agreement of Merger, dated as of August 29, 1994, among Lockheed Corporation, Pacific Sub, Inc. and the Registrant (attached as Exhibit D to Appendix I to the Joint Proxy Statement/Prospectus included in this Registration Statement)	
2.3	-- Plan and Agreement of Merger, dated as of August 29, 1994, among Martin Marietta Corporation, Atlantic Sub, Inc. and the Registrant (attached as Exhibit C to Appendix I to the Joint Proxy Statement/Prospectus included in this Registration Statement)	
2.4	-- Form of Proxy for holders of Lockheed Corporation Common Stock	
2.5	-- Forms of Proxy for holders of Martin Marietta Corporation Common Stock	
3.1	-- Charter of the Registrant (attached as Exhibit A to Appendix I to the Joint Proxy Statement/Prospectus included in this Registration Statement)	
3.2	-- By-Laws of the Registrant (attached as Exhibit B to Appendix I to the Joint Proxy Statement/Prospectus included in this Registration Statement)	
4.1	-- See Exhibits 3.1 and 3.2	
5.1	-- Opinion of Miles & Stockbridge, a Professional Corporation, as to the legality of the securities	
7.1	-- Opinion of Miles & Stockbridge, a Professional Corporation, with respect to the preference upon liquidation of the Series A Preferred Stock	
8.1	-- Tax opinion of O'Melveny & Myers	
8.2	-- Tax opinion of King & Spalding	
10.1	-- Standstill Agreement, dated April 2, 1993, between Martin Marietta Corporation and General Electric Company	
10.2	-- Reconfiguration Agreement, dated August 29, 1994, among Martin Marietta Corporation, the Registrant and General Electric Company	
10.3	-- Amendment to the Reconfiguration Agreement, dated November 30, 1994, among Martin Marietta Corporation, the Registrant and General Electric Company	
10.4	-- Agreement Containing Consent Order, dated December 22, 1994, among the Registrant, Lockheed Corporation, Martin Marietta Corporation and the Federal Trade Commission	
10.5	-- Confidentiality and Standstill Agreement, dated March 29, 1994, between Martin Marietta Corporation and Lockheed Corporation	
10.6	-- Martin Marietta Corporation Financial Counseling Program for directors, officers, company presidents, and other key employees, as amended	
10.7	-- Martin Marietta Corporation Executive Incentive Plan, as amended	
10.8	-- Martin Marietta Corporation Directors Charitable Award Plan	
10.9	-- Martin Marietta Corporation Post-Retirement Death Benefit Plan for Senior Executives, as amended	
10.10	-- Martin Marietta Corporation Deferred Compensation Plan for Selected Officers	
10.11	-- Martin Marietta Corporation 1979 Stock Option Plan for Key Employees, as amended	
10.12	-- Martin Marietta Corporation 1984 Stock Option Plan for Key Employees, as amended	

EXHIBIT NUMBER	DESCRIPTION	PAGE NO.
10.13	-- Martin Marietta Corporation Amended Omnibus Securities Award Plan, as amended March 25, 1993	
10.14	-- Format of the agreements between Martin Marietta Corporation and certain officers to provide for continuity of management in the event of a change in control of Martin Marietta Corporation	
10.15	-- Martin Marietta Corporation Supplemental Excess Retirement Plan, as amended	
10.16	-- Martin Marietta Corporation Restricted Stock Award Plan, as amended	
10.17	-- Martin Marietta Corporation Directors' Life Insurance Program	
10.18	-- Martin Marietta Corporation Executive Special Early Retirement Option and Plant Closing Retirement Option Plan	
10.19	-- Martin Marietta Corporation Supplementary Pension Plan for Employees of Transferred GE Operations	
10.20	-- Form of employment agreement between Martin Marietta Corporation and certain officers	
10.21	-- Lockheed Corporation 1992 Employee Stock Option Program (included in the Registration Statement (No. 33-49003) of Lockheed Corporation and incorporated herein by reference).	
10.22	-- Amendment to Lockheed Corporation 1992 Employee Stock Option Plan.	
10.23	-- Lockheed Corporation 1986 Employee Stock Purchase Program, as amended.	
10.24	-- Lockheed Corporation 1982 Employee Stock Purchase Program, as amended.	
10.25	-- Incentive Retirement Benefit Plan for Certain Executives of Lockheed Corporation, as amended.	
10.26	-- Supplemental Retirement Benefit Plan for Certain Transferred Employees of Lockheed Corporation, as amended.	
10.27	-- Supplemental Benefit Plan of Lockheed Corporation, as amended.	
10.28	-- Long-Term Performance Plan of Lockheed Corporation and its Subsidiaries	
10.29	-- Supplemental Savings Plan of Lockheed Corporation, as amended.	
10.30	-- Deferred Compensation Plan for Directors of Lockheed Corporation, as amended.	
10.31	-- Lockheed Corporation Retirement Plan for Directors, as amended.	
10.32	-- Form of Lockheed Corporation Termination Benefits Agreement effective January 1, 1991 (included in Form 8, Amendment No. 1 to Exhibit 28 of Form 8-K dated November 5, 1990 of Lockheed Corporation and incorporated hereby by reference).	
10.33	-- Trust Agreement, as amended February 3, 1995, between Lockheed Corporation and First Interstate Bank of California.	
10.34	-- Lockheed Corporation Directors' Deferred Compensation Plan Trust Agreement, as amended.	
10.35	-- Trust Agreement, dated December 22, 1994, between Lockheed Corporation and J.P. Morgan California with respect to certain employee benefit plans of Lockheed Corporation.	
10.36	-- Lockheed Martin Corporation 1995 Omnibus Performance Award Plan (attached as Appendix IV to the Joint Proxy Statement/Prospectus included in this Registration Statement).	
10.37	-- Lockheed Martin Corporation Directors Deferred Stock Plan (attached as Appendix V to the Joint Proxy Statement/Prospectus included in this Registration Statement).	
21.1	-- Subsidiaries of the Registrant	
23.1	-- Consent of Ernst & Young LLP (Washington, D.C.)	
23.2	-- Consent of Ernst & Young LLP (Los Angeles, CA)	
23.3	-- Consent of KPMG Peat Marwick LLP	

EXHIBIT NUMBER	DESCRIPTION	PAGE NO.
23.4	-- Consent of Arthur Anderson LLP	
23.5	-- Consents of Miles & Stockbridge, a Professional Corporation (included in opinions filed as Exhibits 5.1 and 7.1)	
23.6	-- Consent of O'Melveny & Myers (included is opinion filed as Exhibit 8.1)	
23.7	-- Consent of King & Spalding (included in opinion filed as Exhibit 8.2)	
23.8	-- Consent of Morgan Stanley & Co. Incorporated (contained in Appendix II to the Joint Proxy Statement/Prospectus included in this Registration Statement)	
23.9	-- Consent of Bear Stearns & Co. Inc.	
24.1	-- Powers of Attorney	
99.1	-- Form of Notice to Participants in the Lockheed Salaried Employee Savings Plan Plus.	
99.2	-- Forms of Voting Instructions to Trustee (Allocated Shares and Unallocated Shares) with respect to the Lockheed Salaried Employee Savings Plan Plus.	
99.3	-- Form of Notice to Participants in the Lockheed Hourly Employee Savings Plan Plus and the Lockheed Space Operations Company Hourly Employee Investment Plan Plus.	
99.4	-- Form of Voting Instructions to Trustee of the Lockheed Hourly Employee Savings Plan Plus.	
99.5	-- Form of Voting Instructions to Trustee of the Lockheed Space Operations Company Hourly Employee Investment Plan Plus.	
99.6	-- Form of Notice to Participants of the Lockheed Capital Accumulation Plan and the Lockheed Hourly Employee Savings and Stock Investment Plan -- Fort Worth and Abilene Divisions.	
99.7	-- Form of Voting Instructions to Trustee of the Lockheed Capital Accumulation Plan and the Lockheed Hourly Employee Savings and Stock Investment Plan -- Fort Worth and Abilene Divisions.	

SPECIAL MEETING OF
 STOCKHOLDERS TO BE HELD
 ON MARCH 15, 1995 AT
 9:00 A.M.
 AT THE RITZ-CARLTON
 CHICAGO
 160 E. PEARSON STREET
 CHICAGO, ILLINOIS

[LOGO]

PROXY

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints James R. Ukropina, Douglas C. Yearley, and Daniel M. Tellep, and each of them, as Proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated below, all the shares of Common Stock of Lockheed Corporation held of record by the undersigned on February 7, 1995 at the Special Meeting of Stockholders to be held on March 15, 1995 and at any adjournments or postponements thereof.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ITEMS 1, 2 AND 3.

- 1. FOR / / AGAINST / / ABSTAIN / / approve and adopt an Agreement and Plan of Reorganization, dated August 29, 1994, as amended as of February 7, 1995, and a Plan and Agreement of Merger, dated August 29, 1994
- 2. FOR / / AGAINST / / ABSTAIN / / approve the adoption of the Lockheed Martin 1995 Omnibus Performance Award Plan
- 3. FOR / / AGAINST / / ABSTAIN / / approve the adoption of the Lockheed Martin Directors Deferred Stock Plan

(To be completed and signed on reverse side)

In their discretion the Proxies are authorized to vote upon such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The submission of this proxy, if properly executed, revokes all prior proxies.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED, BUT IF NO DIRECTION IS MADE THIS PROXY WILL BE VOTED FOR ITEMS 1, 2 AND 3.

Receipt of the Notice of Special Meeting of Stockholders and accompanying Joint Proxy Statement/Prospectus is hereby acknowledged.

Dated: _____, 1995

(Signature of Stockholder)

Please sign exactly as your name appears hereon

PLEASE BE CERTAIN YOU DATE THIS PROXY AT THE TIME YOU SIGN IT.

MARTIN MARIETTA CORPORATION
PROXY SOLICITATION ON BEHALF OF THE BOARD OF DIRECTORS
SPECIAL MEETING OF STOCKHOLDERS

PROXY

The undersigned hereby appoints Edward E. Hood, Jr., Caleb B. Hurtt, Allen E. Murray, and each of them proxies of the undersigned, with full power of substitution, to vote and act for the undersigned at the Special Meeting of Stockholders of Martin Marietta Corporation ("Martin Marietta") to be held starting at 9:00 a.m., local time, on March 15, 1995, at The Drake Hotel, 140 E. Walton Place, Chicago, Illinois, and at any adjournment or postponement thereof upon the following proposals:

1. THE PROPOSAL TO APPROVE THE AGREEMENT AND PLAN OF REORGANIZATION, DATED AS OF AUGUST 29, 1994, AMONG MARTIN MARIETTA, LOCKHEED CORPORATION AND LOCKHEED MARTIN CORPORATION ("LOCKHEED MARTIN"), AS AMENDED AS OF FEBRUARY 7, 1995, AND THE PLAN AND AGREEMENT OF MERGER, DATED AS OF AUGUST 29, 1994, AMONG MARTIN MARIETTA, ATLANTIC SUB, INC. AND LOCKHEED MARTIN AND THE TRANSACTIONS CONTEMPLATED THEREBY (TOGETHER, THE "COMBINATION PROPOSAL"), AS SET FORTH IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS DATED FEBRUARY 9, 1995, RECEIPT OF A COPY OF WHICH IS HEREBY ACKNOWLEDGED;
2. THE PROPOSAL TO APPROVE THE ADOPTION OF THE LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN (THE "OMNIBUS PLAN PROPOSAL"), AS SET FORTH IN THE AFORESAID JOINT PROXY STATEMENT/PROSPECTUS;
3. THE PROPOSAL TO APPROVE THE ADOPTION OF THE LOCKHEED MARTIN DIRECTORS DEFERRED STOCK PLAN (THE "DIRECTORS PLAN PROPOSAL"), AS SET FORTH IN THE AFORESAID JOINT PROXY STATEMENT/PROSPECTUS; AND
4. SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE SPECIAL MEETING.

Comments/Change of Address: _____

(If you have written in the above space, please mark the corresponding box on the reverse side of this card)

To vote in accordance with the Board of Directors' recommendations, please sign and date the reverse side: no boxes need to be checked.

SEE REVERSE
SIDE

/X/ Please mark
your votes
as in this
example.

This proxy when properly executed will be voted in the manner directed herein.
If no direction is made, this proxy will be voted FOR the Combination Proposal,
FOR the Omnibus Plan Proposal and FOR the Directors Plan Proposal.
Directors recommend a vote FOR Items 1, 2 and 3

	FOR	AGAINST	ABSTAIN
1. The Combination Proposal	/ /	/ /	/ /
2. The Omnibus Plan Proposal	/ /	/ /	/ /
3. The Directors Plan Proposal	/ /	/ /	/ /

The signer hereby revokes all previous proxies given by the signer to vote at
said meeting or any adjournments or postponements thereof.

Comments/Change of
Address on reverse side / /

I will attend the meeting / /

Signature(s) _____ Date _____

NOTE: Please sign exactly as name appears hereon. Joint owners should
each sign. When signing as attorney, executor, administrator, trustee or
guardian, please give full title as such.

CONFIDENTIAL VOTING INSTRUCTIONS
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
TO: CHEMICAL BANK AS TRUSTEE UNDER THE MARTIN MARIETTA
ENERGY SYSTEMS, INC. SAVINGS PLAN FOR SALARIED AND HOURLY EMPLOYEES

PROXY

In accordance with the provisions of the Martin Marietta Energy Systems, Inc. Savings Plan for Salaried and Hourly Employees (the "Plan"), you are instructed as follows with respect to voting shares of Common Stock of Martin Marietta Corporation ("Martin Marietta") which are credited to my account in the Plan at the Special Meeting of Stockholders of Martin Marietta to be held on March 15, 1995 and at any adjournment or postponement thereof upon the following proposals:

1. THE PROPOSAL TO APPROVE THE AGREEMENT AND PLAN OF REORGANIZATION, DATED AS OF AUGUST 29, 1994, AMONG MARTIN MARIETTA, LOCKHEED CORPORATION AND LOCKHEED MARTIN CORPORATION ("LOCKHEED MARTIN"), AS AMENDED AS OF FEBRUARY 7, 1995, AND THE PLAN AND AGREEMENT OF MERGER, DATED AS OF AUGUST 29, 1994, AMONG MARTIN MARIETTA, ATLANTIC SUB, INC. AND LOCKHEED MARTIN AND THE TRANSACTIONS CONTEMPLATED THEREBY (TOGETHER, THE "COMBINATION PROPOSAL"), AS SET FORTH IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS DATED FEBRUARY 9, 1995, RECEIPT OF A COPY OF WHICH IS HEREBY ACKNOWLEDGED;
2. THE PROPOSAL TO APPROVE THE ADOPTION OF THE LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN (THE "OMNIBUS PLAN PROPOSAL"), AS SET FORTH IN THE AFORESAID JOINT PROXY STATEMENT/PROSPECTUS;
3. THE PROPOSAL TO APPROVE THE ADOPTION OF THE LOCKHEED MARTIN DIRECTORS DEFERRED STOCK PLAN (THE "DIRECTORS PLAN PROPOSAL"), AS SET FORTH IN THE AFORESAID JOINT PROXY STATEMENT/PROSPECTUS; AND
4. IN YOUR DISCRETION, SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE SPECIAL MEETING.

Comments/Change of Address: _____

(If you have written in the above space, please mark the corresponding box on the reverse side of this card)

To vote in accordance with the Board of Directors' recommendations, please sign and date the reverse side, and mark the boxes labeled "For".

SEE REVERSE
SIDE

/X/ Please mark
your votes
as in this
example.

This proxy when properly executed will be voted in the manner directed herein.
If no direction is made, this proxy will be voted in the same proportion as
shares for which the Trustee receives voting instructions.
Directors recommend a vote FOR Items 1, 2 and 3

	FOR	AGAINST	ABSTAIN
1. The Combination Proposal	/ /	/ /	/ /
2. The Omnibus Plan Proposal	/ /	/ /	/ /
3. The Directors Plan Proposal	/ /	/ /	/ /

The signer hereby revokes all previous proxies given by the signer to vote at
said meeting or any adjournments or postponements thereof.

Comments/Change of
Address on reverse side / /

I will attend the meeting / /

Signature(s) _____ Date _____

(Please date, sign exactly as your name appears above and return in the
enclosed envelope. Your shares will be voted according to your instructions.
If this form is not returned before March 13, 1995 or is returned signed, but
with no voting instructions, any shares you hold in the Savings Plan for
Salaried and Hourly Employees will be voted in the same proportion as shares
for which the Trustee receives voting instructions, as provided by the Plan.)

CONFIDENTIAL VOTING INSTRUCTIONS
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
TO: CHEMICAL BANK AS TRUSTEE UNDER THE MARTIN MARIETTA
ENERGY SYSTEMS, INC. 401(k) SAVINGS PLAN FOR SALARIED EMPLOYEES

PROXY

In accordance with the provisions of the Martin Marietta Energy Systems, Inc. 401(k) Savings Plan for Salaried Employees (the "Plan"), you are instructed as follows with respect to voting shares of Common Stock of Martin Marietta Corporation ("Martin Marietta") which are credited to my account in the Plan at the Special Meeting of Stockholders of Martin Marietta to be held on March 15, 1995 and at any adjournment or postponement thereof upon the following proposals:

1. THE PROPOSAL TO APPROVE THE AGREEMENT AND PLAN OF REORGANIZATION, DATED AS OF AUGUST 29, 1994, AMONG MARTIN MARIETTA, LOCKHEED CORPORATION AND LOCKHEED MARTIN CORPORATION ("LOCKHEED MARTIN"), AS AMENDED AS OF FEBRUARY 7, 1995, AND THE PLAN AND AGREEMENT OF MERGER, DATED AS OF AUGUST 29, 1994, AMONG MARTIN MARIETTA, ATLANTIC SUB, INC. AND LOCKHEED MARTIN AND THE TRANSACTIONS CONTEMPLATED THEREBY (TOGETHER, THE "COMBINATION PROPOSAL"), AS SET FORTH IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS DATED FEBRUARY 9, 1995, RECEIPT OF A COPY OF WHICH IS HEREBY ACKNOWLEDGED;
2. THE PROPOSAL TO APPROVE THE ADOPTION OF THE LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN (THE "OMNIBUS PLAN PROPOSAL"), AS SET FORTH IN THE AFORESAID JOINT PROXY STATEMENT/PROSPECTUS;
3. THE PROPOSAL TO APPROVE THE ADOPTION OF THE LOCKHEED MARTIN DIRECTORS DEFERRED STOCK PLAN (THE "DIRECTORS PLAN PROPOSAL"), AS SET FORTH IN THE AFORESAID JOINT PROXY STATEMENT/PROSPECTUS; AND
4. IN YOUR DISCRETION, SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE SPECIAL MEETING.

Comments/Change of Address: _____

(If you have written in the above space, please mark the corresponding box on the reverse side of this card)

To vote in accordance with the Board of Directors' recommendations, please sign and date the reverse side, and mark the boxes labelled "For".

SEE REVERSE
SIDE

/X/ Please mark
your votes
as in this
example.

This proxy when properly executed will be voted in the manner directed herein.
If no direction is made, this proxy will be voted in the same proportion as
shares for which the Trustee receives voting instructions.
Directors recommend a vote FOR Items 1, 2 and 3

	FOR	AGAINST	ABSTAIN
1. The Combination Proposal	/ /	/ /	/ /
2. The Omnibus Plan Proposal	/ /	/ /	/ /
3. The Directors Plan Proposal	/ /	/ /	/ /

The signer hereby revokes all previous proxies given by the signer to vote at
said meeting or any adjournments or postponements thereof.

Comments/Change of
Address on reverse side / /

I will attend the meeting / /

Signature(s) _____ Date _____

(Please date, sign exactly as your name appears above and return in the
enclosed envelope. Your shares will be voted according to your instructions.
If this form is not returned before March 13, 1995 or is returned signed, but
with no voting instructions, any shares you hold in the 401(k) Savings Plan for
Salaried Employee will be voted in the same proportion as shares for which the
Trustee receives voting instructions, as provided by the Plan.)

CONFIDENTIAL VOTING INSTRUCTIONS
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
TO: CHEMICAL BANK AS TRUSTEE UNDER THE MARTIN MARIETTA
ENERGY SYSTEMS, INC. 401(k) SAVINGS PLAN FOR HOURLY EMPLOYEES

PROXY

In accordance with the provisions of the Martin Marietta Energy Systems, Inc. 401(k) Savings Plan for Hourly Employees (the "Plan"), you are instructed as follows with respect to voting shares of Common Stock of Martin Marietta Corporation ("Martin Marietta") which are credited to my account in the Plan at the Special Meeting of Stockholders of Martin Marietta to be held on March 15, 1995 and at any adjournment or postponement thereof upon the following proposals:

1. THE PROPOSAL TO APPROVE THE AGREEMENT AND PLAN OF REORGANIZATION, DATED AS OF AUGUST 29, 1994, AMONG MARTIN MARIETTA, LOCKHEED CORPORATION AND LOCKHEED MARTIN CORPORATION ("LOCKHEED MARTIN"), AS AMENDED AS OF FEBRUARY 7, 1995, AND THE PLAN AND AGREEMENT OF MERGER, DATED AS OF AUGUST 29, 1994, AMONG MARTIN MARIETTA, ATLANTIC SUB, INC. AND LOCKHEED MARTIN AND THE TRANSACTIONS CONTEMPLATED THEREBY (TOGETHER, THE "COMBINATION PROPOSAL"), AS SET FORTH IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS DATED FEBRUARY 9, 1995, RECEIPT OF A COPY OF WHICH IS HEREBY ACKNOWLEDGED;
2. THE PROPOSAL TO APPROVE THE ADOPTION OF THE LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN (THE "OMNIBUS PLAN PROPOSAL"), AS SET FORTH IN THE AFORESAID JOINT PROXY STATEMENT/PROSPECTUS;
3. THE PROPOSAL TO APPROVE THE ADOPTION OF THE LOCKHEED MARTIN DIRECTORS DEFERRED STOCK PLAN (THE "DIRECTORS PLAN PROPOSAL"), AS SET FORTH IN THE AFORESAID JOINT PROXY STATEMENT/PROSPECTUS; AND
4. IN YOUR DISCRETION, SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE SPECIAL MEETING.

Comments/Change of Address: _____

(If you have written in the above space, please mark the corresponding box on the reverse side of this card)

To vote in accordance with the Board of Directors' recommendations, please sign and date the reverse side, and mark the boxes labelled "For".

SEE REVERSE
SIDE

/X/ Please mark
your votes
as in this
example.

This proxy when properly executed will be voted in the manner directed herein.
If no direction is made, this proxy will be voted in the same proportion as
shares for which the Trustee receives voting instructions.
Directors recommend a vote FOR Items 1, 2 and 3

	FOR	AGAINST	ABSTAIN
1. The Combination Proposal	/ /	/ /	/ /
2. The Omnibus Plan Proposal	/ /	/ /	/ /
3. The Directors Plan Proposal	/ /	/ /	/ /

The signer hereby revokes all previous proxies given by the signer to vote at
said meeting or any adjournments or postponements thereof.

Comments/Change of
Address on reverse side / /

I will attend the meeting / /

Signature(s) _____ Date _____

(Please date, sign exactly as your name appears above and return in the
enclosed envelope. Your shares will be voted according to your instructions.
If this form is not returned before March 13, 1995 or is returned signed, but
with no voting instructions, any shares you hold in the 401(k) Savings Plan for
Hourly Employees will be voted in the same proportion as shares for which the
Trustee receives voting instructions, as provided by the Plan.)

CONFIDENTIAL VOTING INSTRUCTIONS
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
TO: FIDELITY MANAGEMENT TRUST COMPANY (FMTC) AS
TRUSTEE UNDER THE SANDIA CORPORATION SAVINGS AND SECURITY PLAN

PROXY

In accordance with the provisions of the Sandia Corporation Savings and Security Plan (the "Plan"), you are instructed as follows with respect to voting shares of Common Stock of Martin Marietta Corporation ("Martin Marietta") which are credited to my account in the Plan at the Special Meeting of Stockholders of Martin Marietta to be held on March 15, 1995 and at any adjournment or postponement thereof upon the following proposals:

1. THE PROPOSAL TO APPROVE THE AGREEMENT AND PLAN OF REORGANIZATION, DATED AS OF AUGUST 29, 1994, AMONG MARTIN MARIETTA, LOCKHEED CORPORATION AND LOCKHEED MARTIN CORPORATION ("LOCKHEED MARTIN"), AS AMENDED AS OF FEBRUARY 7, 1995, AND THE PLAN AND AGREEMENT OF MERGER, DATED AS OF AUGUST 29, 1994, AMONG MARTIN MARIETTA, ATLANTIC SUB, INC. AND LOCKHEED MARTIN AND THE TRANSACTIONS CONTEMPLATED THEREBY (TOGETHER, THE "COMBINATION PROPOSAL"), AS SET FORTH IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS DATED FEBRUARY 9, 1995, RECEIPT OF A COPY OF WHICH IS HEREBY ACKNOWLEDGED;
2. THE PROPOSAL TO APPROVE THE ADOPTION OF THE LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN (THE "OMNIBUS PLAN PROPOSAL"), AS SET FORTH IN THE AFORESAID JOINT PROXY STATEMENT/PROSPECTUS;
3. THE PROPOSAL TO APPROVE THE ADOPTION OF THE LOCKHEED MARTIN DIRECTORS DEFERRED STOCK PLAN (THE "DIRECTORS PLAN PROPOSAL"), AS SET FORTH IN THE AFORESAID JOINT PROXY STATEMENT/PROSPECTUS; AND
4. IN YOUR DISCRETION, SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE SPECIAL MEETING.

Comments/Change of Address: _____

(If you have written in the above space, please mark the corresponding box on the reverse side of this card)

To vote in accordance with the Board of Directors' recommendations, please sign and date the reverse side, and mark the boxes labelled "For".

SEE REVERSE
SIDE

/X/ Please mark
your votes
as in this
example.

This proxy when properly executed will be voted in the manner directed herein.
If no direction is made, this proxy will be voted in the same proportion as
shares for which the Trustee receives voting instructions.
Directors recommend a vote FOR Items 1, 2 and 3

	FOR	AGAINST	ABSTAIN
1. The Combination Proposal	/ /	/ /	/ /
2. The Omnibus Plan Proposal	/ /	/ /	/ /
3. The Directors Plan Proposal	/ /	/ /	/ /

The signer hereby revokes all previous proxies given by the signer to vote at
said meeting or any adjournments or postponements thereof.

Comments/Change of
Address on reverse side / /

I will attend the meeting / /

Signature(s) _____ Date _____

(Please date, sign exactly as your name appears above and return in the
enclosed envelope. Your shares will be voted according to your instructions.
If this form is not returned before March 13, 1995 or is returned signed, but
with no voting instructions, any shares you hold in the Sandia Corporation
Savings and Security Plan will be voted in the same proportion as shares for
which the Trustee receives voting instructions, as provided by the Plan.)

CONFIDENTIAL VOTING INSTRUCTIONS
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
TO: FIDELITY MANAGEMENT TRUST COMPANY (FMTC) AS
TRUSTEE UNDER THE SANDIA CORPORATION SAVINGS AND INCOME PLAN

PROXY

In accordance with the provisions of the Sandia Corporation Savings and Income Plan (the "Plan"), you are instructed as follows with respect to voting shares of Common Stock of Martin Marietta Corporation ("Martin Marietta") which are credited to my account in the Plan at the Special Meeting of Stockholders of Martin Marietta to be held on March 15, 1995 and at any adjournment or postponement thereof, upon the following proposals:

1. THE PROPOSAL TO APPROVE THE AGREEMENT AND PLAN OF REORGANIZATION, DATED AS OF AUGUST 29, 1994, AMONG MARTIN MARIETTA, LOCKHEED CORPORATION AND LOCKHEED MARTIN CORPORATION ("LOCKHEED MARTIN"), AS AMENDED AS OF FEBRUARY 7, 1995, AND THE PLAN AND AGREEMENT OF MERGER, DATED AS OF AUGUST 29, 1994, AMONG MARTIN MARIETTA, ATLANTIC SUB, INC. AND LOCKHEED MARTIN AND THE TRANSACTIONS CONTEMPLATED THEREBY (TOGETHER, THE "COMBINATION PROPOSAL"), AS SET FORTH IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS DATED FEBRUARY 9, 1995, RECEIPT OF A COPY OF WHICH IS HEREBY ACKNOWLEDGED;
2. THE PROPOSAL TO APPROVE THE ADOPTION OF THE LOCKHEED MARTIN 1995 OMNIBUS PERFORMANCE AWARD PLAN (THE "OMNIBUS PLAN PROPOSAL"), AS SET FORTH IN THE AFORESAID JOINT PROXY STATEMENT/PROSPECTUS;
3. THE PROPOSAL TO APPROVE THE ADOPTION OF THE LOCKHEED MARTIN DIRECTORS DEFERRED STOCK PLAN (THE "DIRECTORS PLAN PROPOSAL"), AS SET FORTH IN THE AFORESAID JOINT PROXY STATEMENT/PROSPECTUS; AND
4. IN YOUR DISCRETION, SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE SPECIAL MEETING.

Comments/Change of Address: _____

(If you have written in the above space, please mark the corresponding box on the reverse side of this card)

To vote in accordance with the Board of Directors' recommendations, please sign and date the reverse side, and mark the boxes labeled "For".

SEE REVERSE
SIDE

/X/ Please mark
your votes
as in this
example.

This proxy when properly executed will be voted in the manner directed herein.
If no direction is made, this proxy will be voted in the same proportion as
shares for which the Trustee receives voting instructions.
Directors recommend a vote FOR Items 1, 2, and 3

	FOR	AGAINST	ABSTAIN
1. The Combination Proposal	/ /	/ /	/ /
2. The Omnibus Plan Proposal	/ /	/ /	/ /
3. The Directors Plan Proposal	/ /	/ /	/ /

The signer hereby revokes all previous proxies given by the signer to vote at
said meeting or any adjournments or postponements thereof.

Comments/Change of
Address on reverse side / /

I will attend the meeting / /

Signature(s) _____ Date _____

(Please date, sign exactly as your name appears above and return in the
enclosed envelope. Your shares will be voted according to your instructions.
If this form is not returned before March 13, 1995 or is returned signed, but
with no voting instructions, any shares you hold in the Sandia Corporation
Savings and Income Plan will be voted in the same proportion as shares for
which the Trustee receives voting instructions, as provided by the Plan.)

CONFIDENTIAL VOTING INSTRUCTIONS
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
TO: BANKERS TRUST COMPANY AS MASTER TRUSTEE UNDER THE
MARTIN MARIETTA CORPORATION
PERFORMANCE SHARING PLAN FOR PUERTO RICO EMPLOYEES

PROXY

In accordance with the provisions of the Martin Marietta Corporation Performance Sharing Plan for Puerto Rico Employees (the "Plan"), you are instructed as follows with respect to voting shares of Common Stock of Martin Marietta Corporation ("Martin Marietta") which are credited to my account in the Plan at the Special Meeting of Stockholders of Martin Marietta to be held on March 15, 1995 and at any adjournment or postponement thereof, upon the following proposals: (i) the proposal to approve the Agreement and Plan of Reorganization, dated as of August 29, 1994, among Martin Marietta, Lockheed Corporation and Lockheed Martin Corporation ("Lockheed Martin"), as amended as of February 7, 1995, and the Plan and Agreement of Merger, dated as of August 29, 1994, among Martin Marietta, Atlantic Sub, Inc. and Lockheed Martin and the transactions contemplated thereby (together, the "Combination Proposal"), as set forth in the accompanying Joint Proxy Statement/Prospectus dated February 9, 1995, receipt of a copy of which is hereby acknowledged, (ii) the proposal to approve the adoption of the Lockheed Martin 1995 Omnibus Performance Award Plan (the "Omnibus Plan Proposal"), as set forth in the aforesaid Joint Proxy Statement/Prospectus, (iii) the proposal to approve the adoption of the Lockheed Martin Directors Deferred Stock Plan (the "Directors Plan Proposal"), as set forth in the aforesaid Joint Proxy Statement/Prospectus, and (iv) in your discretion, such other business as may properly come before the Special Meeting.

To vote in accordance with the Board of Directors' recommendations, please sign and date the reverse side, and mark the boxes labelled "For".

SEE REVERSE
SIDE

/X/ Please mark
your votes
as in this
example.

This proxy when properly executed will be voted in the manner directed herein.
If no direction is made, this proxy will be voted in the same proportion as
shares for which the Trustee receives voting instructions.
Directors recommend a vote FOR Items 1, 2, and 3

	FOR	AGAINST	ABSTAIN
1. The Combination Proposal	/ /	/ /	/ /
2. The Omnibus Plan Proposal	/ /	/ /	/ /
3. The Directors Plan Proposal	/ /	/ /	/ /

The signer hereby revokes all previous proxies given by the signer to vote at
said meeting or any adjournments or postponements thereof.

I will attend the meeting / /

Signature(s) _____ Date _____

(Please date, sign exactly as your name appears above and return in the
enclosed envelope. Your shares will be voted according to your instructions.
If this form is not returned before March 13, 1995 or is returned signed, but
with no voting instructions, any shares you hold in the Performance Sharing
Plan for Puerto Rico Employees will be voted in the same proportion as shares
for which the Master Trustee receives voting instructions, as provided by the
Plan.)

CONFIDENTIAL VOTING INSTRUCTIONS
SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

TO: BANKERS TRUST COMPANY AS TRUSTEE UNDER THE MARTIN MARIETTA CORPORATION
PERFORMANCE SHARING PLAN

PROXY

In accordance with the provisions of the Martin Marietta Corporation Performance Sharing Plan (the "Plan"), you are instructed as follows with respect to voting shares of Common Stock of Martin Marietta Corporation ("Martin Marietta") which are credited to my account in the Plan at the Special Meeting of Stockholders of Martin Marietta to be held on March 15, 1995 and at any adjournment or postponement thereof, upon the following proposals: (i) the proposal to approve the Agreement and Plan of Reorganization, dated as of August 29, 1994, among Martin Marietta, Lockheed Corporation and Lockheed Martin Corporation ("Lockheed Martin"), as amended as of February 7, 1995, and the Plan and Agreement of Merger, dated as of August 29, 1994, among Martin Marietta, Atlantic Sub, Inc. and Lockheed Martin and the transactions contemplated thereby (together, the "Combination Proposal"), as set forth in the accompanying Joint Proxy Statement/Prospectus dated February 9, 1995, receipt of a copy of which is hereby acknowledged, (ii) the proposal to approve the adoption of the Lockheed Martin 1995 Omnibus Performance Award Plan (the "Omnibus Plan Proposal"), as set forth in the aforesaid Joint Proxy Statement/Prospectus; (iii) the proposal to approve the adoption of the Lockheed Martin Directors Deferred Stock Plan (the "Directors Plan Proposal"), as set forth in the aforesaid Joint Proxy Statement/Prospectus; and (iv) in your discretion, such other business as may properly come before the Special Meeting.

To vote in accordance with the Board of Directors' recommendations, please sign and date the reverse side, and mark the boxes labelled "For".

SEE REVERSE
SIDE

/X/ Please mark
your votes
as in this
example.

This proxy when properly executed will be voted in the manner directed herein.
If no direction is made, this proxy will be voted in the same proportion as
shares for which the Trustee receives voting instructions.
Directors recommend a vote FOR Items 1, 2, and 3

	FOR	AGAINST	ABSTAIN
1. The Combination Proposal	/ /	/ /	/ /
2. The Omnibus Plan Proposal	/ /	/ /	/ /
3. The Directors Plan Proposal	/ /	/ /	/ /

The signer hereby revokes all previous proxies given by the signer to vote at
said meeting or any adjournments or postponements thereof.

I will attend the meeting / /

Signature(s) _____ Date _____

(Please date, sign exactly as your name appears above and return in the enclosed
envelope. Your shares will be voted according to your instructions. If this
form is not returned before March 13, 1995 or is returned signed, but with no
voting instructions, any shares you hold in the Performance Sharing Plan will
be voted in the same proportion as shares for which the Trustee receives voting
instructions, as provided by the Plan.)

CONFIDENTIAL VOTING INSTRUCTIONS

SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

TO: BANKERS TRUST COMPANY AS TRUSTEE UNDER THE MARTIN MARIETTA CORPORATION
SAVINGS AND INVESTMENT PLAN FOR HOURLY EMPLOYEES

PROXY

In accordance with the provisions of the Martin Marietta Corporation Savings and Investment Plan for Hourly Employees (the "Plan"), you are instructed as follows with respect to voting shares of Common Stock of Martin Marietta Corporation ("Martin Marietta") which are credited to my account in the Plan at the Special Meeting of Stockholders of Martin Marietta to be held on March 15, 1995 and at any adjournment or postponement thereof, upon the following proposals: (i) the proposal to approve the Agreement and Plan of Reorganization, dated as of August 29, 1994, among Martin Marietta, Lockheed Corporation and Lockheed Martin Corporation ("Lockheed Martin"), as amended as of February 7, 1995, and the Plan and Agreement of Merger, dated as of August 29, 1994, among Martin Marietta, Atlantic Sub, Inc. and Lockheed Martin and the transactions contemplated thereby (together, the "Combination Proposal"), as set forth in the accompanying Joint Proxy Statement/Prospectus dated February 9, 1995, receipt of a copy of which is hereby acknowledged; (ii) the proposal to approve the adoption of the Lockheed Martin 1995 Omnibus Performance Award Plan (the "Omnibus Plan Proposal"), as set forth in the aforesaid Joint Proxy Statement/Prospectus, (iii) the proposal to approve the adoption of the Lockheed Martin Directors Deferred Stock Plan (the "Directors Plan Proposal"), as set forth in the aforesaid Joint Proxy Statement/Prospectus; and (iv) in your discretion, such other business as may properly come before the Special Meeting.

To vote in accordance with the Board of Directors' recommendations, please sign and date the reverse side, and mark the boxes labelled "For".

SEE REVERSE
SIDE

/X/ Please mark
your votes
as in this
example.

This proxy when properly executed will be voted in the manner directed herein.
If no direction is made, this proxy will be voted in the same proportion of
shares for which the Trustee receives voting instructions.
Directors recommend a vote FOR Items 1, 2 and 3

	FOR	AGAINST	ABSTAIN
1. The Combination Proposal	/ /	/ /	/ /
2. The Omnibus Plan Proposal	/ /	/ /	/ /
3. The Directors Plan Proposal	/ /	/ /	/ /

The signer hereby revokes all previous proxies given by the signer to vote at
said meeting or any adjournments or postponements thereof.

I will attend the meeting / /

Signature(s) _____ Date _____

(Please date, sign exactly as your name appears above and return in the
enclosed envelope. Your shares will be voted according to your instructions. If
this form is not returned before March 13, 1995 or is returned signed, but
with no voting instructions, any shares you hold in the Savings and Investment
Plan for Hourly Employees will be voted in the same proportion as shares for
which the Trustee receives voting instructions as provided by the Plan.)

[MILES & STOCKBRIDGE LETTERHEAD]

February 9, 1995

Lockheed Martin Corporation
6801 Rockledge Drive
Bethesda, Maryland 20817

Re: Lockheed Martin Corporation
Registration Statement on Form S-4

Ladies and Gentlemen:

We have acted as counsel to Lockheed Martin Corporation, a Maryland corporation (the "Corporation"), in connection with the filing of the above-referenced Registration Statement on Form S-4 (as amended, the "Registration Statement") for the registration of 208,552,547 shares of Common Stock, par value \$1.00 per share (the "Common Shares"), of the Corporation under the Securities Act of 1933, as amended (the "Act"). In this capacity, we have reviewed the Charter of the Corporation as certified by the State Department of Assessments and Taxation of the State of Maryland and all amendments or proposed amendments thereto as filed as an exhibit to the Registration Statement, the Bylaws of the Corporation and all amendments or proposed amendments thereto as filed as an exhibit to the Registration Statement, the Registration Statement including the exhibits thereto, the corporate proceedings of the Corporation relating to the authorization of the issuance of the Common Shares, and such certificates and other documents as we deemed necessary or advisable for the purpose of expressing the opinion contained herein.

Based on the foregoing, we are of the opinion that, upon approval of the mergers of Atlantic Sub, Inc. with and into Martin Marietta Corporation and Pacific Sub, Inc. with and into Lockheed Corporation (collectively, the "Mergers") by the respective stockholders of Martin Marietta Corporation and Lockheed Corporation in accordance with the terms and conditions set forth in the Registration Statement and the filing of Articles of Merger with the State Department of Assessments and Taxation of the State of Maryland and a Certificate of Merger with the Secretary of State of the State of Delaware and issuance

and delivery of the Common Shares pursuant to the Mergers, the Common Shares will be duly authorized, validly issued, fully paid and non-assessable.

The opinion expressed in this letter is limited to the matters set forth herein, and no other opinions should be inferred beyond the matters expressly stated. This letter and the opinion expressed herein are being furnished to you solely for your benefit and may not be relied upon, used, circulated, quoted from or otherwise referred to by any other person or for any other purpose without our prior written consent.

We hereby consent to the filing of this letter as an exhibit to the Registration Statement and to the reference to us under the heading "Experts" in the Joint Proxy Statement/Prospectus contained therein. In giving our consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

Miles & Stockbridge,
a Professional Corporation

By: /s/ GLENN C. CAMPBELL

Principal

[MILES & STOCKBRIDGE LETTERHEAD]

February 9, 1995

Lockheed Martin Corporation
6801 Rockledge Drive
Bethesda, Maryland 20817

Re: Lockheed Martin Corporation
Registration Statement on Form S-4

Ladies and Gentlemen:

We have acted as counsel to Lockheed Martin Corporation, a Maryland corporation (the "Corporation"), in connection with the filing of the above-referenced Registration Statement on Form S-4 (as amended, the "Registration Statement") for the registration of 208,552,547 shares of Common Stock, par value \$1.00 per share (the "Common Shares"), of the Corporation under the Securities Act of 1933, as amended (the "Act"). In this capacity, we have reviewed the Charter of the Corporation as certified by the State Department of Assessments and Taxation of the State of Maryland and all amendments or proposed amendments thereto as filed as an exhibit to the Registration Statement, the Bylaws of the Corporation and all amendments or proposed amendments thereto as filed as an exhibit to the Registration Statement, the Registration Statement including the exhibits thereto, the corporate proceedings of the Corporation relating to the authorization of the issuance of the Common Shares, and such certificates and other documents as we deemed necessary or advisable for the purpose of expressing the opinions contained herein.

Upon closing of the transactions described in the Registration Statement (the "Closing"), the Charter of the Corporation will provide that the authorized capital of the Corporation includes 20,000,000 shares of Series A Preferred Stock, par value \$1.00 per share (the "Preferred Stock"), with a preference on liquidation, whether voluntary or involuntary, of \$50 per share before any distribution or payment is made to holders of Common Shares or shares of any other class of stock of the Corporation ranking junior, as to dividends or assets distributable on liquidation, to shares of the Preferred Stock.

You have requested our opinions with respect to whether at or after the Closing, there will be any restrictions on surplus of the Corporation by reason of the excess of the amount of the involuntary liquidation preference of the Preferred Stock over the par value of the Preferred Stock, and also as to any remedies that will be available to securities holders before or after payment of any dividend that would reduce surplus to an amount less than the amount of such excess. In rendering the opinions expressed in this letter we note that there are no controlling published decisions of an appellate court of the State of Maryland.

The only express restriction upon the use of surplus of a Maryland general business corporation contained in the Constitution or statutes of the State of Maryland is that contained in Section 2-311(a) of the Maryland General Corporation Law. That section provides that a Maryland general business corporation may not make a distribution if, after giving effect to that distribution, (i) the corporation would not be able to pay indebtedness as it becomes due in the usual course of business or (ii) the corporation's total assets would be less than the sum of its total liabilities plus, unless the charter of the corporation permits otherwise, the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders, such as holders of shares of the Preferred Stock, whose preferential rights on dissolution are superior to those stockholders who otherwise would receive the distribution.

The Charter of the Corporation will specifically provide at Closing that "[i]n determining whether a distribution (other than upon voluntary or involuntary liquidation), by dividend, redemption or other acquisition of shares or otherwise, is permitted under the Maryland General Corporation Law, no effect shall be given to amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights upon dissolution are superior to those receiving the distribution." Accordingly, it is our opinion that the excess of the liquidation preference of the Preferred Stock over its par value will not constitute a restriction upon the surplus of the Corporation. In view of the foregoing, it is also our opinion that there are no remedies available to any security holder of the Corporation before or after payment of any dividend that would reduce surplus to an amount less than the excess of the liquidation preference of the Preferred Stock over its par value unless the Corporation is at that time in liquidation.

Members of our firm are admitted to the Bar in the State of Maryland. We express no opinions as to the laws of any state or jurisdiction other than, and our opinions expressed herein are limited to, the laws of the State of Maryland and the federal laws of general applicability in the United States of America.

The opinions expressed in this letter are limited to the matters set forth herein, and no other opinions should be inferred beyond the matters expressly stated. This letter and the opinions expressed herein are being furnished to you solely for your benefit and may not be relied upon, used, circulated, quoted from or otherwise referred to by any other person or for any other purpose without our prior written consent.

We hereby consent to the filing of this letter as an exhibit to the Registration Statement and to the reference to us under the heading "Experts" in the Joint Proxy Statement/Prospectus contained therein. In giving our consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

Miles & Stockbridge,
a Professional Corporation

By: /s/ GLENN C. CAMPBELL

Principal

[Letterhead of O'Melveny & Myers]

February

6th
1 9 9 5

Lockheed Corporation
4500 Park Granada Boulevard
Calabasas, California 91399-0214

Lockheed Martin Corporation
6801 Rockledge Drive
Bethesda, Maryland 20817

Re: Registration Statement on Form S-4 of
Lockheed Martin Corporation

Ladies and Gentlemen:

This opinion is delivered to you in connection with the Registration Statement on Form S-4 to be filed with the Securities and Exchange Commission by Lockheed Martin Corporation ("Lockheed Martin") in connection with the proposed merger (the "Merger") of a wholly owned subsidiary of Lockheed Martin with and into Lockheed Corporation ("Lockheed"). We have reviewed the tax disclosure set forth in the Joint Proxy Statement/Prospectus which is included in the Registration Statement (the "Joint Proxy Statement"). In our opinion, the statements contained in the Joint Proxy Statement under the heading "THE COMBINATION -- Certain Federal Income Tax Consequences" fairly and accurately present the information required to be presented.

This letter is furnished by us as counsel for Lockheed and Lockheed Martin and is solely for the benefit of Lockheed and Lockheed Martin.

This opinion is based on current authorities and upon facts and assumptions as of this date. It is subject to change in the event of a change in the applicable law or a change in the interpretation of such law by the courts or by the Internal Revenue Service. There can be no assurance that legislative or

administrative changes or court decisions will not be forthcoming that would significantly modify this opinion. Any such changes may or may not be retroactive with respect to transactions prior to the date of such changes. This opinion has no binding effect or official status, and accordingly no assurance can be given that the position set forth herein will be sustained by a court, if contested. No ruling will be obtained from the Internal Revenue Service with respect to the Merger.

We consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name under the caption "THE COMBINATION -- Certain Federal Income Tax Consequences" in the Joint Proxy Statement.

Respectfully submitted,

O'MELVENY & MYERS

[Letterhead of King & Spalding]

February 6, 1995

Lockheed Martin Corporation
6801 Rockledge Drive
Bethesda, Maryland 20817
Attention: Frank H. Menaker, Jr., Esq.
Vice President and General Counsel

Martin Marietta Corporation
6801 Rockledge Drive
Bethesda, Maryland 20817
Attention: Frank H. Menaker, Jr., Esq.
Vice President and General Counsel

Re: Registration Statement on Form S-4 of
Lockheed Martin Corporation

Ladies and Gentlemen:

This opinion is delivered to you in connection with the Registration Statement on Form S-4 to be filed with the Securities and Exchange Commission by Lockheed Martin Corporation ("Lockheed Martin") in connection with the proposed merger (the "Merger") of a wholly owned subsidiary of Lockheed Martin with and into Martin Marietta Corporation ("Martin Marietta"). We have reviewed the tax disclosure set forth in the Joint Proxy Statement/Prospectus which is included in the Registration Statement (the "Joint Proxy Statement"). In our opinion, the statements contained in the Joint Proxy Statement under the heading "THE COMBINATION -- Certain Federal Income Tax Consequences" fairly and accurately present the information required to be presented.

This letter is furnished by us as counsel for Martin Marietta and Lockheed Martin and is solely for the benefit of Martin Marietta and Lockheed Martin.

This opinion is based on current authorities and upon facts and assumptions as of this date. It is subject to change in the

event of a change in the applicable law or a change in the interpretation of such law by the courts or by the Internal Revenue Service. There can be no assurance that legislative or administrative changes or court decisions will not be forthcoming that would significantly modify this opinion. Any such changes may or may not be retroactive with respect to transactions prior to the date of such changes. This opinion has no binding effect or official status, and accordingly no assurance can be given that the position set forth herein will be sustained by a court, if contested. No ruling will be obtained from the Internal Revenue Service with respect to the Merger.

We consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name under the caption "THE COMBINATION -- Certain Federal Income Tax Consequences" in the Joint Proxy Statement.

Very truly yours,

KING & SPALDING

By: /s/ THOMAS F. WESSEL

A Partner

STANDSTILL AGREEMENT

This Standstill Agreement (the "Agreement"), dated April 2, 1993, is between Parent Corporation, a Maryland corporation ("Parent"), and General Electric Company, a New York corporation ("GE").

WHEREAS, simultaneously with the execution of this Agreement, GE is acquiring 20,000,000 shares of Parent's Series A Preferred Stock, par value \$1.00 per share (the "Preferred Stock"), pursuant to a Transaction Agreement dated November 22, 1992, as amended as of February 17, 1993 (the "Transaction Agreement"), among GE, Martin Marietta Corporation and Parent; and

WHEREAS, Parent and GE desire to establish in this Agreement certain conditions of GE's relationship with Parent;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and in the Transaction Agreement, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS; REPRESENTATIONS AND WARRANTIES

SECTION 1.01 Definitions. Except as otherwise specified herein, defined terms used in this Agreement shall have the respective meanings assigned to such terms in the Transaction Agreement. Unless otherwise specified all references to "days" shall be deemed to be references to calendar days.

SECTION 1.02 Representations and Warranties of Parent. Parent represents and warrants to GE as follows:

(a) The execution, delivery and performance by Parent of this Agreement and the consummation by Parent of the transactions contemplated by this Agreement are within its corporate powers and have been duly authorized by all necessary corporate action on its part. This Agreement constitutes a legal, valid and binding agreement of Parent enforceable against Parent in accordance with its terms (i) except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and (ii) subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity); and

(b) The execution, delivery and performance of this Agreement by Parent does not and will not contravene or conflict with or constitute a default under Parent's charter or by-laws.

SECTION 1.03 Representations and Warranties of GE. GE represents and warrants to Parent as follows:

(a) The execution, delivery and performance by GE of this Agreement and the consummation by GE of the transactions contemplated by this Agreement are within its corporate powers and have been duly authorized by all necessary corporate action on its part. This Agreement constitutes a legal, valid and binding agreement of GE enforceable against GE in accordance with its terms (i) except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and (ii) subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity);

(b) The execution, delivery and performance of this Agreement by GE does not and will not contravene or conflict with or constitute a default under GE's certificate of incorporation or by-laws; and

(c) GE "beneficially owns" (as such term is defined in Rule 13d-3 under the 1934 Act) 20,000,000 shares of Preferred Stock and neither GE nor any "affiliate" or "associate" (as such terms are defined in Rule 12b-2 under the 1934 Act), owns any other Voting Securities (as defined in Section 2.01 herein)

except for any Voting Securities held in any account managed for the benefit of another person by any member of the Financial Services Group (as defined in Section 3.01).

ARTICLE II

TERM

SECTION 2.01 Term. The term (the "Term") of this Agreement shall commence on the date hereof and, subject to Section 7.01, shall continue until the date on which the Voting Power of the Voting Securities, on a fully diluted basis, beneficially owned by GE shall represent less than five percent (5%) of the Total Voting Power; provided, however, that the provisions of Article VI shall continue without regard to the term limitation set forth in this sentence. For the purposes of this Agreement (i) the term "Voting Securities" shall mean any securities entitled to vote generally in the election of directors of Parent, or any direct or indirect rights or options to acquire any such securities or any securities convertible or exercisable into or exchangeable for such securities, (ii) the term "Voting Power" shall mean the voting power in the general election of directors of Parent, and (iii) the term "Total Voting Power" shall mean the total combined Voting Power of all the Voting Securities then outstanding, including without limitation the Preferred Stock.

ARTICLE III

STANDSTILL AND VOTING PROVISIONS

SECTION 3.01 Restrictions of Certain Actions by GE. Subject to Articles IV and V herein, during the Term, GE will not, and will cause each of its affiliates and associates not to, singly or as part of a partnership, limited partnership, syndicate or other group (as those terms are used in Section 13(d)(3) of the 1934 Act), directly or indirectly:

(a) acquire, offer to acquire, or agree to acquire, by purchase, gift or otherwise, any Voting Securities, except pursuant to a stock split, stock dividend, rights offering, recapitalization, reclassification or similar transaction;

(b) make, or in any way participate in any "solicitation" of "proxies" to vote (as such terms are defined in Rule 14a-1 under the 1934 Act), solicit any consent or communicate with or seek to advise or influence any person or entity with respect to the voting of any Voting Securities or become a "participant" in any "election contest" (as such terms are defined or used in Rule 14a-11 under the 1934 Act) with respect to Parent;

(c) form, join or encourage the formation of, any "person" within the meaning of Section 13(d)(3) of the 1934 Act with respect to any Voting Securities; provided that this Section 3.01(c) shall not prohibit any such arrangement solely among GE and any of its wholly-owned subsidiaries;

(d) deposit any Voting Securities into a voting trust or subject any such Voting Securities to any arrangement or agreement with respect to the voting thereof; provided that this Section 3.01(d) shall not prohibit any such arrangement solely among GE and any of its wholly-owned subsidiaries;

(e) initiate, propose or otherwise solicit stockholders for the approval of one or more stockholder proposals with respect to Parent as described in Rule 14a-8 under the 1934 Act, or induce or attempt to induce any other person to initiate any stockholder proposal;

(f) except for this Agreement, seek election to or seek to place a representative on the Board of Directors of Parent (other than pursuant to Section 3.02 hereof) or except with the approval of management of Parent, seek the removal of any member of the Board of Directors of Parent;

(g) except with the approval of management of Parent, call or seek to have called any meeting of the stockholders of Parent;

(h) except through its representatives on the Board of Directors (or any committee thereof) of Parent and except as otherwise contemplated by the Transaction Documents otherwise act to seek to

control, disrupt or influence the management, policies or affairs, of Parent except with the approval of management of Parent;

(i) sell or otherwise transfer in any manner any Voting Securities to any "person" (within the meaning of Section 13(d)(3) of the 1934 Act) who owns or who as a result of such sale or transfer will own more than three percent (3%) of any class of Voting Securities or who, without the approval of the Board of Directors of Parent, has proposed a business combination or similar transaction with, or a change of control of, Parent or who has proposed a tender offer for Voting Securities or who has discussed the possibility of proposing a business combination or similar transaction with, or a change in control of, Parent with GE or any of its respective affiliates or associates;

(j) solicit, seek to effect, negotiate with or provide any information to any other party with respect to, or make any statement or proposal, whether written or oral, to the Board of Directors of Parent or any director or officer of Parent or otherwise make any public announcement or proposal whatsoever with respect to, any form of business combination transaction involving Parent, including, without limitation, a merger, exchange offer or liquidation of Parent's assets, or any restructuring, recapitalization or similar transaction with respect to Parent; or

(k) instigate or encourage any third party to do any of the foregoing.

Notwithstanding the provisions of this Section 3.01 nothing herein shall apply to any Voting Securities held in any account managed for the benefit of another person by General Electric Capital Services, Inc. and its subsidiaries (including, without limitation, Kidder Peabody Group Inc. and General Electric Capital Corporation), General Electric Investment Corporation, General Electric Investment Management Incorporated or any other affiliate of GE engaged in the financial services business (collectively, the "Financial Services Group").

If GE or any of its affiliates or associates owns or acquires any Voting Securities in violation of this Agreement, such Voting Securities shall immediately be disposed of to persons who are not affiliates or associates thereof but only in compliance with the provisions of this Section 3.01; provided, however, that Parent may also pursue any other available remedy to which it may be entitled as a result of such violation.

SECTION 3.02 Board Representation. Parent will cause two persons designated by GE and reasonably acceptable to Parent to be elected to Parent's Board of Directors as promptly as practicable after the date hereof. Thereafter, during the Term and subject to the further provisions hereof, the Parent's nominating committee (or any other committee exercising a similar function) shall recommend to the Parent's Board of Directors that such persons or any two other persons designated by GE after consultation with the Parent be included in the slate of nominees recommended by the Board to shareholders for election as directors at each annual meeting of shareholders of the Parent commencing with the next annual meeting of shareholders. In the event that any of such designees shall cease to serve as a director for any reason, the vacancy resulting thereby shall be filled by a person designated by GE and reasonably acceptable to Parent.

If the size of the Parent's Board of Directors is increased, Parent agrees to cause additional persons designated by GE and reasonably acceptable to Parent to be elected to Parent's Board of Directors so that GE's designees shall at no time constitute less than 10% of the members of such Board.

Upon expiration of the Term, GE shall have no further rights under this Section 3.02 and shall cause its designees on Parent's Board of Directors to resign forthwith.

Notwithstanding the provisions of this Section 3.02, GE shall not be entitled to designate any person to Parent's Board of Directors if such designation would result in any violation of applicable law or order. Parent shall not be obligated to elect to its Board of Directors any person who would cause or be reasonably likely to cause Parent to be unable in any material respect to conduct its business. If any such person has been designated by GE and rejected by Parent, GE shall be permitted to designate a substitute designee for such person in accordance with this Section 3.02.

SECTION 3.03 Voting. (a) During the Term, whenever GE or any of its affiliates or associates shall have the right to vote such Voting Securities, GE shall (i) be present, in person or represented by proxy, at all

stockholder meetings of Parent so that all Voting Securities beneficially owned by it and its affiliates and associates shall be counted for the purpose of determining the presence of a quorum at such meetings, and (ii) subject to Section 3.03(b) below, vote or cause to be voted, or consent with respect to, all Voting Securities beneficially owned by it and its affiliates and associates in the manner recommended by Parent's Board of Directors, except that during any period or at any time when there shall be in full force and effect a valid order or judgment of a court of competent jurisdiction or a ruling, pronouncement or requirement of the New York Stock Exchange, Inc. ("NYSE") to the effect that the foregoing provision of this Section 3.03 is invalid, void, unenforceable or not in accordance with NYSE policy, then GE will if so requested by the Board of Directors of Parent, vote or cause to be voted all of its Voting Securities beneficially owned by it and its affiliates and associates in the same proportion as the votes cast by or on behalf of the other holders of Parent's Voting Securities.

(b) Notwithstanding anything to the contrary contained in Section 3.03(a) above, (i) GE shall have the right to vote shares of Preferred Stock held by it freely, without regard to any request or recommendation of the Board of Directors of Parent, with respect to the matters specified in Article VI Section (A)(5) of Parent's Charter establishing the terms of the Preferred Stock and (ii) the provisions of Section 3.03(a) shall not apply to Voting Securities held in any account managed for the benefit of another person by any person within the Financial Services Group.

ARTICLE IV

TRANSFER RESTRICTIONS

SECTION 4.01 Right of First Offer. (a) Subject to the provisions of Section 3.01, if GE desires to transfer any Voting Securities it shall give written notice ("GE's Notice") to Parent (i) stating that it desires to make such transfer, and (ii) setting forth the number of shares of Voting Securities proposed to be transferred (the "Offered Shares"), the cash price per share that GE proposes to be paid for such Offered Shares (the "Offer Price"), and the other material terms and conditions of such transfer. GE's Notice shall constitute an irrevocable offer by GE to sell to Parent the Offered Shares at the Offer Price in cash.

(b) Within 10 Business Days after receipt of GE's Notice, Parent may elect to purchase all (but not less than all) of the Offered Shares at the Offer Price in cash by delivery of a notice ("Parent's Notice") to GE stating Parent's irrevocable acceptance of the Offer.

(c) If Parent fails to elect to purchase all of the Offered Shares within the time period specified in Section 4.01(b), then GE may, within a period of 120 days following the expiration of the time period specified in Section 4.01(b), transfer (or enter into an agreement to transfer) all or any Offered Shares; provided that if the purchase, price per share to be paid by any purchaser of the Offered Shares is less than 90% of the Offer Price (the "Reduced Transfer Price"), GE shall promptly provide written notice (the "Reduced Transfer Price Notice") to Parent of such intended transfer (including the material terms and conditions thereof) and Parent shall have the right, exercisable by delivery of a written election notice to GE within five Business Days of receipt of such notice, to purchase such Offered Shares at the Reduced Transfer Price.

(d) If Parent fails to elect to purchase the Offered Shares at the Offer Price (or, if applicable, the Reduced Transfer Price) within the relevant time period specified in Section 4.01(b) and GE shall not have transferred or entered into an agreement to transfer the Offered Shares prior to the expiration of the 120-day period specified in Section 4.01(c), the right of first offer under this Section 4.01 shall again apply in connection with any subsequent transfer of such Offered Shares.

(e) Any purchase of Voting Securities by Parent pursuant to this Section 4.01 shall be on a mutually determined closing date which shall not be more than 15 days after the last notice is given with respect to such purchase. The closing shall be held at 10:00 A.M., local time, at the principal office of Parent, or at such other time or place as the parties mutually agree.

(f) On the closing date, GE shall deliver (i) certificates representing the shares of Voting Securities being sold, free and clear of any lien, claim or encumbrance, and (ii) such other documents, including evidence of ownership and authority, as Parent may reasonably request. The purchase price shall be paid by wire transfer of immediately available funds no later than 2:00 P.M. on the closing date.

(g) Notwithstanding the foregoing, not less than 30 Business Days prior to any proposed sale by GE of Voting Securities pursuant to this Section 4.01 to any Restricted Person (as defined below) GE shall give notice of the identity of such Restricted Person to Parent and Parent shall have the right, exercisable by delivery of a written election notice to GE within 20 Business Days of the notice from GE of the proposed sale, to purchase the Offered Shares at the Offer Price (or Reduced Transfer Price, as the case may be) at which the Restricted Person agreed to purchase the Offered Shares. If Parent fails to purchase the Offered Shares within such 20-day period, GE shall be permitted to proceed with its sale to such Restricted Person in accordance with Section 4.01 (c). "Restricted Person" shall mean a person who is a significant competitor of Parent or any subsidiary of Parent or whose ownership of Voting Securities of Parent would cause Parent or any of Parent's subsidiaries to be materially adversely affected in bidding for or obtaining contracts with federal state or local governmental entities.

4.02 Rights Pursuant to a Tender Offer. GE shall have the right to sell or exchange all its Voting Securities pursuant to a tender or exchange offer for at least a majority of the Voting Securities (an "Offer"). However, prior to such sale or exchange, GE shall give Parent the opportunity to purchase such Voting Securities in the following manner:

(i) GE shall give notice (the "Tender Notice") to Parent in writing of its intention to sell or exchange Voting Securities in response to an Offer no later than three calendar days prior to the latest time (including any extensions) by which Voting Securities must be tendered in order to be accepted pursuant to such Offer, specifying the amount of Voting Securities proposed to be tendered by GE (the "Tendered Shares") and the purchase price per share, specified in the Offer at the time of the Tender Notice.

(ii) If the Tender Notice is given, Parent shall have the right to purchase all but not part, of the Tendered Shares exercisable by giving written notice (an "Exercise Notice") to GE at least two calendar days prior to the latest time after delivery of the Tender Notice by which Voting Securities must be tendered in order to be accepted pursuant to the Offer (including any extensions thereof) and depositing in escrow (or similar arrangement) a sum in cash sufficient to purchase all Tendered Shares at the price then being offered in the Offer, without regard to any provision thereof with respect to proration or conditions to the offeror's obligation to purchase. The delivery by Parent of an Exercise Notice and deposit of funds as provided above will except as provided below, constitute an irrevocable agreement by Parent to purchase, and GE to sell the Tendered Shares in accordance with the terms of this Section 4.02, whether or not the Offer or any other tender or exchange offer (a "Competing Tender Offer") for Voting Securities that was outstanding during the Offer is consummated.

(iii) The purchase price to be paid by Parent for any Voting Securities purchased by it pursuant to this Section 4.02 shall be the highest price offered or paid in the Offer or in any Competing Tender Offer. For purposes hereof, the price offered or paid in a tender or exchange offer for Voting Shares shall be deemed to be the price offered or paid pursuant thereto, without regard to any provisions thereof with respect to proration or conditions to the offeror's obligation to purchase. If the purchase price per share specified in the Offer includes any property other than cash (the "Offer Noncash Property"), the purchase price per share at which Parent shall be entitled to purchase all but not part, of the Voting Securities specified in the Tender Notice shall be (y) the amount of cash per share, if any, specified in such Offer (the "Cash Portion"), plus (z) an amount of cash per share equal to the value of the Offer Noncash Property per share (the "Cash Value of Offer Noncash Property"), as determined in good faith by the mutual agreement of the parties hereto, or if the parties cannot agree, by a nationally recognized investment banking firm selected by mutual agreement of the parties. If Parent exercises its right of first refusal by giving an Exercise Notice, the closing of the purchase of the Voting Securities with respect to such right (the "Closing") shall take place at 3:00 p.m., local time (or, if earlier, two hours before the

latest time by which Voting Securities must be tendered in order to be accepted Pursuant to the Offer), on the last day on which Voting Securities must be tendered in order to be accepted pursuant to the Offer (including any extensions thereof) (the "Last Tender Date"), and Parent shall pay the purchase price for the Voting Securities specified above. GE shall be entitled to rescind its Tender Notice at any time prior to the Last Tender Date by notice in writing to Parent; provided, however, that if on or before the Last Tender Date, Parent publicly announces that Parent has approved, proposed or entered into an agreement with respect to (either individually or together with any other persons) a recapitalization, reorganization or business combination with respect to Parent or all or substantially all of its assets, GE shall be entitled to rescind its Tender Notice by notice in writing to Parent at any time prior to the Closing on the Last Tender Date. If GE rescinds its Tender Notice pursuant to the immediately preceding sentence, Parent's Exercise Notice with respect to such Offer shall be deemed to be immediately rescinded and GE's disposition of its Voting Securities in response to the Offer with respect to which the Tender Notice is rescinded or any other Offer shall again be subject to all of the provisions of this Section 4.02.

(iv) If Parent does not exercise its right of first refusal set forth in this Section 4.02 within the time specified for such exercise by giving an Exercise Notice, then GE shall be free to accept, for all its Voting Securities, the Offer with respect to which the Tender Notice was given (including any increases and extensions thereof).

SECTION 4.03 Assignment of Rights. Parent may assign any of its rights of first refusal under this Article IV to any subsidiary or affiliate of Parent without the consent of GE, provided, however, that no such assignment shall relieve Parent of any of its obligations pursuant to this Article IV. In the event that Parent elects to exercise a right of first refusal under this Article IV, Parent may specify in its Exercise Notice (or thereafter prior to purchase) another such person as its designee to purchase the Voting Securities to which such notice relates.

ARTICLE V

SECTION 5.01 Registration Upon Request. At any time commencing on the date hereof and continuing thereafter, GE shall have the right to make written demand upon Parent, on not more than five separate occasions (subject to the provisions of this Section 5.01), to register under the 1933 Act, shares of Preferred Stock or shares of Common Stock received by GE in connection with its conversion of the Preferred Stock issued to it pursuant to the Merger Agreement or acquired in accordance with this Agreement (the shares subject to such demand hereunder being referred to as the "Subject Stock"), and Parent shall use its best efforts to cause such shares to be registered under the 1933 Act as soon as reasonably practicable so as to permit the sale thereof promptly; provided, however, that each such demand shall cover at least \$100,000,000 liquidation preference of Preferred Stock or 1,000,000 shares of Common Stock (subject to adjustment for stock splits, reverse stock splits, stock dividends and similar events after the date hereof). In connection therewith, Parent shall prepare, and within 120 days of the receipt of the request, file, on Form S-3 if permitted or otherwise on the appropriate form, a registration statement under the 1933 Act to effect such registration. GE agrees to provide all such information and materials and to take all such action as may be reasonably required in order to permit Parent to comply with all applicable requirements of the 1933 Act and the SEC and to obtain any desired acceleration of the effective date of such registration statement. If the offering to be registered is to be underwritten, the managing underwriter shall be selected by GE and shall be reasonably satisfactory to Parent and GE shall enter into an underwriting agreement containing customary terms and conditions. Notwithstanding the foregoing, Parent (i) shall not be obligated to prepare or file more than one registration statement other than for purposes of a stock option or other employee benefit or similar plan during any twelve-month period, (ii) shall be entitled to postpone for a reasonable period of time, the filing of any registration statement otherwise required to be prepared and filed by Parent if (A) Parent is, at such time, conducting or about to conduct an underwritten public offering of securities and is advised by its managing underwriter or underwriters in writing (with a copy to GE), that such offering would, in its or their opinion, be materially adversely affected by the registration so requested, or (B) Parent determines in its reasonable judgment and in good faith that the registration and distribution of the shares of Subject Stock would interfere with any announced or imminent material financing, acquisition, disposition, corporate

reorganization or other material transaction of a similar type involving Parent. In the event of such postponement, GE shall have the right to withdraw the request for registration by giving written notice to Parent within 20 days after receipt of the notice of postponement (and, in the event of such withdrawal such request shall not be counted for purposes of determining the number of registrations to which GE is entitled pursuant to this Section 5.01). Parent shall not grant to any other holder of its securities, whether currently outstanding or issued in the future, any incidental or piggyback registration rights with respect to any registration statement filed pursuant to a demand registration under this Section 5.01 and without the prior consent of GE, Parent will not permit any other holder of its securities to participate in any offering made pursuant to a demand registration under this Section 5.01.

SECTION 5.02 Incidental Registration Rights. If Parent proposes to register any of its Voting Securities under the 1933 Act (other than (i) pursuant to Section 5.01 hereof, (ii) securities to be issued pursuant to a stock option or other employee benefit or similar plan, and (iii) securities proposed to be issued in exchange for securities or assets of, or in connection with a merger or consolidation with, another corporation), Parent shall, as promptly as practicable, give written notice to GE of Parent's intention to effect such registration. If, within 15 days after receipt of such notice, GE submits a written request to Parent specifying the amount of Voting Securities that it proposes to sell or otherwise dispose of in accordance with this Section 5.02, Parent shall use its best efforts to include the shares specified in GE's request in such registration. If the offering pursuant to such registration statement is to be made by or through underwriters, the managing underwriters shall be chosen by Parent and shall be reasonably satisfactory to GE and Parent, and GE and such underwriter shall execute an underwriting agreement in customary form. If the managing underwriter reasonably determines in good faith and advises GE in writing that the inclusion in the registration statement of all the Voting Securities proposed to be included would interfere with the successful marketing of the securities proposed to be registered, then Parent and GE shall negotiate in good faith to agree upon an equitable adjustment in the number or amount of securities of each to be included in such underwriting. No registration effected under this Section 5.02 shall relieve Parent of its obligation to effect any registration upon request under Section 5.01. If GE has been permitted to participate in a proposed offering pursuant to this Section 5.02, Parent thereafter may determine either not to file a registration statement relating thereto, or to withdraw such registration statement, or otherwise not to consummate such offering, without any liability hereunder. Any underwriters participating in a distribution of GE Voting Securities pursuant to Sections 5.01 and 5.02 hereof shall use all reasonable efforts to effect as wide a distribution as is reasonably practicable, and in no event shall any sale (other than a sale to underwriters making such a distribution) of shares of Voting Securities be made knowingly to any person (including its affiliates or associates and any group in which that person or its affiliates or associates shall be a member if GE or underwriters know of the existence of such a group or affiliate or associate) that, after giving effect to such sale, would beneficially own Voting Securities representing three percent (3%) or more of the Total Voting Power. GE shall use all reasonable efforts to secure the agreement of the underwriters, in connection with any underwritten offering of its Voting Securities, to comply with the foregoing.

SECTION 5.03 Registration Mechanics. In connection with any offering of shares of Subject Stock registered pursuant to Section 5.01 or 5.02 herein, Parent shall (i) furnish to GE such number of copies of any prospectus (including preliminary and summary prospectuses) and conformed copies of the registration statement (including amendments or supplements thereto and, in each case, all exhibits) and such other documents as it may reasonably request, but only while Parent shall be required under the provisions hereof to cause the registration statement to remain current; (ii) (A) use its best efforts to register or qualify the Subject Stock covered by such registration statement under such blue sky or other state securities laws for offer and sale as GE shall reasonably request and (B) keep such registration or qualification in effect for so long as the registration statement remains in effect; provided, however, that Parent shall not be obligated to qualify to do business as a foreign corporation under the laws of any jurisdiction in which it shall not then be qualified or to file any general consent to service of process in any jurisdiction in which such a consent has not been previously filed or subject itself to taxation in any jurisdiction wherein it would not otherwise be subject to tax but for the requirements of this Section 5.03; (iii) use its best efforts to cause all shares of Subject Stock covered by such registration statement to be registered with or approved by such other federal or state government agencies or authorities as may be necessary in the opinion of counsel to Parent to enable GE to

consummate the disposition of such shares of Subject Stock; (iv) notify GE any time when a prospectus relating thereto is required to be delivered under the 1933 Act upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading, in the light of the circumstances under which they were made, and (subject to the good faith determination of Parent's Board of Directors as to whether to permit sales under such registration statement), at the request of GE promptly prepare and furnish to it a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, in the light of the circumstances under which they were made; (v) otherwise use its best efforts to comply with all applicable rules and regulations of the SEC; (vi) use its best efforts to list, if required by the rules of the applicable securities exchange or, if securities of the same class are then so listed, the Subject Stock covered by such registration statement on the New York Stock Exchange or on any other securities exchange on which Subject Stock is then listed; and (vii) before filing any registration statement or any amendment or supplement thereto, and as far in advance as is reasonably practicable, furnish to GE and its counsel copies of such documents. In connection with any offering of Subject Stock registered pursuant to Section 5.01 or 5.02, Parent shall (x) furnish to the underwriter, if any, unlegended certificates representing ownership of the Subject Stock being sold in such denominations as requested and (y) instruct any transfer agent and registrar of the Subject Stock to release any stop transfer orders with respect to such Subject Stock. Upon any registration becoming effective pursuant to Section 6.01, Parent shall use its best efforts to keep such registration statement current for a period of 60 days (or 90 days, if Parent is eligible to use a Form S-3, or successor form) or such shorter period as shall be necessary to effect the distribution of the Subject Stock.

GE agrees that upon receipt of any notice from Parent of the happening of any event of the kind described in subdivision (iv) of this Section 5.03, it will forthwith discontinue its disposition of Subject Stock pursuant to the registration statement relating to such Subject Stock until its receipt of the copies of the supplemented or amended prospectus contemplated by subdivision (iv) of this Section 5.03 and, if so directed by Parent, will deliver to Parent all copies then in its possession of the prospectus relating to such Subject Stock current at the time of receipt of such notice. If GE's disposition of Subject Stock is discontinued pursuant to the foregoing sentence, unless Parent thereafter extends the effectiveness of the registration statement to permit dispositions of Subject Stock by GE for an aggregate of 60 days (or 90 days, if Parent is eligible to use a Form S-3, or successor form), whether or not consecutive, the registration statement shall not be counted for purposes of determining the number of registrations to which GE is entitled pursuant to Section 5.01.

SECTION 5.04 Expenses. GE shall pay all agent fees and commissions and underwriting discounts and commissions related to shares of Subject Stock being sold by GE and the fees and disbursements of its counsel and accountants and Parent shall pay all fees and disbursements of its counsel and accountants in connection with any registration pursuant to this Article V. All other fees and expenses in connection with any registration statement (including, without limitation, all registration and filing fees, all printing costs, all fees and expenses of complying with securities or blue sky laws) shall (i) in the case of a registration pursuant to Section 5.01, be borne equally by GE and Parent and (ii) in the case of a registration pursuant to Section 5.02, be shared pro rata based upon the respective market values of the securities to be sold by Parent, GE and any other holders participating in such offering provided, that GE shall not pay any expenses relating to work that would otherwise be incurred by Parent including, but not limited to, the preparation and filing of periodic reports with the SEC.

Section 5.05 Indemnification and Contribution. In the case of any offering registered pursuant to this Article V, Parent to indemnify and hold GE, each underwriter, if any, of the Subject Stock under such registration and each person who controls any of the foregoing within the meaning of Section 15 of the 1933 Act, and any officer, employee or partner of the foregoing, harmless against any and all losses, claims, damages, or liabilities (including reasonable legal fees and other reasonable expenses incurred in the

investigation and defense thereof) to which they or any of them may become subject under the 1933 Act or otherwise (collectively "Losses"), insofar as any such Losses shall arise out of or shall be based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the registration statement relating to the sale of such Subject Stock (as amended if Parent shall have filed with the SEC any amendment thereof), or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) any untrue statement or alleged untrue statement of a material fact contained in the prospectus relating to the sale of such Subject Stock (as amended or supplemented if Parent shall have filed with the SEC any amendment thereof or supplement thereto), or the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, provided, however, that the indemnification contained in this Section 5.05 shall not apply to such Losses which shall arise out of or shall be based upon any such untrue statement or alleged untrue statement, or any such omission or alleged omission, which shall have been made in reliance upon and in conformity with information furnished in writing to Parent by GE or any such underwriter, as the case may be, specifically for use in connection with the preparation of the registration statement or prospectus contained in the registration statement or any such amendment thereof or supplement therein.

In the case of each offering registered pursuant to this Article V, GE and each underwriter, if any, participating therein shall agree, substantially in the same manner and to the same extent as set forth in the preceding paragraph, severally to indemnify and hold harmless Parent and each person, if any, who controls Parent within the meaning of Section 15 of the 1933 Act, and the directors and officers of Parent, with respect to any statement in or omission from such registration statement or prospectus contained in such registration statement (as amended or as supplemented, if amended or supplemented as aforesaid) if such statement or omission shall have been made in reliance upon and in conformity with information furnished in writing to Parent by GE or such underwriter, as the case may be, specifically for use in connection with the preparation of such registration statement or prospectus contained in such registration statement or any such amendment thereof or supplement thereto.

Each party indemnified under this Section 5.05 shall, promptly after receipt of notice of the commencement of any claim against such indemnified party in respect of which indemnity may be sought hereunder, notify the indemnifying party in writing of the commencement thereof. The failure of any indemnified party to so notify an indemnifying party shall not relieve the indemnifying party from any liability in respect of such action which it may have to such indemnified party on account of the indemnity contained in this Section 5.05, unless (and only to the extent) the indemnifying party was prejudiced by such failure, and in no event shall such failure relieve the indemnifying party from any other liability which it may have to such indemnified party. In case any action in respect of which indemnification may be sought hereunder shall be brought against any indemnified party and it shall notify an indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it may desire, jointly with any other indemnifying party similarly notified, to assume the defense thereof through counsel reasonably satisfactory to the indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 5.05 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof, other than reasonable costs of investigation (unless such indemnified party reasonably objects to such assumption on the grounds that there may be defenses available to it which are different from or in addition to those available to such indemnifying party in which event the indemnified party shall be reimbursed by the indemnifying party for the reasonable expenses incurred in connection with retaining separate legal counsel). No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any claim or pending or threatened proceeding in respect of which the indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability arising out of such claim or proceeding.

If the indemnification provided for in this Section 5.05 is unavailable to an indemnified party or is insufficient to hold such indemnified party harmless from any Losses in respect of which this Section 5.05

would otherwise apply by its terms (other than by reason of exceptions provided herein), then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall have a joint and several obligation to contribute to the amount paid or payable by such indemnified party as a result of such Losses, in such proportion as is appropriate to reflect the relative benefits received by and fault of the indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the offering to which such contribution relates as well as any other relevant equitable considerations. The relative benefit shall be determined by reference to, among other things, the amount of proceeds received by each party from the offering to which such contribution relates. The relative fault shall be determined by reference to, among other things, each party's relative knowledge and access to information concerning the matter with respect to which the claim was asserted and the opportunity to correct and prevent any statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include any legal or other fees or expenses incurred by such party in connection with any investigation or proceeding, to the extent such party would have been indemnified for such expenses if the indemnification provided for in this Section 5.05 was available to such party.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5.05 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

ARTICLE VI

SPECIAL LIQUIDITY PROVISIONS

SECTION 6.01 Tenth Anniversary Offering. No later than 90 days prior to the tenth anniversary of the Initial Issuance Date for the Preferred Stock (as defined in Parent's Charter), GE shall engage a nationally recognized investment banking firm reasonably acceptable to Parent to make an underwritten public offering of all Preferred Stock then held by GE at a per share price no less than the liquidation preference per share of the Preferred Stock. Such offering shall be conducted so as to satisfy the requirements for distribution of Voting Securities contained in the last two sentences of Section 5.02. Parent shall promptly file a registration statement registering the shares of Preferred Stock to be sold and GE, Parent and the applicable underwriters shall use their best efforts to consummate such offering, unless the underwriter managing the offering advises Parent in writing that in the underwriter's good faith opinion, given then-applicable market conditions, the offering cannot be consummated at the price and on the terms specified above or that the inclusion of all (or a specified number) of shares of Preferred Stock in an offering at the price and on the terms specified above would materially adversely affect such offering (in which event, GE and Parent shall proceed with the unaffected portion thereof).

SECTION 6.02 Mandatory Conversions. (a) If GE continues to own Preferred Stock after the offering contemplated by Section 6.01 above, or such offering is not consummated, Parent must convert for Equity Conversion Securities (as defined below) on each anniversary of the Initial Issuance Date of the Preferred Stock commencing with the tenth anniversary thereof (unless as of the date of such tenth anniversary, there is then being conducted an offering pursuant to Section 6.01, in which event the obligations pursuant to this Section shall be tolled until the later of 60 days after such anniversary date and the consummation or withdrawal of such offering), \$200 million aggregate liquidation preference of Preferred Stock; provided, however, that to the extent GE has sold, converted or otherwise disposed of any Preferred Stock (including any Preferred Stock redeemed in accordance with its terms) prior to the first Mandatory Conversion Date (as defined in Section 6.03 below) (whether disposed of pursuant to the offering contemplated by Section 6.01 or otherwise) the amount of Preferred Stock to be converted shall be reduced by the amount so sold or disposed of in reverse chronological order (i.e., with the aggregate liquidation preference to be converted on the fourteenth anniversary being the first amount so reduced and the aggregate liquidation preference to be converted on the tenth anniversary being the last amount so reduced).

(b) "Equity Conversion Securities" shall mean (i) Common Stock, (ii) a perpetual convertible or non-convertible preferred stock where the dividend rate is intended to be the rate necessary to value such preferred stock at its stated liquidation preference (and in any event no more than 11%) and with such other terms as are customary for issuers of similar credit posture to Parent at the time of issuance (a "Market Preferred") and (iii) a perpetual 11% non-convertible preferred stock which is not callable by Parent until the fifth anniversary of the date of issuance (and in no event is callable at less than par thereafter) and otherwise with terms customary for issuers of similar credit posture to Parent at the time of issuance (the "11% Preferred"). GE shall have the right to request Backstop Registration for Market Preferred and Common Stock issued as Equity Conversion Securities but not for 11% Preferred.

SECTION 6.03 Notice of Mandatory Conversion. (a) No fewer than 30 days prior to an anniversary of the Initial Issuance Date (or other date) on which a conversion of Equity Conversion Securities for Preferred Stock is to occur (a "Mandatory Conversion Date"), Parent shall give written notice to GE of the type or combination of types of Equity Conversion Securities it intends to issue on such Mandatory Conversion Date, the number of shares of each such type, the value per share it assigns to each such type, the aggregate liquidation preference of Preferred Stock it intends to mandatorily convert into each such type, and other material terms of the mandatory conversion, including a copy of the term sheet, draft articles supplementary, certificate of designation or other governing instrument for each type of Equity Conversion Security (other Common Stock).

(b) Within 10 days of Parent's notice, GE shall notify Parent that, with respect to all or any part of the Preferred Stock being mandatorily converted and specified in such notice, GE does not wish to retain the Equity Conversion Securities to be issued upon conversion thereof and that it requests Backstop Registration (as defined below) in respect thereof. GE's notice to Parent shall specify those Equity Conversion Securities (if more than one type is proposed to be issued) as to which it requests Backstop Registration. If GE fails to elect Backstop Registration within the time period specified above, it shall be deemed to have elected to retain all of the Equity Conversion Securities as proposed in Parent's notice.

SECTION 6.04 Surrender of Certificates, Etc. (a) On the Mandatory Conversion Date, GE shall surrender to Parent certificates representing no less than the aggregate liquidation preference of the Preferred Stock to be mandatorily converted pursuant to Parent's notice above. After the close of business on the Mandatory Conversion Date, the shares of Preferred Stock to be mandatorily converted shall not accrue dividends. After shares of Preferred Stock have been designated for mandatory conversion, the right to convert the shares so designated shall terminate after the close of business on the second business day immediately preceding the next Mandatory Conversion Date unless default is made in the delivery of the Equity Conversion Securities. In the event of default in the delivery of the Equity Conversion Securities, the right to convert the shares designated for mandatory conversion shall terminate at the close of business on the business day immediately preceding the date that such default is cured.

(b) Upon surrender in accordance with the aforesaid notice of the certificate for any shares so converted (duly endorsed or accompanied by appropriate instruments of transfer, if so required by Parent in such notice), GE shall be entitled to receive the certificates for the Equity Conversion Securities. In case fewer than all the shares represented by any such certificates for Preferred Stock are mandatorily converted, a new certificate shall be issued representing the unconverted shares without cost to GE.

Notwithstanding the fact that any certificate(s) for Preferred Stock to be mandatorily converted shall not have been surrendered for cancellation, on and after the Mandatory Conversion Date the shares represented thereby shall be deemed to be no longer outstanding, and GE's rights as a stockholder of Parent shall cease with respect to such Preferred Stock.

Section 6.05 Backstop Registration. (a) "Backstop Registration" shall mean an underwritten public offering of the Equity Conversion Securities relating to those shares of Preferred Stock of GE specified by GE in its notice pursuant to Section 6.03(b) above as those which it does not wish to retain. A Backstop Registration shall register the offering of that amount of Equity Conversion Securities, the sale of which in a public offering must result in proceeds, net of underwriting commissions and discounts and other offering expenses, as shall be equal to not less than the aggregate liquidation preference of the Preferred Stock for

which such Equity Conversion Securities have been mandatorily converted. A Backstop Registration shall be subject to the terms and conditions of registered public offerings pursuant to Sections 5.01, 5.03 and 5.05 hereof, which shall be deemed to be appropriately modified, except that the managing underwriter for the Backstop Registration shall be selected by Parent and shall be reasonably satisfactory to GE, the "Subject Stock" shall be deemed to be the Equity Conversion Securities, Parent shall not be permitted to postpone or decline making the Backstop Registration, in whole or in part, and GE shall bear no expenses with respect thereto. Backstop Registrations shall not be counted as demand registrations for purposes of Section 5.01 hereof.

(b) GE acknowledges that in connection with the pricing of any Backstop Registration, the terms of the Market Preferred, including its dividend rate, may be changed, in the sole discretion of Parent, from the terms thereof as of the Mandatory Conversion Date, and shall be so changed if required by the managing underwriter so that the net proceeds of the offering after such change shall be sufficient, in the opinion of such underwriter, to equal or exceed the aggregate liquidation preference of the Preferred Stock mandatorily converted; provided, however, that no such change shall be made if it would have an adverse effect on GE.

(c) When the Backstop Registration contemplated above has been completed the net proceeds thereof shall be distributed to GE. Any such offering not consummated within six months of delivery of the notice to Parent pursuant to Section 6.03(b) shall be deemed to have been abandoned. To the extent the net proceeds of the Backstop Registration (treating the net proceeds as zero if such offering has been abandoned) are less than the sum of the aggregate liquidation preference of the Preferred Stock mandatorily converted and the Interest Amount (as defined below), Parent shall pay to GE an amount in cash equal to the difference. "Interest Amount" means, with respect to the aggregate liquidation preference of the Preferred Stock mandatorily converted pursuant to this Section, interest on such aggregate liquidation preference for each day, from the applicable Mandatory Conversion Date to and including the date of payment pursuant to this Section 6.05 (c) at a rate per annum equal to the rate per annum, as published by the Board of Governors of the Federal Reserve System as reported by the U.S. Department of Treasury, for such day on U.S. Treasury Bonds maturing on the date that is the tenth anniversary of such Mandatory Conversion Date (or if no U.S. Treasury Bonds mature on such date, then on the date nearest to such date for which such a maturity exists).

(d) Accrued and unpaid dividends to and including the Mandatory Conversion Date with respect to Preferred Stock subject to mandatory conversion as provided herein shall be paid in cash on the Mandatory Conversion Date.

ARTICLE VII

MISCELLANEOUS

SECTION 7.01 Termination. Notwithstanding any other provision of this Agreement, the obligations of GE (but not of Parent) under this Agreement shall terminate if Parent fails to perform or observe its obligations under Section 3.02 of this Agreement.

SECTION 7.02. Certain Restrictions. Parent shall not take or recommend to its stockholders any action, including any amendment of its Charter, bylaws, or shareholder rights plan, if any, which would impose restrictions applicable to GE and not to other securityholders generally based upon the size of GE's security holdings, the business in which it is engaged or other considerations applicable to it and not to securityholders generally.

SECTION 7.03 Enforcement. (a) GE, on the one hand, and Parent, on the other, acknowledge and agree that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the parties will be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically its provisions in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they may be entitled at law or in equity.

(b) Parent and GE each irrevocably agrees that any legal action or proceeding against it with respect to this Agreement and any transaction contemplated by this Agreement may be brought in the courts of the State of New York or the State of Maryland, or of the United States of America for the Southern District of New York, and by execution and delivery of this Agreement Parent and GE each irrevocably submits to the jurisdiction of each such court and irrevocably designates, appoints and empowers the Secretaries of State of the States of New York and Maryland to receive for and on its behalf service of process in the State of New York or the State of Maryland, respectively, and further irrevocably consents to the service of process outside of the territorial jurisdiction of such courts by mailing copies by registered United States mail postage prepaid, to its address specified in this Agreement.

SECTION 7.04 Entire Agreement. This Agreement and the Transaction Agreement constitute the entire agreement and understanding of the parties with respect to the transactions contemplated by such parties and may be amended only by an agreement in writing executed by both parties.

SECTION 7.05 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, the remaining provisions shall remain in full force and effect. It is declared to be the intention of the parties that they would have executed the remaining provisions without including any that may be declared unenforceable.

SECTION 7.06 Headings. Descriptive headings are for convenience only and will not control or affect the meaning or construction of any provision of this Agreement.

SECTION 7.07 Counterparts. For the convenience of the parties, any number of counterparts of this Agreement may be executed by the parties, and each such executed counterpart will be an original instrument.

SECTION 7.08 Notices. All notices, request, demands and other communications required or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, telex, telecopier or air courier guaranteeing overnight delivery:

(a) If to Parent, to:

Martin Marietta Corporation
6801 Rockledge Drive
Bethesda, Maryland
Attention: General Counsel
Telecopy: 301-897-6333

or to such other person or address as Parent shall furnish to GE in writing;

(b) If to GE, to:

General Electric Company
3135 Easton Turnpike
Fairfield, Connecticut 06431
Attention: Senior Counsel for Transactions

(with copies to):

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Dennis S. Hersch
Telecopy: 212-450-4800

or to such other person or address as GE shall furnish to Parent in writing.

All such notices, requests, demands and other communications shall be deemed to have been duly given; at the time of delivery by hand, if personally delivered five business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed, when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

In addition to providing any notice required to be given by Parent pursuant to its Charter in the manner specified therein, Parent shall send to GE by telecopy in accordance with this Section a copy of each such notice.

SECTION 7.09 Successors and Assigns. This Agreement shall bind the successors and assigns of the parties, and inure to the benefit of any successor or assign of any of the parties; provided that no party may assign this Agreement without the other party's prior written consent, except that Parent may assign certain of its rights as set forth in Section 4.03 hereof.

SECTION 7.10 Governing Law. This Agreement will be governed by and construed and enforced in accordance with the internal laws of the State of New York, without giving effect to the conflict of laws principles thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first referred to above.

PARENT CORPORATION

By: /s/ MARCUS C. BENNETT

Name: Marcus C. Bennett
Title: Senior Vice President
Chief Financial Officer

GENERAL ELECTRIC COMPANY

By: /s/ DENNIS D. DAMMERMAN

Name: Dennis D. Dammerman
Title: Senior Vice President

August 29, 1994

Reconfiguration Agreement

Martin Marietta Corporation ("Martin Marietta"), Parent Corporation ("Parent") and General Electric Company ("GE") agree as follows:

1. GE has been furnished with a copy of the Agreement and Plan of Reorganization, dated as of August 29, 1994 (as such Agreement is effect on the date hereof, the "Agreement"), among Parent, Martin Marietta and Lockheed Corporation ("Lockheed"). GE's management agrees to support the transactions contemplated by the Agreement and to recommend to GE's Board of Directors that (x) GE's shares of Martin Marietta Preferred Stock be voted in favor thereof and (y) GE not assert any appraisal or dissenter's rights under the General Corporation Law of Maryland in connection with the transactions set forth in the Agreement.

2. (a) GE acknowledges that the Atlantic Sub Merger is intended to qualify for pooling of interests accounting treatment, and confirms as of the date hereof and with respect to the period beginning on the date hereof and ending at such time following the Merger Date as results covering at least 30 days of combined operations of Parent, Martin Marietta and Lockheed have been published by Parent (which results will be published by Parent as promptly as is practicable), that, except pursuant to the Transaction Documents (as defined in the Transaction Agreement dated November 22, 1992, as amended, among GE, Martin Marietta and Martin Marietta Technologies, Inc. ("Technologies")) or any transactions contemplated thereby (collectively, the "Excepted Transactions"), it will not sell, exchange or otherwise dispose of any shares of Martin Marietta Preferred Stock (or the Martin Marietta Common Stock into which it is convertible) or the Parent Preferred Stock (including the Parent Common Stock into which it will be convertible) to be received by it in connection with the Atlantic Sub Merger.

(b) GE acknowledges that the Atlantic Sub Merger is intended to qualify as a tax-free transaction under Section 351 of the Internal Revenue Code of 1986, as amended (the "Code"), and confirms as of the date hereof that, except for the Excepted Transactions, (i) it is not a party to any agreement to sell, exchange or otherwise dispose of any shares of Martin Marietta Preferred Stock (or the Martin Marietta Common Stock into which it is convertible) or the Parent Preferred Stock (including the Parent Common Stock into which it will be convertible) to be received by it in connection with the Atlantic Sub Merger at any time and (ii)

it has no plan or intention to sell, exchange or otherwise dispose of any such shares. In addition, GE confirms that, as of the date hereof, it has no plan or intention to sell any Martin Marietta Preferred Stock, Martin Marietta Common Stock, Parent Preferred Stock or Parent Common Stock in connection with a written demand on Martin Marietta or Parent to register any shares of such stock under the Securities Act of 1933, as amended. At the time of the closing of the Mergers, GE will confirm the accuracy of the foregoing representations as of such time.

3. Unless and until there has been a Final Determination (as defined in Section 1313(a) of the Code) or any other event which finally and conclusively establishes the amount of any liability for taxes to the contrary, GE, for all tax purposes including all tax returns and any tax controversies, will (and will cause any affiliate or successor to its assets or businesses to) treat the Mergers as qualifying under Section 351(a) of the Code; provided that nothing herein will require GE or any such successor or affiliate to take any position for which, in GE's reasonable judgment, there is no reasonable basis in fact or law.

4. Martin Marietta, Parent and GE acknowledge and agree that, from and after the Merger Date, and without any further act on the part of any party, the Standstill Agreement between GE and Martin Marietta shall continue in full force and effect, except that, effective as of the Merger Date, the Standstill Agreement is hereby amended as follows: (i) any reference therein to (A) "Parent", shall be a reference to Parent and (B) "Preferred Stock" shall be a reference to Parent Preferred Stock, (ii) any reference to "Initial Issuance Date for the Preferred Stock" in Article VI thereof shall be a reference to April 2, 1993, (iii) the Standstill Agreement shall be terminated as to Martin Marietta, and (iv) the clause "five percent (5%)" in Section 2.01 of the Standstill Agreement shall be amended to read "two and one-half percent (2 1/2%)." Without limiting the generality of this Section 4, from and after the Merger Date, and without any further act on the part of any party, (i) Parent shall assume and be obligated to perform all obligations of "Parent" under the Standstill Agreement and (ii) the representations and warranties set forth in Section 1.02 of the Standstill Agreement shall be deemed to be made by Parent. From and after the Merger Date, the number of directors to be designated by GE under Section 3.02 of the Standstill Agreement shall be two.

5. Parent agrees that from and after the Merger Date, and until the later of (a) the date on which GE ceases to hold Parent Preferred Stock with a liquidation value of at least \$250,000,000 and (b) April 2, 1998, (i) it will not sell or otherwise transfer its interests in Martin Marietta or Technologies other than for fair value (determined in the good faith judgment of the Board of Directors of Parent) and (ii) it will not permit Martin Marietta or Technologies to become subject to or bound by, or otherwise cause or suffer to exist or become effective, any direct or indirect restriction on the ability of Martin Marietta or Technologies to pay dividends or make any other distributions to Parent.

6. Parent and Martin Marietta jointly and severally represent and warrant to GE that (i) the execution, delivery and performance by Parent and Martin Marietta of this Agreement and the Tax Indemnification Agreement among the parties hereto dated the date hereof (the "Tax Agreement") and the consummation by Parent and Martin Marietta of the transactions contemplated by this Agreement and the Tax Agreement to be performed by Parent or Martin Marietta, as the case may be, are within the corporate powers of Parent or Martin Marietta, as the case may be, and have been duly authorized by all necessary corporate action on the part of Parent or Martin Marietta, as the case may be (except for any required Martin Marietta stockholder approval to be obtained in connection with the Mergers), (ii) each of this Agreement and the Tax Agreement constitutes a valid and binding agreement of Parent and Martin Marietta and (iii) upon issuance of the Parent Preferred Stock to GE in accordance with the terms of the Reorganization Agreement, the Parent Preferred Stock will have been duly authorized, duly and validly issued, fully paid and non-assessable and will have the rights, preferences, privileges and restrictions set forth in Parent's charter provisions relating to Parent Preferred Stock.

7. Upon consummation of the Atlantic Sub Merger and without any further act on the part of any party, Parent shall become jointly and severally liable with Martin Marietta for all of Martin Marietta's obligations set forth in (i) the Agreement Relating to Certain Tax Refund Claims to Be Filed by General Electric Company made as of June 14, 1994 by and among GE, Martin Marietta and Technologies and (ii) Exhibit IV to the above-mentioned Transaction Agreement, except for any such obligation to make any payment to GE.

Unless the transactions set forth in the Agreement have been consummated, this Agreement shall terminate and be of no further force or effect upon the earlier to occur of the termination of the Agreement and May 31, 1995.

This Agreement is solely for the benefit of the parties hereto, and no provision hereof shall create any third-party beneficiary rights in any person. It is understood and agreed that the provisions of this Agreement binding on GE are binding on GE exclusively and not on any of GE's affiliates (including, without limitation, any affiliates of GE within GE's Financial Services Group (as defined in the Standstill Agreement)).

Capitalized terms used herein and not defined are used herein as defined in the Agreement.

MARTIN MARIETTA CORPORATION

By /s/ MARCUS C. BENNETT

PARENT CORPORATION

By /s/ JOHN E. MONTAGUE

GENERAL ELECTRIC COMPANY

By /s/ PAMELA DALEY

RECONFIGURATION AGREEMENT
(AMENDMENT)

Martin Marietta Corporation ("Martin Marietta"), Lockheed Martin Corporation, formerly named Parent Corporation ("Parent"), and General Electric Company ("GE") agree as follows:

1. The Reconfiguration Agreement, dated August 29, 1994 among Martin Marietta, Parent and GE (the "Original Reconfiguration Agreement") is hereby amended by substituting the following sentence for the second sentence of Section 2(b) of the Original Reconfiguration Agreement:

"In addition, GE confirms that, as of the date hereof, it has no plan or intention to sell any Martin Marietta Preferred Stock, Martin Marietta Common Stock, Parent Preferred Stock or Parent Common Stock in connection with (i) a written demand on Martin Marietta or Parent to register any shares of such stock under the Securities Act of 1933, as amended, or (ii) a disposition of any such shares of stock which would be permitted under Section 3.01(i) of the Standstill Agreement without the approval of the Board of Directors of either Martin Marietta or Parent."

2. Any references in the Original Reconfiguration Agreement to "this Agreement" or any similar references shall be deemed to be references to the Original Reconfiguration Agreement as amended by this Amendment.

3. Except as set forth in this Amendment, the Original Reconfiguration Agreement shall remain unamended and in full force and effect.

Dated: November 30, 1994

MARTIN MARIETTA CORPORATION

/s/ ARNOLD CHIET

LOCKHEED MARTIN CORPORATION

/s/ STEPHEN M. PIPER

GENERAL ELECTRIC COMPANY

/s/ PAMELA DALEY

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

 In the Matter of)
)
 LOCKHEED CORPORATION,)
 a corporation,)
)
 MARTIN MARIETTA CORPORATION,)
 a corporation, and) File No. 951-0005
)
 LOCKHEED MARTIN CORPORATION,)
 a corporation.)

AGREEMENT CONTAINING CONSENT ORDER

The Federal Trade Commission ("the Commission"), having initiated an investigation of the merger of Lockheed Corporation ("Lockheed") and Martin Marietta Corporation ("Martin Marietta"), and it now appearing that Lockheed, Martin Marietta and Lockheed Martin Corporation ("Lockheed Martin"), hereinafter sometimes referred to as proposed respondents, are willing to enter into an agreement containing an order to refrain from certain acts and to provide for other relief:

IT IS HEREBY AGREED by and between proposed respondents, by their duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed respondent Lockheed is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 4500 Park Granada Boulevard, Calabasas, California 91399.

2. Proposed respondent Martin Marietta is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Maryland, with its office and principal place of business located at 6801 Rockledge Drive, Bethesda, Maryland 20817.

3. Proposed respondent Lockheed Martin is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Maryland, with its office and principal place of business located at 6801 Rockledge Drive, Bethesda, Maryland 20817.

4. Proposed respondents admit all the jurisdictional facts set forth in the draft of complaint here attached.

5. Proposed respondents waive:

- a. Any further procedural steps;
- b. The requirement that the Commission's decision contain a statement of findings of fact and conclusions of law;
- c. All rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement; and
- d. Any claim under the Equal Access to Justice Act.

6. Proposed respondents shall submit within thirty (30) days of the date this agreement is signed by proposed respondents an initial report, pursuant to Section 2.33 of the Commission's Rules, signed by the proposed respondents setting forth in detail the manner in which the proposed respondents will comply with

Paragraphs II, III, IV, V, VI, VII and VIII of the order when and if entered. Such report will not become part of the public record unless and until the accompanying agreement and order are accepted by the Commission.

7. This agreement shall not become a part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission it, together with the draft of complaint contemplated thereby, will be placed on the public record for a period of sixty (60) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify proposed respondents, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision, in disposition of the proceeding.

8. This agreement is for settlement purposes only and does not constitute an admission by proposed respondents that the law has been violated as alleged in the draft of complaint here attached, or that the facts as alleged in the draft complaint, other than jurisdictional facts, are true.

9. This agreement contemplates that, if it is accepted by the Commission, if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Section 2.34 of the Commission's Rules, the Commission may, without further notice to proposed respondents, (1) issue its complaint corresponding in form and substance with the draft of complaint

here attached and its decision containing the following order to refrain from certain acts in disposition of the proceeding, and (2) make information public with respect thereto. When so entered, the order shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The order shall become final upon service. Delivery by the U.S. Postal Service of the complaint and decision containing the agreed-to order to proposed respondents' addresses as stated in this agreement shall constitute service. Proposed respondents waive any right they may have to any other manner of service. The complaint may be used in construing the terms of the order, and no agreement, understanding, representation or interpretation not contained in the order or the agreement may be used to vary or contradict the terms of the order.

10. Proposed respondents have read the draft of complaint and order contemplated hereby. Proposed respondents understand that once the order has been issued, they will be required to file one or more compliance reports showing that they have fully complied with the order. Proposed respondents further understand that they may be liable for civil penalties in the amount provided by law for each violation of the order after it becomes final.

ORDER

I.

IT IS ORDERED THAT, as used in this order, the following definitions shall apply:

A. "Lockheed" means Lockheed Corporation and its predecessors, successors, subsidiaries, divisions, groups and affiliates controlled by Lockheed, and their respective directors, officers, employees, agents and representatives, and their respective successors and assigns.

B. "Missile Systems" means the Missile Systems Division of Lockheed Missiles & Space Company, Inc., an entity with its principal place of business at 1111 Lockheed Way, Sunnyvale, California 94088, which is engaged in, among other things, the research, development, manufacture and sale of Expendable Launch Vehicles, and its subsidiaries, divisions, groups and affiliates controlled by Missile Systems, and their respective directors, officers, employees, agents and representatives, and their respective successors and assigns.

C. "Commercial Space" means Lockheed Commercial Space Company, Inc., an entity with its principal place of business at 1111 Lockheed Way, Sunnyvale, California 94088, and Lockheed Khrunichev-Energia International ("LKEI"), a joint venture between Lockheed Commercial Space Company, Inc., Khrunichev Enterprise and Energia Scientific-Productive Entity with its principal place of business at 2099 Gateway Place, Suite 220, San Jose, California 95110, which are engaged in, among other things,

the research, development, manufacture, marketing and sale of Expendable Launch Vehicles, and its subsidiaries, divisions, joint venture partners, groups and affiliates controlled by Commercial Space, and their respective directors, officers, employees, agents and representatives, and their respective successors and assigns.

D. "Space Systems" means the Space Systems Division of Lockheed Missiles & Space Company, Inc., an entity with its principal place of business at 1111 Lockheed Way, Sunnyvale, California 94088, which is engaged in, among other things, the research, development, manufacture and sale of Satellites, and its subsidiaries, divisions, groups and affiliates controlled by Space Systems, and their respective directors, officers, employees, agents and representatives, and their respective successors and assigns.

E. "Aeronautical Systems" means Lockheed Aeronautical Systems Group, an entity with its principal place of business at 2859 Paces Ferry, Suite 1800, Atlanta, Georgia 30339, which is engaged in, among other things, the research, development, manufacture and sale of Military Aircraft, and its subsidiaries, divisions, groups and affiliates controlled by Aeronautical Systems, and their respective directors, officers, employees, agents and representatives, and their respective successors and assigns.

F. "Martin Marietta" means Martin Marietta Corporation and its predecessors, successors, subsidiaries, divisions, groups and affiliates controlled by Martin Marietta, and their respective directors, officers, employees, agents and representatives, and their respective successors and assigns.

G. "Astronautics" means Martin Marietta's Astronautics Company, an entity with its principal place of business at P.O. Box 179, Denver, Colorado 80201, which is engaged in, among other things, the research, development, manufacture and sale of Satellites and Expendable Launch Vehicles, and its subsidiaries, divisions, groups and affiliates controlled by Astronautics, and their respective directors, officers, employees, agents and representatives, and their respective successors and assigns.

H. "Astro Space" means Martin Marietta's Astro Space Company, an entity with its principal place of business at P.O. Box 800, Princeton, New Jersey 08543, which is engaged in, among other things, the research, development, manufacture and sale of Satellites, and its subsidiaries, divisions, groups and affiliates controlled by Astro Space, and their respective directors, officers, employees, agents and representatives, and their respective successors and assigns.

I. "Electronics and Missiles" means Martin Marietta's Electronics and Missiles Company, an entity with its principal place of business at 5600 Sand Lake Road, Orlando, Florida 32819, which is engaged in, among other things, the manufacture and sale of LANTIRN Systems, and its subsidiaries, divisions, groups and

affiliates controlled by Electronics and Missiles, and their respective directors, officers, employees, agents and representatives, and their respective successors and assigns.

J. "Lockheed Martin" means Lockheed Martin Corporation and its predecessors, successors, subsidiaries, divisions, groups and affiliates controlled by Lockheed Martin, and their respective directors, officers, employees, agents and representatives, and their respective successors and assigns.

K. "Respondents" means Lockheed, Martin Marietta and Lockheed Martin.

L. "Hughes" means GM Hughes Electronics Corporation, a corporation, organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 7200 Hughes Terrace, Los Angeles, California 90045.

M. "Grumman" means Northrop Grumman Corporation, a corporation, organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 1840 Century Park East, Los Angeles, California 90067.

N. "Person" means any natural person, corporate entity, partnership, association, joint venture, government entity, trust or other business or legal entity.

O. "Commission" means the Federal Trade Commission.

P. "Lockheed/Hughes Teaming Agreement" means the teaming agreement entered into on January 15, 1985, between Lockheed and the Electro-Optical and Data Systems Group of the Hughes Aircraft Company for the purpose of submitting a proposal to the United States Department of Defense for the Demonstration/Validation phase of the Follow-On Early Warning System, and all subsequent amendments or other modifications thereto.

Q. "Martin Marietta/Grumman Teaming Agreement" means the teaming agreement entered into on June 20, 1994, between Martin Marietta and Grumman for the purpose of bidding on or otherwise competing for the United States Department of Defense's Alert, Locate and Report Missiles program, and all subsequent amendments or other modifications thereto.

R. "Space Based Early Warning System" means any Satellite system designed to be used for tactical warning and attack assessment, theater and strategic missile defense, and related military purposes by the United States Department of Defense, including but not limited to the Space Based InfraRed ("SBIR") system and successor systems considered by the United States Department of Defense to follow SBIR programmatically.

S. "Military Aircraft" means aircraft manufactured for sale to the United States Department of Defense, whether for use by the United States Department of Defense or for transfer to a foreign military sale purchaser.

T. "LANTIRN Systems" means dual pod, externally mounted, Low-Altitude Navigation and Targeting Infrared for Night Systems manufactured by Martin Marietta for use on Military Aircraft.

U. "Expendable Launch Vehicle" means a vehicle that launches a Satellite(s) from the Earth's surface that is consumed during the process of launching a Satellite(s) and therefore cannot be launched more than one time.

V. "Satellite" means an unmanned machine that is launched from the Earth's surface for the purpose of transmitting data back to Earth and which is designed either to orbit the Earth or travel away from the Earth.

W. "Non-Public LANTIRN Information" means any information not in the public domain furnished by any Military Aircraft manufacturer to Electronics and Missiles in its capacity as the provider of LANTIRN-Systems, and (1) if written information, designated in writing by the Military Aircraft manufacturer as proprietary information by an appropriate legend, marking, stamp, or positive written identification on the face thereof, or (2) if oral, visual or other information, identified as proprietary information in writing by the Military Aircraft manufacturer prior to the disclosure or within thirty (30) days after such disclosure. Non-Public LANTIRN Information shall not include: (i) information already known to Respondents, (ii) information which subsequently falls within the public domain through no violation of this order by Respondents, (iii) information which subsequently becomes known to Respondents from a third party not

in breach of a confidential disclosure agreement, or (iv) information after six (6) years from the date of disclosure of such Non-Public LANTIRN Information to Respondents, or such other period as agreed to in writing by Respondents and the provider of the information.

X. "Non-Public ELV Information" means any information not in the public domain furnished by an Expendable Launch Vehicle manufacturer to Space Systems, Astro Space or Astronautics in their capacities as providers of Satellites, and (1) if written information, designated in writing by the Expendable Launch Vehicle manufacturer as proprietary information by an appropriate legend, marking, stamp, or positive written identification on the face thereof, or (2) if oral, visual or other information, identified as proprietary information in writing by the Expendable Launch Vehicle manufacturer prior to the disclosure or within thirty (30) days after such disclosure. Non-Public ELV Information shall not include: (i) information already known to Respondents, (ii) information which subsequently falls within the public domain through no violation of this order by Respondents, (iii) information which subsequently becomes known to Respondents from a third party not in breach of a confidential disclosure agreement, or (iv) information after six (6) years from the date of disclosure of such Non-Public ELV Information to Respondents, or such other period as agreed to in writing by Respondents and the provider of the information.

Y. "Merger" means the merger of Martin Marietta and Lockheed.

II.

IT IS FURTHER ORDERED that Respondents shall not enforce or attempt to enforce any provision contained in the Lockheed/Hughes Teaming Agreement that prohibits in any way Hughes from (1) competing against Lockheed for any part of any Space Based Early Warning System, or (2) teaming or otherwise contracting with any other person for the purpose of bidding on, developing, manufacturing, or supplying any part of any Space Based Early Warning System. Respondents shall not enforce or attempt to enforce any proprietary rights in the electro-optical sensors developed by Hughes in connection with or by virtue of the Lockheed/Hughes Teaming Agreement in a manner that would inhibit Hughes from competing with Respondents for any part of any Space Based Early Warning System.

III.

IT IS FURTHER ORDERED that Respondents shall not enforce or attempt to enforce any provision contained in the Martin Marietta/Grumman Teaming Agreement that prohibits in any way Grumman from (1) competing against Martin Marietta for any part of any Space Based Early Warning System, or (2) teaming or otherwise contracting with any other person for the purpose of bidding on, developing, manufacturing, or supplying any part of

any Space Based Early Warning System. Respondents shall not enforce or attempt to enforce any proprietary rights in the electro-optical sensors developed by Grumman in connection with or by virtue of the Martin Marietta/Grumman Teaming Agreement in a manner that would inhibit Grumman from competing with Respondents for any part of any Space Based Early Warning System.

IV.

IT IS FURTHER ORDERED that:

A. Respondents shall not, absent the prior written consent of the proprietor of Non-Public LANTIRN Information, provide, disclose, or otherwise make available to Aeronautical Systems any Non-Public LANTIRN Information; and

B. Respondents shall use any Non-Public LANTIRN Information obtained by Electronics and Missiles only in Electronics and Missiles' capacity as the provider of LANTIRN Systems, absent the prior written consent of the proprietor of Non-Public LANTIRN Information.

V.

IT IS FURTHER ORDERED that Respondents shall deliver a copy of this order to any United States Military Aircraft manufacturer prior to obtaining any Non-Public LANTIRN Information relating to the manufacturer's Military Aircraft either from the Military Aircraft's manufacturer or through the Merger; provided that for Non-Public LANTIRN Information described in Paragraph I.W.(2) of

this order, Respondents shall deliver a copy of this order within ten (10) days of the written identification by the Military Aircraft manufacturer.

VI.

IT IS FURTHER ORDERED that Respondents shall not make any modifications, upgrades, or other changes to LANTIRN Systems or any component or subcomponent thereof that discriminate against any other Military Aircraft manufacturer with regard to the performance of the Military Aircraft or the time or cost required to integrate LANTIRN Systems into the Military Aircraft. Provided, however, that nothing in this Paragraph shall prohibit Respondents from making any such modifications, upgrades, or other changes that are: (1) necessary to meet competition from (a) foreign military aircraft, or (b) other products designed to provide targeting, terrain following, or night navigation functions comparable in performance to LANTIRN Systems; or (2) approved in writing by the Secretary of Defense or his or her designee.

VII.

IT IS FURTHER ORDERED that:

A. Respondents shall not, absent the prior written consent of the proprietor of Non-Public ELV Information, provide, disclose, or otherwise make available to Astronautics, Missile

Systems or Commercial Space any Non-Public ELV Information obtained by Astro Space or Space Systems; and

B. Respondents shall use any Non-Public ELV Information obtained by Astronautics, Astro Space or Space Systems only in Astronautics's, Astro Space's and Space System's capacities as providers of Satellites, absent the prior written consent of the proprietor of Non-Public ELV Information.

VIII.

IT IS FURTHER ORDERED that Respondents shall deliver a copy of this order to any United States Expendable Launch Vehicle manufacturer prior to obtaining any Non-Public ELV Information relating to the manufacturer's Expendable Launch Vehicle(s) either from the Expendable Launch Vehicle manufacturer or through the Merger; provided that for Non-Public ELV Information described in Paragraph I.X.(2) of this order, Respondents shall deliver a copy of this order within ten (10) days of the written identification by the Expendable Launch Vehicle manufacturer.

IX.

IT IS FURTHER ORDERED that Respondents shall comply with all terms of the Interim Agreement, attached to this order and made a part hereof as Appendix I. Said Interim Agreement shall continue in effect until the provisions in Paragraphs II, III, IV, V, VI, VII and VIII are complied with or until such other time as is stated in said Interim Agreement.

X.

IT IS FURTHER ORDERED that within sixty (60) days of the date this order becomes final and annually for the next ten (10) years on the anniversary of the date this order becomes final, and at such other times as the Commission may require, Respondents shall file a verified written report with the Commission setting forth in detail the manner and form in which they have complied and are complying with this order. To the extent not prohibited by United States Government national security requirements, Respondents shall include in their reports information sufficient to identify (a) all modifications, upgrades, or other changes to LANTIRN Systems for which Respondents have requested and/or received written approval from the Secretary of Defense or his or her designee pursuant to Paragraph VI of this order, (b) all United States Military Aircraft manufacturers with whom Respondents have entered into an agreement for the research, development, manufacture or sale of LANTIRN Systems, and (c) all United States Expendable Launch Vehicle manufacturers with whom Respondents have entered into an agreement for the research, development, manufacture or sale of Satellites.

XI.

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least thirty days prior to any proposed change in Respondents, such as dissolution, assignment, sale resulting in

16

the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in Respondents that may affect compliance obligations arising out of this order.

XII.

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this order, and subject to any legally recognized privilege and applicable United States Government national security requirements, upon written request, and on reasonable notice, any Respondent shall permit any duly authorized representative of the Commission:

A. Access, during office hours and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of that Respondent relating to any matters contained in this order; and

B. Upon five (5) days' notice to any Respondent and without restraint or interference from it, to interview officers, directors, or employees of that Respondent, who may have counsel present, regarding such matters.

XIII.

IT IS FURTHER ORDERED that this order shall terminate twenty (20) years from the date this order becomes final.

Signed this 22d day of December, 1994.

FEDERAL TRADE COMMISSION
BUREAU OF COMPETITION

LOCKHEED CORPORATION

By: /s/ LAURA A. WILKINSON

By: /s/ CAROL R. MARSHALL

Laura A. Wilkinson
Deputy Assistant Director

Carol R. Marshall
Vice President-Secretary and
Assistant General Counsel

James H. Holden, Jr.
Steven K. Bernstein
John E. Scribner
Craig A. Waldman
Attorneys

By: /s/ RICHARD G. PARKER

Richard G. Parker
O'Melveny & Myers
Counsel for Lockheed Corporation

Counsel for the Federal
Trade Commission

MARTIN MARIETTA CORPORATION

APPROVED:

/s/ ANN MALESTER

Ann Malester
Assistant Director

By: /s/ FRANK H. MENAKER, JR.

Frank H. Menaker, Jr.
Vice President and General
Counsel

/s/ MARY LOU STEPTOE

Mary Lou Steptoe
Acting Director
Bureau of Competition

/s/ RAYMOND A. JACOBSEN, JR.

Raymond A. Jacobsen, Jr.
Howrey & Simon
Counsel for Martin Marietta
Corporation

LOCKHEED MARTIN CORPORATION

By /s/ STEPHEN M. PIPER

Stephen M. Piper
Secretary

APPENDIX I

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

 In the Matter of)
)
 LOCKHEED CORPORATION,)
 a corporation,)
)
 MARTIN MARIETTA CORPORATION,)
 a corporation, and) File No. 951-0005
)
 LOCKHEED MARTIN CORPORATION,)
 a corporation.)

INTERIM AGREEMENT

This Interim Agreement is by and between Lockheed Corporation ("Lockheed"), a corporation organized and existing under the laws of the State of Delaware, Martin Marietta Corporation ("Martin Marietta"), a corporation organized and existing under the laws of the State of Maryland, Lockheed Martin Corporation ("Lockheed Martin"), a corporation organized and existing under the laws of the State of Maryland (collectively referred to as "Proposed Respondents"), and the Federal Trade Commission (the "Commission"), an independent agency of the United States Government, established under the Federal Trade Commission Act of 1914, 15 U.S.C. Section 41, et seq. (collectively, the "Parties").

PREMISES

WHEREAS, Martin Marietta and Lockheed have proposed the merger of their businesses by the formation of a new corporation, Lockheed Martin; and

WHEREAS, the Commission is now investigating the proposed Merger to determine if it would violate any of the statutes the Commission enforces; and

WHEREAS, if the Commission accepts the Agreement Containing Consent Order ("Consent Agreement"), the Commission will place it on the public record for a period of at least sixty (60) days and subsequently may either withdraw such acceptance or issue and serve its Complaint and decision in disposition of the proceeding pursuant to the provisions of Section 2.34 of the Commission's Rules; and

WHEREAS, the Commission is concerned that if an understanding is not reached, preserving competition during the period prior to the final acceptance of the Consent Agreement by the Commission (after the 60-day public notice period), there may be interim competitive harm and divestiture or other relief resulting from a proceeding challenging the legality of the proposed Merger might not be possible, or might be less than an effective remedy; and

WHEREAS, Proposed Respondents entering into this Interim Agreement shall in no way be construed as an admission by Proposed Respondents that the proposed Merger constitutes a violation of any statute; and

WHEREAS, Proposed Respondents understand that no act or transaction contemplated by this Interim Agreement shall be deemed immune or exempt from the provisions of the antitrust laws or the Federal Trade Commission Act by reason of anything contained in this Interim Agreement.

NOW, THEREFORE, the Parties agree, upon the understanding that the Commission has not yet determined whether the proposed Merger will be challenged, and in consideration of the Commission's agreement that, unless the Commission determines to reject the Consent Agreement, it will not seek further relief from Proposed Respondents with respect to the proposed Merger, except that the Commission may exercise any and all rights to enforce this Interim Agreement, the Consent Agreement, and the final order in this matter, and, in the event that Proposed Respondents do not comply with the terms of this Interim Agreement, to seek further relief pursuant to Section 5 of the Federal Trade Commission Act, 15 U.S.C. Section 45, and Section 7 of the Clayton Act, 15 U.S.C. Section 18, as follows:

1. Proposed Respondents agree to execute and be bound by the terms of the Order contained in the Consent Agreement, as if it were final, from the date the Consent Agreement is accepted for public comment by the Commission.

2. Proposed Respondents agree to deliver within three (3) days of the date the Consent Agreement is accepted for public comment by the Commission, a copy of the Consent Agreement and a copy of this Interim Agreement to the United States Department of

Defense, GM Hughes Electronics Corporation, Loral Corporation, Northrop Grumman Corporation, Rockwell International Corporation and TRW Incorporated.

3. Proposed Respondents agree to submit within thirty (30) days of the date the Consent Agreement is signed by the Proposed Respondents, an initial report, pursuant to Section 2.33 of the Commission's Rules, signed by the Proposed Respondents setting forth in detail the manner in which the Proposed Respondents will comply with Paragraphs II, III, IV, V, VI, VII and VIII of the Consent Agreement.

4. Proposed Respondents agree that, from the date the Consent Agreement is accepted for public comment by the Commission until the first of the dates listed in subparagraphs 4.a and 4.b, they will comply with the provisions of this Interim Agreement:

a. ten business days after the Commission withdraws its acceptance of the Consent Agreement pursuant to the provisions of Section 2.34 of the Commission's Rules;

b. the date the Commission finally accepts the Consent Agreement and issues its Decision and Order.

5. Proposed Respondents waive all rights to contest the validity of this interim Agreement.

6. For the purpose of determining or securing compliance with this Interim Agreement, subject to any legally recognized privilege and applicable United States Government national security requirements, and upon written request, and on

reasonable notice, to any Proposed Respondent made to its principal office, that Proposed Respondent shall permit any duly authorized representative or representatives of the Commission:

a. Access during the office hours of that Proposed Respondent and in the presence of counsel to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of that Proposed Respondent relating to compliance with this Interim Agreement; and

b. Upon five (5) days' notice to any Proposed Respondent and without restraint or interference from it, to interview officers, directors, or employees of that Proposed Respondent, who may have counsel present, regarding any such matters.

7. This Interim Agreement shall not be binding until accepted by the Commission.

Dated: January 10, 1995

FEDERAL TRADE COMMISSION

By: /s/ JAY C. SHAFFER

Jay C. Shaffer
Acting General Counsel

LOCKHEED CORPORATION

By: /s/ CAROL R. MARSHALL

Carol R. Marshall
Vice President-Secretary and
Assistant General Counsel

MARTIN MARIETTA CORPORATION

By: /s/ FRANK H. MENAKER, JR.

Frank H. Menaker, Jr.
Vice President and General Counsel

LOCKHEED MARTIN CORPORATION

By: /s/ STEPHEN M. PIPER

Stephen M. Piper
Secretary

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

In the Matter of)	
)	
LOCKHEED CORPORATION,)	
a corporation,)	
)	
MARTIN MARIETTA CORPORATION,)	
a corporation, and)	Docket No.
)	
LOCKHEED MARTIN CORPORATION,)	
a corporation.)	

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission ("Commission"), having reason to believe that Respondent Lockheed Corporation ("Lockheed"), a corporation subject to the jurisdiction of the Commission, has agreed to merge with Respondent Martin Marietta Corporation ("Martin Marietta"), a corporation subject to the jurisdiction of the Commission, forming a newly created entity Respondent Lockheed Martin Corporation ("Lockheed Martin"), a corporation subject to the jurisdiction of the Commission, in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. Section 18, and Section 5 of the Federal Trade Commission Act as amended, ("FTC Act"), 15 U.S.C. Section 45; and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

I. DEFINITIONS

1. "Space Based Early Warning System" means any Satellite system designed to be used for tactical warning and attack assessment, theater and strategic missile defense, and related military purposes by the United States Department of Defense, including but not limited to the Space Based InfraRed ("SBIR") system and successor systems considered by the United States Department of Defense to follow SBIR programmatically.
2. "Sensors" means electro-optical sensors for use in any Space Based Early Warning System.
3. "Lockheed/Hughes Teaming Agreement" means the teaming agreement entered into on January 15, 1985, between Lockheed and

the Electro-Optical and Data Systems Group of the Hughes Aircraft Company for the purpose of submitting a proposal to the United States Department of Defense for the Demonstration/Validation phase of the Follow-On Early Warning System, and all subsequent amendments or other modifications thereto.

4. "Martin Marietta/Grumman Teaming Agreement" means the teaming agreement entered into on June 20, 1994, between Martin Marietta and Grumman for the purpose of bidding on or otherwise competing for the United States Department of Defense's Alert, Locate and Report Missiles program, and all subsequent amendments or other modifications thereto.

5. "Military Aircraft" means aircraft manufactured for sale to the United States Department of Defense, whether for use by the United States Department of Defense or for transfer to a foreign military sale purchaser.

6. "LANTIRN Systems" means dual pod, externally mounted, Low-Altitude Navigation and Targeting Infrared for Night Systems manufactured by Martin Marietta for use on Military Aircraft.

7. "Expendable Launch Vehicle" means a vehicle that launches a Satellite(s) from the Earth's surface and is consumed during the process of launching a Satellite(s) and therefore cannot be launched more than one time.

8. "Satellite" means an unmanned machine that is launched from the Earth's surface for the purpose of transmitting data back to Earth and which is designed either to orbit the Earth or travel away from the Earth.

9. "Respondents" means Lockheed, Martin Marietta and Lockheed Martin.

II. RESPONDENTS

10. Respondent Lockheed Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the state of Delaware, with its office and principal place of business located at 4500 Park Granada Boulevard, Calabasas, California 91399.

11. Respondent Lockheed Corporation is engaged in among other things the research, development, manufacture and sale of: Satellites, including Satellites for use in Space Based Early Warning Systems; Expendable Launch Vehicles; and Military Aircraft.

12. Respondent Martin Marietta Corporation is a corporation organized, existing, and doing business under and by virtue of

the laws of the state of Maryland, with its office and principal place of business located at 6801 Rockledge Drive, Bethesda, Maryland 20817.

13. Respondent Martin Marietta Corporation is engaged in among other things the research, development, manufacture and sale of: Satellites, including Satellites for use in Space Based Early Warning Systems, Expendable Launch Vehicles; and LANTIRN Systems.

14. Respondent Lockheed Martin Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the state of Maryland, with its office and principal place of business located at 6801 Rockledge Drive, Bethesda, Maryland 20817.

15. Respondent Lockheed Martin Corporation, through the proposed merger of Lockheed and Martin Marietta, would be engaged in among other things the research, development, manufacture and sale of: Satellites, including Satellites for use in Space Based Early Warning Systems; Expendable Launch Vehicles; LANTIRN Systems; and Military Aircraft.

III. JURISDICTION

16. Respondents are, and at all times relevant herein have been, engaged in commerce as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. Section 12, and are corporations whose business is in or affects commerce as "commerce" is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. Section 44.

IV. THE MERGER

17. On or about August 29, 1994, Respondents entered into an Agreement and Plan of Reorganization whereby Respondents would engage in a series of related transactions resulting in a newly created corporation, Lockheed Martin. The value of the transaction is in excess of \$9 billion ("Merger").

V. THE RELEVANT MARKETS

18. The relevant lines of commerce are:

- a. the research, development, manufacture and sale of Satellites, including but not limited to Satellites for use in Space Based Early Warning Systems;

- b. the research, development, manufacture and sale of Sensors;
- c. the research, development, manufacture and sale of Military Aircraft;
- d. the research, development, manufacture and sale of LANTIRN Systems; and
- e. the research, development, manufacture and sale of Expendable Launch Vehicles.

19. The United States is the relevant geographic area in which to analyze the effects of the Merger in all the relevant lines of commerce.

VI. STRUCTURE OF THE MARKETS

20. Because of the exclusive nature of the Lockheed/Hughes Teaming Agreement and the Martin Marietta/Grumman Teaming Agreement, the market for the research, development, manufacture and sale of Satellites for use in Space Based Early Warning Systems is highly concentrated as measured by the Herfindahl-Hirschman Index ("HHI") or the two-firm and four-firm concentration ratios ("concentration ratios").

21. Respondents are actual competitors in the relevant market for the research, development, manufacture and sale of Satellites for use in Space Based Early Warning Systems.

22. The market for the research, development, manufacture and sale of Sensors is highly concentrated as measured by the HHI or concentration ratios.

23. The market for the research, development, manufacture and sale of LANTIRN Systems is highly concentrated as measured by the HHI or concentration ratios.

24. Respondents, through the proposed Merger, would be engaged in the research, development, manufacture and sale of both Military Aircraft and LANTIRN Systems, which are used in Military Aircraft.

25. Respondents, through the proposed Merger, would be engaged in the research, development, manufacture and sale of a wide range of Expendable Launch Vehicles and Satellites, which are launched from the Earth's surface by Expendable Launch Vehicles.

VII. BARRIERS TO ENTRY

26. Because of the exclusive nature of the Lockheed/Hughes Teaming Agreement and the Martin Marietta/Grumman Teaming Agreement, entry into the research, development, manufacture and sale of Satellites for use in Space Based Early Warning Systems is difficult and unlikely.

27. Entry into the market for the research, development, manufacture and sale of Sensors is difficult and unlikely.

28. Entry into the research, development, manufacture and sale of LANTIRN Systems is difficult and unlikely.

VIII. EFFECTS OF THE MERGER

29. The effects of the Merger, if consummated, may be substantially to lessen competition or to tend to create a monopoly in the markets for research, development, manufacture and sale of: Satellites for use in Space Based Early Warning Systems; Military Aircraft; and Expendable Launch Vehicles in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. Section 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. Section 45, in the following ways, among others:

a. actual, direct and substantial competition between Respondents in the market for the research, development, manufacture and sale of Satellites for use in Space Based Early Warning Systems will be eliminated;

b. Respondents may disadvantage Military Aircraft competitors by modifying LANTIRN Systems in a manner that raises the costs of competing Military Aircraft;

c. Respondents may gain access to competitively sensitive non-public information concerning other Military Aircraft manufacturers, whereby:

(1) actual competition between Respondents and Military Aircraft manufacturers will be reduced; and

(2) advancements in Military Aircraft research, development, innovation and quality will be reduced; and

d. Respondents may gain access to competitively sensitive non-public information concerning other Expendable Launch Vehicle manufacturers, whereby:

(1) actual competition between Respondents and Expendable Launch Vehicle manufacturers will be reduced; and

(2) advancements in Expendable Launch Vehicle research, development, innovation and quality will be reduced.

IX. VIOLATIONS CHARGED

30. The Merger described in Paragraph 17, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. Section 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. Section 45.

31. The Merger agreement described in Paragraph 17 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. Section 45.

IN WITNESS WHEREOF, the Federal Trade Commission has caused this Complaint to be signed by the Secretary and its official seal to be affixed, at Washington, D.C. this ___ day of _____ A.D., 1995.

By the Commission.

Donald S. Clark
Secretary

SEAL

ANALYSIS OF PROPOSED CONSENT
ORDER TO AID PUBLIC COMMENT

The Federal Trade Commission ("Commission") has accepted, subject to final approval, an agreement containing a proposed Consent Order from Lockheed Corporation ("Lockheed"), Martin Marietta Corporation ("Martin Marietta") and Lockheed Martin Corporation ("Lockheed Martin"), collectively referred to as respondents. The proposed Consent Order prohibits respondents from enforcing exclusivity provisions contained in teaming agreements with manufacturers of sensors for space-based early warning systems. The proposed Consent Order also prohibits respondents' military aircraft division from gaining access to any non-public information that respondents' electronics division receives from competing military aircraft manufacturers when providing a navigation and targeting system known as "LANTIRN" to competing aircraft producers. In addition, the proposed Consent Order prohibits respondents from making any modifications to the LANTIRN system that discriminate against other military aircraft manufacturers unless such modifications either are necessary to meet competition or are approved by the Secretary of Defense. Finally, the proposed Consent Order prohibits respondents' expendable launch vehicle ("ELV") divisions from gaining access to any non-public information that respondents' satellite divisions receive from competing ELV suppliers when those competing suppliers launch respondents' satellites.

The proposed Consent Order has been placed on the public record for sixty (60) days for reception of comments by

interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement's proposed Order.

Pursuant to an August 29, 1994, Agreement and Plan of Reorganization, Lockheed and Martin Marietta agreed to merge their businesses into a newly created corporation, Lockheed Martin. The proposed complaint alleges that the merger, if consummated, would violate Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. Section 45, and Section 7 of the Clayton Act, as amended, 15 U.S.C. Section 18, in the following three markets in the United States:

- (1) the research, development, manufacture and sale of satellites for use in space-based early warning systems;
- (2) the research, development, manufacture and sale of military aircraft; and
- (3) the research, development, manufacture and sale of expendable launch vehicles.

The proposed Consent Order would remedy the alleged violations. First, in the market for space-based early warning systems, Lockheed and Martin Marietta are exclusively teamed with the Electro-Optical and Data Systems Group of Hughes Aircraft Company ("Hughes") and Northrop Grumman Corporation ("Northrop Grumman"), respectively. Hughes and Northrop Grumman are two of

the leading manufacturers of sensors for space-based early warning systems. Because the Lockheed/Hughes and Martin Marietta/Northrop Grumman teaming agreements are both exclusive, the proposed merger would allow Lockheed Martin to tie up two different sensors for space-based early warning systems. The proposed Consent Order makes these agreements non-exclusive, which allows Hughes and Northrop Grumman to bid for space-based early warning systems either on their own or teamed with other companies, as well as to continue working with their current teammates, Lockheed and Martin Marietta. The purpose of the proposed Consent Order is to increase the number of competitors for space-based early warning systems procured by the United States Department of Defense ("DoD").

Second, Lockheed is a significant competitor in the manufacture and sale of military aircraft, and Martin Marietta is the only supplier of the LANTIRN infrared navigation and targeting system, a critical component on some military aircraft. Following the merger, Lockheed Martin would be the sole source for LANTIRN systems, as well as a competitor in the military aircraft market. Because military aircraft manufacturers will have to provide proprietary information to the Lockheed Martin division that manufactures LANTIRN, Lockheed Martin's military aircraft division could gain access to competitively significant and non-public information concerning competing military aircraft. In addition, because the LANTIRN system is periodically modified or upgraded, Lockheed Martin could modify

the LANTIRN in a manner that discriminates against competing military aircraft manufacturers. As a result, the proposed merger increases the likelihood that competition between military aircraft suppliers would decrease because Lockheed Martin would have access to its competitors' proprietary information, which could affect the prices and services that Lockheed Martin provides. In addition, advancements in military aircraft research, innovation, and quality would be reduced because Lockheed Martin's military aircraft competitors would fear that Lockheed Martin could "free ride" off of its competitors' technological developments.

Therefore, the proposed Consent Order prohibits Lockheed Martin from disclosing any non-public information that it receives from military aircraft manufacturers in its capacity as a provider of the LANTIRN system to Lockheed Martin's military aircraft division. Under the proposed Order, Lockheed Martin may only use such information in its capacity as a provider of the LANTIRN system. Non-public information in this context means any information not in the public domain and designated as proprietary information by any military aircraft manufacturer that provides such information to Lockheed Martin. The proposed Consent Order also prohibits Lockheed Martin from making any modifications to the LANTIRN system that disadvantage other military aircraft manufacturers unless the modifications are necessary to meet competition or are approved by the Secretary of Defense, or his or her designee. The purpose of the proposed

Order is to maintain the opportunity for full competition in the market for the research, development, manufacture and sale of military aircraft.

Third, Martin Marietta and Lockheed are significant competitors in the manufacture and sale of satellites and expendable launch vehicles. The proposed merger increases the degree of vertical integration in the markets for satellites and ELVs used by the United States government. Because satellites manufactured by Lockheed Martin may be launched on ELVs supplied by Lockheed Martin's competitors, Lockheed Martin's satellite divisions could gain access to competitively significant and non-public information concerning competitors' ELVs during the process of integrating a satellite and an ELV. As a result, the proposed merger increases the likelihood that competition between ELV suppliers would decrease because Lockheed Martin would have access to its competitors' proprietary information, which could affect the prices and services that Lockheed Martin provides. In addition, advancements in ELV research, innovation, and quality would be reduced because Lockheed Martin's ELV competitors would fear that Lockheed Martin could "free ride" off of its competitors' technological developments.

The proposed Consent Order prohibits Lockheed Martin's satellite divisions from disclosing to Lockheed Martin's ELV divisions any non-public information that Lockheed Martin receives from competing suppliers of ELVs. Under the proposed Order, Lockheed Martin may only use such information in its

capacity as a satellite manufacturer. Non-public information in this context means any information not in the public domain and designated as proprietary information by any ELV manufacturer that provides such information to Lockheed Martin's satellite divisions. The purpose of the proposed Order is to maintain the opportunity for full competition in the research, development, manufacture and sale of ELVs.

Under the provisions of the proposed Consent Order, respondents are required to deliver a copy of the Order to any United States military aircraft manufacturer and to any United States ELV manufacturer prior to obtaining any information from them that is outside the public domain. Under the proposed Order, respondents also are required to provide to the Commission reports of their compliance with the Order sixty (60) days after the Order becomes final and annually for the next ten (10) years on the anniversary of the date the Order becomes final.

In order to preserve or promote competition in the relevant markets during the period prior to the final acceptance of the proposed Consent Order (after the 60-day public notice period), respondents have entered into an Interim Agreement with the Commission in which respondents agreed to be bound by the proposed Consent Order as of January 10, 1995, the date the Commission accepted the proposed Consent Order subject to final approval.

The purpose of this analysis is to facilitate public comment on the proposed Order, and it is not intended to constitute an

official interpretation of the agreement and proposed Order or to modify in any way their terms.

CONFIDENTIALITY AND STANDSTILL AGREEMENT

This agreement will confirm our possible interest in preliminary discussions ("Discussions") which might lead to some form of negotiated transaction between the parties (the "Transaction"). During such Discussions, we, which term (as well as the terms "us" and "party" when referring to Lockheed Corporation shall include Lockheed Corporation and its affiliates and their directors, officers, employees and Representatives (as hereinafter defined) and you, which term (as well as the term "party" when referring to Martin Marietta Corporation shall include Martin Marietta Corporation and its affiliates and their directors, officers, employees and Representatives, may determine that it is necessary and appropriate to exchange certain information relating to us or you respectively. Any such information (whether written or oral) furnished (whether before or after the date hereof) by you to us or by us to you, including your or our respective financial advisors, attorneys, accountants or agents (collectively, "Representatives") and all analyses, compilations, forecasts, studies or other documents prepared by you or by us in connection with your or our review of, or interest in, the Discussions or the Transactions which contain or reflect any such information is hereinafter referred to as the "Information." The term Information will not include information which (i) is or becomes publicly available other than as a result of a disclosure by the receiving party or (ii) is or becomes available to the receiving party on a nonconfidential basis from a source (other than that party) which, to the best of the receiving party's knowledge, is not prohibited from disclosing such information to it by a legal, contractual or fiduciary obligation, or (iii) is independently developed by the receiving party without reference to the Information.

Accordingly, it is hereby agreed that:

1. Each of the parties (i) will keep the Information confidential and will not (except as required by applicable law, regulation or legal process, and only after compliance with paragraph 3 below), without the prior written consent to the party which furnished the Information, disclose the Information in any manner whatsoever, and (ii) will not use the Information other than in connection with the Transaction. Information may be revealed to a receiving party's Representatives only if such Representatives (a) need to know the Information for the purpose of evaluating, or advising the receiving party with respect to the Transaction, (b) are informed of the confidential nature of the Information and (c) agree to act in accordance with the terms of this agreement.

2. Each of the parties will not (except as required by applicable law, regulation or legal process, and only after compliance with paragraph 3 below), without the other party's prior written consent, disclose to any person the fact that the Information exists or has been made available, that either party is considering the Transaction, or that discussions or negotiations are taking or have taken place concerning the Transactions or any term, condition or other fact relating to any such Transaction or such discussions or negotiations, including, without limitation, the status thereof.
3. In the event that we are requested pursuant to, or required by, applicable law, regulation or legal process to disclose any of the Information, we will notify you promptly so that you may seek a protective order or other appropriate remedy or, in your sole discretion, waive compliance with the terms of this agreement. Similarly, in the event that you are requested pursuant to, or required by, applicable law, regulation or legal process to disclose any of the Information provided by us, you will notify us promptly so that we may seek a protective order or other appropriate remedy or in our sole discretion, waive compliance with the terms of this agreement. In the event that no such protective order or other remedy is obtained, that we or you waive compliance with the terms of this agreement, or that disclosure is legally required, the disclosing party will furnish only that portion of the information which it is advised by counsel is legally required and will exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Information.
4. If either party determines to cease discussions and/or not to proceed with a Transaction, it will promptly inform the other party of that decision. In that case, each party at its sole election will either (i) promptly destroy all copies of the written Information in its possession and confirm such destruction to the other party in writing, or (ii) promptly deliver to the other party at the returning party's expense all copies of the written Information in its possession.
5. The parties acknowledge that neither party or any of its controlling persons within the meaning of Section 20 of the Securities Exchange Act of 1934, as amended, makes any express or implied representation or warranty as to the accuracy or completeness of the Information furnished to the other party, and the parties agree that no such person will have any liability relating to the Information or for any errors therein or omissions therefrom. The parties further agree that they are not entitled to rely on the accuracy or completeness of the Information and that they will be entitled to rely solely on such representations and

warranties as may be included in any definitive agreement with respect to a Transaction, subject to such limitation and restrictions as may be contained therein.

6. The parties acknowledge that they are aware of the restrictions imposed by the United States securities laws on the purchase or sale of securities by any person who has received material, non-public information from the issuer of such securities and on the communication of such information to any other person when it is reasonably foreseeable that such other person is likely to purchase or sell such securities in reliance upon such information.
7. For a period of three years from the date of this agreement, neither you nor we nor any of either of our controlled subsidiaries, will, unless specifically invited by the other party ("party" in this paragraph 7 meaning either Martin Marietta Corporation or Lockheed Corporation as the case may be) or its Board of Directors: (i) acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, any voting securities, or direct or indirect rights to acquire any voting securities of the other party, or any assets of the other party or any subsidiary or division thereof or of any such successor or controlling person; (ii) make, or in any way participate in, directly or indirectly, any "solicitation" of "proxies" (as such terms are used in the rules of the Securities Exchange Commission) to vote, or seek to advise or influence any person or entity with respect to the voting of, any voting securities of the other party; (iii) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any extraordinary transactions involving the other party or its securities or assets; (iv) form, join or in any way participate in a "group" (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) in connection with any of the foregoing. The parties agree that for the period specified above, neither will publicly request the other (its officers, directors, employees and agents) or publicly disclose any request, directly or indirectly, to waive any provisions of this paragraph.
8. Each of the parties hereto agrees that, for a period of two years from the date of this agreement, it and its controlled subsidiaries will not, directly or indirectly, solicit for employment any employee of the other party or any of its subsidiaries who became known to it as a result of the Discussions or its consideration of a Transaction provided, however, that any such solicitation shall not be deemed a breach of this agreement if (i) the personnel who perform such solicitation have no access to or knowledge of any Information or this agreement and (ii) none of the soliciting party's personnel who have access to the

Information have actual advance knowledge of such solicitation. The term "solicit for employment" shall not be deemed to include general solicitations of employment not specifically directed towards employees of a party or any of its subsidiaries.

9. The parties agree that all (i) communications regarding the Discussions or a Transaction, (ii) requests for additional Information, facility tours or management meetings, and (iii) discussions or questions regarding procedures with respect to the Discussions or a Transaction, will be submitted or directed to John Egan, if to us and to John Montague, if to you.
10. Each of the signatories acknowledges that remedies at law may be inadequate to protect it against any actual or threatened breach of this agreement and, without prejudice to any other rights and remedies otherwise available to them, the signatories agree that each of them shall be entitled to equitable relief, including injunction. In the event of litigation relating to this agreement, if a court of competent jurisdiction determines in a final, nonappealable order that this agreement has been breached then the breaching signatory shall reimburse the nonbreaching signatory for costs and expenses (including, without limitation, legal fees and expenses) incurred in connection with all such litigation.
11. No failure or delay by either signatory in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.
12. This agreement will be governed by and construed in accordance with the laws of the State of California.
13. Any notice or communication hereunder shall be in writing and shall be delivered personally, telegraphed, telexed or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed or sent by facsimile transmissions or, if mailed, three (3) business days after the date of deposit in the United States mail, by certified mail return receipt requested as follows:
 - (i) If to us, to:
Lockheed Corporation
Attn: William T. Vinson
4500 Park Granada Blvd.
Calabasas, California 91399

(ii) If to you, to: Martin Marietta Corporation
Attn: Frank H. Menaker, Jr.
6801 Rockledge Drive
Bethesda, Maryland 20817

14. This agreement contains the entire agreement between the signatories concerning the confidentiality of the Information and other matters covered hereby, and no modifications of this agreement or waiver of the terms and conditions hereof will be binding, unless approved in writing by each of the signatories.

Executed this 29th day of March, 1994.

LOCKHEED CORPORATION
By: /s/ WILLIAM T. VINSON

William T. Vinson

MARTIN MARIETTA CORPORATION
By: /s/ FRANK H. MENAKER, JR.

Frank H. Menaker, Jr.

Its: Vice President and
General Counsel

Its: Vice President and
General Counsel

VOLUNTARY FINANCIAL COUNSELING PROGRAM
FOR
OFFICERS, DIRECTORS, COMPANY PRESIDENTS,
AND COMPANY VICE-PRESIDENTS

April 23, 1981
(Amended December 17, 1981)
(Amended October 23, 1986)
(Amended July 28, 1988)
(Amended October 26, 1989)

Martin Marietta Corporation sponsors a voluntary financial counseling program for the officers, directors, company presidents, and company vice-presidents of the Corporation. The following services will be provided under the program:

- Income tax planning
- Estate tax planning
- Financial planning
- Preparation of income tax returns and audit support
- Periodic tax and financial planning group sessions

Each participant may choose a service provided by either Ernst & Whinney, Coopers & Lybrand, or a national CPA firm approved by the Chief Financial Officer, for which the Corporation will pay to a maximum of \$6,000 annually for officers and directors, \$2,000 annually for company presidents, and \$2,000 annually for company vice-presidents.

EXECUTIVE INCENTIVE PLAN

CORPORATE PLAN

EXECUTIVE INCENTIVE PLAN
MARTIN MARIETTA - CORPORATE

I. PURPOSE

The purpose of the plan is to enhance profits and overall performance by providing for its senior management an additional inducement for achieving and exceeding the Corporation's performance objectives. Additionally, the plan will allow a level of compensation that is appropriate when compared with compensation levels of other comparable organizations.

II. STANDARD OF CONDUCT AND PERFORMANCE EXPECTATION

- A. It is expected that the business and individual goals and objectives established for this Plan will be accomplished in accordance with the Corporation's policy on ethical conduct in business with the Government and all other customers. It is a prerequisite before any award can be considered that a participant will have acted in accordance with the Martin Marietta Corporation Code of Ethics and fostered an atmosphere to encourage all employees acting under the participant's supervision to perform their duties in accordance with the highest ethical standards. Ethical behavior is imperative. Thus, in achieving one's goals, the individual's commitment and adherence to the Corporation's ethical standard will be considered paramount in determining awards under this Plan.
- B. Plan participants whose individual performance is determined to be less than acceptable are not eligible to receive incentive awards.

III. EFFECTIVE DATE

The Plan will become effective each year commencing January 1.

BASIC PROGRAM

IV. ELIGIBILITY

The Chief Executive Officer will designate annually those elected Officers of the Corporation who will participate in the Plan. The Chief Executive Officer and the President of the Corporation are specifically excluded.

Subject to the recommendation of each Corporate Function Head and the approval of the Chief Executive Officer of the Corporation, full-time active employees will be eligible to participate in the Basic Program if:

1. For any Plan year the employee is classified on January 1 of that year as one of the following:
 - Corporate Officer
 - Vice President
 - Director
 - Other salaried exempt non-union employees as recommended by the Corporate Function Head
2. The employee is not eligible to participate in any other bonus plan in effect with Martin Marietta Corporation.

V. BASIS FOR AWARDS

Awards will be based on the annual salary of the participant during the first full pay period of each plan year and will be determined based upon the following criteria:

Responsibility Level -----	Maximum Incentive Award (% of Annual Salary) -----
Corporate Officers:	70%/60%/50%
Designated Top Corporate Positions, non-officers	50%
Vice Presidents not included above	40%*
Designated Corporate Directors reporting to top corporate position	40%*
Directors not included above	30%*
Managers/Newly Assigned Directors*	20%/10%

* The maximum incentive award levels noted above may be adjusted one level up or down for selected positions subject to the approval of the Chief Executive Officer.

September, 1994

VI. AVAILABLE AWARD

Total incentive awards will be based on a combination of the performance of the Corporation and the individual, depending on the position occupied by the participant. The portion of the total award determined by Corporate, Group, and individual performance is outlined below:

1. Corporate Officers

Group Presidents, seventy-five percent (75%) of the total award will be based on Group performance and twenty-five percent (25%) will be based on Corporate performance, both as defined in Paragraph VII.1.

All Others

Corporate Officers, one-hundred (100%) of the award will be based on Corporate performance as defined in Paragraph VII.1.

3. All other Corporate Participants

All other Corporate Participants, fifty percent (50%) of the award will be based on the Corporation's performance, as defined in Paragraph VII.1, and fifty percent (50%) will be based on individual performance, as defined in Paragraph VII.2.

VII. PERFORMANCE CRITERIA

1. Corporation Performance

Corporate performance will be measured by order, sales, profit, return on investment and cash from all operations (as committed in the MMOP), and other factors reflecting the performance of the organization.

The Chief Executive Officer of the Corporation will determine the Corporate performance rating based on an assessment of the factors listed above and on a subjective evaluation of the overall contribution of the organization. The following percentages will be applied to the portion of the total award that is available for Corporate performance, as outlined in Paragraph VI, above.

September, 1994

		CORPORATE PERFORMANCE RATING					
		1A	1B	2	3	4	5
PERCENT OF AVAILABLE AWARD		95-100%	90-94%	80-89%	40-79%	25-39%	0%

2. Individual Performance

The portion of the total award based on individual performance, if applicable, will be based on an assessment of the following:

- a. Actual achievement relative to quantitative, measurable goals established for the Plan year. Where possible, goals and objectives, should be specifically related to participant's contribution to profit, the acquisition of profitable new business, and return on investment.
- b. Degree of achievement of specifically assigned milestones in the Corporate MMOP.
- c. Judgment relative to certain key factors, including:
 - o Ability to analyze problems, to determine and establish practical courses of action; to organize, direct and coordinate the work effort to ensure accomplishment.
 - o Ability to take timely action, to carry plans through to completion; to establish adequate controls and follow-up action to achieve quality, cost, and schedule objectives.
 - o Ability to make sound decisions; to demonstrate judgment, initiative and dependability; to utilize experience, imagination and ingenuity in solution of problems.
 - o Ability to direct employees and maintain high morale within own operation.
 - o The acquisition and development of subordinates to insure optimum performance and adequate short and long-term replacement strength.
 - o The relative significance of one's effort in respect to its bearing on overall Corporate operations.

September, 1994

Based on these factors, the participants will be assigned an individual rating ranging from 1A to 5, as outlined below.

INDIVIDUAL PERFORMANCE RATING						
	1A	1B	2	3	4	5
PERCENT OF AVAILABLE AWARD	100%	90%	75%	50%	25%	0%

VIII. DISCRETION OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer of the Corporation may modify either or both the Corporate award and the individual award, based on an assessment of organizational and/or individual contribution. The participant's individual performance may impact the percent of available Corporate award. Participants with an individual rating of "5" will not receive an award under the IC program for the year.

IX. PAYMENT OF BASIC PROGRAM AWARDS

Awards under the Basic Program shall be payable in a lump sum as soon as possible following the close of the plan year.

X. CHANGES IN PARTICIPATION

It is recognized that during a Plan year, individual changes in the eligibility group may occur as participants terminate through death or retirement. As these circumstances occur, consideration may be given to adjusting the amount of incentive if the employee retires, dies or transfers to a non-IC eligible position after completing at least six months of participation in the current Plan Year. Anyone hired in the eligibility group after June 1st will not be eligible for an Incentive Award in that year without prior written approval of the Chief Executive Officer. Persons hired prior to June 1st in the eligibility group may be eligible at the discretion of the appropriate Corporate Officer and with the approval of the Chief Executive Officer.

Awards for persons serving less than a full year in a position approved for incentive compensation will be prorated based on the number of months in the position times the calculated award, divided by twelve, and rounded to the nearest \$100.

September, 1994

MARTIN MARIETTA CORPORATION
Directors Charitable Award Plan

Plan Document
Effective July 1, 1994
(Amended September 22, 1994)

1. PURPOSE OF THE PLAN

The Martin Marietta Corporation Directors Charitable Award Plan (the "Plan") allows each eligible Director of Martin Marietta Corporation (the "Corporation") to recommend that the Corporation make a donation of up to \$1,000,000 to the eligible tax-exempt organization(s) (the "Donee(s)") selected by the Director, with the donation to be made, in the Director's name, in ten equal annual installments, with the first installment to be made as soon as is practicable after the Director's death. The purpose of the Plan is to recognize the interest of the Corporation and its Directors in supporting worthy educational institutions and/or charitable organizations.

2. ELIGIBILITY

All persons serving as Directors of the Corporation as of July 1, 1994, shall be eligible to participate in the Plan. All Directors who join the Corporation's Board of Directors after that date shall be immediately eligible to participate in the Plan upon election to the Board.

3. AMOUNT AND TIMING OF DONATION

Each eligible Director may choose one organization to receive a Corporation donation of \$1,000,000, or up to five organizations to receive donations aggregating \$1,000,000. Each recommended organization must be designated to receive a donation of at least \$100,000. The donation will be made by the Corporation in ten equal annual installments, with the first installment to be made as soon as is practicable after the Director's death, and each later installment to be made at approximately the same time in the following years. If a Director recommends more than one organization to receive a donation, each will receive a prorated portion of each annual installment as follows: Each annual installment payment will be divided among the recommended organizations in the same proportions as the total donation amount has been allocated among the organizations by the Director.

4. DONEES

In order to be eligible to receive a donation, a recommended organization must be a tax-exempt charitable organization or educational institution and must initially, and at the time a donation is to be made, be able to demonstrate receipt of an IRS notice of

qualification to receive tax deductible contributions, if requested by the Corporation, and be reviewed and approved by the Directors Charitable Award Plan Committee (the "Committee"). The Committee may disapprove a donation if it determines that a donation to the organization would be detrimental to the best interests of the Corporation. A Director's private foundation is not eligible to receive donations under the Plan. If an organization recommended by a Director ceases to qualify as a Donee, and if the Director does not submit a form to change the recommendation before his or her death, the amount recommended to be donated to the organization will instead be donated to the Director's remaining qualified Donee(s) on a prorata basis. If all of a Director's recommended organizations cease to qualify, the amount will be donated to organizations selected by the Corporation. A Director may not receive any property or economic benefit from an organization as a result of recommending it as a Donee under the Plan; a violation of this requirement will render the Director's recommendation of the Donee void.

5. RECOMMENDATION OF DONATION

When a Director becomes eligible to participate in the Plan, he or she shall make a written recommendation to the Corporation, on a form approved by the Corporation for this purpose, designating the Donee(s) which he or she intends to be the recipient(s) of the Corporation donation to be made on his or her behalf. A Director may revise or revoke any such recommendation prior to his or her death by signing a new recommendation form and submitting it to the Corporation.

A Director may choose to place restrictions on the use of funds he or she recommends to be donated to an organization. The Corporation will advise the Donee of the restrictions, but the Corporation will not be responsible for monitoring the use of the funds by the organization to ensure compliance with the restrictions. However, the Committee may, in its discretion, suspend any remaining donation installments for the organization if it becomes aware that the funds are not being used in a manner which is consistent with the restrictions.

6. VESTING

A Director will become vested in the Plan upon the completion of sixty full months of service as a Director, or if he or she dies, retires or becomes disabled while serving as a Director. Board service prior to July 1, 1994 will be counted as vesting service. If a Director terminates Board service before becoming vested (other than on account of death, retirement or disability), no donation will be made on his or her behalf. A Director will be considered to have retired if he or she has attained mandatory retirement age for Directors as set forth in the Corporation's By-laws.

7. FUNDING AND PLAN ASSETS

The Corporation may fund the Plan or it may choose not to fund the Plan. If the Corporation elects to fund the Plan in any manner, neither the Directors (or their heirs or assigns) nor their recommended Donee(s) shall have any rights or interests in any assets of the Corporation identified for such purpose. Nothing contained in the Plan shall create, or be deemed to create, a trust, actual or constructive, for the benefit of a Director or any Donee recommended by a Director to receive a donation, or shall give, or be deemed to give, any Director or recommended Donee any interest in any assets of the Plan or the Corporation. If the Corporation elects to fund the Plan through life insurance policies, a participating Director agrees to cooperate and fulfill the enrollment requirements necessary to obtain insurance on his or her life.

8. AMENDMENT OR TERMINATION

The Board of Directors of the Corporation may, at any time, by a majority vote and without the consent of the Directors participating in the Plan, amend, modify, or waive any term of the Plan or suspend, or terminate the Plan for any reason, including, but not limited to, changes in applicable tax laws; provided however, that, subject to Section 4, no such amendment or termination shall, without the consent of the relevant Director or relevant Donee (if the Director has died) eliminate, reduce, or modify the obligation of the Corporation to make contributions on behalf of a Director who prior to the date of the amendment is adopted dies, retires, becomes disabled or has completed sixty full months of service as a Director.

9. ADMINISTRATION

The Plan shall be administered by the Committee. The Committee shall be responsible for executing and delivering documents necessary and appropriate to the administration of the Plan and for making determinations as to the eligibility of Donees. The Board of Directors shall have the authority to interpret the Plan and make determinations as to eligibility of Directors. The determinations of the Committee (or the Board of Directors, as the case may be) on the foregoing matters shall be conclusive and binding on all interested parties.

10. DIRECTORS CHARITABLE AWARD PLAN COMMITTEE

The Directors Charitable Award Plan Committee shall be a committee of four members consisting of the persons who from time to time may be the Corporation's Vice President and Chief Financial Officer, Treasurer, Secretary, and Vice President, Public Affairs.

The Vice President and Chief Financial Officer shall act as the Chairperson of the Committee.

11. GOVERNING LAW

The Plan shall be construed and enforced according to the laws of Maryland, and all provisions thereof shall be administered according to the laws of said state.

12. MISCELLANEOUS PROVISIONS

A Director's rights and interest under the Plan may not be assigned or transferred. The expenses of the Plan will be borne by the Corporation.

13. CHANGE OF CONTROL

If there is a Change of Control of the Corporation, all Directors participating in the Plan shall immediately become vested. For the purpose of the Plan, the term "Change of Control" shall have the same meaning as is defined for the term in Section 10(b) of the Martin Marietta Corporation Amended Omnibus Securities Award Plan. In the event of a Change of Control other than as a result of the transactions contemplated by the Agreement and Plan of Reorganization among Parent Corporation, Martin Marietta Corporation and Lockheed Corporation dated as of August 29, 1994, the Corporation shall immediately create an irrevocable trust to make the anticipated Plan donations, and shall immediately transfer to the trust sufficient assets (which may include insurance policies) to make all the Plan donations in respect to the individuals who were Directors immediately before the Change of Control. In addition, once a Change of Control occurs, Section 3 and 13 of this Plan may not be amended.

14. CONSENT

By electing to participate in the Plan, a Director shall be deemed conclusively to have accepted and consented to all the terms of this Plan and all actions or decisions made by the Corporation, the Board, or the Committee with regard to the Plan. Such terms and consent shall also apply to and be binding upon the beneficiaries, distributees, and personal representatives and other successors in interest of each participant.

15. EFFECTIVE DATE

The Plan effective date will be July 1, 1994. The recommendations of a Director will be effective when he or she completes all of the Plan enrollment requirements (including, if the Plan is funded with insurance, satisfaction of any requirements to qualify for the insurance).

POST-RETIREMENT DEATH BENEFIT PLAN FOR SENIOR EXECUTIVES

AS APPROVED BY THE BOARD OF DIRECTORS
AUGUST 23, 1979
(AMENDED APRIL 26, 1984)
(AMENDED JULY 24, 1986)
(AMENDED JANUARY 22, 1987)
(AMENDED SEPTEMBER 22, 1994)
(AMENDED, EFFECTIVE JANUARY 1, 1995)

SECTION 1. ESTABLISHMENT AND PURPOSE

The Martin Marietta Corporation Post-Retirement Death Benefit Plan for Senior Executives is established effective September 1, 1979, for senior executive personnel. It is intended to provide a means for attracting and retaining capable individuals as executive employees of the Corporation. It is further intended to encourage executives to voluntarily retire from key executive positions no later than age 65 to enhance advancement opportunities within the Corporation and thereby make employment by the Corporation more attractive.

SECTION 2. DEFINITIONS

The following terms, as used herein, shall have the following meanings:

2.1 "Board of Directors" means the Board of Directors of Martin Marietta Corporation as it may be comprised from time to time.

2.2 "Corporation" means Martin Marietta Corporation.

2.3 "Employee" means a person employed by the Corporation on a full-time basis.

2.4 "Participant" means an Employee who has attained the age of 55 and is employed in a position which is listed in Addendum A, which forms a part hereof and is attached hereto.

2.5 "Plan" means the Martin Marietta Corporation Post-Retirement Death Benefit Plan for Senior Executives, as in effect at any time and from time to time.

2.6 "Retirement" means separation from service for any reason other than to accept full time employment in a comparable position with another employer, provided that such retirement occurs no earlier than the first day of the month coinciding with or next following attainment of age 55 and no later than the first day of the month coinciding with or next following attainment of age 65 unless such continued employment has been specifically approved by the Board of Directors.

SECTION 3. ELIGIBLE GROUP

3.1 Participants employed in any of the positions listed in Addendum A shall comprise the group eligible for participation under the Plan.

3.2 In the event that a Participant shall simultaneously hold more than one position listed in Addendum A to this Plan only one benefit amount shall be payable. There shall be no duplication of benefits.

3.3 Separation from employment with the Corporation in order to accept employment with any of its subsidiaries or affiliates shall not constitute retirement under the terms of the Plan and shall not result in commencement of entitlement to any benefit.

3.4 Eligibility of a Participant for payment of a benefit under the Plan shall be determined in accordance with and subject to the terms hereof.

SECTION 4. ELIGIBILITY FOR BENEFIT

4.1 This Plan shall provide a benefit payable upon the death of a Participant subsequent to Retirement, provided that at the time of Retirement such Participant was then employed by the Corporation in one of the positions listed in Addendum A, except that in the case of a Participant who was employed by the Corporation in one of the positions listed in Addendum A on the date on which the transactions contemplated by the Agreement and Plan of Reorganization among Parent Corporation, Martin Marietta Corporation and Lockheed Corporation dated as of August 29, 1994 were consummated (the "Lockheed Transaction"), the Plan shall provide a benefit payable upon the death of a participant subsequent to Retirement based on the Participant's salary at the time of the Lockheed Transaction regardless of the position held by the Participant at the time of his Retirement.

4.2 The death benefit payable under this Plan shall be an amount equal to a percentage of the Participant's annualized salary for the pay period immediately prior to Retirement, determined in accordance with the following schedule:

Age at Retirement -----	Death Benefit as Percent of Annual Salary -----
At least age 55 but less than 56	15%
At least age 56 but less than 57	30%
At least age 57 but less than 58	45%
At least age 58 but less than 59	60%

At least age 59 but less than 60	75%
At least age 60 but less than 61	90%
At least age 61 but less than 62	105%
At least age 62 but less than 63	120%
At least age 63 but less than 64	135%
At age 64 and over	150%

The amount of the Post-Retirement Death Benefit shall be rounded to the next highest \$5,000 increment but in no event shall be less than \$25,000. The amount so determined shall then be grossed up to provide for income taxes due by the beneficiary using the following formula:

$$\text{Grossed up Benefit} = (\text{Death Benefit}) / (1 - \text{Composite Tax Rate})$$

Where Composite Tax Rate = marginal Federal tax rate applicable to the highest individual bracket plus an adjustment for State taxes (if any) equal to $(1 - \text{Federal tax rate}) \times \text{Highest Marginal individual state tax rate (if any)}$ in the employee's state of residence.

For example, in 1987 a death benefit of \$100,000 would be grossed up in the State of Maryland where the Federal rate = 38.5% and the Maryland State rate = 7.5%

Grossed up benefit equals:
 $\$100,000 / [1 - (0.385 + ((1 - 0.385) * (0.075))]$

No benefits shall be payable under the Plan if a Participant continues employment with the Corporation beyond the first day of the month coinciding with or next following the attainment of age 65, unless such continued employment is pursuant to the express approval of the Board of Directors, based on a determination by the Board that sound business judgment requires the continued service of such Participant for a specified period of time and the agreement of such Participant to so serve. In the case of such approved continuation of employment, a Participant who thereafter retires upon completion of such continued employment shall be entitled to a death benefit equal in amount to 150% of his annualized salary for the pay period immediately prior to retirement, rounded to the next highest \$5,000 increment.

SECTION 5. TERM OF BENEFITS

5.1 The coverage provided under this Plan shall commence immediately on termination of coverage for Retirement and continue during the lifetime of a Participant unless sooner terminated by reason of the circumstances described in the succeeding subsection.

5.2 If, following the date on which a Participant shall be eligible to receive benefits under the Plan, the Board of Directors shall reasonably find that a Participant, without the prior written consent of the Board of Directors, is engaged in the operation or management of a business, whether as owner, controlling stockholder, partner, director, officer, employee, consultant, or otherwise, which at such time is in competition with the Corporation or any of its subsidiaries or affiliates, or has disclosed to unauthorized persons information relative to the business of the Corporation or any of its subsidiaries or affiliates which the Participant shall have had reason to believe is confidential, or shall be found by the Board of Directors to have committed an act during or after the term of the Participant's employment which would have justified the Participant being discharged for cause, all benefits to which such Participant shall otherwise be entitled under this Plan shall terminate. This section shall be uniformly applied to Participants similarly situated.

SECTION 6. MANNER OF PAYMENT

6.1 A written designation of beneficiary(ies) and contingent beneficiary(ies) may be made by the Participant with the Compensation Committee of the Board of Directors and changed from time to time by written notice made by the Participant or, if applicable, his assignee to the Compensation Committee.

6.2 The Post-Retirement Death Benefit shall be payable to the designated beneficiary or beneficiaries. If, at the time of the Participant's death, there is no designated beneficiary as to all or any part of the benefit, or if the designated beneficiary does not survive the Participant, the benefit will be paid at the option of the Compensation Committee of the Board of Directors to any of the following survivors of the Participant: wife, husband, mother, father, child, or children; or to the executors or administrators of the Participant.

6.3 Payments to any named beneficiary or beneficiaries as designated in any insurance policy purchased hereunder by the Corporation or pursuant to any applicable law or to any survivor or survivors of the Participant or to the estate of a Participant or pursuant to this Plan shall completely discharge all liabilities of the Corporation with respect to the amounts so paid.

6.4 The Participant or beneficiary may arrange to have the benefit paid in (a) lump sum, (b) monthly or annual installments over a fixed period of years, or (c) such other arrangements as may be agreed upon by the Participant or beneficiary and the Compensation

Committee of the Board of Directors.

6.5 The Post-Retirement Death Benefit shall be paid by the Corporation from its general funds.

SECTION 7. AMENDMENT AND TERMINATION

The Compensation Committee may from time to time recommend amendments to the Board of Directors for their review and approval. The Board of Directors may terminate the Plan or amend the Plan in any respect and at any time; provided, however, that no such amendment or termination shall have the effect of reducing the death benefit then being paid, or to be paid, on behalf of any retired Participant and provided further that no such amendment or termination shall reduce the calculation of the death benefit to be paid on behalf of any active Participant retired on the day prior to the effective date of such amendment or termination. Any Participant may, however, at the Participant's election, by written notice to the Compensation Committee of the Board of Directors terminate participation in the Plan.

SECTION 8. ADMINISTRATION

This Plan shall be administered by the Compensation Committee of the Board of Directors subject to the approval of the Board of Directors. A decision of the Board of Directors with respect to any matter pertaining to the Plan shall be conclusive and binding on all interested parties.

SECTION 9. GENERAL PROVISIONS

9.1 Nothing in this Plan shall be deemed to give any person the right to remain in the employ of the Corporation or to remain in any of the positions designated in Addendum A or affect the right of the Corporation to terminate any Participant's employment with or without cause.

9.2 The Plan shall be construed and administered in accordance with the laws of the State of Maryland.

MARTIN MARIETTA CORPORATION
DEFERRED COMPENSATION PLAN FOR SELECTED OFFICERS

The name of this plan is the Martin Marietta Corporation Deferred Compensation Plan for Selected Officers (the "Plan"). The Plan provides for the deferred payment to selected officers ("Officers") of compensatory obligations that Martin Marietta Corporation (the "Corporation") is expected to accrue by reason of the Corporation's proposed combination with Lockheed Corporation (the "Combination"). This Plan shall take effect only if the Combination is consummated.

A. Background and Purpose. In connection with the Combination, the Board of Directors of the Corporation (the "Board") has amended certain of its executive compensation plans, including the Amended and Restated Long Term Performance Incentive Compensation Plan and the Deferred Compensation and Estate Supplement Plan. The purpose of the amendments was to modify (and in some cases reduce) the payment obligations that otherwise would have accrued under the terms of those plans by reason of the Combination. Pursuant to the amendments, most of the participants in the plans will receive single sum payments shortly following the date of the Combination, if it is consummated. However, the Board has decided to implement the plan amendments by deferring payment to a participant if immediate payment would (or reasonably might) prevent the Corporation from deducting that payment for Federal income tax purposes. The Board has determined that the deductibility of payments to certain Officers would be jeopardized if made on an immediate basis, and thus that the plan amendments should be implemented by making deferred payments to those Officers. None of the Officers has been given or may hereafter exercise any elective right with respect to the timing of the payments. This Plan sets forth the contractual terms under which the deferred compensation shall be accumulated and paid.

B. Participating Officers and Amounts Deferred. The Officers for whom deferred compensation will be credited and paid under this Plan shall be those Officers designated by the Board, as evidenced in the records of Board meetings and by written notices to such Officers. The amount of deferred compensation with respect to each Officer shall equal the Corporation's accrued obligations to that Officer under all plans for which the Board has determined that payment on a deferred basis is warranted. The Corporation's accrued obligation to an Officer under each plan shall equal the single sum amount that would have been payable to the Officer under the plan at the time of the Combination if it had not been determined that payment to the Officer under that plan was to be deferred. Any payroll taxes required to be withheld with respect to an Officer's deferred compensation shall be withheld out of other wages payable to that Officer and shall not reduce the amount of that Officer's deferred compensation.

C. Crediting of Accounts: Each participating Officer's deferred compensation shall be credited to a bookkeeping account (the "Account") maintained in that Officer's name. The Officer's Account shall be credited as of the day on which the deferred amount would have been payable to the Officer if the Officer's payment under the plan had not been deferred. In addition, each Officer's Account shall be credited with interest at a daily rate equivalent to the Federal long-term rate, as determined under section 1274(d) of the Internal Revenue Code of

1986, as amended, applicable to the month in which the deferred compensation is first credited to the Officer's Account. Interest shall be credited for the period commencing with the first day as of which any deferred compensation is credited to the Officer's Account and ending on the day on which actual payment of the deferred compensation is made. Each participating Officer shall at all times have a fully vested and nonforfeitable interest in the deferred compensation and interest credited to his or her Account.

D. Payment of Deferred Compensation: Each participating Officer's Account balance shall be paid to him or her in a single sum as of February 1 of the calendar year following the year in which the Officer ceases to be an officer of the Corporation (and ceases to be an officer of any parent or affiliate of the Corporation) or at such earlier date as the Compensation Committee (the "Committee"), in its sole discretion, determines would allow the payment to be deductible for Federal income tax purposes. The actual amount of any payment shall be reduced by taxes required to be withheld under applicable Federal and state law.

E. Death Benefits: In the event that an Officer dies before his or her Account balance has been paid, the Account balance shall be paid to the Officer's beneficiary in a single sum as soon as practicable thereafter, unless the Committee determines that payment at that time would jeopardize the deductibility of the payment, in which case payment shall be made no later than February 1 of the year following the year of the Officer's death. For purposes of this paragraph, an Officer's surviving spouse shall be deemed to be the Officer's beneficiary, unless the Officer has notified the Committee in writing prior to his or her death that a different individual, individuals, or other person (including the Officer's estate) is to be treated as the Officer's beneficiary under this Plan. If the Officer is not survived by a spouse or other designated beneficiary, payment shall be made to the Officer's estate.

F. Additional Payments: The payment of deferred compensation under this Plan is intended to protect the Corporation's right to claim Federal income tax deductions, not to impair the economic position of the Officers for whom the Committee has determined that deferred payments are warranted. Accordingly, if the deferred payments to be made under this Plan cause the economic position of any Officer to be impaired, the Committee shall direct that an additional payment be made to that Officer (or the Officer's beneficiary) which, after taking account of any taxes imposed on that additional payment, shall be sufficient to eliminate that economic impairment. For purposes of this paragraph, the economic position of an Officer shall be deemed to have been impaired by deferral under this Plan if and to the extent that (i) the deferred payment made to that Officer, less any income taxes or other assessments imposed by reason of the inclusion in the Officer's gross income for any year of the amounts paid or deferred hereunder, is less than (ii) the amount the Officer would have accumulated if the amount deferred hereunder had been paid to the Officer at the time of the Combination, and the amount of that payment (less income taxes thereon) had immediately been invested (and remained invested for the Officer's deferral period) in an investment that provided a currently

taxable rate of return equal to the crediting rate described in paragraph C. For purposes of clause (ii), it shall be assumed that the Officer would have been subject to income tax at the highest applicable combined Federal and state rates for all years during the deferral period.

G. Change in Control: In the event of a change in control of Lockheed Martin Corporation (the "Combined Company"), each Officer's Account balance shall be paid to the Officer in a lump sum immediately following the change in control, unless prior to the change in control, the Board of Directors of the Combined Company directs otherwise by a vote of three-quarters of the incumbent members of that board. In the event the Board of Directors of the Combined Company directs that the Officers' Account balances not be paid upon the change in control, (i) all deferred compensation under the Plan will be payable under paragraph D of the Plan, and (ii) the Corporation shall immediately establish a trust under terms equivalent to those described in IRS Revenue Procedure 92-64, 1992-2 C.B. 422, and contribute to the trust an amount equal to the sum of all the Account balances then existing under this Plan plus \$500,000. Subject to the rights of the Corporation's creditors, as described in IRS Revenue Procedure 92-64, all assets of the trust shall be used exclusively to pay benefits under this Plan, except that the additional \$500,000 shall be available to pay legal fees and costs incurred by the Officers if legal or other action is necessary for the Officers to receive payment under this Plan in accordance with paragraph D; any trust assets remaining after payment of all benefits under this Plan shall revert to the Corporation. For the purposes of this Plan, a change in control shall be deemed to occur in the circumstances that would constitute a change in control under the terms of the Lockheed Martin Corporation Omnibus Performance Award Plan, to be implemented by the Combined Company.

H. Nature of Officers' Rights: An Officer's right to payment under this Plan is not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, or encumbrance. Amounts payable hereunder shall be paid exclusively from the general assets of the Corporation, and each Officer's rights shall be those of a general, unsecured creditor of the Corporation. The liability of the Corporation hereunder is a mere contractual promise to make benefit payments in the future. Any assets that may be acquired or held by the Corporation in connection with this Plan shall be the sole property of the Corporation, and no Officer shall have any claim against, or beneficial interest in, any specific assets of the Corporation. It is the Corporation's intention that the Plan be unfunded for Federal income tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974.

I. Amendment: The Board may amend or modify this Plan at any time, provided, however, that no amendment shall have the effect of reducing an Officer's Account balance or of impairing an Officer's nonforfeitable right to receive payment of the deferred compensation credited to the Officer's Account. Further, no amendment may alter the formula or method for crediting interest to an Officer's Account, unless the amended formula is not less favorable to the Officer than that previously in effect, or unless the Officer has consented to the

DEFERRED COMPENSATION PLAN FOR SELECTED OFFICERS

amended formula or to an alternative method for crediting investment increments to his or her Account. Further, no amendment may be made to limit the effect of Paragraph G after a change in control, within the meaning of that paragraph, occurs.

J. Administration: This Plan shall be administered by the Committee (or such other committee or board of the Combined Company as may hereafter be delegated authority to oversee the compensation of the Officers participating hereunder), which shall have full authority to interpret the Plan; interpretations by the Committee shall be final and binding on all parties.

K. Binding Effect: This Plan is intended to represent a binding contract between the Corporation and each participating Officer, and its terms shall be binding upon the Corporation, its successors, transferees, and assigns, and shall inure to the benefit of the Officers and their heirs, executors, administrators, and legal representatives.

L. Applicable Law: Except as otherwise required by law, this Plan and all matters arising hereunder shall be governed by the laws of the State of Maryland.

1979 STOCK OPTION PLAN
FOR KEY EMPLOYEES
(WITH STOCK APPRECIATION RIGHTS)

Adopted: April 26, 1979
As Amended
September 25, 1980
September 24, 1981
January 27, 1983, and
April 25, 1991

THIS DOCUMENT CONSTITUTES PART OF
A PROSPECTUS COVERING SECURITIES
THAT HAVE BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933
APRIL 2, 1993

MARTIN MARIETTA CORPORATION
1979 STOCK OPTION PLAN FOR KEY EMPLOYEES

1. Purpose

The purpose of the Plan is to attract and retain the services of key employees in positions which contribute materially to the successful operation of the business of the Corporation and to grant such employees an attractive opportunity to acquire a proprietary interest in the business enterprise and thereby provide them with an added incentive to increase the earnings of the Corporation.

It is intended that this purpose will be effected through the granting of stock options and stock appreciation rights, as provided herein.

2. Definitions

As used in the Plan, "Corporation" means Martin Marietta Corporation and its subsidiaries. "Subsidiary" means a corporation of which Martin Marietta Corporation owns, directly or indirectly, stock having at least 50% of the power to vote, under normal circumstances, in the election of directors. "Board of Directors" means the Board of Directors of Martin Marietta Corporation. The "Committee" means the Stock Option Committee. "Employee" means officers and other key employees of the Corporation but excludes directors who are not also officers or employees of the Corporation. An "Option" means an option to purchase shares of Martin Marietta Common Stock. A "right" means a stock appreciation right. "Grant" means the award of both a stock option and a stock appreciation right. The "grant value of the right" means the fair market value of a share of stock on the date a right is granted, as that value may be adjusted pursuant to Section 7(a) (iii) of the Plan.

3. Effective Date

The Plan shall become effective upon the approval by the stockholders.

4. Eligible Employees

Options and rights may be granted only to exempt salaried employees of the Corporation. However, not more than 10% of the total number of shares available under the Plan shall be subject to option to any one employee, and no individual who owns stock possessing more than 5% of the combined voting power of all classes of stock of the Corporation shall be eligible for a grant of options and rights under the Plan.

5. Terms of Stock Options and Stock Appreciation Rights

The term of each option and right granted under the Plan shall be determined by the Board of Directors, consistent with the provisions of the Plan, including the following:

(a) Each grant of options and rights may be exercised in whole or in part subject to the provisions of the Plan, provided that no option or right shall be exercisable prior to one year or after ten years from the date of grant. Except as provided in Section 6(c) (ii) each grant shall be divided into three approximately equal installments of 100-share and 100-right increments. The first installment shall be exercisable one year after the date of grant and each succeeding installment shall be exercisable one year from the date the prior installment became exercisable. To the extent that the installments are not equal in number, the larger installment or installments shall be exercisable in the last or second and last years. After the privilege to exercise an installment accrues, the options and rights included in that installment may, except as provided in Section 8, be exercised at any time prior to the expiration of ten years from date of grant.

(b) Each optionee must remain in the employ of the Corporation for at least one year from the date the option and right are granted before any part of the grant can be exercised.

(c) An option or right shall not be assignable or transferable by the employee to whom granted otherwise than by will or by the laws of descent and distribution and shall be exercisable during the participant's lifetime only by the participant or in the event of disability by the legal guardian or representative.

(d) The grant will be evidenced by a certificate that will specify the number of shares and rights to which it pertains.

6. Stock Options

(a) Shares of Stock Subject to the Plan

The shares that may be issued under the Plan shall not exceed 750,000 shares of the Common Stock, \$1.00 par value, of the Corporation except as provided in Paragraph (c) below. They may consist in whole or in part of unissued or treasury shares. Such treasury shares may be acquired to satisfy the requirements of the Plan. If for any reason shares as to which an option has been granted cease to be subject to purchase, then such shares shall again be available for option under the Plan.

(b) Grant of Options

(i) The purchase price of the stock subject to option shall not be less than 100% of the fair market value of the stock on the date the option is granted, except as otherwise provided in Section 6(c)(i) below.

(ii) The purchase price of the stock subject to option shall be paid in cash or, with the approval of the Board of Directors or the Committee, may be paid in full or part by the tender of Martin Marietta Corporation Common Stock owned by the optionee. Common Stock delivered in payment of the purchase price shall be valued at the fair market value and any portion of the purchase price not satisfied by the tender of Common Stock shall be paid in full in cash upon such exercise. No fractional shares shall be issued. As soon as possible following receipt of payment to the Corporation, the optionee (or other person entitled to exercise the option) shall receive a certificate or certificates for such shares, subject to the provisions of Section 6(d).

(iii) No person shall have the right of a stockholder with respect to shares subject to an option until the date the option is exercised.

(c) Adjustment Upon Changes in Stock

(i) If there shall be any change affecting the stock subject to the Plan or to any option granted thereunder through merger, consolidation, reorganization, recapitalization, stock dividend, stock split or combination, or otherwise, the Board of Directors shall make appropriate proportional adjustments in the aggregate number of shares subject to the Plan and the number of shares and the price per share subject to outstanding options and may assume old options or substitute new options for old options, regardless of whether the option price of any such option resulting from the proportional adjustment is less than the then fair market value of the subject shares.

(ii) In the event of a proposed dissolution or liquidation of Martin Marietta Corporation, each option granted under the Plan shall terminate as of a date, which in no event shall be later than the expiration date specified in the option, to be fixed by the Board of Directors, provided that not less than 30 days' written notice of the date so fixed shall be given to each optionee (or other person entitled to exercise the option) and each optionee (or other person entitled to exercise the option) shall have the right (provided that by the date of exercise of the option the optionee has remained in the employ of the Corporation for at least one year from the date the option was granted), during the period of 30 days

preceding such termination to exercise the option as to all or any part of the shares covered thereby, including shares as to which such option would not otherwise then be exercisable.

(iii) In the event of a Change of Control, each optionee (or other person entitled to exercise the option) shall have the right (provided that by the date of exercise of the option the optionee has remained in the employ of the Corporation for at least six months from the date the option was granted), during a period of 60 days following a Change of Control, to exercise the option as to all or any part of the shares covered thereby, including shares as to which such option would not otherwise then be exercisable. For purposes of this paragraph, the term "Change of Control" shall mean the following:

(A) a tender offer or exchange offer is made whereby the effect of such offer is to take over and control the affairs of the Corporation and such offer is consummated for the ownership of securities of the Corporation representing 25% or more of the combined voting powers of the Corporation's then outstanding voting securities;

(B) The Corporation is merged or consolidated with another corporation and as a result of such merger or consolidation less than 75% of the outstanding voting securities of the surviving or resulting corporation shall then be owned in the aggregate by the former stockholders of the Corporation, other than affiliates within the meaning of Securities Exchange Act of 1934 (the "Exchange Act") or any party to such merger or consolidation;

(C) the Corporation transfers substantially all of its assets to another corporation or entity which is not a wholly owned subsidiary of the Corporation;

(D) any "person" (as such term is used in Sections 3(a)(9) and 13(d)(3) of the Exchange Act) is or becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing 25% or more of the combined voting power of the Corporation's then outstanding securities and the effect of such ownership is to take over and control the affairs of the Corporation; or

(E) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of

Directors of the Corporation cease for any reason to constitute at least a majority thereof unless the election, or the nomination for election by the Corporation's stockholders, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period. For purposes of the Plan, ownership of voting securities shall take into account and include ownership as determined by applying the provisions of Rule 13d-3(d)(1)(i) of the Exchange Act (as then in effect).

(d) Limitations on Transfer of Shares

The Corporation shall not be required, upon the exercise of any option, to issue or deliver any shares of stock prior to (a) the authorization of such shares for listing on any stock exchange on which Martin Marietta Corporation's Common Stock may then be listed, and (b) such registration or other qualification of such shares under applicable securities laws as the Corporation shall determine to be necessary or advisable. If shares issuable on the exercise of options have not been registered under the Securities Act of 1933 ("the Act") or there is not available a current Prospectus meeting the requirements of the Act with respect thereto, optionees may be required to represent at the time of each exercise of options that the shares purchased are being acquired for investment and not with a view to distribution; and the Corporation may place a legend on the stock certificate to indicate that the stock may not be sold or otherwise disposed of except in accordance with the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

7. Stock Appreciation Rights

(a) Grant of Rights

(i) Stock appreciation rights shall be granted only to recipients of stock options and each right will relate to a specific stock option granted under the Plan. The number of rights granted shall equal the number of shares granted under the stock option provisions of the Plan and shall be granted concurrently with the grant of the related stock option.

(ii) A right shall entitle an optionee to receive without payment to the Corporation cash equivalent to the excess, if any, of the fair market value of a share of Martin Marietta Common Stock on the exercise date over the grant value of the right.

(iii) Should there be a change affecting the stock subject to the Plan as

referred to in Section 6(c), the number of rights shall be adjusted to equal the number of related stock option shares upon completion of the adjustment required by the change. The grant value of a right shall also be adjusted to equal the option price of the related stock option following the adjustment required by the change.

(b) Exercise of Rights

(i) Subject to the limitations set forth herein, an optionee shall be entitled to receive payment in cash for rights granted under this Plan. The cash Payment will be in consideration of services performed for the Corporation or for its benefit by the optionee.

(ii) Nothing contained herein shall be construed to require the simultaneous exercise of options and the related rights where such options or rights are exercised after May 1, 1991.

(c) Limitation on Value of Rights

The cash payment for a right shall not exceed 100% of the grant value of the right except in the event of a Change of Control in which event the value shall be determined in accordance with Section 7(a)(ii).

8. Death, Termination of Employment, or Retirement

(a) If an optionee dies while employed by the Corporation or within three months after termination of employment, options and rights may be exercised by the persons referred to in Section 5(c) only within one year from the date of death. In cases of retirement, either early or normal, or of disability, options may be exercised within three years from the date of such retirement or disability. In cases of termination of an optionee's employment by the Corporation, with or without cause, the options and rights may be exercised by the optionee only within three months from the date of termination of employment. Nothing contained in the Plan or in any option or right granted hereunder shall confer upon any optionee any right of continued employment by the Corporation nor limit in any way the right of the Corporation to terminate the participant's employment at any time.

(b) Except in cases of retirement or disability, a grant may be exercised pursuant to this Section 8 only to the extent the optionee was entitled to exercise the options and rights at the time of termination of employment or death or as provided in Section 6(c) (ii), and in any event, may not be exercised after the expiration of ten years from the date of grant. In the event an optionee ceases to be an employee, the options and rights which are not exercisable at the time shall terminate. In cases of retirement where an optionee has applied for and is receiving benefits pursuant to a

retirement plan for Martin Marietta salaried employees, or disability, all outstanding options and rights shall become exercisable upon such retirement or disability and may be exercised pursuant to this Section 8 or as provided in Section 6(c)(ii), but in any event options and rights may not be exercised less than six months or after the expiration of ten years from the date of grant thereof.

9. Leave of Absence

For the purpose of the Plan, an employee on leave of absence will be considered as still in the employ of the Corporation unless otherwise provided in an agreement between the employee and the Corporation.

10. Administration

(a) Stock Option Committee

(i) The Stock Option Committee shall consist of three or more of those members of the Board of Directors who are not eligible to receive options and rights under the Plan. The members of the Committee shall be designated by the Board of Directors. A majority of the members of the Committee shall constitute a quorum. The vote of a majority of a quorum shall constitute action by the Committee.

(ii) The Committee shall determine the employees who will participate in the Plan, the number of shares and rights subject to each grant, and shall have the authority to adopt rules and regulations for administering the Plan.

(iii) As and to the extent authorized by the Board of Directors or the By-Laws, the Committee may exercise the powers and authority related to the Plan which are vested in the Board of Directors. The Committee may delegate to the officers or employees of the Corporation the authority to execute and deliver documents and to take such other steps deemed necessary or convenient for the efficient administration of the Plan.

(b) Finality of Determinations

The Board of Directors shall have the power to interpret the Plan. All interpretations, determinations, and actions by the Board of Directors or, to the extent authorized by the Plan, the Board of Directors or the By-Laws, by the Committee, shall be final, conclusive, and binding upon all parties.

11. Amendment and Termination

The Board of Directors shall have the power, in its discretion, to amend,

suspend, or terminate the Plan or options and rights granted under the Plan at any time. It shall not, however, without further action by the stockholders, have the power to (a) change the class of employees eligible to receive options under the Plan, (b) provide for options or rights exercisable more than ten years after the date granted, or (c) extend the expiration date of the Plan; nor shall it have the power (except as otherwise provided in the Plan) to (d) increase the number of shares subject to the Plan or (e) reduce the option price below the fair market value of the stock at the time the option was granted. No amendment, suspension, or termination of the Plan or options and rights granted under the Plan shall, except with the consent of the options, adversely affect an option or right previously granted.

12. Duration

The Plan shall remain in effect until all options and rights granted under the Plan have been exercised or terminated under the terms of the Plan, provided that options and rights under the Plan must be granted within ten years from the effective date of the Plan.

1984 STOCK OPTION PLAN
FOR KEY EMPLOYEES
(WITH STOCK APPRECIATION RIGHTS)

Adopted: April 26, 1984
As Amended
October 23, 1986
January 22, 1987
April 23, 1987
July 23, 1987
April 25, 1991
August 27, 1994

THIS DOCUMENT CONSTITUTES PART OF
A PROSPECTUS COVERING SECURITIES
THAT HAVE BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933
APRIL 2, 1993

MARTIN MARIETTA CORPORATION
1984 STOCK OPTION PLAN FOR KEY EMPLOYEES

1. Purpose

The purpose of the Plan is to attract and retain the services of key employees in positions which contribute materially to the successful operation of the business of the Corporation and to grant such employees an attractive opportunity to acquire a proprietary interest in the business enterprise and thereby provide them with an added incentive to increase the earnings of the Corporation.

It is intended that this purpose will be effected through the granting of stock options and stock appreciation rights, as provided herein.

2. Definitions

As used in the Plan, "Corporation" means Martin Marietta Corporation and its subsidiaries. "Subsidiary" means a corporation of which Martin Marietta Corporation owns, directly or indirectly, stock having at least 50% of the power to vote, under normal circumstances, in the election of directors. "Board of Directors" means the Board of Directors of Martin Marietta Corporation. The "Committee" means the Stock Option Committee. "Employee" means officers and other key employees of the Corporation but excludes directors who are not also officers or employees of the Corporation. An "option" means an option to purchase shares of Martin Marietta Common Stock. A "right" means a stock appreciation right. "Grant" means the award of both a stock option and a stock appreciation right. The "grant value of the right" means the fair market value of a share of stock on the date a right is granted, as that value may be adjusted pursuant to Section 7(a) (v) of the Plan. "Normal retirement" means retirement on or after the normal retirement date, as defined in subparagraph (a), Paragraph 1 of Article IV of the Martin Marietta Retirement Income Plan for Salaried Employees. "Early retirement" shall have the meaning set forth in Paragraph 2 of Article IV of the Martin Marietta Retirement Income Plan for Salaried Employees.

3. Effective Date

The Plan shall become effective upon the approval by the stockholders.

4. Eligible Employees

Options and rights may be granted only to exempt salaried employees of the Corporation. However, not more than 10% of the total number of shares available under the Plan shall be subject to option to any one employee, and no individual who owns stock possessing 5% or more of the combined voting power of all classes of

stock of the Corporation shall be eligible for a grant of options and rights under the Plan.

5. Terms of Stock Options and Stock Appreciation Rights

The terms of each option and right granted under the Plan shall be determined by the Board of Directors, consistent with the provisions of the Plan, including the following:

(a) Each grant of options and rights may be exercised in whole or in part subject to the provisions of the Plan, provided that no option or right shall be exercisable prior to one year or after ten years from the date of grant. Except as provided in Section 6(c), each grant shall be divided into three approximately equal installments of 100-share and 100-right increments. The first installment shall be exercisable one year after the date of grant and each succeeding installment shall be exercisable one year from the date the prior installment became exercisable. To the extent that the installments are not equal in number, the larger installment or installments shall be exercisable in the last or second and last years. After the privilege to exercise an installment accrues, the options and rights included in that installment may, except as provided in Section 8, be exercised at any time prior to the expiration of ten years from date of grant.

(b) Each optionee must remain in the employ of the Corporation for at least one year from the date the option and right are granted before any part of the grant can be exercised.

(c) An option or right shall not be assignable or transferable by the employee to whom granted otherwise than by will or by the laws of descent and distribution and shall be exercisable during the participant's lifetime only by the participant or in the event of disability by the legal guardian or representative.

(d) The grant will be evidenced by a certificate that will specify the number of shares and rights to which it pertains.

6. Stock Options

(a) Shares of Stock Subject to the Plan

The shares that may be issued under the Plan shall not exceed 5,475,000 shares of the Common Stock, \$1.00 par value, of the Corporation except as provided in Paragraph (c) below. They may consist in whole or in part of unissued or treasury shares. Such treasury shares may be acquired to satisfy the requirements of the Plan. If for any reason shares as to which an option

has been granted cease to be subject to purchase, then such shares shall again be available for option under the Plan.

(b) Grant of Options

(i) The purchase price of the stock subject to option shall not be less than 100% of the fair market value of the stock on the date the option is granted, except as otherwise provided in Section 6(c)(i) below.

(ii) Except as provided in Paragraph 10, the purchase price of the stock subject to option shall be paid in cash or, with the approval of the Board of Directors or the Committee, may be paid in full or part by the tender of Martin Marietta Corporation Common Stock owned by the optionee. Common Stock delivered in payment of the purchase price shall be valued at the fair market value and any portion of the purchase price not satisfied by the tender of Common Stock shall be paid in full in cash upon such exercise. No fractional shares shall be issued. As soon as possible following receipt of payment to the Corporation, the optionee (or other person entitled to exercise the option) shall receive a certificate or certificates for such shares, subject to the provisions of Section 6(d).

(iii) No person shall have the rights of a stockholder with respect to shares subject to an option until the date the option is exercised.

(c) Adjustment Upon Changes in Stock

(i) If there shall be any change affecting the stock subject to the Plan or to any option granted thereunder through merger, consolidation, reorganization, recapitalization, stock dividend, stock split or combination, or otherwise, the Board of Directors shall make appropriate proportional adjustments in the aggregate number of shares subject to the Plan and the number of shares and the price per share subject to outstanding options and may assume old options or substitute new options for old options, regardless of whether the option price of any such option resulting from the proportional adjustment is less than the then fair market value of the subject shares.

(ii) In the event of a proposed dissolution or liquidation of Martin Marietta Corporation, each option granted under the Plan shall terminate as of a date, which in no event shall be later than the expiration date specified in the option, to be fixed by the Board of Directors, provided that not less than 30 days' written notice of the date so fixed shall be given to each optionee (or other person entitled to exercise the option) and each optionee (or other person entitled to exercise the option) shall

have the right (provided that by the date of exercise of the option the optionee has remained in the employ of the Corporation for at least one year from the date the option was granted) during the period of 30 days preceding such termination to exercise the option as to all or any part of the shares covered thereby, including shares as to which such option would not otherwise then be exercisable.

(iii) In the event of a Change of Control, each optionee (or other person entitled to exercise the option) shall have the right (provided that by the date of exercise of the option the optionee has remained in the employ of the Corporation for at least six months from the date the option was granted) during a period of 60 days following a Change of Control to exercise the option as to all or any part of the shares covered thereby, including shares as to which such option would not otherwise then be exercisable or to have the Corporation, upon request of the optionee (or other person entitled to exercise the option), purchase all such options at a cash purchase price equal to the excess of the fair market value per share over the option price multiplied by the number of all such option shares. For purposes of this Section and Section 7(a)(ii) below, the term "fair market value" where a Change of Control has occurred shall mean the greater of (a) the highest price per share paid as a result of any offer which is in effect during the period beginning on the ninetieth day prior to the date on which such option is exercised and ending on the date on which such option is exercised or the fixed or formula price specified in a transaction agreement if such price is determinable as of the date of exercise of the option or, in the case of a 25% acquisition, the highest price per share shown on the Statement on Schedule 13D or any Amendment thereto filed by the holder of 25% or more of the Corporation's voting securities, and (b) the highest closing price per share of the Corporation's Common Stock on the New York Stock Exchange Composite Tape during the period beginning on the ninetieth day prior to the date on which the option is exercised and ending on the date on which such option is exercised. In the event the price for Martin Marietta Common Stock in a transaction that results in a Change of Control cannot be determined in accordance with the provisions of this Section 6(c)(iii), fair market value shall be determined by the Board of Directors. The value thus determined shall be subject to adjustments as provided in Section 6(c)(i) above. For purposes of this paragraph, the term "Change of Control" shall mean the following:

(A) A tender offer or exchange offer is made whereby the effect of such offer is to take over and control the affairs of the Corporation and such offer is consummated for the ownership of securities of the Corporation representing 25% or more of the combined voting powers of

the Corporation's then outstanding voting securities.

(B) The Corporation is merged or consolidated with another corporation and, as a result of such merger or consolidation, less than 75% of the outstanding voting securities of the surviving or resulting corporation shall then be owned in the aggregate by the former stockholders of the Corporation, other than affiliates within the meaning of the Securities Exchange Act of 1934 (the "Exchange Act") or any party to such merger or consolidation.

(C) The Corporation transfers substantially all of its assets to another corporation or entity which is not a wholly owned subsidiary of the Corporation.

(D) Any "person" (as such term is used in Sections 3(a)(9) and 13(d)(3) of the Exchange Act) is or becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing 25% or more of the combined voting power of the Corporation's then outstanding securities, and the effect of such ownership is to take over and control the affairs of the Corporation.

(E) During any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Corporation cease for any reason to constitute at least a majority thereof unless the election, or the nomination for election by the Corporation's stockholders, of each new director was approved by a vote of at least two thirds of the directors then still in office who were directors at the beginning of the period. For purposes of the Plan, ownership of voting securities shall take into account and include ownership as determined by applying the provisions of Rule 13d-3(d)(1)(i) of the Exchange Act (as then in effect).

(iv) Notwithstanding the provisions of Section 6(c)(iii), if an event occurs which would otherwise constitute a Change in Control but that event is approved by the affirmative vote of two-thirds of the Continuing Directors (as that term is hereinafter defined); then, at the sole option of the Corporation, if options are presented to the Corporation for purchase pursuant to Section 6(c)(iii), the Corporation may, rather than purchasing such options for cash (a) issue on behalf of the optionee shares of common stock with a fair market value at the time of issuance equal to the cash purchase price that the optionee otherwise would be entitled to receive, (b) arrange that a third-party sell such shares on the optionee's behalf and (c) provide that the third-party promptly remit the proceeds of such sale directly to the optionee. If the Corporation elects to exercise

this right, in no event shall the optionee receive an amount of cash less than that the optionee would have received pursuant to Section 6(c)(iii). For the purposes of this provision, the term "Continuing Directors" shall mean a director who either (a) was a member of the Board of Directors of the Corporation immediately prior to the Change in Control; or (b) was designated (before his or her election as director) as a Continuing Director by a majority of the then Continuing Directors.

(d) Limitations on Transfer of Shares

The Corporation shall not be required, upon the exercise of any option, to issue or deliver any shares of stock prior to (a) the authorization of such shares for listing on any stock exchange on which Martin Marietta Corporation's Common Stock may then be listed and (b) such registration or other qualification of such shares under applicable securities laws as the Corporation shall determine to be necessary or advisable. If shares issuable on the exercise of options have not been registered under the Securities Act of 1933 ("the Act") or there is not available a current Prospectus meeting the requirements of the Act with respect thereto, options may be required to represent at the time of each exercise of options that the shares purchased are being acquired for investment and not with a view to distribution; and the Corporation may place a legend on the stock certificate to indicate that the stock may not be sold or otherwise disposed of except in accordance with the Act, as amended, and the rules and regulations promulgated thereunder.

7. Stock Appreciation Rights

(a) Grant of Rights

(i) Stock appreciation rights shall be granted only to recipients of stock options and each right will relate to a specific stock option granted under the Plan. The number of rights granted shall equal the number of shares granted under the stock option provisions of the Plan and shall be granted concurrently with the grant of the related stock option.

(ii) For each right granted on or after July 23, 1987, the amount of the cash payment to which an optionee shall be entitled for each right shall be equal to a percent of the excess, if any, of the fair market value of a share of Martin Marietta Common Stock on the exercise date over the grant value of the right. Such percentage shall be determined by the Stock Option Committee or its delegatee in a manner which shall be intended to approximate the tax obligation arising from the exercise of such option and shall be adjusted periodically pursuant to paragraph

7(a)(iii).

(iii) The percentage referred to in paragraph 7(a)(ii) shall be increased or decreased from time to time by the Committee or its delegatee to reflect significant changes in income tax laws. At the time the Committee or its delegatee determines that an increase or decrease is warranted, it shall set a new percentage and shall set the effective date on which such new percentage will apply in determining the amount of the cash payment for each right which was granted on or after July 23, 1987, and is exercised after the effective date of such percentage change.

(iv) An optionee (or other person entitled to exercise the option) who, in the event of a Change of Control, elects either to exercise or to have the Corporation purchase his options, shall receive a cash payment for the rights related to such option equal to a percentage, determined in accordance with paragraphs 7(a)(ii) and 7(a)(iii), of the excess of the fair market value per share over the option price, such fair market value to be determined in accordance with the applicable provisions of Section 6(c)(iii), multiplied by the number of option shares.

(v) Should there be a change affecting the stock subject to the Plan as referred to in Section 6(c), the number of rights shall be adjusted to equal the number of related stock option shares upon completion of the adjustment required by the change. The grant value of a right shall also be adjusted to equal the option price of the related stock option following the adjustment required by the change.

(b) Exercise of Rights

(i) Subject to the limitations set forth herein, an optionee shall be entitled to receive payment in cash for rights granted under this Plan. The cash payment will be in consideration of services performed for the Corporation or for its benefit by the optionee.

(ii) Nothing contained herein shall be construed to require the simultaneous exercise of options and the related rights where such options or rights are exercised after May 1, 1991.

8. Death, Termination of Employment, or Retirement

(a) If an optionee dies while employed by the Corporation or within three months after termination of employment, options and rights may be exercised by the persons referred to in Section 5(c) only within one year from the date of death. In cases of normal retirement or of disability, options and rights may be

exercised within three years from the date of such retirement or disability. In cases of termination of an optionee's employment by the Corporation, with or without cause, or early retirement (except as provided in Section 8(b)), the options and rights may be exercised by the optionee only within three months from the date of termination of employment. Nothing contained in the Plan or in any option or right granted hereunder shall confer upon any optionee any right of continued employment by the Corporation nor limit in any way the right of the Corporation to terminate the participant's employment at any time.

(b) Except as otherwise provided in this paragraph, a grant may be exercised pursuant to this Section 8 only to the extent the optionee was entitled to exercise the options and rights at the time of termination of employment or as provided in Section 6(c) and, in any event, may not be exercised after the expiration of ten years from the date of grant. In the event an optionee ceases to be an employee, the options and rights which are not exercisable at the time shall terminate. In cases of death or disability while employed by the Corporation or normal retirement where an optionee has applied for and is receiving benefits pursuant to a retirement plan for Martin Marietta salaried employees, all outstanding options and rights shall become exercisable upon such death, disability, or normal retirement and may be exercised pursuant to this Section 8 or as provided in Section 6(c). In cases of early retirement where an optionee has applied for and is receiving benefits pursuant to a retirement plan for Martin Marietta salaried employees, all outstanding options and rights shall become exercisable upon such early retirement at the discretion of the Board of Directors, the Committee, or the Chief Executive Officer and, to the extent exercisable, may be exercised within three years from the date of such early retirement or as provided in Section 6(c). Options and rights may not be exercised less than six months or after the expiration of ten years from the date of grant thereof.

9. Leave of Absence

For the purpose of the Plan, an employee on leave of absence will be considered as still in the employ of the Corporation unless otherwise provided in an agreement between the employee and the Corporation.

10. Deferred Payments for Stock

To the extent permitted by applicable law, the Board of Directors or the Committee may agree to accept as full or partial payment of the purchase price of stock issued upon exercise of options a promissory note of the optionee evidencing his obligation to make future cash payment thereof. Promissory notes shall be payable as determined by the Board of Directors or the Committee (but in no event later than five years after the date thereof), shall be secured by a pledge of the shares

purchased, and shall bear interest at a rate fixed by the Board of Directors or the Committee

11. Administration

(a) Stock Option Committee

(i) The Stock Option Committee shall consist of three or more of those members of the Board of Directors who are not eligible to receive options and rights under the Plan. The members of the Committee shall be designated by the Board of Directors. A majority of the members of the Committee shall constitute a quorum. The vote of a majority of a quorum shall constitute action by the Committee.

(ii) The Committee shall determine the employees who will participate in the Plan, the number of shares and rights subject to each grant, and shall have the authority to adopt rules and regulations for administering the Plan.

(iii) As and to the extent authorized by the Board of Directors or the By-Laws, the Committee may exercise the powers and authority related to the Plan which are vested in the Board of Directors. The Committee may delegate to the officers or employees of the Corporation the authority to execute and deliver documents and to take such other steps deemed necessary or convenient for the efficient administration of the Plan.

(b) Finality of Determinations

The Board of Directors shall have the power to interpret the Plan. All interpretations, determinations, and actions by the Board of Directors or by the Committee, to the extent authorized by the Plan, the Board of Directors or the By-Laws shall be final, conclusive, and binding upon all parties.

12. Amendment and Termination

The Board of Directors shall have the power, in its discretion, to amend, suspend, or terminate the Plan or options and rights granted under the Plan at any time. It shall not, however, without further action by the stockholders, have the power to (a) change the class of employees eligible to receive options under the Plan, (b) provide for options or rights exercisable more than ten years after the date granted, or (c) extend the expiration date of the Plan; nor shall it have the power (except as otherwise provided in the Plan) to (d) increase the number of shares subject to the

Plan or (e) reduce the option price below the fair market value of the stock at the time the option was granted. No amendment, suspension, or termination of the Plan or options and rights granted under the Plan shall, except with the consent of the optionee, adversely affect an option or right previously granted except as set forth in paragraphs 7(a)(ii) and 7(a)(iii).

13. Duration

The Plan shall remain in effect until all options and rights granted under the Plan have been exercised or terminated under the terms of the Plan, provided that options and rights under the Plan must be granted within ten years from the effective date of the Plan.

MARTIN MARIETTA CORPORATION
AMENDED OMNIBUS SECURITIES AWARD PLAN

Adopted: April 23, 1992
As Amended
March 25, 1993

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS
COVERING SECURITIES THAT HAVE BEEN REGISTERED
UNDER THE SECURITIES ACT OF 1933
APRIL 2, 1993

SECTION 1. Establishment and Purpose.

The Martin Marietta Corporation Amended Omnibus Securities Award Plan (the "Plan") is an amendment and restatement of the Martin Marietta Corporation Omnibus Securities Award Plan (the "1992 Plan") which became effective upon its adoption by the stockholders of Martin Marietta Corporation on April 23, 1992. Subject to consummation of the transactions contemplated by the Transaction Agreement dated November 22, 1992 among General Electric Corporation, the Corporation and Parent Corporation (the "Transaction Agreement"), the 1992 Plan, as amended and restated herein, will be adopted by Parent Corporation which will assume all of the obligations of the Corporation hereunder. At such time, the name of the Corporation will be changed to Martin Marietta Technologies, Inc. and the name of Parent Corporation will be changed to Martin Marietta Corporation.

The purpose of this Plan is to benefit the Corporation's stockholders by encouraging high levels of performance by individuals who are key to the success of the Corporation and to enable the Corporation to attract, motivate, and retain talented and experienced individuals essential to its continued success. This is to be accomplished by providing such employees an opportunity to obtain or increase their proprietary interest in the Corporation's performance and by providing such employees with additional incentives to remain with the Corporation.

SECTION 2. Definitions.

The following terms, as used herein, shall have the meaning specified:

"Affiliate" means any entity directly or indirectly controlling, controlled by or under direct or indirect common control with the Corporation.

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

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

"Board of Directors" means the Board of Directors of the Corporation as it may be comprised from time to time.

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

"Committee" means the Committee as defined in Section 8.

"Corporation" means Martin Marietta Corporation including its Affiliates.

"Employee" means officers and other key employees of the Corporation but excludes directors who are not also officers or employees of the Corporation.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Fair Market Value" means the closing price of the relevant security as reported on the composite tape of New York Stock Exchange issues (or 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 such date, the next following 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 such criteria as it shall determine, in its sole direction, to be appropriate for such valuation.

"Insider" means any person who is subject to Section 16 of the Exchange Act.

"Participant" means an Employee who has been granted an Award pursuant to this Plan.

"Section 16" means Section 16 of the Exchange Act or any successor regulation and the rules promulgated thereunder by the Securities and Exchange Commission as they may be amended from time to time.

"Stock" means shares of Common Stock of the Corporation, par value \$1.00, and upon consummation of the transactions contemplated by the Transaction Agreement it will mean the Common Stock, par value \$1.00, of Parent Corporation, the name of which will be changed to Martin Marietta Corporation.

SECTION 3. Eligibility.

Awards may be granted only to exempt salaried Employees of the Corporation who are designated from time to time by the Committee.

No individual who beneficially owns Stock possessing Five Percent (5%) or more of the combined voting power of all classes of stock of the Corporation shall be eligible to participate in the Plan.

SECTION 4. Awards.

The Committee may grant any of the following types of Awards, either singly, in tandem or in combination with other Awards, as the Committee may in its sole discretion determine:

- (a) Non-qualified Stock Options. A Non-qualified Stock Option is a right to purchase a specified number of shares of Stock during such specified time as the Committee may determine at a price not less than 100% of the Fair Market Value of the Stock on the date the option is granted.
 - (i) The purchase price of the Stock subject to the option may be paid in cash. At the discretion of the Committee, the purchase price may also be paid by the tender of Stock, or through a combination of Stock and cash, or through such other means as the Committee determines are consistent with the Plan's purpose and applicable law. No fractional shares of Stock will be issued or accepted.
 - (ii) Without limiting the foregoing, to the extent permitted by law (including

relevant state law), the Committee may agree to accept as full or partial payment of the purchase price of Stock issued upon exercise of options, a promissory note of the optionee evidencing the optionee's obligation to make future cash payments to the Corporation. Promissory notes shall be payable as determined by the Committee (but in no event later than five years after the date thereof), shall be secured by a pledge of shares of Stock purchased, and shall bear interest at a rate established by the Committee.

- (b) Incentive Stock Options. An Incentive Stock Option is an Award in the form of an option to purchase Stock that complies with the requirements of Code Section 422 or any successor section.
- (i) The aggregate number of shares that may be subject to Incentive Stock Options under this Plan shall not exceed 867,000 shares of Stock, subject to Sections 5 and 9.
 - (ii) The aggregate Fair Market Value (determined at the time of the grant of the Award) of the shares subject to Incentive Stock Options which are exercisable by one person for the first time during a particular calendar year shall not exceed \$100,000. For purposes of the preceding sentence, the term "Incentive Stock Option" shall mean an option to purchase Stock that is granted pursuant to this Section 4(b) or pursuant to any other plan of the Corporation that complies with Section 422(b) of the Code.
 - (iii) No Incentive Stock Option may be granted under this Plan after the tenth anniversary of the date this Plan is adopted, or the date this Plan is approved by the stockholders, whichever is earlier, or be exercisable more than ten years after the date the Award is made.
 - (iv) The exercise price of any Incentive Stock Option shall be no less than Fair Market Value of the Stock subject to the option on the date the Award is made.
 - (v) The Committee may provide that the option price under an Incentive Stock Option may be paid by one or more of the methods available for paying the option price of a non-qualified stock option.
- (c) Stock Appreciation Rights. A Stock Appreciation Right ("SAR") is a right to receive, upon surrender of the right, but without payment, an amount payable in cash. The amount payable with respect to each right shall be equal in value to a percent of the excess, if any, of the Fair Market Value of a share of Stock on the exercise date over the Fair Market Value of a share of Stock on the date the Award was made (or, in the case of a right granted with respect to a previously granted Award, the Fair Market Value of the shares that are the subject of the previously granted Award on the date such previous Award was granted). The applicable percent shall be established by the Committee.

- (d) Restricted Stock. Restricted Stock is Stock or other securities of the Corporation that is issued to a Participant and is subject to restrictions on transfer and/or such other restrictions on incidents of ownership as the Committee may determine.
- (e) Other Stock-based Incentive Awards. The Committee may from time to time grant Awards under this Plan that provide the Participant with the right to purchase Stock, or other securities of the Corporation or provide incentive Awards that are valued by reference to the Fair Market Value of Stock, or other securities of the Corporation (including, but not limited to phantom securities or dividend equivalents). Such Awards shall be in a form determined by the Committee (and may include terms contingent upon a change of control of the Corporation), provided that such Awards shall not be inconsistent with the terms and purposes of the Plan.

SECTION 5. Shares of Stock and Other Stock-Based Awards Available Under Plan.

- (a) Subject to the adjustment provisions of Section 9 hereof, the number of shares with respect to which Awards payable in securities may be granted for 1992 will be 1.3% of the shares of stock outstanding on December 31, 1991 and for each of 1993, 1994, 1995 and 1996 shall not exceed 1.7% of the sum of (i) the number of shares of Stock outstanding (subject to increase in certain circumstances) and (ii) the number of shares of Stock into which the outstanding Series A Preferred Stock, par value \$1.00, of Parent Corporation, is convertible, in each case on December 31 of the prior year. In the event that not all of the shares available in one year are used for Awards in that year, the number of shares not used for Awards that year shall be carried forward and shall be available for Awards in succeeding calendar years in addition to the aforesaid percentages of shares that would otherwise be available in such years. In each of 1993, 1994 or 1995 an additional .5% of the aforesaid sums may be granted if a corresponding decrease in the percentage of shares of Stock available for Awards in the immediately succeeding year is made. Any shares that have not been awarded on or before December 31, 1996, shall remain available for Awards for the duration of the Plan. The number of SARs, units representing awards payable solely in cash, or other rights payable solely in cash that may be granted shall be equal to (and in addition to) the number of shares of Stock available for Awards payable in securities.
- (b) Any unexercised or undistributed portion of any terminated or forfeited Award shall be available for further Awards in addition to those available under Section 5(a) hereof.
- (c) For the purposes of computing the total number of shares of Stock granted under the Plan, the following rules shall apply to Awards payable in Stock or other securities, where appropriate:
 - (i) except as provided in (v) of this Section, each option shall be deemed

to be the equivalent of the maximum number of shares that may be issued upon exercise of the particular option;

- (ii) except as provided in (v) of this Section, each other stock-based Award payable in some other security shall be deemed to be equal to the number of shares to which it relates;
- (iii) except as provided in (v) of this Section, where the number of shares available under the Award is variable on the date it is granted, the number of shares shall be deemed to be the maximum number of shares that could be received under that particular Award;
- (iv) where one or more types of Awards (both of which are payable in Stock or another security) are granted in tandem with each other, such that the exercise of one type of Award with respect to a number of shares cancels an equal number of shares of the other, each joint Award shall be deemed to be the equivalent of the number of shares under the other; and
- (v) each share awarded or deemed to be awarded under the preceding subsections shall be treated as shares of Stock, even if the Award is for a security other than Stock.

Additional rules for determining the number of shares of Stock granted under the Plan may be made by the Committee, as it deems necessary or appropriate.

- (d) The Stock which may be delivered pursuant to an Award under the Plan may be treasury or authorized but unissued Stock or Stock may be acquired, subsequently or in anticipation of the transaction, in the open market to satisfy the requirements of the Plan.

SECTION 6. Award Agreements.

Each Award under this Plan shall be evidenced by an Award Agreement setting forth the number of shares of Stock or other security, SARs, or units subject to the Award and such other terms and conditions applicable to the Award as determined by the Committee.

- (a) Award Agreements shall include the following terms:
 - (i) Non-assignability: A provision that no Award shall be assignable or transferable except by will or by the laws of descent and distribution and that during the lifetime of a Participant, the Award shall be exercised only by such Participant or by his or her guardian or legal representative.
 - (ii) Termination of Employment: A provision describing the treatment of an Award in the event of the retirement, disability, death or other termination of a Participant's employment with the Corporation,

including but not limited to terms relating to the vesting, time for exercise, forfeiture or cancellation of an Award in such circumstances.

- (iii) Rights as Stockholder: A provision that a Participant shall have no rights as a stockholder with respect to any securities covered by an Award until the date the Participant becomes the holder of record. Except as provided in Section 9 hereof, no adjustment shall be made for dividends or other rights, unless the Award Agreement specifically requires such adjustment, in which case, grants of dividend equivalents or similar rights shall not be considered to be a grant of any other stockholder right.
- (iv) Withholding: A provision requiring the withholding of applicable taxes required by law from all amounts paid in satisfaction of an Award. In the case of an Award paid 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 Awards paid in shares of Stock or other securities of the Corporation, a Participant may satisfy the withholding obligation by paying the amount of any taxes in cash or, with the approval of the Committee, shares of Stock or other securities may be deducted from the payment to satisfy the obligation in full or in part. The number of shares to be deducted shall be determined by reference to the Fair Market Value of such shares on the date the Award is exercised.
- (v) Execution: A provision stating that no Award is enforceable until the Award Agreement or a receipt has been signed by the Participant and the Chief Executive Officer of the Corporation (or his delegate), or, in the case of an Award to an Insider, by the Participant and by a member of the Committee. By executing the Award Agreement or receipt, a Participant shall be deemed to have accepted and consented to any action taken under the Plan by the Committee, the Board of Directors or their delegates.
- (vi) Holding Period: In the case of an Award to an Insider, (A) of an equity security, a provision stating (or the effect of which is to require) that such security must be held for at least six months (or such longer period as the Committee in its discretion specifies) from the date of acquisition; or (B) of a derivative security with a fixed exercise price within the meaning of Section 16, a provision stating (or the effect of which is to require) that at least six months (or such longer period as the Committee in its discretion specifies) must elapse from the date of acquisition of the derivative security to the date of disposition of the derivative security (other than upon exercise or conversion) or its underlying equity security; or (C) of a derivative security without a fixed exercise price within the meaning of Section 16, a provision stating (or the effect of which is to require) that at least six months (or such longer period as the Committee in its discretion specifies) must elapse from

the date upon which such price is fixed to the date of disposition of the derivative security (other than by exercise or conversion) or its underlying equity security.

- (b) Award Agreements may include the following terms:
- (i) Replacement, Substitution and Reloading: Any provisions (A) permitting the surrender of outstanding Awards or securities held by the Participant in order to exercise or realize rights under other Awards, or in exchange for the grant of new Awards under similar or different terms (including the grant of reload options), or, (B) requiring holders of Awards to surrender outstanding Awards as a condition precedent to the grant of new Awards under the Plan.
 - (ii) Other Terms: Such other terms as are necessary and appropriate to effect an Award to the Participant including but not limited to the term of the Award, vesting provisions, any requirements for continued employment with the Corporation, any other restrictions or conditions (including performance requirements) on the Award and the method by which restrictions or conditions lapse, effect on the Award of a change in control, the price, amount or value of Awards.

SECTION 7. Amendment and Termination.

The Board of Directors may at any time amend, suspend or discontinue the Plan. The Committee may at any time alter or amend any or all Award Agreements under the Plan to the extent permitted by law. However, no such action may, without approval of the stockholders of the Corporation, be effective if such approval is required by Section 16(b) of the Exchange Act.

SECTION 8. Administration.

- (a) The Plan and all Awards granted pursuant thereto shall be administered by a Committee of the Board of Directors constituted so as to permit the Plan to comply with the administration requirement of Rule 16b-3(c)(2)(i). The members of the Committee shall be designated by the Board of Directors and as initially constituted, shall be the Stock Option Committee as defined in the Corporation's By-Laws. A majority of the members of the Committee shall constitute a quorum. The vote of a majority of a quorum shall constitute action by the Committee.
- (b) The Committee shall periodically determine the Participants in the Plan and the nature, amount, pricing, timing, and other terms of Awards to be made to such individuals.
- (c) The Committee shall have the power to interpret and administer the Plan. All questions of interpretation with respect to the Plan, the number of shares of Stock or other security, SARs, or units granted, and the terms of any Award

Agreements shall be determined 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 this Plan, the terms of this Plan shall govern.

- (d) It is the intent of the Corporation that this Plan and Awards hereunder satisfy and be interpreted in a manner, that, in the case of Participants who are or may be Insiders, satisfies the applicable requirements of Rule 16b-3 of the Exchange Act, so that such persons will be entitled to the benefits of Rule 16b-3 or other exemptive rules under Section 16 and will not be subjected to avoidable liability thereunder. If any provision of this Plan or of any Award would otherwise frustrate or conflict with the intent expressed in this Section 8(d), 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 such intent, the provision shall be deemed void as applicable to Insiders.
- (e) The Committee may delegate to the officers or employees of the Corporation the authority to execute and deliver such instruments and documents, to do all such acts and things, and to take all such other steps deemed necessary, advisable or convenient for the effective administration of the Plan in accordance with its terms and purpose, except that the Committee may not delegate any discretionary authority with respect to substantive decisions or functions regarding the Plan or Awards thereunder as these relate to Insiders including but not limited to decisions regarding the timing, eligibility, pricing, amount or other material term of such Awards.

SECTION 9. Adjustment Provisions.

- (a) In the event of any change in the outstanding shares of Stock by reason of a stock dividend or split, recapitalization, merger or consolidation, reorganization, combination or exchange of shares or other similar corporate change, the number of shares of Stock (or other securities) then remaining subject to this Plan, and the maximum number of shares that may be issued to anyone pursuant to this Plan, including those that are then covered by outstanding Awards, shall (i) in the event of an increase in the number of outstanding shares, be proportionately increased and the price for each share then covered by an outstanding Award shall be proportionately reduced, and (ii) in the event of a reduction in the number of outstanding shares, be proportionately reduced and the price for each share then covered by an outstanding Award, shall be proportionately increased.
- (b) The Committee shall make any further adjustments as it deems necessary to ensure equitable treatment of any holder of an Award as the result of any transaction affecting the securities subject to the Plan not described in (a), or as is required or authorized under the terms of any applicable Award Agreement.

SECTION 10. Change of Control.

- (a) In the event of a change of control of the Corporation, in addition to any action required or authorized by the terms of any Award Agreement, the Committee may, in its discretion, recommend that the Board of Directors take any of the following actions as a result of, or in anticipation of, any such event to assure fair and equitable treatment of Plan Participants:
- (i) accelerate time periods for purposes of vesting in, or realizing gain from, any outstanding Award made pursuant to this Plan;
 - (ii) offer to purchase any outstanding Award made pursuant to this Plan from the holder for its equivalent cash value, as determined by the Committee, as of the date of the change of control; or
 - (iii) make adjustments or modifications to outstanding Awards as the Committee deems appropriate to maintain and protect the rights and interests of Plan Participants following such change of control.

Any such action approved by the Board of Directors shall be conclusive and binding on the Corporation and all Plan Participants.

- (b) For the purposes of this Section, a change of control shall include the following:
- (i) A tender offer or exchange offer is made whereby the effect of such offer is to take over and control the affairs of the Corporation and such offer is consummated for the ownership of securities of the Corporation representing 25% or more of the combined voting powers of the Corporation's then outstanding voting securities.
 - (ii) The Corporation is merged or consolidated with another corporation and, as a result of such merger or consolidation, less than 75% of the outstanding voting securities of the surviving or resulting corporation shall then be owned in the aggregate by the former stockholders of the Corporation, other than affiliates within the meaning of the Exchange Act or any party to such merger or consolidation.
 - (iii) The Corporation transfers substantially all of its assets to another corporation or entity which is not a wholly owned subsidiary of the Corporation.
 - (iv) Any "person" (as such term is used in Sections 3(a)(9) and 13(d)(3) of the Exchange Act) is or becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing 25% or more of the combined voting power of the Corporation's then outstanding securities, and the effect of such ownership is to take over and control the affairs of the Corporation.

- (v) As the result of a tender offer, merger, consolidation, sale of assets, or contested election, or any combination of such transactions, the persons who were members of the Board of Directors of the Corporation immediately before the transaction, cease to constitute at least a majority thereof.

SECTION 11. Unfunded Plan.

The Plan shall be unfunded. Neither the Corporation nor the Board of Directors shall be required to segregate any assets that may at any time be represented by Awards made pursuant to the Plan. Neither the Corporation, the Committee, nor the Board of Directors shall be deemed to be a trustee of any amounts to be paid under the Plan.

SECTION 12. Limits of Liability.

- (a) Any liability of the Corporation to any Participant with respect to an Award shall be based solely upon contractual obligations created by the Plan and the Award Agreement.
- (b) 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 the Plan, or in the interpretation, administration or application of the Plan, shall have any liability to any party for any action taken or not taken, in good faith under the Plan.

SECTION 13. Rights of Employees.

- (a) Status as an eligible Employee shall not be construed as a commitment that any Award will be made under this Plan to such eligible Employee or to eligible Employees generally.
- (b) 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 constitute any contract or limit in any way the right of the Corporation to change such person's compensation or other benefits or to terminate the employment of such person with or without cause.

SECTION 14. Duration.

The Plan shall remain in effect until all Awards under the Plan have been exercised or terminated under the terms of the Plan and applicable Award Agreement, provided that Awards under the Plan only be granted until April 23, 2002.

A G R E E M E N T

between

MARTIN MARIETTA CORPORATION

and

dated as of -----

EXECUTIVE AGREEMENT

AGREEMENT between MARTIN MARIETTA CORPORATION, a Maryland corporation (the "Corporation"), and _____ (the "Executive"), dated as of the _____ day of _____, 19____.

W I T N E S S E T H:

WHEREAS:

A. The Executive is a principal officer of the Corporation and an integral part of its management.

B. The Corporation wishes to assure itself and the Executive of continuity of management in the event of any actual or threatened change in control of the Corporation as hereafter defined.

C. This Agreement is not intended to alter the compensation and benefits that the Executive could reasonably expect in the absence of a change in control of the Corporation and, accordingly, this Agreement, though taking effect upon its execution, will be operative only upon a change in control of the Corporation.

NOW, THEREFORE, it is hereby agreed by and between the parties as follows:

1. Operation of Agreement

1.01 This Agreement shall be effective immediately upon its execution by the parties hereto and shall remain in effect so long as the Executive remains employed by the Corporation, except as otherwise provided in Section 2 below, but shall not be operative unless and until there has been a Change in Control, as defined in Paragraph 1.02 hereof. Upon such a Change in Control, this Agreement shall become operative immediately.

1.02 "Change in Control" shall mean a change in control of the Corporation that shall be deemed to have occurred, if and when, with or without the approval of the Board of Directors of the Corporation incumbent prior to the occurrence,

(i) more than 25% of the Corporation's outstanding securities entitled to vote in elections of directors shall be acquired by any person (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) other than by any person which includes the Executive and the effect of such ownership is to take over control of the affairs of the

Corporation which effect shall be determined in good faith by the Board of Directors incumbent prior to the occurrence; or

(ii) as the result of a tender offer, merger, consolidation, sale of assets or contested election, or any combination of such transactions, the persons who were directors of the Corporation immediately before the transaction shall cease to constitute a majority of the Board of Directors of the Corporation or of any successor to the Corporation.

2. Executive's Termination Rights

2.01 If, while the Executive is employed, a Change in Control, as defined in Section 1 of this Agreement, occurs, the Executive may, for good cause as defined in Paragraph 2.02 and within two (2) years after the date of such Change in Control, give notice to the Corporation that he elects to terminate his employment for all purposes of this Agreement. The Executive must exercise his right to terminate employment within six months after the date on which circumstances constituting good cause exist. The right to give such notice and receive the compensation provided for in Section 3 of this Agreement shall continue for six (6) months from the date on which circumstances constituting good cause exist irrespective of any termination of the employment of the Executive by the Corporation within such six month period.

2.02 Any termination of employment by the Executive under the following circumstances shall be deemed to be for good cause:

(i) without the express written consent of the Executive, he is assigned any duties inconsistent with his positions, duties, responsibilities and status with the Corporation as in effect on the date of any Change in Control; or his reporting responsibilities, titles or offices as in effect on the date of any Change in Control are changed; or the Executive is removed from, or not re-elected to, any of such positions, except for the termination of his employment for substantial and serious cause in the event of the Executive's final conviction of a felony crime involving moral turpitude, or in the event of the Executive engaging in willful fraud or defalcation involving material funds or other assets of the Corporation; or as a result of his substantial disability or death;

(ii) the base salary of the Executive as in effect on the date of any Change in Control, as the same thereafter may be increased from time to time, is reduced; or the Corporation fails to increase his base salary each year by an amount which at least equals, on a percentage basis, the average annual percentage increase in the base salaries of other executives of comparable status with the Corporation;

(iii) the Corporation fails to continue the Executive as a participant in the Corporation's Executive Incentive Plan to the extent permitted and subject to all the conditions thereunder; or fails to include the Executive as a participant in any other bonus plan which may be provided; or fails to include the Executive as a participant in any stock option plan or program of the Corporation that may then be in existence at not less than his highest level of participation during the three (3) calendar years preceding the calendar year in which such failure occurs; or fails to continue the Executive in the Corporation's Deferred Compensation and Estate Supplement Plan for Senior Executives, or the Corporation's Post-Retirement Death Benefit Plan for Senior Executives, as each plan may be modified from time to time but substantially in the form presently in effect (individually the "Plan" and collectively the "Plans"), on at least the basis as in effect at the date of any Change in Control, or to pay the Executive any amounts earned under the Plans in accordance with the terms of the Plans;

(iv) the Corporation's principal executive offices are moved to a location outside Montgomery County, Maryland, or Washington, D.C., or any county adjoining Montgomery County, Maryland; or the Corporation requires the Executive, without his agreement, to be based anywhere other than the Corporation's principal executive offices or the location where he is based on the date of any Change in Control, except for required travel on the Corporation's business to an extent substantially consistent with his business travel obligations in effect on the date of any Change in Control; or

(v) the Corporation fails to continue in effect any benefit or compensation plan, including but not limited to the Plans, pension plan, excess benefit plan, Performance Sharing Plan, life insurance plan, medical, dental, health and accident plan, disability plan, or vacation plan or plans providing the Executive with substantially similar benefits in which the Executive is participating on the date of any Change in Control or in which he thereafter may participate.

3. Compensation

3.01 If the Executive gives the notice described in Section 2 of this Agreement to the Corporation, the Corporation shall promptly pay the Executive a lump sum amount equal to three (3) times the Executive's base amount (as defined by Section 280(G), Part IX, Subchapter B, Chapter 1 of the Internal Revenue Code of 1954, as amended), less one dollar (\$1.00).

3.02 Such lump sum payment shall be in addition to any other

compensation due to the Executive, or his beneficiaries, by the Corporation, including, but not limited to, salary, severance pay, consulting fees, disability benefits, termination benefits, retirement benefits, life and health insurance benefits, stock ownership or stock option benefits, or any other compensation or benefit program that is part of any valid previous, present, or future employment contract, written or oral.

3.03 Should any payments hereunder or under any other agreement between the Executive and the Corporation be subject to excise tax pursuant to Section 4999 of the Internal Revenue Code of 1954, as amended, or comparable state or local tax laws, the Corporation shall pay to the Executive such additional compensation as is necessary (after taking into account all Federal, state and local income taxes payable by the Executive as a result of the receipt of such compensation) to place the Executive in the same after-tax position he would have been in had no such excise tax (or any interest or penalties thereon) been paid or incurred. The Corporation hereby agrees to pay such additional compensation within five (5) days after the Executive notifies the Corporation that the Executive has filed a tax return which takes the position that such excise tax is due and payable in reliance on a written opinion of the Executive's tax counsel and that it is more likely than not that such excise tax is due and payable. If the Executive makes any payment with respect to any such excise tax as a result of an adjustment to the Executive's tax liability by any Federal, state or local tax authority, the Corporation will pay such additional compensation within five (5) days after the Executive notifies the Corporation of such payment. Without limiting the obligation of the Corporation hereunder, the Executive agrees, in the event the Executive makes any payment pursuant to the preceding sentence, to negotiate with the Corporation in good faith with respect to procedures reasonably requested by the Corporation which would afford the Corporation the ability to contest the imposition of such excise tax; provided, however, that the Executive will not be required to afford the Corporation any right to contest the applicability of any such excise tax to the extent that the Executive reasonably determines that such consent is inconsistent with the overall tax interests of the Executive.

3.04 The Executive and the Corporation agree that, because there can be no exact measure of the damage which would occur to the Executive as a result of a Change in Control, the payments and benefits provided for under this Section 3 shall be deemed to constitute liquidated damages and not a penalty for such Change in Control. The Corporation agrees that the Executive shall not be required to mitigate his damages and the Executive may retain any compensation for services rendered or consulting fees earned after the date of termination.

3.05 Upon the payment by the Corporation to the Executive of the lump sum amount described in Paragraph 3.01 and all other payments due the Executive as described in Paragraph 3.02, this Agreement shall terminate and the

Executive and the Corporation will each deliver to the other party an agreement releasing and discharging such other party from all claims, debts or obligations then existing, provided, however, that such release by the Executive shall not apply to the obligations of the Corporation as described in Paragraphs 3.03 and 4.01 of this Agreement which shall survive such termination.

4. Payment of Attorneys' Fees

4.01 All attorneys' fees incurred by the Executive in connection with any litigation, dispute, suit, claim or other proceeding arising in connection with any of the terms and conditions of this Agreement or any other compensation arrangements between the Corporation and the Executive shall be paid by the Corporation or its successors or assigns. Under no circumstances shall the Executive be obligated to reimburse the Corporation for any such expenses incurred by the Corporation.

5. Notices

5.01 All notices, requests, demands, and other communications provided for by this Agreement shall be in writing and shall be sufficiently given, if and when mailed in the continental United States, by registered or certified mail, or personally delivered to the party entitled thereto at the address stated below, or to such changed addresses as the addressee may have given by a similar notice:

To the Corporation: Martin Marietta Corporation
6801 Rockledge Drive
Bethesda, Maryland 20817
(Attention: Corporate Secretary)

To the Executive: -----
Martin Marietta Corporation

With an additional copy to: -----

6. General Provisions

6.01 The Corporation shall have no right of setoff or counterclaim in respect of any claim, debt or obligation against any payment provided for in this Agreement.

6.02 No provision of this Agreement may be amended, modified or waived unless such amendment, modification or waiver shall be agreed to in writing, signed by the Executive and by a duly authorized Corporate officer.

6.03 If any provision of this Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect to the fullest extent permitted by law.

6.04 No right to or interest in any payments shall be assignable by the Executive; provided, however, that this provision shall not preclude him from designating one or more beneficiaries to receive any amount that may be payable after his death and shall not preclude his executor or administrator from assigning any right hereunder to the person or persons entitled thereto.

6.05 The word "Executive" shall, wherever appropriate, be interpreted to include his dependents, beneficiaries, and/or legal representative.

6.06 This Agreement shall be binding upon and inure to the benefit of the Corporation and any successor of the Corporation including, without limitation, any corporation or corporations acquiring directly or indirectly all or substantially all of the assets of the Corporation, whether by merger, consolidation, sale or otherwise (and such successor shall thereafter be deemed "the Corporation" for the purposes of this Agreement), but shall not otherwise be assignable by the Corporation.

6.07 If any amounts which are required or determined to be paid or payable or reimbursed or reimbursable to the Executive under this Agreement (or under any other plan, agreement, policy or arrangement with the Corporation) are not so paid at the times provided herein or therein, such amounts shall accrue interest compounded daily at the annual percentage rate which is three percentage points (3%) above the interest rate which is announced by Citibank, N.A., New York, New York, from time to time, as its Base Rate (or prime lending rate), from the date such amounts were required or determined to have been paid or payable or reimbursed or reimbursable to the Executive until such amounts and any interest accrued thereon are finally and fully paid.

6.08 The validity, interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Maryland.

6.09 The headings of Sections are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of the Agreement.

IN WITNESS WHEREOF, the Executive and the Corporation have executed this Agreement as of the day and year first written above.

[SEAL]

MARTIN MARIETTA CORPORATION

By: -----

Title: Vice President and
General Counsel

Attest:

By: -----
Title: Corporate Secretary

Executive

MARTIN MARIETTA CORPORATION
SUPPLEMENTAL EXCESS RETIREMENT PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE OF PLAN

The Martin Marietta Corporation Supplemental Excess Retirement Plan ("The Plan") was established effective September 28, 1978, by Martin Marietta Corporation, a Maryland Corporation. The purpose of the Plan is to equalize the benefit formula applicable to those employees of Martin Marietta Corporation and certain of its subsidiaries or affiliates to the extent that such benefits payable under the retirement plans of the Corporation and such subsidiaries or affiliates are or will be limited by Section 415 of the Internal Revenue Code ("Code") or provisions of the Employee Retirement Income Security Act of 1974 as amended ("ERISA").

The Plan, as amended, also provides a supplemental pension benefit to those corporate officers elected prior to December 31, 1986, if necessary to equalize their pension benefit accrual with that of employees who were participating in the Martin Marietta Corporation Retirement Income Plan immediately prior to October 1, 1975. The Plan, as further amended hereby, also provides for a supplemental benefit payable to those employees of the Corporation who retire immediately upon separation from service with the Corporation, its designated subsidiaries or affiliates and whose benefits are or will be limited by Section 401(a)(17) of the Code. It is intended that the sections of the Plan which relate to the benefits determined by reference to limitations imposed by Section 415 of the Code constitute a separate plan for purposes of Section (3)(36) of ERISA.

SECTION 2. DEFINITIONS

2.1 The following terms as used in the Plan shall have the following meanings:

"Board of Directors" means the Board of Directors of the Corporation (as defined herein).

"Committee" means the Committee appointed by the Board of Directors to administer this Plan.

"Corporation" means Martin Marietta Corporation.

"Employee" means a person employed by the Corporation or a designated subsidiary or affiliate on a full-time basis and for a regular base salary and who is a participant of a Retirement Plan (as defined herein) of the Corporation.

"Participant" means an Employee who is included in the membership of this Plan as provided in Section 3 or, upon and following such Participant's death, his beneficiary(ies), if any.

"Plan" means the Martin Marietta Corporation Supplemental Excess Retirement Plan, as in effect at any time.

"Retirement Date" means the first day of any month following the Participant's 55th birthday upon which the Participant actually retires.

"Retirement Plan" means the Martin Marietta Corporation Retirement Income Plan for Salaried Employees or the Martin Marietta Corporation Pension Plan for Salaried Employees as in effect from time to time.

SECTION 3. ELIGIBILITY

This Plan shall apply to any Participant who is a participant in the Retirement Plan and whose benefits under the Retirement Plan are reduced by the limitations of specified sections of the Code or ERISA, as amended; and corporate officers elected prior to December 31, 1986 who became participants in the Martin Marietta Corporation Retirement Income Plan for Salaried Employees on or after October 1, 1975.

SECTION 4. RETIREMENT DATE

4.1 A Participant may retire under this Plan on the first day of any month following the Participant's 55th birthday, provided that the Participant is eligible to retire and does retire under the Retirement Plan on the same day.

SECTION 5. AMOUNT OF BENEFITS

5.1 A Participant who retires under Section 4 of this Plan shall receive a retirement benefit from this Plan equal to the excess, if any, of (1) the benefit that would have been paid under the Retirement Plan (as the same may be in effect from time to time) if the Retirement Plan had been amended to conform to the limitations imposed by Section 401(a)(17) but not Section 415 of the Code (as the same may be amended from time to time) over (2) the benefit actually payable under the Retirement Plan as amended to conform to all limitations of the Code.

5.2 A Participant who retires under Section 4 of this Plan immediately upon

separation from service with the Corporation shall receive a retirement benefit from this Plan equal to the excess, if any, of (1) the benefits that would have been paid under the Retirement Plan had it not been amended to conform to the limitations imposed by Sections 415 and 401(a)(17) of the Code (as the same may be amended from time to time) over (2) the benefit that would have been paid under the Retirement Plan had it been amended to conform to Section 401(a)(17) of the Code (as the same may be amended from time to time) but not Section 415 of the Code.

5.3 Corporate officers who retire under Section 4 of this Plan and who were elected prior to December 31, 1986 and who became Participants in the Martin Marietta Corporation Retirement Income Plan for Salaried Employees on or subsequent to October 1, 1975 shall have their pension benefit calculated without applying Sections 401(a)(17) or 415 of the Code and using both the formula as described in Article V; (1), (a) and Article V, (1), (b) of the January 1, 1985 Retirement Income Plan for Salaried Employees. If the benefit calculated pursuant to Article V(1)(b) is higher than the benefit calculated pursuant to Article V(1)(a), the amount of the excess shall be payable from this Plan.

5.4 Sections 5.1, 5.2 and 5.3 provide separate benefits under this Plan. If he otherwise satisfies the eligibility requirements of the applicable Section, a Participant may receive benefits under each of Sections 5.1, 5.2 or 5.3.

5.5 The designated beneficiary of a Participant who dies prior to retirement shall receive a lump sum pre-retirement death benefit from this Plan equal to the excess, if any, of (1) the lump sum pre-retirement death benefit which would have

been paid to such designated beneficiary pursuant to the Retirement Plan if such payment were not limited by Code Section 401(a)(17) and Revenue Ruling 85-15, over (2) the lump sum pre-retirement death benefit actually payable under the Retirement Plan.

5.6 The surviving spouse of a Participant who dies prior to retirement and after having attained five years of vesting service under the Retirement Plan, shall receive a pre-retirement surviving spouse annuity from this Plan equal to the excess, if any, of (1) the pre-retirement surviving spouse annuity benefit which would have been paid to such surviving spouse pursuant to the Retirement Plan if such payment were not limited by Code Sections 401(a)(17) and 415 and Revenue Ruling 85-15, over (2) the pre-retirement surviving spouse annuity benefit actually payable under the Retirement Plan.

5.7 All benefits paid from this Plan shall take into account the Participant's decision regarding early or deferred retirement or optional methods of benefit payment chosen under the Retirement Plan.

5.8 In no event shall the computation of benefits under this Plan take into account any service performed by a Participant after separation from employment with the Corporation or its subsidiaries and affiliates.

5.9 Notwithstanding anything to the contrary herein, the Corporation in its sole discretion may (but shall not be obligated to) make any payment under this Plan before it would otherwise be made if, based on any of the following events, it determines, in good faith based on consultation with counsel, that a Participant or his

beneficiary has or is likely to recognize income for federal income tax purposes with respect to amounts payable under the Plan before such amounts are otherwise to be paid:

(i) a change in the Code, or the Treasury Regulations thereunder, or a binding or predominant judicial construction thereof;

(ii) a published ruling or similar announcement issued by the Internal Revenue Service;

(iii) a decision by a court of competent jurisdiction involving a Participant, a Participant's beneficiary, the Corporation, or any entity involved in making payments under the Plan; or

(iv) a final determination of tax liability following a contested dispute on audit (or a closing agreement made under Section 7121 of the Code) that involves a Participant, a Participant's beneficiary(ies), the Corporation, or any entity involved in making payments under the Plan.

SECTION 6. PAYMENTS OF BENEFITS

6.1 Payment of supplemental benefits to any person under this Plan shall be made at the same time, and under the same form of annuity, as benefits paid to such person under the Retirement Plan, in accordance with all the terms and conditions applicable to such benefits under the Retirement Plan.

6.2 Any amount required to be withheld under applicable Federal, state and local income tax laws shall be withheld and any such payment shall be reduced by the

amount so withheld.

6.3 All payments under the Plan shall be made from the general funds of the Corporation. The Corporation may, at its discretion, establish a trust, commonly known as a "rabbi" trust, to hold assets from which benefits payments may be made. The Plan is intended in all events to be unfunded within the meaning of ERISA.

6.4 Notwithstanding Section 6.1, in the event that the Value of the sum of the benefits payable to a Participant under this Plan is \$3,500 or less, all such benefits will be paid in a lump-sum settlement in full discharge of all liabilities with respect to such benefits. For purposes of this section, the term Value shall mean the present value of a Participant's benefits based upon the Pension Benefit Guaranty Corporation's male annuity rates, factors, tables, assumptions and procedures in effect at the beginning of the calendar year in which the Value is determined.

SECTION 7. AMENDMENT AND TERMINATION

The Board of Directors may terminate the Plan with respect to future Participants, or amend the Plan in any respect, at any time; provided, however, that no such amendment shall have the effect of reducing the basis on which the supplemental benefit then being paid to any retired Participant or on behalf of any retired Participant or which may thereafter become payable on behalf of such Participants pursuant to Section 5, is computed.

SECTION 8. ADMINISTRATION

This Plan shall be administered by the Board of Directors or by the Committee appointed by the Board of Directors as defined in Section 2. A decision of the Board of Directors or the Committee with respect to any matter pertaining to the Plan including without limitation the Employees determined to be Participants, the benefits payable, and the construction or interpretation of any provision thereof, shall be conclusive and binding upon all interested persons. No Director or Committee member shall participate in any decision of the Board of Directors or Committee that would directly and specifically affect the timing or amount of his benefits under the Plan.

SECTION 9. GENERAL PROVISIONS

9.1 Nothing in this Plan shall be deemed to give any person the right to remain in the employ of the Corporation, its subsidiaries or affiliates or affect the right of the Corporation to terminate any Participant's employment with or without cause.

9.2 No right or interest of any person entitled to a benefit under the Plan shall be subject to voluntary or involuntary alienation, assignment, or transfer of any kind.

9.3 This Plan shall be construed and administered in accordance with the laws of the State of Maryland.

SECTION 10. TERMINATION OF BENEFITS IN CERTAIN CASES

If, following the date on which a Participant shall retire under this Plan, a

Participant shall engage in the operation or management of a business, whether as owner, stockholder, partner, officer, employee, consultant, or otherwise, which at such time is in competition with the Corporation or any of its subsidiaries, or shall disclose to unauthorized persons information relative to the business of the Corporation or any of its subsidiaries which the Participant shall have reason to believe is confidential, or otherwise act, or conduct oneself, in a manner which the Participant shall have reason to believe is contrary to the best interest of the Corporation, or shall be found by the Committee to have committed an act during the term of the Participant's employment which would have justified the Participant being discharged for cause, the Participant's retirement benefit under this Plan shall terminate. Application of this Section will be at the discretion of the Committee.

MARTIN MARIETTA CORPORATION

By: /s/ Robert W. Powell, Jr.

Robert W. Powell, Jr.
Its: Vice President & Treasurer

Date: November __, 1990

MARTIN MARIETTA CORPORATION

RESTRICTED STOCK AWARD PLAN

Adopted: April 27, 1989
As Amended
June 28, 1991

Section 1. Establishment and Purpose

The Martin Marietta Corporation Restricted Stock Award Plan (the "Plan"), for designated senior executive personnel, is established effective July 28, 1988, subject to stockholder approval at the Corporation's 1989 Annual Meeting. The purpose of the Plan is to provide additional incentives to senior executives to remain with the Corporation during the operative period of the restrictions and to maintain a proprietary interest in the Corporation thereby maximizing their efforts for the success of the Corporation's business.

The maximum number of shares of Restricted Stock which may be issued under the Plan shall be 350,000, however, not more than 10% of the stock available under the Plan shall be issued to any one Participant and no individual who owns stock possessing 5% or more of the combined voting power of all classes of stock of the Corporation shall be eligible to participate in the Plan. Forfeited Stock may be reissued under the terms of the Plan. The Stock which may be issued under the Plan may be authorized but unissued Stock or Treasury Stock; such Stock may be acquired, subsequently or in anticipation of the transaction, in the open market to satisfy the requirements of the Plan.

Section 2. Definitions

The following terms, as used herein, shall have the meaning specified:

"Corporation" means Martin Marietta Corporation including its affiliates and subsidiaries.

"Board of Directors" means the Board of Directors of Martin Marietta Corporation as it may be comprised from time to time.

"Participant" means any senior executive who is approved by the Board of Directors to participate in the Plan.

"Award" means an award of Restricted Stock granted under the provisions of the Plan.

"Stock" means shares of Common Stock of Martin Marietta Corporation.

"Restricted Stock" means Stock contingently awarded to a Participant under the Plan subject to the restrictions set forth in Sections 4 and 5.

"Restricted Period" means the designated period of time during which restrictions are in effect with respect to the Restricted Stock.

Section 3. Administration

3.1 The Plan will be administered by the Compensation Committee of the Board of Directors (the "Committee") which consists of three or more of those members of the Board of Directors who are not eligible to receive awards under the Plan. The members of the Committee are designated by the Board of Directors. A majority of the members of the Committee shall constitute a quorum. The vote of a majority of a quorum shall constitute action by the Committee.

3.2 The Committee shall recommend to the Board of Directors the senior executives who will be asked to participate in the Plan, the number of shares of Restricted Stock which will be awarded to each senior executive who becomes a Participant, the duration of the Restricted Period, and such other terms and conditions which shall apply to each Award, including provisions related to termination of restrictions in the event of a change of control of the Corporation. Upon approval of the recommendation by the Board of Directors, the Award shall become effective.

3.3 As and to the extent authorized by the Board of Directors or the By-Laws, the Committee may exercise the powers and authority related to the Plan which are vested in the Board of Directors.

The Committee may delegate to the officers or employees of the Corporation the authority to execute and deliver documents and to take such other steps deemed necessary or convenient for the efficient administration of the Plan.

3.4 The Board of Directors shall have the power to interpret the Plan. All interpretations, determinations, and actions by the Board of Directors or by the Committee, to the extent authorized by the Plan, the Board of Directors or the By-Laws shall be final, conclusive, and binding on all parties.

Section 4. Award Agreements

4.1 At the time an Award is made, the Restricted Period applicable to such Award shall be established and shall not be more than ten years. Each Award may have a different Restricted Period. At the time an Award is made, conditions may be specified for the incremental lapse of restrictions during the Restricted Period and for the termination of restrictions upon the satisfaction of other conditions in addition to or other than the expiration of the Restricted Period, including but not limited to provisions related to a change of control, with respect to all or any portion of the Restricted Stock

4.2 All restrictions shall terminate with respect to all Restricted Stock upon the Participant's

(i) death; or

(ii) total disability as evidenced by commencement of benefits under the Corporation's Long Term Disability Plan (or if not a member of the Long Term Disability Plan the Participant would have been eligible for benefits using Long Term Disability Plan standards).

In the event of termination or retirement by mutual consent between the Participant and the Board, restrictions may be terminated with respect to all or any portion of the Participant's Restricted Stock on the recommendation of the Committee and approval of the Board of Directors.

4.3 Each Award shall be evidenced by a written agreement signed by the Participant and the Chief Executive Officer, or, in the case of an Award to the Chief Executive Officer, by the Participant and by a member of the Committee (the "Award Letter") which shall state the Restricted Period and such other terms and conditions which may be applicable, including payment by the Participant of the par value of the Restricted Stock upon execution of the Award Letter (the "Purchase Price") if such payment is required by state law.

Section 5. Restrictions

5.1 A stock certificate representing the number of shares of Restricted Stock granted to a Participant shall be registered in the Participant's name but shall be held in custody by the Corporation for the Participant's account. The Participant shall generally have the rights and privileges of a stockholder as to such Restricted Stock including the right to vote such Restricted Stock, except that the following restrictions shall apply:

(i) the Participant shall not be entitled to delivery of the certificate until the expiration or termination of the Restricted Period and the satisfaction of any other conditions specified in the Award Letter;

(ii) none of the Restricted Stock may be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of during the Restricted Period and until the satisfaction of any other conditions specified in the Award Letter; and

(iii) except as set forth in Section 4 or as set forth in the Award Letter executed pursuant to Section 4, all of the Restricted Stock shall be forfeited and all rights of the Participant to such Restricted Stock including any stock dividends on such Restricted Stock shall terminate without further obligation on

the part of the Corporation unless the Participant has remained a regular full-time employee of the Corporation, any of its subsidiaries or any parent or any combination thereof until the expiration or termination of the Restricted Period and the satisfaction of any other conditions specified in the Award Letter applicable to such Restricted Stock.

The Participant shall have the same rights and privileges, and be subject to the same restrictions, with respect to any Stock received pursuant to Section 7.

5.2 At the discretion of the Corporation, cash dividends with respect to the Restricted Stock may be either currently paid or withheld by the Corporation for the Participant's account, and interest shall be paid on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Corporation. Cash dividends so withheld shall not be subject to forfeiture. Stock dividends with respect to the Restricted Stock shall be held in the Participant's account and shall be subject to forfeiture. Upon the forfeiture of any Restricted Stock, such forfeited Stock and any stock dividends on such forfeited Stock shall be transferred to the Corporation without further action by the Participant and any amounts paid by the Participant upon the issuance of the Restricted Stock shall be returned to the Participant with interest.

5.3 Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee or at such earlier time as provided for in Section 4 or in the Award Letter applicable to such Restricted Stock, the restrictions applicable to the Restricted Stock shall terminate and a stock certificate for the number of shares with respect to which the restrictions have terminated shall be delivered, free of all such restrictions, except any that may be imposed by law, to the Participant or the Participant's beneficiary or estate, as the case may be. The Corporation shall not be required to deliver any fractional share of Common Stock but will pay, in lieu thereof, the fair market value (determined as of the date the restrictions terminate) of such fractional share to the Participant or the Participant's beneficiary or estate, as the case may be. No payment will be required from the Participant upon the delivery of any Restricted Stock, except that any amount necessary to satisfy applicable federal, state or local tax requirements shall be promptly paid by the Participant to the Corporation following notification to the Participant of the amount due. A Participant may satisfy this obligation by paying cash or, with the approval of the Board of Directors or the Committee, may pay the obligation in full or in part by the tender to the Corporation of Martin Marietta Corporation Common Stock owned by the Participant. The number of shares to be tendered shall be determined by reference to the fair market value of such shares on the date payment is made.

Section 6. Termination of Employment

Unless otherwise determined by the Board of Directors, or otherwise provided

in the Award Letter, if a Participant to whom Restricted Stock has been granted ceases to be an employee of the Corporation prior to the end of the Restricted Period and the satisfaction of any other conditions specified in the Award Letter, for any reason other than the reasons specified in Section 4, the Participant shall immediately forfeit all Restricted Stock and stock dividends thereon.

Section 7. Changes in Capitalization

In the event of any change in the outstanding shares of Stock by reason of a stock dividend or split, recapitalization, merger or consolidation, reorganization, combination or exchange of shares or other similar corporate change, the maximum aggregate number of shares as to which Awards may be granted under the Plan and the number of shares covered by each previously granted Award, if any, shall be proportionally adjusted by the Board of Directors with such determination being conclusive.

Section 8. Effective Date

The Plan is effective as of July 28, 1988, subject to the approval of the stockholders at the Corporation's 1989 Annual Meeting. The Committee may, at its discretion, grant Awards under the Plan subject to such stockholder approval of the Plan. The Award, issuance or delivery of Restricted Stock shall be expressly subject to the conditions that, to the extent required by law at the time of Award, issuance or delivery,

(i) the shares covered by such Awards shall be duly listed upon the New York Stock Exchange; and

(ii) if the Corporation deems it necessary or desirable a Registration Statement under the Securities Act of 1933 with respect to such Restricted Stock shall be effective.

Section 9. Limits of Liability

Neither the Corporation nor any member of the Board of Directors, or the Committee, or any other person participating in any determination of any question under the Plan, or in the interpretation, administration or application of the Plan, shall have any liability to any party, for any action taken, or not taken, in good faith under the Plan.

Section 10. Designation of Beneficiary

A Participant may, with the consent of the Committee, designate a person or persons to receive Restricted Stock to which the Participant is entitled in the event of

the Participant's death. Such designation shall be made in writing upon forms supplied by and delivered to the Committee, and may be revoked in writing. If a Participant fails effectively to designate a beneficiary, the Participant's Restricted Stock shall be distributed in accordance with his will, or, if intestate, the laws of descent and distribution.

Section 11. Designation of Beneficiary

The Board of Directors of the Corporation may suspend, terminate, modify or amend the Plan, provided that any amendment that would increase the aggregate number of shares of Stock which may be issued under the Plan, materially increase the benefits accruing to Participants under the Plan, or materially modify the requirements as to eligibility for participation in the Plan, must be approved by the Corporation's stockholders if the Plan is to constitute a complying plan under Rule 16b-3 of the Securities Exchange Act of 1934 as currently enacted, except that any such increase or modification that may result from adjustments authorized by Section 7 shall not require such approval. There is no requirement that the Plan remain a complying plan. If the Plan is terminated, the terms of the Plan shall, notwithstanding such termination, continue to apply to Awards granted prior to such termination. In addition, no suspension, termination, modification or amendment of the Plan may, without the consent of the Participant to whom an Award shall theretofore have been granted, adversely affect the rights of such Participant under such Award.

Section 12. Duration

The Plan shall remain in effect until all Restricted Stock shall have been delivered without restrictions or forfeited under the terms of the Plan provided that no Restricted Stock shall be awarded under the Plan after December 31, 1998.

DIRECTORS' LIFE INSURANCE PROGRAM
March 26, 1980
Amended: June 24, 1988

RESOLVED, That the \$100,000 life insurance program for directors be amended to provide a permanent life insurance policy to be owned by the director subject to availability of coverage for each individual.

RESOLVED FURTHER, That the Corporation shall pay the premiums and a director will be fully vested in the insurance program after five years of service and, for full years of service less than five, will receive a proportionally reduced amount of lifetime insurance.

RESOLVED FURTHER, That each active director and currently participating retired director shall have the opportunity to participate or to decline to participate in the revised program prior to November 1, 1988.

RESOLVED FURTHER, That in the event a director or currently participating retired director shall decline to participate in the revised program or such coverage is not available, he shall continue to be covered or not covered in the current program, as the case may be.

RESOLVED FURTHER, That the proper officers of the Corporation be and are hereby authorized to execute and deliver such instruments and documents, to do all such other acts and things and to take all such further steps as they shall deem necessary or advisable or convenient or proper, in order to carry out the intent of the foregoing resolutions.

MARTIN MARIETTA
EXECUTIVE SPECIAL EARLY RETIREMENT OPTION
AND
PLANT CLOSING RETIREMENT OPTION PLAN

APRIL 5, 1993

SECTION I.

ELIGIBILITY

Employees who: (1) are Highly Compensated Employees as defined under Section 414(q) of the Internal Revenue Code of 1986, as amended, (2) are eligible to receive either a Special Early Retirement Option or a Plant Closing Pension Option under Paragraphs V 5 or 6 of the Martin Marietta Pension Plan for Employees of Transferred GE Operations and (3) have their Pension benefits and other payment limited under Paragraphs V 5 or 6 of the Martin Marietta Pension Plan for Employees of Transferred GE Operations shall be eligible to receive a SERO or Plant Closing Supplement under this Plan in accordance with Section II.

SECTION II.

SERO SUPPLEMENT

The amount of the "SERO or Plant Closing Supplement" payable under this Plan to an Employee, Surviving Spouse or beneficiary shall be equal to the excess (if any) of:

- a. the Pension, Survivor benefit or death benefit that the Employee, Surviving Spouse or beneficiary would have received under the Special Early Retirement option or Plant Closing Pension Option (whichever is applicable) under the Martin Marietta Pension Plan for Employees of Transferred GE Operations but for the limitations on such benefit imposed on Highly Compensated Employees by the Martin Marietta Pension Plan for Employees of Transferred GE Operations pursuant to Paragraphs V 5 or 6 thereof, over
- b. the Pension, Survivor benefit or death benefit that the Employee, Surviving Spouse or beneficiary received under the Special Early Retirement Option or Plant Closing Pension Option under the Martin Marietta Pension Plan for Employees of Transferred GE Operations.

SECTION III.

PAYMENT OF SERO OR PLANT CLOSING SUPPLEMENT

1. All SERO or Plant Closing Supplements provided for hereunder shall be paid in

the same form and manner as the Special Early Retirement Option or Plant Closing Pension Option benefit is payable to such Employee, Surviving Spouse or beneficiary under the Martin Marietta Pension Plan for Employees of Transferred GE Operations.

2. If an Employee's Pension under the Martin Marietta Pension Plan for Employees of Transferred GE Operations is suspended for any month in accordance with the re-employment provisions thereof, the Employee's SERO or Plant Closing Supplement for that month shall likewise be suspended under this Plan.

SECTION IV.

BENEFICIARY

An Employee's beneficiary for the purposes of this Plan shall be the beneficiary designated by him under the Martin Marietta Pension Plan for Employees of Transferred GE Operations.

SECTION V.

ADMINISTRATION

1. This Plan shall be administered by the Administrative Committee, which shall have authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions which may arise in connection with this Plan.

2. In the administration of this Plan, the Administrative Committee may, from time-to-time, employ agents and delegate to them such administrative duties as it sees fit and may, from time-to-time, consult with counsel, including counsel to the Company.

3. The decision or action of the Administrative Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations thereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

SECTION VI.

AMENDMENT AND TERMINATION

The Company reserves the right, by action of the Martin Marietta Board of Directors, to amend, modify or terminate, either retroactively or prospectively, any or

all of the provisions of this Plan; provided, however, that no such action on its part shall adversely affect the rights of Employee, Surviving Spouse or beneficiaries without the consent of such Employee (or Surviving Spouse or beneficiaries, if the Employee is deceased) with respect to any SERO or Plant Closing Supplement that is actually being paid under this Plan.

SECTION VII.

GENERAL CONDITIONS

1. The Plan shall be unfunded, unsecured and nonassignable, and shall not be a trust for the benefit of any Employee, Surviving Spouse or beneficiary.

2. No Employee and no other person shall have any legal or equitable rights or interest in this Plan that are not expressly granted in this Plan. Participation in the Plan does not give any person any right to be retained in the Service of his employer. The right and power of the Company to dismiss or discharge any Employee is expressly reserved.

3. Terms used in the Plan shall have the same meaning as under the Martin Marietta Pension Plan for Employees of Transferred GE Operations unless otherwise noted.

IN WITNESS WHEREOF, this Martin Marietta Executive Special Early Retirement Option and Plant Closing Retirement Option Plan was executed as of April 5, 1993.

MARTIN MARIETTA CORPORATION

/s/ BOBBY F. LEONARD

Title: Vice President,
Human Resources

Witness

MARTIN MARIETTA
SUPPLEMENTARY PENSION PLAN
FOR EMPLOYEES OF TRANSFERRED GE OPERATIONS
(EFFECTIVE APRIL 5, 1993)

SECTION I.
ELIGIBLE EMPLOYEES

Subject to the provisions of Section VIII and Section XIV(c) hereof, each Transferred Employee who was participating in the GE Supplementary Pension Plan on April 4, 1993, who has five or more years of Pension Qualification Service and who is a participant in the Martin Marietta Pension Plan for Employees of Transferred GE Operations shall be eligible to participate, and shall participate, in this Supplementary Pension Plan to the extent of the benefits provided herein, provided that:

(i) the foregoing shall not apply to an employee of a corporation other than Martin Marietta Corporation which has not agreed to bear the cost of this Plan with respect to its employees, and

(ii) except as provided in Section V, a Transferred Employee who retires under the optional retirement provisions of the Martin Marietta Pension Plan for Employees of Transferred GE Operations before the first day of the month following attainment of age 60 or an Employee who leaves the Service of the Company before attainment of age 60, shall not be eligible for a Supplementary Pension under this Plan.

A Transferred Employee who meets the other requirements specified in this Section shall be eligible for the benefits provided herein so long as his assigned position level or position of equivalent responsibility throughout any consecutive three years of the 15 year period ending on the last day of the month preceding his termination of service is at least at the level of a director (or other position equivalent to the Executive Career Band of the General Electric Company) even though he is not employed at that level on the date his Service terminates.

SECTION II.
DEFINITIONS

(a) Officers - Officers shall mean the Chairman of the Board, the Vice Chairmen, the President, the Vice Presidents, Officer Equivalents and such other Employees as the Committee referred to in Section IX hereof may designate.

(b) Annual Retirement Income - For Transferring Employees who retire on or after April 5, 1993, or who die in active Service on or after such date, an Employee's Annual Retirement Income shall mean the amount determined by multiplying 1.75% of the Employee's Average Annual Compensation by the number of years Combined Benefit Service completed by the Employee at the date of his retirement or death, whichever is earlier.

(c) Annual Estimated Social Security Benefit - The Annual Estimated Social Security Benefit shall mean the annual equivalent of the maximum possible Primary Insurance Amount payable, after reduction for early retirement, as an old-age benefit to an employee who retired at age 62 on January 1st of the calendar year in which occurred the Transferred Employee's actual date of retirement or death, whichever is earlier. Such Annual Estimated Social Security Benefit shall be determined by the Company in accordance with the Federal Social Security Act in effect at the end of the calendar year immediately preceding such January 1st.

If a Transferred Employee has less than 35 years of Combined Benefit Service, the Annual Estimated Social Security Benefit shall be the amount determined under the first paragraph hereof multiplied by a factor, the numerator of which shall be the number of years of the Transferred Employee's Combined Benefit Service to his date of retirement or death, whichever is earlier, and the denominator of which shall be 35.

The Annual Estimated Social Security Benefit as so determined shall be adjusted to include any social security, severance or similar benefit provided under foreign law or regulation as the Administrative Committee may prescribe by rules and regulations issued with respect to this Plan.

(d) Annual Pension Payable under the Martin Marietta Pension Plan for Employees of Transferred GE Operations - The Annual Pension Payable under the Martin Marietta Pension Plan for Employees of Transferred GE Operations shall mean the sum of (1) the total annual past service annuity, future service annuity and Personal Pension Account Annuity deemed to be credited to the Employee as of his date of retirement or death, whichever is earlier, plus any additional annual amount required to provide the minimum pension under the Martin Marietta Pension Plan for Employees of Transferred GE Operations, and (2) any annual pension (or the annual pension equivalent of other forms of payment) payable under any other pension plan, policy, contract, or government program attributable to periods for which Combined Benefit Service is granted by the Chairman of the Board or the Administrative Committee or is credited by the Martin Marietta Pension Plan for Employees of Transferred GE Operations provided the Administrative Committee determines such annual pension shall be deductible from the benefit payable under this Plan. All such amounts shall be determined before application of any reduction factors for Optional or Disability Retirement, for election of any optional form of Pension at retirement, a qualified domestic relations order(s), if any, or in connection with any other adjustment made pursuant to the Martin Marietta Pension Plan for Employees of Transferred GE Operations or any other pension plan.

For the purposes of this paragraph, the Transferred Employee's Pension shall include the Personal Pension Account Annuity payable to the Transferred Employee or the Transferred Employee's spouse on the date of the Transferred

Employee's retirement or death, as the case may be, regardless of whether such annuity commenced on such date.

(e) Pension Qualification Service - Pension Qualification Service shall have the same meaning herein as in the Martin Marietta Pension Plan for Employees of Transferred GE Operations except that for periods before January 1, 1976 the term Credited Service used in determining such Pension Qualification Service shall mean only Service for which an Employee is credited with a past service annuity or a future service annuity under the Martin Marietta Pension Plan for Employees of Transferred GE Operations (plus his first year of Service where such year is recognized as additional Credited Service under that Plan), except as the Administrative Committee may otherwise provide by rules and regulations issued with respect to this Plan.

(f) Average Annual Compensation - Average Annual Compensation means one-third of the Transferred Employee's Compensation for the highest 36 consecutive months during the last 120 completed months before his date of retirement or death, whichever is earlier. In computing a Transferred Employee's Average Annual Compensation, his normal straight-time earnings shall be substituted for his actual Compensation for any month in which such normal straight-time earnings are greater.

(g) Terms - All Terms used in this Plan which are defined in the Martin Marietta Pension Plan for Employees of Transferred GE Operations shall have the same meanings herein as therein, unless otherwise expressly provided in this Plan.

(h) Combined Benefit Service - Pension Benefit Service shall have the same meaning herein as in the Martin Marietta Pension Plan for Employees of Transferred GE Operations except that for periods before January 1, 1976 the term Credited Service as a full-time Employee shall also include all Service credited under the Martin Marietta Pension Plan for Employees of Transferred GE Operations to such Employee for any period during which he was a full-time Employee for purposes of such Martin Marietta Pension Plan for Employees of Transferred GE Operations.

Combined Benefit Service shall also include:

- (1) any period of Service with the Company or an Affiliate as the Administrative Committee may otherwise provide by rules and regulations issued with respect to this Plan, and,
- (2) any period of service with another employer as may be approved from time to time by the Chairman of the Board but only to the extent that any conditions specified in such approval have been met.

(i) Compensation - "Compensation for the purposes of this Plan" shall mean with respect to the period in question salary (including any deferred salary approved by the Administrative Committee as compensation for purposes of this Plan) plus

(i) for persons then eligible for Incentive Compensation, the total amount of any Incentive Compensation earned except to the extent such Incentive Compensation is excluded by the Board of Directors or a committee thereof;

(ii) for persons who would then have been eligible for Incentive Compensation if they had not been participants in a Sales Commission Plan or other variable compensation plan, the total amount of sales commissions (or other variable compensation earned);

(iii) for all other persons, the sales commissions and other variable compensation earned by them but only to the extent such earnings were then included under the Martin Marietta Pension Plan for Employees of Transferred GE Operations, plus any amounts (other than salary and those mentioned in clauses (i) through (iii) above) which were then included as compensation under the Martin Marietta Pension Plan for Employees of Transferred GE Operations except any amounts which the Administrative Committee may exclude from the computation of "Compensation" and subject to the powers of the Committee under Section IX hereof.

(j) Transferred Employee - any individual who qualifies as a Transferred Employee under Exhibit V to the Transaction Agreement dated November 22, 1992 (as amended February 17, 1993 and March 28, 1993) among General Electric Company, Martin Marietta Corporation and Parent Corporation.

The Administrative Committee shall specify the basis for determining any Employee's Compensation for any portion of the 120 completed months used to compute the Employee's Average Annual Compensation during which the Employee was not employed by an Employer participating in this Plan.

SECTION III.

AMOUNT OF SUPPLEMENTARY PENSION AT OR AFTER NORMAL RETIREMENT

(a) The annual Supplementary Pension payable to an eligible Transferred Employee who retires on or after his normal retirement date under the Martin Marietta Pension Plan for Employees of Transferred GE Operations shall be equal to the excess, if any, of the Employee's Annual Retirement Income, over the sum of:

(i) the Transferred Employee's Annual Pension Payable under the Martin Marietta Pension Plan for Employees of Transferred GE Operations,

(ii) 1/2 of the Transferred Employee's Annual Estimated Social Security Benefit,

(iii) the Transferred Employee's annual excess benefit, if any, payable under the GE Excess Benefit Plan, and

(iv) The Transferred Employee's annual benefit, if any, payable under the GE Executive Special Early Retirement Option and Plant Closing Retirement Option Plan

Such Supplementary Pension shall be subject to the limitations specified in Section IX.

(b) The Supplementary Pension of a Transferred Employee who continues in the Service of the Company after his normal retirement date, shall not commence before his actual retirement date.

SECTION IV.

AMOUNT OF SUPPLEMENTARY PENSION AT OPTIONAL OR DISABILITY RETIREMENT

(a) The annual Supplementary Pension payable to an eligible Transferred Employee who, following attainment of age 60, retires on an optional retirement date under the Martin Marietta Pension Plan for Employees of Transferred GE Operations shall be computed in the manner provided by Section III(a) (for an Employee retiring on his normal retirement date) but taking into account only Combined Benefit Service and Average Annual Compensation to the actual date of optional retirement. Such Supplementary Pension shall be subject to the limitations specified in Section IX.

(b) The annual Supplementary Pension payable to an eligible Transferred Employee who retires on a Disability Pension under the Martin Marietta Pension Plan for Employees of Transferred GE Operations shall first be computed in the manner provided by Section III(a) (for a Transferred

Employee retiring on his normal retirement date) taking into account only Pension Benefit Service and Average Annual Compensation to the actual date of disability retirement but in the case of an eligible Transferred Employee whose date of retirement precedes the first day of the month following his attainment of age 60 such Supplementary Pension shall then be reduced by 12%. Such Supplementary Pension shall be subject to the limitations specified in Section IX.

If the Disability Pension payable to the Transferred Employee under the Martin Marietta Pension Plan for Employees of Transferred GE Operations is discontinued by the Administrative Committee as a result of the cessation of the Transferred Employee's disability prior to the attainment of age 60, the Supplementary Pension provided under this Section V shall also be discontinued.

SECTION V.
SPECIAL BENEFIT PROTECTION FOR CERTAIN EMPLOYEES

(a) A former Transferred Employee whose Service with the Company is terminated on or after April 5, 1993 and after completion of 25 or more years of Pension Qualification Service who does not withdraw his contributions from the Martin Marietta Pension Plan for Employees of Transferred GE Operations before retirement and who meets one of the following conditions shall be eligible for a Supplementary Pension under this Plan commencing upon his retirement under the Martin Marietta Pension Plan for Employees of Transferred GE Operations following attainment of age 60:

(i) The Transferred Employee's Service is terminated because of a Plant Closing.

(ii) The Transferred Employee's Service is terminated for transfer to a successor employer and the Employee does not retire under the Martin Marietta Pension Plan for Employees of Transferred GE Operations until the later of (1) his termination of service with the successor employer and (2) the first of the month following attainment of age 60.

(iii) The Transferred Employee's Service terminated after one year on layoff with protected service.

(b) In determining the Supplementary Pension, if any, for Employees who meet the conditions in paragraph (a), the Average Annual Compensation shall be based on the last 120 completed months before his Service termination date and the Annual Estimated Social Security Benefit shall be determined as though the Transferred Employee's retirement date was the date of termination.

SECTION VI.
SURVIVOR BENEFITS

Subject to the provisions of paragraph (b) of Section VII; if a survivor benefit applies with respect to the past and future service annuity portion of a Transferred Employee's Annual Pension payable under the Martin Marietta Pension Plan for Employees of Transferred GE Operations, such survivor benefit shall automatically apply to any Supplementary Pension for which he may be eligible under this Plan. His Supplementary Pension shall be adjusted and paid in the same manner as such pension payable under the Martin Marietta Pension Plan for Employees of Transferred GE Operations is adjusted and paid on account of such survivor benefit.

SECTION VII.
PAYMENTS UPON DEATH

(a) If an eligible Transferred Employee dies in active Service, or following retirement on a Supplementary Pension, and a death benefit (other than a return of Employee contributions with interest including an Employee's Personal and Voluntary Pension Account) is payable to the beneficiary or Surviving Spouse of such Transferred Employee under the Martin Marietta Pension Plan for Employees of Transferred GE Operations, a death benefit shall also be payable to the beneficiary or Surviving Spouse under this Supplementary Pension Plan. Any such death benefit payable under this Plan shall be computed in the same manner as the death benefit payable under the Martin Marietta Pension Plan for Employees of Transferred GE Operations but shall be based on the Supplementary Pension payable under this Plan.

(b) In lieu of the benefit otherwise payable to a beneficiary or surviving spouse under Section VI or paragraph (a) of this Section, a Transferred Employee may elect to have all or any portion of such benefit (or the equivalent value of all or any portion) paid to the beneficiary designated in the employee's election in any of the following forms:

(i) An annuity for the remaining lifetime of the spouse. If the beneficiary dies before the spouse, the remaining benefit shall be paid as provided in the employee's election. In the absence of any such provision, the equivalent value of the remaining payments shall be paid to the beneficiary's estate, if any, otherwise to the beneficiary's Personal Representative.

(ii) An annuity for the remaining lifetime of the beneficiary. If any annuity otherwise payable under this item (ii) is less than \$5000 annually, the equivalent value shall be paid instead to the beneficiary in a lump sum.

(iii) A lump sum.

Any such election must be made in writing to the Administrative Committee and becomes effective upon its receipt by the Administrative Committee. For purposes of this election, a Transferred Employee may designate as his beneficiary only his estate, his former spouse, or a member of his immediate family.

For the purpose of determining the benefit conversions required to provide the benefit payments referred to above, the interest rate assumption shall be the interest rate used by the Pension Benefit Guaranty Corporation, at the beginning of the year in which the Transferred Employee's death occurs, in valuing immediate annuities for terminating single employer trusteed plans, and the mortality assumption shall be based on the UP-1984 Mortality Table.

SECTION VIII.
LIMITATION ON BENEFITS

(a) Notwithstanding any provision of this Plan to the contrary, if the sum of:

(i) the Supplementary Pension (before application of any reduction factor for disability retirement or a survivor benefit) otherwise payable to a Transferred Employee hereunder;

(ii) the Employee's Annual Pension Payable under the Martin Marietta Pension Plan for Employees of Transferred GE Operations,

(iii) 100% of the Annual Estimated Social Security Benefit but before any adjustment for less than 35 years of Pension Benefit Service,

(iv) the Transferred Employee's annual excess benefit, if any, payable under the Martin Marietta Supplemental Excess Retirement Plan, and

(v) The Employee's annual benefit, if any, payable under the GE Executive Special Early Retirement Option and Plant Closing Retirement Option Plan exceeds 60% of his Annual Average Compensation, such Supplementary Pension shall be reduced by the amount of the excess.

(b) Notwithstanding any provision in the Plan to the contrary, the amount of Supplementary Pension and any death benefit payable to or on behalf of any Transferred Employee who is or was an Officer of the Company on the date of his retirement or death, whichever is earlier, shall be determined in accordance with such general rules and regulations as may be adopted by a Committee appointed by the Board of Directors for such purpose, subject to the limitation that any such Supplementary Pension or death benefit may not

exceed the amount which would be payable hereunder in the absence of such rules and regulations.

SECTION IX.
PAYMENT OF BENEFITS

(a) All Supplementary Pension Benefits provided for hereunder shall normally be payable in monthly installments, each equal to 1/12th of the annual amount determined under the applicable Section. In addition, the provisions of the Martin Marietta Pension Plan for Employees of Transferred GE Operations with respect to the following shall apply to amounts payable under this Plan:

- (i) The dates of first and last payment of any Pension or other amounts payable in installments.
- (ii) The payment of quarterly or annual payments in lieu of monthly installments.
- (iii) Treatment of amounts payable to a missing person.

(b) If a Transferred Employee's Pension under the Martin Marietta Pension Plan for Employees of Transferred GE Operations is suspended for any month in accordance with the re-employment provisions of that Plan, the Transferred Employee's Supplementary Pension for that month shall be suspended under this Plan. In addition, the re-employment provisions of the Martin Marietta Pension Plan for Employees of Transferred GE Operations with respect to the computation of benefits payable upon retirement at the end of the period of re-employment shall apply to amounts payable under this Plan.

(c) A Transferred Employee's beneficiary for the purposes of this Plan shall be the beneficiary designated by him under the Martin Marietta Pension Plan for Employees of Transferred GE Operations, except in those instances where a separate beneficiary designation is in effect under this Plan. The provisions of the Martin Marietta Pension Plan for Employees of Transferred GE Operations with respect to amounts payable to a Surviving Spouse or beneficiary and the designation or selection of a beneficiary shall apply to amounts payable under this Supplementary Pension Plan and the designation or selection of a beneficiary under this Plan, except that the requirement of the Spouse's Consent to the designation of a beneficiary by the employee shall not apply.

SECTION X.
ADMINISTRATION

(a) Except as otherwise provided in Section VIII and XII, this Plan shall be administered by the Administrative Committee, which shall have authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions including interpretations of this Plan, as may arise in connection with this Plan.

(b) In the administration of this Plan, the Administrative Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit and may from time to time consult with counsel who may be counsel to the Company.

(c) The decision or action of the Administrative Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations thereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

SECTION XI.
TERMINATION, SUSPENSION OR AMENDMENT

The Board of Directors may, in its sole discretion, terminate, suspend or amend this Plan at any time or from time to time, in whole or in part. However, no such termination, suspension or amendment shall adversely affect (1) the benefits of any Transferred Employee who retired under the Plan prior to the date of such termination, suspension or amendment or (2) the right of any then current Transferred Employee to receive upon retirement, or of his or her Surviving Spouse or beneficiary to receive upon such Transferred Employee's death, the amount as a Supplementary Pension or death benefit, as the case may be, to which such person would have been entitled under this Plan computed to the date of such termination, suspension or amendment, taking into account the Employee's Pension Benefit Service and Average Annual Compensation calculated as of the date of such termination, suspension or amendment.

SECTION XII.
ADJUSTMENTS IN SUPPLEMENTARY PENSION
FOLLOWING RETIREMENT

If the Pension payable under the Martin Marietta Pension Plan for Employees of Transferred GE Operations to any Employee is increased following his retirement as a result of a general increase in the Pensions

payable to retired employees under that plan, which becomes effective after April 5, 1993, the amount of the Supplementary Pension thereafter payable to such Transferred Employee under this Supplementary Pension Plan shall be determined by the Board of Directors.

SECTION XIII.
GENERAL CONDITIONS

(a) No interest of a Transferred Employee, retired employee, Surviving Spouse or beneficiary under this Plan and no benefit payable hereunder shall be assigned as security for a loan, and any such purported assignment shall be null, void and of no effect, nor shall any such interest or any such benefit be subject in any manner, either voluntarily or involuntarily, to anticipation, sale, transfer, assignment or encumbrance by or through an Employee, retired employee, Surviving Spouse or beneficiary. If any attempt is made to alienate, pledge or charge any such interest or any such benefit for any debt, liabilities in tort or contract, or otherwise, of any Transferred Employee, retired employee, Surviving Spouse, or beneficiary, contrary to the prohibitions of the preceding sentence, then the Administrative Committee in its discretion may suspend or forfeit the interests of such person and during the period of such suspension, or in case of forfeiture, the Administrative Committee shall hold such interest for the benefit of, or shall make the benefit payments to which such person would otherwise be entitled to the designated beneficiary or to some member of such Transferred Employee's, retired employee's, Surviving Spouse's or beneficiary's family to be selected in the discretion of the Administrative Committee. Similarly, in cases of misconduct, incapacity or disability, the Administrative Committee, in its sole discretion, may make payments to some member of the family of any of the foregoing to be selected by it or to whomsoever it may determine is best fitted to receive or administer such payments.

(b) No Transferred Employee and no other person shall have any legal or equitable rights or interest in this Plan that are not expressly granted in this Plan. Participation in this Plan does not give any person any right to be retained in the Service of his employer. The right and power of the Company to dismiss or discharge any Transferred Employee is expressly reserved.

(c) Notwithstanding the provisions of Section I, Transferred Employees who are represented by a union (pursuant to a certification by the National Labor Relations Board or otherwise in accordance with the provisions of Section 9 of the National Labor Relations Act) shall become eligible to participate in this Plan (1) only after the Company and such union shall have entered into a written agreement to the effect that the Plan shall be offered to the Transferred Employees so represented, and (2) only in accordance with any conditions or requirements contained in such agreement; provided, however, that whenever Employees who are eligible for the Plan choose a bargaining

agent (pursuant to NLRB certification), they shall continue to be eligible unless and until the certified agent gives notice to the Company that it does not wish such eligibility to continue.

(d) The law of the State of Maryland shall govern the construction and administration of the plan.

(e) The rights under this Plan of a Transferred Employee who retires or leaves the Service of the Company at any time and the rights of anyone entitled to receive any payments under the Plan by reason of the death of such Transferred Employee, shall be governed by the provisions of the Plan in effect on the date such Transferred Employee retires or leaves the Service of the Company, except as otherwise specifically provided in this Plan.

(f) Notwithstanding anything to the contrary, no Transferred Employee shall be entitled to receive duplicate credit for the same period of service or to receive duplicate benefits with respect to the same period of time as is credited under this Plan or any other plan maintained by Martin Marietta Corporation, the General Electric Company, or any other employer.

IN WITNESS WHEREOF, this Martin Marietta Supplementary Pension Plan for Employees of Transferred GE Operations was executed as of April 5, 1993.

MARTIN MARIETTA CORPORATION

/s/ BOBBY F. LEONARD

Title: Vice President,
Human Resources

Witness

EMPLOYMENT AGREEMENT

AGREEMENT dated _____, between General Electric Company ("GE") and _____(the "Executive").

WHEREAS, the Executive is currently employed in the capacity of _____ GE Aerospace (the "Business") and the Executive is one of the key executives of the Business; and

WHEREAS, GE desires the Executive to assist GE in the combination of the Business with Martin Marietta Corporation (the "Company") and then remain with the Business following such combination, and the Executive is willing to provide such services.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable considerations, the Parties hereby agree as follows:

1. Term of Employment

Subject to the condition that the Executive has provided, to the satisfaction of GE at its sole discretion, leadership to the Business during the time prior to the Closing Date which enhances the positive transition of the Business in the business combination, the Executive's "term of employment" under this contract shall commence on the Closing Date of the transaction which combines the Business with the Company and shall terminate 24 months after such Closing Date.

2. Nature of Employment

(a) The Company shall provide the Executive on the closing date with a comparable job to the one that he now holds, in terms of basic skills and experience as well as

approximately the same position level, status or reporting level. The powers and duties of the Executive are to be more specifically determined and set by the Company from time to time.

(b) The Executive agrees to serve the Company for the term of employment as defined in Paragraph 1. The Executive agrees to devote his full business time during normal business hours to the business and affairs of the Company and to use his best efforts to promote the interests of the Company and to perform faithfully and efficiently the responsibilities assigned to him in accordance with the terms of this Agreement to the extent necessary to discharge such responsibilities, except for periods of vacation and sick leave or other legitimate absences under Company benefit plans and established practices.

3. Place of Employment

The Executive's initial place of employment is _____ but the Company may require that the Executive work at such other place or places as the Company may direct. If the Executive is required to relocate, the Company shall pay the Executive's reasonable expenses in that connection on the same basis and to the same extent as such expenses are paid under the Company's benefit plans and established practices for management personnel of the Company of the same level and reporting responsibility.

4. Compensation

(a) Base Salary. During the term of employment, the Executive shall receive an annual base salary (the "Base Salary"), payable in equal monthly, semi-monthly, or biweekly installments, at an annual rate at least equal to the aggregate annual base salary payable to the Executive by GE as of the date hereof. The Base Salary may be increased at any time and from time to time by action of the Board of Directors of the Company, any committee thereof or any individual having authority to take such action, in accordance with the Company's regular practices. Any increase in the Base Salary

shall not serve to limit or reduce any other obligation of the Company or GE hereunder.

(b) Annual Bonus. In addition to the Base Salary, the Executive shall be awarded for each fiscal year during the term of employment an annual bonus (pursuant to any bonus plan or program of the Company, any incentive compensation plan or program of the Company, or otherwise) in cash at least equal to the incentive compensation awarded to the Executive by GE for the last full year of service with GE prior to the Closing Date, the "Annual Bonus".

(c) Additional Bonus. In the event the Executive is still an employee of the Company 24 months after the Closing Date, or if his service has been terminated by the Company for reasons other than Cause (as defined in Paragraph 9 below), then at that date or upon his termination, the Company shall pay the Executive an additional bonus equal to the amount of his then-base salary plus the Annual Bonus.

(d) GE Employment. In the event the Executive is terminated by the Company for any reason other than cause (as defined in Paragraph 9 below), during the 36 months following the Closing Date, he will be offered a position by GE comparable in position level and compensation to the position he held in GE prior to his transfer to the Business. In the event GE is unable to provide such a position, GE shall pay the Executive a sum equivalent to his then current base salary plus the Annual Bonus.

(e) Stock Options. The Executive shall be granted _____GE Stock Options on the Closing Date. Following the Closing Date, all options granted will continue to mature normally. The Executive will have five years from the Closing Date, or the expiration of the Grant, whichever comes first, to exercise these options.

(f) 1987 and 1991 Deferred Salary Plan. Notwithstanding any provision to the contrary, employment with the Company shall be considered as employment with GE for the purposes of the 1987 and 1991 Deferred Salary Plan. GE will remain responsible for

payment of such amounts.

5. Participation in Company Benefits

The Executive shall be entitled to and shall receive all other benefits and conditions of employment available generally to management personnel of the Company of the same level and responsibility pursuant to Company plans and programs.

6. Conflicting Interests

During the term of this Agreement, the Executive agrees not to accept any other employment or engage in any outside business or enterprise without the Company's written consent. It is understood, however, that outside activities are not prohibited provided they are legal; do not impair or interfere with the conscientious performance of Company duties and responsibilities; do not involve the misuse of the Company's influence, facilities or other resources; are consistent with the Company's Code of Ethics and Standards of Conduct; and do not reflect discredit upon the good name and reputation of the Company. The Executive agrees to sign a Conflict of Interest statement with the Company.

7. Disclosure of Information

During the term of this Agreement or thereafter, the Executive shall not reveal any confidential information of the Company to anyone except those employees of the Company entitled to receive such information. The Executive agrees to sign a confidentiality agreement with the Company.

8. Termination at Will

Prior to the beginning of the term of employment as set forth in Paragraph 1 above, the Executive's employment with the Business shall continue on the same basis and on the same terms and conditions as existed immediately prior to the execution of this Agreement. In the event there is a termination prior to the beginning of the term of employment, this Agreement shall be null and void.

9. Resignation or Termination for Cause

If, prior to the completion of the term of employment, the Executive resigns or the Executive's employment is terminated by the Company for cause, all salary, travel allowance and other payments and compensation shall cease as of the time of such resignation or termination. Any benefits or vacation pay shall only be due and payable according to the requirements of state and federal laws. No further obligation shall exist on the part of the Company to the Executive.

For purposes of this Agreement, "Cause" shall mean (i) an act or acts of dishonesty or conflicting interests (as defined in Paragraph 6) on the Executive's part which are intended to result in his substantial personal enrichment at the expense of the Company, (ii) any material violation by the Executive of his responsibilities set forth in Paragraph 2 which is demonstrably willful and deliberate on the Executive's part and which results in material injury to the Company; (iii) a violation of the Company's Code of Ethics and Standards of Conduct.

10. Death or Disability of the Executive

Notwithstanding any provision to the contrary, this Agreement will automatically terminate upon the death or retirement of the Executive. Any illness or disability will be dealt with in accordance with the Company benefit plan provisions.

11. Termination for Convenience

(a) The Company may terminate the Executive's employment at any time during the term of employment for any reason or no reason, but in the event such termination is for reasons other than "Cause" (for "Convenience") as defined in Paragraph 9, the Company shall be obligated to pay the Executive the full amount of compensation provided for in Paragraph 4(a), 4(b) and 4(c) during the remainder of the term of employment and GE shall be obligated to satisfy Paragraph 4(d). The Executive shall, however, make reasonable efforts to mitigate any damages by seeking other employment; but, in doing so, he shall not be required to accept a position of substantially different character than

the highest position held by him with the Company or a position that could lead to a claim against him that he violated the provisions of Paragraph 7. To the extent that the Executive shall receive compensation from such other employment, (including Employment with GE) the payments to be made by the Company shall be correspondingly reduced. (After the term of employment, the Executive shall not be obligated to mitigate any damages by seeking other employment or otherwise, and no amount payable hereunder shall be reduced in the event that the Executive shall accept alternative employment.) If the Company terminates the Executive for Convenience, then the Company will vest the Supplementary Pension Plan.

(b) Termination by GE. In the event the Closing Date of the business combination has not occurred by the close of business on July 1, 1993, GE shall have the right to unilaterally terminate this contract at any time thereafter, and this agreement shall be considered to be null and void and a nullity from the date first above written.

12. Non-Waiver of Other Rights or Remedies

No actions taken by the Company under the terms and conditions of this Agreement shall be deemed to be a waiver of any of its other rights or remedies available at law, in equity or otherwise.

13. Assumption and Assignability of Agreement

The Executive may not delegate, subcontract or otherwise transfer or assign his rights or obligations under this Agreement. This Agreement and all rights hereunder will be assigned by GE to the Company; however, GE may not and will not assign its obligations under Paragraphs 4(d), 4(e) and 4(f) above.

14. Entire Agreement

This Agreement supersedes all prior contracts and understandings between the Executive and the Business, other than the "Employee Innovation and Proprietary Information Agreement", and may not be modified, changed or altered except in writing

signed by both the Executive and the Company.

15. Confidentiality

The Executive shall keep all of the terms and conditions in the Agreement, including amounts, strictly confidential and shall not disclose them to any person at any time other than the Executive's spouse, legal and/or financial advisor(s). Failure to comply with the terms of this Paragraph 15 constitutes a breach of this Agreement and renders the Agreement null and void.

16. Governing Law

This Agreement shall be governed in all respects by and in accordance with the laws of the State of New York.

GENERAL ELECTRIC COMPANY

EXHIBIT 10.22

Adopted by Board of Directors
at Meeting Held August 2, 1993

Amendment to 1992 Employee Stock Option Program

WHEREAS, the Lockheed Corporation 1992 Employee Stock Option Program (the "Program") was adopted by resolution of this Board on February 3, 1992, and revised by resolution of this Board adopted August 3, 1992 (the "Resolutions") and approved by the Corporation's stockholders on April 28, 1992; and

WHEREAS, the Program, as revised, contains certain provisions intended to become effective upon the expiration of a transition period with respect to new SEC Rule 16b-3 (the "Provisions") in order that this Corporation, consistent with the SEC rule changes, could assure compliance with those rules both before and after such date; and

WHEREAS, this Corporation by prior resolution elected, consistent with applicable rules, to remain under SEC Rule 16b-3 as in effect prior to May 1, 1991, with respect to the Program and any other employee benefit plans of this Corporation involving equity securities of this Corporation (including derivative securities of this Corporation) that are subject to Section 16 of the Securities Exchange Act of 1934, as amended, to the maximum extent permitted by the transition provisions of those rules; and

WHEREAS, the SEC has again delayed the expiration of the transition period and thus the intended operative date for certain of such changes until September 1, 1994 (or such earlier date as it may set by rulemaking); and

WHEREAS, by the terms of the Program, the Board may make the following amendments to the Program without stockholder approval;

NOW, THEREFORE, BE IT RESOLVED, that all such references to September 1, 1993, in or with respect to the Program, as revised, and in the Resolutions be, and they hereby are, changed to September 1, 1994, or such other date as may be designated as the expiration date of the transition provisions under SEC Rule 16b-3; and

RESOLVED, FURTHER, that the Management Development and Compensation Committee, as Administrator of the Program, shall take such actions as necessary or desirable to carry out the intent and purposes of these resolutions.

LOCKHEED CORPORATION
1986 EMPLOYEE STOCK PURCHASE PROGRAM

A. PREAMBLE

The Lockheed Corporation (the "Company") 1986 Employee Stock Purchase Program (the "Program") is comprised of two separate stock option plans (collectively referred to as the "Plans"). The first of the Plans is called the Incentive Stock Option Plan (the "Incentive Plan") and is intended to be used exclusively for the grant of options qualifying under Section 422A of the Internal Revenue Code of 1954, as amended (the "Code"). The second Plan is called the Nonstatutory Stock Option Plan (the "Nonstatutory Plan") and is intended to be used exclusively for the grant of nonstatutory options, either with or without stock appreciation rights. Both the Incentive Plan and the Nonstatutory Plan, in addition to being subject to the requirements contained within the respective Plans, are subject to the General Program Requirements specified herein and these requirements are hereby expressly made a part and incorporated into the terms of each of the Plans.

B. GENERAL PROGRAM REQUIREMENTS

1. PURPOSE. The purpose of the Program is to strengthen the Company and its subsidiaries by providing an additional means of retaining and attracting competent management personnel and by providing to participating officers and other key employees an added incentive for high levels of performance and for unusual efforts to increase the earnings of the Company.

2. ADMINISTRATION. The Program shall be administered by the Management Development and Compensation Committee of the Board of Directors of the Company (the "Committee"), which Committee shall consist of three or more members of the Board of Directors who are not eligible to receive options or stock appreciation rights under the Program and who have not been eligible, at any time within one year prior to appointment to the Committee, for selection as a person to whom stock may be allocated or to whom options or stock appreciation rights may be granted pursuant to the Program or any other plan of the Company or any of its affiliates entitling the participants therein to acquire stock, stock appreciation rights or stock options of the Company or any of its affiliates.

Subject to the express provisions of the Program and each of the Plans, the Committee shall have authority to construe and interpret the Program, and to define the terms used herein, to prescribe, amend and rescind rules and regulations relating to the administration of the Program, to determine the duration and purpose of leaves of absence which may be granted to participants without constituting a termination of their employment for the purposes of the Program, and to make all other determinations necessary or advisable for the administration of the Program. The determinations of the Committee on the matters referred to in this Section shall be conclusive. Any action of the Committee with respect to the administration of the Program shall be taken pursuant to a majority vote, or to the written consent of a majority of its members.

No member of the Committee shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to this Program or any transaction hereunder. The Company hereby agrees to indemnify each member of the Committee for all costs and expenses and, to the extent permitted by applicable law, any liability incurred by any member in connection with defending against, responding to, negotiating for the settlement of or otherwise dealing with any claim, cause of action or dispute of any kind arising in connection with the member's actions in administering this Program or authorizing or denying authorization to any transaction hereunder.

3. PARTICIPATION. Subject to the express provisions of the Program, the Committee shall determine the officers and other key employees of the Company and its subsidiaries to whom options (including options with stock appreciation rights) shall be granted, the terms and provisions of the respective option agreements (which need not be identical), the time or times at which such options and stock appreciation rights shall be granted, and the number of shares subject to each option and, where applicable, companion stock appreciation rights. An individual who has been granted an option

may, if he or she is otherwise eligible, be granted an additional option or options and, where applicable, companion stock appreciation right or rights, or stock appreciation rights on an option or options previously granted without companion stock appreciation rights, if the Committee shall so determine. Members of the Committee shall not be eligible, while members of the Committee, to receive the grant of options or stock appreciation rights under the Program.

The determinations of the Committee with respect to the granting of all options and stock appreciation rights shall be presented to the Board of Directors and grants shall not be made except upon the approval of such recommendations by the Board of Directors.

4. STOCK SUBJECT TO PROGRAM. Subject to adjustment as provided in Section B6 hereof, the stock to be offered under the Program shall be shares of the Company's authorized but unissued Common Stock, \$1 par value (hereinafter called "Common Stock"), and the aggregate amount of stock to be delivered upon exercise of all options and stock appreciation rights granted under the Program shall not exceed 2,750,000 of such shares. If any option granted pursuant to the Program shall expire or terminate for any reason without having been exercised in full, the unissued shares subject thereto shall again be available for the purposes of the Program. For purposes of determining the number of shares to charge against the maximum limitation set forth above, the exercise of a stock appreciation right shall be treated as the exercise of the portion of the companion option which is surrendered in connection with exercise of the stock appreciation right.

5. NONTRANSFERABILITY. An option or stock appreciation right granted under the Program shall, by its terms, be nontransferable by the option holder other than by will or by the laws of descent and distribution, and shall be exercisable during his or her lifetime only by him or her.

6. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION. If the outstanding shares of the Common Stock of the Company are increased, decreased, changed into, or exchanged for a different number or kind of shares or securities of the Company through reorganization, merger, recapitalization, reclassification, stock split-up or otherwise, an appropriate and proportionate adjustment shall be made in the number and kind of shares as to which options may be granted. A corresponding adjustment changing the number or kind of shares allocated to unexercised options or portions thereof, which shall have been granted prior to any such change shall likewise be made. Any such adjustment, however, in the outstanding options shall be made without change in the total price applicable to the unexercised portion of the option but with a corresponding adjustment in the price for each share covered by the option. Corresponding adjustments shall be made with respect to stock appreciation rights.

Upon the dissolution or liquidation of the Company, or upon a reorganization, merger or consolidation of the Company with one or more corporations as a result of which the outstanding shares of the Common Stock are changed into or exchanged for shares or securities of another corporation, or upon a sale of substantially all the property or stock of the Company to another corporation, and in which such other corporation (or an affiliate), if applicable, does not assume the options (with stock appreciation rights, if any) granted under the Program or substitute comparable options and rights therefor, the options (and, where applicable, companion stock appreciation rights) theretofore granted hereunder to a person who at the time of such event is an employee of the Company or one of its subsidiaries shall, subject to the approval of the majority of the disinterested directors holding office at the time of such event, become exercisable to the full extent theretofore not exercised, but in no event after the option period specified in each individual option agreement.

Adjustments under this Section shall be made by the Board of Directors of the Company, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional shares of stock shall be issued under the Program or any such adjustment. If for any reason any person becomes entitled to any interest in a fractional share, a cash payment shall be made of an equivalent value for such interest.

7. ACCELERATION UPON CHANGE IN CONTROL. Notwithstanding any other provision of the Program, if the Board of Directors determines that a Change in Control has occurred or is about to occur, the options (and where applicable companion stock appreciation rights) theretofore granted hereunder to a person who at the time of the Change in Control

is an employee of the Company or one of its subsidiaries shall become exercisable to the full extent theretofore not exercised, but in no event after the option period specified in each individual option agreement.

For purposes of this Section B.7 only, a Change in Control of the Company shall be deemed to have occurred if (A) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities; or (B) during any period of two consecutive years individuals who at the beginning of such period constitute the Board and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clauses (A) or (C) of this Subsection) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or (C) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 80% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all the Company's assets.

8. AMENDMENTS AND TERMINATION. The Board of Directors of the Company may at any time suspend, amend or terminate the Program or any part thereof and may, with the consent of an option holder, make such modifications of the terms and conditions of his or her options and, where applicable, companion stock appreciation rights, as it shall deem advisable; provided that except as permitted under the provisions of Section B6 of the Program, no amendment or modification may be adopted without further approval of the shareholders of the Company which would

- (a) increase the maximum number of shares issuable under the Program;
- (b) decrease the minimum option price;
- (c) increase the maximum term of options or stock appreciation rights provided for herein;
- (d) increase the payment to be made upon exercise of stock appreciation rights; or
- (e) permit the granting of options or stock appreciation rights to anyone other than an officer or other key employee of the Company or of a subsidiary.

Unless the Program shall be terminated by the Board of Directors, the Program shall terminate on March 3, 1996. No option or stock appreciation right may be granted during any suspension or after such termination. The amendment, suspension or termination of the Program shall not, without the consent of the option holder, alter or impair any rights or obligations under any option or stock appreciation right theretofore granted under the Program or the respective Plan.

9. PRIVILEGES OF STOCK OWNERSHIP. The holder of an option or stock appreciation right shall not be entitled to the privilege of stock ownership as to any shares of Common Stock not actually issued and delivered to him or her. Upon the exercise of an option or stock appreciation right, the option holder, if so requested by the Committee, in its discretion, shall represent to the Company that the shares purchased or issued are being acquired for investment and not with a view to the distribution thereof, and no shares shall be purchased or issued upon the exercise of any option or stock appreciation right unless and until, in the opinion of counsel for the Company, any then applicable requirements of the Securities and Exchange Commission or other regulatory agencies having jurisdiction and of any exchanges upon which stock of the Company may be listed, shall have been fully complied with.

10. SUBSIDIARY. The term "subsidiary" for the purpose of the Program means a corporation the voting stock of which is 50% or more owned directly or indirectly by the Company.

11. TAX WITHHOLDING. The Company or a subsidiary shall make such provisions as it may deem appropriate for the withholding of taxes which the Company or subsidiary determines it is required to withhold in connection with the grant or exercise of options or stock appreciation rights under the Program.

12. TIME OF GRANTING OF OPTIONS AND STOCK APPRECIATION RIGHTS. The grant of an option or stock appreciation right pursuant to the Program shall take place only upon adoption by the Board of Directors of the Company of a resolution granting such option or stock appreciation right; provided, however, that if an appropriate resolution of the Board of Directors indicates that an option or stock appreciation right is to be granted as of and at some future date, the date of grant shall be such future date.

13. EFFECTIVE DATE OF THE PROGRAM. The Program shall be effective upon approval by the holders of a majority of the Company's outstanding shares entitled to vote upon the proposal to approve the Program at the 1986 Annual Shareholders' Meeting or any adjournment thereof, or at any special meeting of shareholders called for that purpose.

C. INCENTIVE STOCK OPTION PLAN

1. GENERAL. The Incentive Plan is intended to grant options which qualify under Section 422A of the Code. Included within the Incentive Plan are the provisions specified herein as well as all of the General Program Requirements which are specifically incorporated herein by reference.

2. INCENTIVE OPTION PRICE. The purchase price of stock covered by each option under the Incentive Plan shall be determined by the Committee but shall be not less than the fair market value of such stock, as determined by the Committee, on the date the option is granted. The purchase price of any shares purchased shall be paid in full at the time of each such purchase (a) in cash or (b) to the extent permitted by the Committee, in its sole discretion, by transfer to the Company of previously acquired shares of Common Stock of the Company (valued at the fair market value on the date of exercise) or a combination of cash and previously acquired shares.

3. INCENTIVE OPTION PERIOD. Each option granted under the Incentive Plan and all rights or obligations thereunder shall be expressed to expire on such date as the Committee may determine, not later than 5 years from the date on which the option is granted, and shall be subject to earlier termination as hereinafter provided.

4. EXERCISE OF INCENTIVE OPTIONS. Each option granted under the Incentive Plan shall be exercisable, and the total number of shares subject thereto shall be purchasable, in installments, which need not be equal, to be specified in the option. The first installment shall not mature to make the shares thereof subject to purchase until at least one year after the date the option is granted. The holder of an option may exercise it in whole or in part and from time to time with respect to any installment after the maturity thereof; provided, however, that the Committee may in its discretion insert provisions in any option which cause the partial or complete expiration thereof in the event that installments or parts thereof are not exercised within specified time limitations.

5. TERMINATION OF EMPLOYMENT. If the holder of an incentive option ceases to be employed by the Company or one of its subsidiaries for any reason other than his or her death or disability, or if the option holder is employed by a subsidiary which ceases to be a subsidiary, his or her option shall expire three months after the happening of such event, unless by its terms it sooner expires, and during such period after the happening of such event shall be exercisable only to the extent that the option holder was entitled to exercise such option on the date of the happening of such event; provided, however, that if an option holder's employment is terminated for cause of which the Committee shall be the sole judge, his or her option shall expire forthwith.

6. DISABILITY OF EMPLOYEE. If the holder of an incentive option ceases to be employed by the Company or one of its subsidiaries because of his or her disability, his or her option shall expire one year after the happening of such

event, unless by its terms it sooner expires, and during such period after the happening of such event shall be exercisable only to the extent that the option holder was entitled to exercise such option on the date of the happening of such event.

7. DEATH OF EMPLOYEE. If a holder of an incentive option dies while he or she is employed by the Company or one of its subsidiaries, or within three months after the termination of such employment where such termination was not for cause or within one year after the termination of such employment where such termination was caused by his or her disability his or her option shall expire one year after the date of such death, unless by its terms it sooner expires, and during such period after such death such option may, to the extent that the option holder was entitled to exercise such option on the date of his or her death or on the date of termination of his or her employment, if such occurred first, be exercised by the person or persons to whom the option holder's rights under the option shall pass by his or her will or by the applicable laws of descent and distribution.

8. LIMITATION ON GRANT. Notwithstanding any other provisions of this Incentive Plan, the aggregate fair market value, determined as of the time the option is granted, of the stock for which any employee may be granted incentive stock options in any calendar year, under all incentive stock option plans of his or her employer corporation and its parent and subsidiary corporations, shall not exceed \$100,000 plus any unused limit carryover to such year. The unused limit carryover available to any employee in any calendar year shall be determined in accordance with the provisions of Section 422A of the Code.

9. LIMITATION ON EXERCISE. Each incentive stock option granted pursuant to this Incentive Plan by its terms shall not be exercisable while there is outstanding (within the meaning of Section 422A(c)(7) of the Code) any incentive stock option which was granted before the granting of such option, to such individual to purchase stock in his or her corporation or in a corporation which (at the time of the granting of such option) is a parent or subsidiary corporation of the employer corporation, or is a predecessor corporation of any of such corporations.

10. STOCK APPRECIATION RIGHTS. Stock Appreciation Rights may not be granted in connection with any incentive stock option granted under the Incentive Plan.

D. NONSTATUTORY STOCK OPTION PLAN

1. GENERAL. The Nonstatutory Plan is intended to grant options, with or without stock appreciation rights, which do not qualify under Section 422A of the Code. Included within the Nonstatutory Plan are the provisions specified herein as well as all of the General Program Requirements which are specifically incorporated herein by reference.

2. NONSTATUTORY OPTION PRICE. The purchase price of stock covered by each option granted under the Nonstatutory Plan shall be determined by the Committee but shall be not less than the fair market value of such stock, as determined by the Committee, on the date the option is granted. The purchase price of any shares purchased shall be paid in full at the time of each such purchase (a) in cash or (b) to the extent permitted by the Committee, in its sole discretion, by transfer to the Company of previously acquired shares of Common Stock of the Company (valued at the fair market value on the date of exercise) or a combination of cash and previously acquired shares.

3. NONSTATUTORY OPTION PERIOD. Each option granted under the Nonstatutory Plan and all rights or obligations thereunder shall be expressed to expire on such date as the Committee may determine, not later than 10 years from the date on which the option is granted, and shall be subject to earlier termination as hereinafter provided.

4. EXERCISE OF NONSTATUTORY OPTIONS. Each option granted under the Nonstatutory Plan shall be exercisable, and the total number of shares subject thereto shall be purchasable, in installments, which need not be equal, to be specified in the option. Except as otherwise determined by the Committee, the first installment shall not mature to make the shares thereof subject to purchase until at least one year after the date the option is granted. The holder of an option may exercise it in whole or in part and from time to time with respect to any installment after the maturity thereof; provided, however, that the Committee may in its discretion insert provisions in any option which cause the partial or

complete expiration thereof in the event that installments or parts thereof are not exercised within specified time limitations.

5. TERMINATION OF EMPLOYMENT. Except as otherwise determined by the Committee, if a holder of a nonstatutory option ceases to be employed by the Company or one of its subsidiaries for any reason other than death, disability or retirement under the Lockheed Salaried Employee Retirement Plan (or any plan in substitution thereof), or if the option holder is employed by a subsidiary which ceases to be a subsidiary, his or her option (and companion stock appreciation rights, if any) shall expire one year after the happening of such event, unless by its terms it sooner expires, and during such period after the happening of such event shall be exercisable only to the extent that the option holder was entitled to exercise such option on the date of the happening of such event; provided, however, that if an option holder's employment is terminated for cause, of which the Committee shall be the sole judge, his or her option (and companion stock appreciation right, if any) shall expire forthwith.

6. DEATH, DISABILITY OR RETIREMENT OF EMPLOYEE. If a holder of a nonstatutory option (i) dies while employed by the Company or one of its subsidiaries, or within one year after the termination of such employment where such termination was not for cause; (ii) becomes disabled while employed by the Company or one of its subsidiaries; or (iii) retires under the Lockheed Salaried Employee Retirement Plan (or any plan in substitution thereof), his or her option shall expire ten years from the date on which the option is granted, unless by its terms it sooner expires, and during such period after such death, disability or retirement, such option and, where applicable, stock appreciation right, shall be exercisable only to the extent that the option holder was entitled to exercise such option (and stock appreciation right, if any) on the date of his or her death, disability or retirement, or on the date of termination of his or her employment, if such occurred first. In the case of death, such option shall be exercisable by the person or persons to whom the option holder's rights under the option shall pass by his or her will or by the applicable laws of descent and distribution. Notwithstanding the foregoing, any nonstatutory option granted in consideration of the cancellation of stock appreciation rights held by an employee shall be exercisable upon the maturation of the option and remain exercisable during the term thereof irrespective of the termination of employment of the employee as a result of his or her retirement.

7. STOCK APPRECIATION RIGHTS. A stock appreciation right may be granted, in the discretion of the Board of Directors, in connection with any nonstatutory option granted under the Nonstatutory Plan, either at the time of grant of such option or at any time thereafter during the term of the option, subject to Section B7 of the Program. A stock appreciation right shall be related to a particular option ("companion option"), either an option previously granted or an option granted concurrently with the stock appreciation right, and shall extend to a specified number of shares (not in excess of 50%) subject to the companion option. The stock appreciation right shall entitle the holder (subject to the conditions and limitations set forth below), upon exercise of his or her option for a number of shares and surrender of a then exercisable portion of his or her option for up to an equivalent number of shares (subject to the maximum number of shares to which the stock appreciation right extends), to receive payment of an amount determined pursuant to subparagraph (b) of the following paragraph.

Stock appreciation rights shall be subject to the following terms and conditions and to such other terms and conditions not inconsistent with the Program as the Committee may approve:

(a) A stock appreciation right shall be exercisable by the holder (or such other person entitled to exercise the stock appreciation right under Section D6 of the Program) only at such time or times, and to the extent, that the companion option shall have been exercised for at least an equivalent number of shares. The companion option must, at the time of exercise of the stock appreciation right and after reduction for the number of shares with respect to which such option is exercised, be then exercisable for a number of shares equal to or in excess of the number of shares with respect to which the stock appreciation right is exercised.

(b) Upon exercise of the stock appreciation right and surrender of an exercisable portion of the companion option, the holder shall be entitled to receive payment of an amount (subject to Section D7(c) below) determined by multiplying

(i) the difference obtained by subtracting the option exercise price per share of Common Stock subject to the companion option from the fair market value of a share of Common Stock on the date of exercise of the stock appreciation right, by

(ii) the number of shares with respect to which the stock appreciation right is exercised.

(c) Payment of the amount determined under subparagraph (b) above generally shall be made in cash, provided, however, the Committee, in its sole discretion, may settle such stock appreciation right solely in shares of Common Stock (valued at fair market value on the date of exercise of the stock appreciation right), or partly in such shares and partly in cash, and provided further, however, that in any event cash shall be paid in lieu of fractional shares.

(d) A stock appreciation right shall in no event be exercisable unless and until six months have elapsed from the date of grant of such stock appreciation right.

(e) The Committee may, in its sole discretion, establish (at the time of grant) a maximum amount per share which will be payable upon exercise of a stock appreciation right expressed as a dollar amount or as a percentage or multiple of the option exercise price of the companion option.

(f) Notwithstanding any other provision of the Program, the Committee may impose such conditions on exercise of a stock appreciation right (including, without limitation, the right of the Committee to limit the time of exercise to specified periods) as may be required to satisfy the requirements of Rule 16b-3 (or any successor rule), under the Securities Exchange Act of 1934.

LOCKHEED CORPORATION
1982 EMPLOYEE STOCK PURCHASE PROGRAM

A. PREAMBLE

The Lockheed Corporation (the "Company") 1982 Employee Stock Purchase Program (the "Program") is comprised of two separate stock option plans (collectively referred to as the "Plans"). The first of the Plans is called the Incentive Stock Option Plan (the "Incentive Plan") and is intended to be used exclusively for the grant of options qualifying under Section 422A of the Internal Revenue Code of 1954, as amended (the "Code"). The second Plan is called the Nonstatutory Stock Option Plan (the "Nonstatutory Plan") and is intended to be used exclusively for the grant of nonstatutory options, either with or without stock appreciation rights. Both the Incentive Plan and the Nonstatutory Plan, in addition to being subject to the requirements contained within the respective Plans, are subject to the General Program Requirements specified herein and these requirements are hereby expressly made a part and incorporated into the terms of each of the Plans.

B. GENERAL PROGRAM REQUIREMENTS

1. PURPOSE. The purpose of the Program is to strengthen the Company and its subsidiaries by providing an additional means of retaining and attracting competent management personnel and by providing to participating officers and other key employees an added incentive for high levels of performance and for unusual efforts to increase the earnings of the Company.

2. ADMINISTRATION. The Program shall be administered by the Management Development and Compensation Committee of the Board of Directors of the Company (the "Committee"), which Committee shall consist of three or more members of the Board of Directors who are not eligible to receive options or stock appreciation rights under the Program and who have not been eligible, at any time within one year prior to appointment to the Committee, for selection as a person to whom stock may be allocated or to whom options or stock appreciation rights may be granted pursuant to the Program or any other plan of the Company or any of its affiliates entitling the participants therein to acquire stock, stock appreciation rights or stock options of the Company or any of its affiliates.

Subject to the express provisions of the Program and each of the Plans, the Committee shall have authority to construe and interpret the Program, and to define the terms used herein, to prescribe, amend and rescind rules and regulations relating to the administration of the Program, to determine the duration and purpose of leaves of absence which may be granted to participants without constituting a termination of their employment for the purposes of the Program, and to make all other determinations necessary or advisable for the administration of the Program. The determinations of the Committee on the matters referred to in this Section shall be conclusive. Any action of the Committee with respect to the administration of the Program shall be taken pursuant to a majority vote, or to the written consent of a majority of its members.

3. PARTICIPATION. Subject to the express provisions of the Program, the Committee shall determine the officers and other key employees of the Company and its subsidiaries to whom options (including options with stock appreciation rights) shall be granted, the terms and provisions of the respective option agreement (which need not be identical), the time or times at which such options and stock appreciation rights shall be granted, and the number of shares subject to each option and, where applicable, companion stock appreciation rights. An individual who has been granted an option may, if he or she is otherwise eligible, be granted an additional option or options and, where applicable, companion stock appreciation right or rights, or stock appreciation rights on an option or options previously granted without companion stock appreciation rights, if the Committee shall so determine. Members of the Committee shall not be eligible, while members of the Committee, to receive the grant of options or stock appreciation rights under the Program.

The determination of the Committee with respect to the granting of all options and stock appreciation rights shall be presented to the Board of Directors and grants shall not be made except upon the approval of such recommendations by the Board of Directors.

4. STOCK SUBJECT TO PROGRAM. Subject to adjustment as provided in Section B6 hereof, the stock to be offered under the Program shall be shares of the Company's authorized but unissued Common Stock, \$1 par value (hereinafter called "Common Stock"), and the aggregate amount of stock to be delivered upon exercise of all options and stock appreciation rights granted under the Program shall not exceed 1,250,000 of such shares. If any option granted pursuant to the Program shall expire or terminate for any reason without having been exercised in full, the unissued shares subject thereto shall again be available for the purposes of the Program. For purposes of determining the number of shares to charge against the maximum limitation set forth above, the exercise of a stock appreciation right shall be treated as the exercise of the portion of the companion option which is surrendered in connection with exercise of the stock appreciation right.

5. NONTRANSFERABILITY. An option or stock appreciation right granted under the Program shall, by its terms, be nontransferable by the option holder other than by will or by the laws of descent and distribution, and shall be exercisable during his or her lifetime only by him or her.

6. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION. If the outstanding shares of the Common Stock of the Company are increased, decreased, changed into, or exchanged for a different number or kind of shares or securities of the Company through reorganization, merger, recapitalization, reclassification, stock split-up or otherwise, an appropriate and proportionate adjustment shall be made in the number and kind of shares as to which options may be granted. A corresponding adjustment changing the number or kind of shares allocated to unexercised options or portions thereof, which shall have been granted prior to any such change shall likewise be made. Any such adjustment, however, in the outstanding options shall be made without change in the total price applicable to the unexercised portion of the option but with a corresponding adjustment in the price for each share covered by the option. Corresponding adjustments shall be made with respect to stock appreciation rights.

Upon the dissolution or liquidation of the Company, or upon a reorganization, merger or consolidation, of the Company with one or more corporations as a result of which the Company is not the surviving corporation, or upon a sale of substantially all the property or stock of the Company to another corporation, and the new employer corporation (or an affiliate), if applicable, does not assume the options (with stock appreciation rights, if any) granted under the Program or substitute comparable options and rights therefor, the options (and, where applicable, companion stock appreciation rights) theretofore granted hereunder shall become exercisable to the full extent theretofore not exercised, but in no event after the option period specified in each individual option agreement.

Adjustments under this Section shall be made by the Board of Directors of the Company, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional shares of stock shall be issued under the Program or any such adjustment. If for any reason any person becomes entitled to any interest in a fractional share, a cash payment shall be made of an equivalent value for such interest.

7. AMENDMENTS AND TERMINATION. The Board of Directors of the Company may at any time suspend, amend or terminate the Program or any part thereof and may, with the consent of an option holder, make such modifications of the terms and conditions of his or her options and, where applicable, companion stock appreciation rights, as it shall deem advisable; provided that except as permitted under the provisions of Section B6 of the Program, no amendment or modification may be adopted without further approval of the shareholders of the Company which would

- (a) increase the maximum number of shares issuable under the Program;
- (b) decrease the minimum option price;

- (c) increase the maximum term of options or stock appreciation rights provided for herein;
- (d) increase the payment to be made upon exercise of stock appreciation rights; or
- (e) permit the granting of options or stock appreciation rights to anyone other than an officer or other key employee of the Company or of a subsidiary.

Unless the Program shall be terminated by the Board of Directors, the Program shall terminate on February 28, 1992. No option or stock appreciation right may be granted during any suspension or after such termination. The amendment, suspension or termination of the Program or either of the Plans shall not, without the consent of the option holder, alter or impair any rights or obligations under any option or stock appreciation right theretofore granted under the Program or the respective Plan.

8. PRIVILEGES OF STOCK OWNERSHIP. The holder of an option or stock appreciation right shall not be entitled to the privilege of stock ownership as to any shares of Common Stock not actually issued and delivered to him or her. Upon the exercise of an option or stock appreciation right, the option holder, if so requested by the Committee, in its discretion, shall represent to the Company that the shares purchased or issued are being acquired for investment and not with a view to the distribution thereof, and no shares shall be purchased or issued upon the exercise of any option or stock appreciation right unless and until, in the opinion of counsel for the Company, any then applicable requirements of the Securities and Exchange Commission or other regulatory agencies having jurisdiction and of any exchanges upon which stock of the Company may be listed, shall have been fully complied with.

9. SUBSIDIARY. The term "subsidiary" for the purpose of the Program means a corporation the voting stock of which is 50% or more owned directly or indirectly by the Company.

10. TAX WITHHOLDING. The Company or a subsidiary shall make such provisions as it may deem appropriate for the withholding of taxes which the Company or subsidiary determines it is required to withhold in connection with the grant or exercise of options or stock appreciation rights under the Program.

11. TIME OF GRANTING OF OPTIONS AND STOCK APPRECIATION RIGHTS. The grant of an option or stock appreciation right pursuant to the Program shall take place only upon adoption by the Board of Directors of the Company of a resolution granting such option or stock appreciation right; provided, however, that if an appropriate resolution of the Board of Directors indicates that an option or stock appreciation right is to be granted as of and at some future date, the date of grant shall be such future date.

12. EFFECTIVE DATE OF THE PROGRAM. The Program shall be effective upon approval by the holders of a majority of the Company's outstanding shares entitled to vote upon the proposal to approve the Program at the 1982 Annual Shareholders' Meeting or any adjournment thereof, or at any special meeting of shareholders called for that purpose.

C. INCENTIVE STOCK OPTION

1. GENERAL. The Incentive Plan is intended to grant options which qualify under Section 422A of the Code. Included within the Incentive Plan are the provisions specified herein as well as all of the General Program Requirements which are specifically incorporated herein by reference.

2. INCENTIVE OPTION PRICE. The purchase price of stock covered by each option under the Incentive Plan shall be determined by the Committee but shall be not less than the fair market value of such stock, as determined by the Committee, on the date the option is granted. The purchase price of any shares purchased shall be paid in full at the time of each such purchase (a) in cash or (b) to the extent permitted by the Committee, in its sole discretion, by transfer to the Company of previously acquired shares of Common Stock of the Company (valued at the fair market value on the date of exercise) or a combination of cash and previously acquired shares.

3. INCENTIVE OPTION PERIOD. Each option granted under the Incentive Plan and all rights or obligations thereunder shall be expressed to expire on such date as the Committee may determine, not later than 5 years from the date on which the option is granted, and shall be subject to earlier termination as hereinafter provided.

4. EXERCISE OF INCENTIVE OPTIONS. Each option granted under the Incentive Plan shall be exercisable, and the total number of shares subject thereto shall be purchasable, in installments, which need not be equal, to be specified in the option. The first installment shall not mature to make the shares thereof subject to purchase until at least one year after the date the option is granted. The holder of an option may exercise it in whole or in part and from time to time with respect to any installment after the maturity thereof; provided, however, that the Committee may in its discretion insert provisions in any option which cause the partial or complete expiration thereof in the event that installments or parts thereof are not exercised within specified time limitations.

5. TERMINATION OF EMPLOYMENT. If the holder of an incentive option ceases to be employed by the Company or one of its subsidiaries for any reason other than his or her death or disability, or if the option holder is employed by a subsidiary which ceases to be a subsidiary, his or her option shall expire three months after the happening of such event, unless by its terms it sooner expires, and during such period after the happening of such event shall be exercisable only to the extent that the option holder was entitled to exercise such option on the date of the happening of such event; provided, however, that if an option holder's employment is terminated for cause of which the Committee shall be the sole judge, his or her option shall expire forthwith.

6. DISABILITY OF EMPLOYEE. If the holder of an incentive option ceases to be employed by the Company or one of its subsidiaries because of his or her disability, his or her option shall expire one year after the happening of such event, unless by its terms it sooner expires, and during such period after the happening of such event shall be exercisable only to the extent that the option holder was entitled to exercise such option on the date of the happening of such event.

7. DEATH OF EMPLOYEE. If a holder of an incentive option dies while he or she is employed by the Company or one of its subsidiaries, or within three months after the termination of such employment where such termination was not for cause or within one year after the termination of such employment where such termination was caused by his or her disability his or her option shall expire one year after the date of such death, unless by its terms it sooner expires, and during such period after such death such option may, to the extent that the option holder was entitled to exercise such option of the date of his or her death or on the date of termination of his or her employment, if such occurred first, be exercised by the person or persons to whom the option holder's rights under the option shall pass by his or her will or by the applicable laws of descent and distribution.

8. LIMITATION ON GRANT. Notwithstanding any other provisions of this Incentive Plan, the aggregate fair market value, determined as of the time the option is granted, of the stock for which any employee may be granted incentive stock options in any calendar year, under all incentive stock option plans of his or her employer corporation and its parent and subsidiary corporations, shall not exceed \$100,000 plus any unused limit carryover to such year. The unused limit carryover available to any employee in any calendar year shall be determined in accordance with the provisions of Section 422A of the Code.

9. LIMITATION ON EXERCISE. Each incentive stock option granted pursuant to this Incentive Plan by its terms shall not be exercisable while there is outstanding (within the meaning of Section 422A(c)(7) of the Code) any incentive stock option which was granted before the granting of such option, to such individual to purchase stock in his or her employer corporation or in a corporation which (at the time of the granting of such option) is a parent or subsidiary corporation of the employer corporation, or is a predecessor corporation of any of such corporations.

10. STOCK APPRECIATION RIGHTS. Stock Appreciation Rights may not be granted in connection with any incentive stock option granted under the Incentive Plan.

D. NONSTATUTORY STOCK OPTION PLAN

1. GENERAL. The Nonstatutory Plan is intended to grant options, with or without stock appreciation rights, which do not qualify under Section 422A of the Code. Included within the Nonstatutory Plan are the provisions specified herein as well as all of the General Program Requirements which are specifically incorporated herein by reference.

2. NONSTATUTORY OPTION PRICE. The purchase price of stock covered by each option granted under the Nonstatutory Plan shall be determined by the Committee but shall be not less than the fair market value of such stock, as determined by the Committee, on the date the option is granted. The purchase price of any shares purchased shall be paid in full at the time of each such purchase (a) in cash or (b) to the extent permitted by the Committee, in its sole discretion, by transfer to the Company of previously acquired shares of Common Stock of the Company (valued at the fair market value on the date of exercise) or a combination of cash and previously acquired shares.

3. NONSTATUTORY OPTION PERIOD. Each option granted under the Nonstatutory Plan and all rights or obligations thereunder shall be expressed to expire on such date as the Committee may determine, not later than 10 years from the date on which the option is granted, and shall be subject to earlier termination as hereinafter provided.

4. EXERCISE OF NONSTATUTORY OPTIONS. Each option granted under the Nonstatutory Plan shall be exercisable, and the total number of shares subject thereto shall be purchasable, in installments, which need not be equal, to be specified in the option. The first installment shall not mature to make the shares thereof subject to purchase until at least one year after the date the option is granted. The holder of an option may exercise it in whole or in part and from time to time with respect to any installment after the maturity thereof; provided, however, that the Committee may in its discretion insert provisions in any option which cause the partial or complete expiration thereof in the event that installments or parts thereof are not exercised within specified time limitations.

5. TERMINATION OF EMPLOYMENT. Except as otherwise determined by the Committee, if a holder of a nonstatutory option ceases to be employed by the Company or one of its subsidiaries for any reason other than death, disability or retirement under the Lockheed Salaried Employee Retirement Plan (or any plan in substitution thereof), or if the option holder is employed by a subsidiary which ceases to be a subsidiary, his or her option (and companion stock appreciation rights, if any) shall expire one year after the happening of such event, unless by its terms it sooner expires, and during such period after the happening of such event shall be exercisable only to the extent that the option holder was entitled to exercise such option on the date of the happening of such event; provided, however, that if an option holder's employment is terminated for cause, of which the Committee shall be the sole judge, his or her option (and companion stock appreciation right, if any) shall expire forthwith.

6. DEATH, DISABILITY OR RETIREMENT OF EMPLOYEE. If a holder of a nonstatutory option (i) dies while employed by the Company or one of its subsidiaries, or within one year after the termination of such employment where such termination was not for cause; (ii) becomes disabled while employed by the Company or one of its subsidiaries; or (iii) retires under the Lockheed Salaried Employee Retirement Plan (or any plan in substitution thereof), his or her option shall expire ten years from the date on which the option is granted, unless by its terms it sooner expires, and during such period after such death, disability or retirement, such option and, where applicable, stock appreciation right, shall be exercisable only to the extent that the option holder was entitled to exercise such option (and stock appreciation right, if any) on the date of his or her death, disability or retirement, or on the date of termination of his or her employment, if such occurred first. In the case of death, such option shall be exercisable by the person or persons to whom the option holder's rights under the option shall pass by his or her will or by the applicable laws of descent and distribution.

7. STOCK APPRECIATION RIGHTS. A stock appreciation right may be granted, in the discretion of the Board of Directors, in connection with any nonstatutory option granted under the Nonstatutory Plan, either at the time of grant of such option or at any time thereafter during the term of the option, subject to Section B7 of the

Program. A stock appreciation right shall be related to a particular option ("companion option"), either an option previously granted or an option granted concurrently with the stock appreciation right, and shall extend to a specified number of shares (not in excess of 50%) subject to the companion option. The stock appreciation right shall entitle the holder (subject to the conditions and limitations set forth below), upon exercise of his or her option for a number of shares and surrender of a then exercisable portion of his or her option for up to an equivalent number of shares (subject to the maximum number of shares to which the stock appreciation right extends), to receive payment of an amount determined pursuant to subparagraph (b) of the following paragraph.

Stock appreciation rights shall be subject to the following terms and conditions and to such other terms and conditions not inconsistent with the Program as the Committee may approve:

(a) A stock appreciation right shall be exercisable by the holder (or such other person entitled to exercise the stock appreciation right under Section D6 of the Program) only at such time or times, and to the extent, that the companion option shall have been exercised for at least an equivalent number of shares. The companion option must, at the time of exercise of the stock appreciation right and after reduction for the number of shares with respect to which such option is exercised, be then exercisable for a number of shares equal to or in excess of the number of shares with respect to which the stock appreciation right is exercised.

(b) Upon exercise of the stock appreciation right and surrender of an exercisable portion of the companion option, the holder shall be entitled to receive payment of an amount (subject to Section D7(c) below) determined by multiplying

(i) the difference obtained by subtracting the option exercise price per share of Common Stock subject to the companion option from the fair market value of a share of Common Stock on the date of exercise of the stock appreciation right, by

(ii) the number of shares with respect to which the stock appreciation right is exercised.

(c) Payment of the amount determined under subparagraph (b) above generally shall be made in cash, provided, however, the Committee, in its sole discretion, may settle such stock appreciation right solely in shares of Common Stock (valued at fair market value on the date of exercise of the stock appreciation right), or partly in such shares and partly in cash, and provided further, however, that in any event cash shall be paid in lieu of fractional shares.

(d) A stock appreciation right shall in no event be exercisable unless and until six months have elapsed from the date of grant of such stock appreciation right.

(e) The Committee may, in its sole discretion, establish (at the time of grant) a maximum amount Per share which will be payable upon exercise of a stock appreciation right, expressed as a dollar amount or as a percentage or multiple of the option exercise price of the companion option.

(f) Notwithstanding any other provision of the Program, the Committee may impose such conditions on exercise of a stock appreciation right (including, without limitation, the right of the Committee to limit the time of exercise to specified periods) as may be required to satisfy the requirements of Rule 1 6b-3 (or any successor rule), under the Securities Exchange Act of 1934.

INCENTIVE RETIREMENT BENEFIT PLAN
FOR CERTAIN EXECUTIVES OF
LOCKHEED CORPORATION

(As Amended and Restated February 6, 1995)

INCENTIVE RETIREMENT BENEFIT PLAN
FOR CERTAIN EXECUTIVES OF
LOCKHEED CORPORATION

(As Amended and Restated February 6, 1995)

ARTICLE I

PURPOSE OF THE PLAN

This plan is established for the purpose of providing a retirement benefit for certain executive employees which takes into account incentive compensation for retirement benefit purposes.

ARTICLE II

DEFINITIONS

1. PLAN -- This Incentive Retirement Benefit Plan for Certain Executive Employees.
2. BOARD OF DIRECTORS -- The Board of Directors of Lockheed Corporation.
3. COMMITTEE -- The Management Development and Compensation Committee of the Board of Directors as from time to time appointed or constituted by the Board of Directors.
4. COMPANY -- Lockheed Corporation and its subsidiaries.
5. SALARY BOARD -- The Corporate Salary Board of Lockheed Corporation.
6. RETIREMENT PLAN -- The Lockheed Retirement Plan for Certain Salaried Employees.
7. CREDITED SERVICE -- The term defined in Section 1.10 of the Retirement Plan. In the case of an employee whose service with the Company, in whole or in part, was not Credited Service under the Retirement Plan because he or she was not in a Covered Group, as defined in said plan, or because of a limitation on Credited Service under said plan, Credited Service shall be determined as though the employee were not subject to such exclusion or limitation.
8. INCENTIVE RETIREMENT BENEFIT -- The monthly benefit payable in accordance with the Plan.

9. PARTICIPANT -- A person eligible to receive a benefit under the Plan.

10. INCENTIVE PLAN -- The Management Incentive Compensation Plan (including the Deferred Management Incentive Compensation Plan) of the Company, and any incentive compensation plan of any subsidiary or affiliated corporation of Lockheed Corporation which the Salary Board determines is a corresponding incentive plan.

11. WEEKLY INCENTIVE COMPENSATION -- The award earned for any year under the Incentive Plan divided by fifty-two (52) or, for any year in which a pro-rated award is earned, the award earned divided by the number of weeks in the pro-ration period, to the extent such amount is not included in the Participant's Weekly Rate of Compensation.

12. EXCESS BASE RATE OF PAY -- The term defined in Section 1.12 of the Retirement Plan.

13. EXCESS WEEKLY COMPENSATION -- The sum of Excess Base Rate of Pay plus the Weekly Incentive Compensation, if any, for any year.

14. AVERAGE EXCESS WEEKLY COMPENSATION -- The amount obtained by dividing the sum of Excess Weekly Compensation for each of the five (5) highest consecutive years of the last ten (10) years of service with the Company by five (5).

15. WEEKLY RATE OF COMPENSATION -- The term defined in Section 1.26 of the Retirement Plan.

16. TOTAL WEEKLY COMPENSATION -- The sum of Weekly Rate of Compensation plus Weekly Incentive Compensation, if any, for any year.

17. AVERAGE WEEKLY COMPENSATION -- The amount obtained by dividing the sum of Total Weekly Compensation for each of the five (5) highest consecutive years of the last ten (10) years of service with the Company by five (5).

18. COMPENSATING PLAN -- Any deferred compensation plan or retirement plan determined by the Salary Board to have been adopted by a Lockheed company in lieu of the Retirement Plan.

19. COMPENSATING PLAN BENEFIT -- The monthly amount calculated by converting the present value of the lump sum payable under the Compensating Plan, at the time of a Participant's retirement or death, to an annuity of the same form as the benefit payable under the Plan.

20. SUPPLEMENTAL BENEFIT PLAN -- The Supplemental Benefit Plan of Lockheed Corporation.

21. ACTUARIAL EQUIVALENT -- A benefit which has the equivalent value computed using the interest rate which would be used by the Pension Benefit Guaranty Corporation to determine the present value of an immediate lump sum distribution on termination of a pension plan, as in effect on January 1 of the year in which the Participant's termination of employment occurs, and the 1983 Group Annuity Mortality Table.

ARTICLE III

ELIGIBILITY FOR PARTICIPATION

A. (1) An Employee or former employee of the Company who, on or after January 1, 1984, (1) becomes eligible to receive a benefit under the Retirement Plan or a Compensating Plan and (2) at the time of such eligibility is, or for any year during his or her last ten (10) years of service with the Company was, a participant in the Incentive Plan of the Company, will be eligible to receive an Incentive Retirement Benefit commencing on the date of the first payment of the benefit under the Retirement Plan or a Compensating Plan.

(2) An Employee or former employee of the Company who, on or after January 1, 1987, (1) becomes eligible to receive a benefit under the Retirement Plan or a Compensating Plan and (2) at the time of such eligibility is, or for any year during his or her last ten (10) years of service with the Company was, a participant in an incentive compensation plan of the Company which has not been determined to be a corresponding incentive plan, and (3) who has been specifically named by the Salary Board as a Participant, will be eligible to receive an Incentive Retirement Benefit commencing on the date of the first payment of the benefit under the Retirement Plan or a Compensating Plan. Such non-corresponding incentive plan shall be deemed to be an Incentive Plan with respect to such named Participant.

B. The surviving spouse of an employee who dies while in active employment with the Company shall be eligible to receive an Incentive Retirement Benefit if the surviving spouse is entitled to receive a surviving spouse benefit under the Retirement Plan or a Compensating Plan.

C. An employee who terminated employment with the Company prior to January 1, 1984, when eligible for a deferred retirement benefit under Section 5.03 of the Retirement Plan shall not be eligible to receive an Incentive Retirement Benefit.

ARTICLE IV

PLAN BENEFIT

A. The Incentive Retirement Benefit payable to a Participant at normal retirement age as defined in Section 1.17 of the Retirement Plan or as the result of total and permanent disability shall be determined as follows:

(1) Add (i) the amount obtained by multiplying Sixteen Dollars and Twenty-five cents (\$16.25) by the number of years of the Participant's Credited Service not in excess of thirty-five (35) years and adding thereto the amount obtained by taking One and One-half percent (1 1/2%) of the Participant's Average Excess Weekly Compensation multiplied by four and three hundred thirty-three thousandths (4.333) multiplied by the number of years of the Participant's Credited Service not in excess of thirty-five (35) years, plus (ii) the amount obtained by taking One and One-half percent (1 1/2%) of the Participant's Average Weekly Compensation multiplied by four and three hundred thirty-three thousandths (4.333) multiplied by the number of years of the Participant's Credited Service beyond thirty-five (35) years.

(2) Calculate the sum of the monthly benefit payable under the Retirement Plan, the Compensating Plan Benefit, if any, and the Supplemental Benefit Plan Benefit, if any, payable to the Participant.

(3) The Incentive Retirement Benefit shall be the amount determined in (1), above, minus the amount determined in (2), above.

B. The Incentive Retirement Benefit payable to a Participant who satisfies the Retirement Plan rules for early retirement eligibility as set forth in Section 5.02 of said plan or for a deferred monthly retirement benefit in accordance with the rules set forth in Section 5.03 of said plan, whether or not such Participant is a member of said plan, shall be calculated in accordance with the provisions of Section 6.02(A) of said plan, for early retirement, or Section 6.03 of said plan, for deferred retirement, as applied to the Incentive Retirement Benefit amount calculated in accordance with Paragraph A, above.

C. The Incentive Retirement Benefit payable to the surviving spouse of a Participant who dies while in active employment with the Company shall be calculated in the same manner as the pre-retirement surviving spouse annuity under the Retirement Plan, based upon the Incentive Retirement Benefit amount calculated in accordance with Paragraph A, above.

ARTICLE V

PAYMENT OF BENEFIT

A. Except as provided in Paragraphs B and C below and subject to the provisions of Article VI the Incentive Retirement Benefit shall be paid to the retired Participant, or to a Participant's surviving spouse, in accordance with the payment provisions applicable to the retirement benefits under the Retirement Plan, including any election made by the Participant in respect of optional post retirement annuity forms, or any other available payment provisions as stated in this Plan, in accordance with the provisions of Section 7 of the Retirement Plan.

B. In lieu of receipt of annuity payments under Paragraph A above, a Participant may elect to receive in a single lump sum payment an amount equal to the Actuarial Equivalent of his Incentive Retirement Benefit or, effective October 1, 1993, the Participant also has the option to receive a partial annuity payment in the same form as elected under the Lockheed Retirement Plan, with the balance of the benefit amount paid to him in a lump sum.

Any benefit option election must be made within the sixty (60) day period preceding retirement by following the procedure established by the administrator. Payment will be made to the Participant six (6) months following his retirement.

C. (1) A Person receiving an annuity benefit from this Plan at the time of a Change in Control shall be paid in a single lump sum within thirty (30) calendar days following such Change in Control, an amount equal to the Actuarial Equivalent of such annuity benefit. Within thirty (30) calendar days following a Change in Control a Participant who has not yet retired shall be paid in a single lump sum an amount equal to the Actuarial Equivalent of his or her Incentive Retirement Benefit, calculated as if the Participant had retired on the date of the Change in Control.

(2) For purposes of this Plan, a Change in Control of the Company shall be deemed to have occurred if

(i) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities; or (ii) during any period of two consecutive years (not including any period prior to the adoption of this Paragraph C), individuals who at the beginning of such period constitute the Board of Directors, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i) or (iii) of this Paragraph) whose election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or (iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 80% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (iv) the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

A Change in Control shall not, however, include any transaction which has been approved by individuals who at the beginning of any period of at least two consecutive years (not including any period prior to the adoption of this Paragraph C) constitute the Board of Directors and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i) or (iii) of this Paragraph) whose election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

(3) This Paragraph C shall apply only to a Change in Control of Lockheed Corporation and shall not cause lump sum payment of annuity benefits in any transaction involving the Company's sale, liquidation, merger, or other disposition of any subsidiary.

(4) This Paragraph C may be canceled or modified at any time prior to a Change in Control. In the event of a Change in Control, this Paragraph C shall remain in force and effect, and shall not be subject to cancellation or modification for a period of five (5) years, and any other provision defining a capitalized term used in Paragraph C shall, for purposes of Paragraph C, be subject to cancellation or modification during the five (5) year period.

ARTICLE VI

NONASSIGNABILITY

No rights or interests of any Participant or surviving spouse under this Plan shall be assignable, transferable or subject to anticipation, alienation, encumbrance, pledge or charge of any nature. Any attempt to take such action in violation of this Article shall be void and shall authorize the Committee, in its discretion, to forfeit all or any further right and interest in the Incentive Retirement Benefit of such Participant or surviving spouse.

ARTICLE VII

TRUST

Although the Plan is an unfunded plan, the Company has established a trust (the "Trust") pursuant to a trust agreement dated December 22, 1994 by and between the Company and J. P. Morgan California to hold assets, subject to the claims of the Company's creditors in the event of its insolvency, to pay benefits under this Plan. The Company shall no later than nine months following the close of its fiscal year make contributions to the Trust in an amount sufficient, when added to the then principal of the Trust and after consideration of benefits to be paid pursuant to other plans covered by the Trust, to equal the present value of benefits which have accrued under the Plan during the preceding fiscal year, as such amount is determined by an independent actuary.

ARTICLE VIII

ADMINISTRATION

The Plan shall be administered by the Salary Board under the general direction of the Committee. Subject to such direction, and such rules and procedures as the Committee may prescribe, the Salary Board shall have the right and discretion 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 Salary Board may deem appropriate. Any decision made by the Salary Board under the provisions of this Article shall be conclusive and binding on all parties concerned.

ARTICLE IX

AMENDMENT OR TERMINATION OF THE PLAN

Except as provided in paragraph C(4) of Article V, the Board of Directors shall have the right to amend or terminate the Plan at any time. In the event of Plan amendment or termination which has the effect of eliminating or reducing an accrued benefit under this Plan without a corresponding increase in benefits under a plan described in Paragraph B of Article IV:

1. The Incentive Retirement Benefit payable on account of a retired Participant or a surviving spouse shall not be impaired; and

2. the benefits of other Participants shall not be less than the Incentive Retirement Benefit to which each such Participant would have been entitled if he or she had retired immediately prior to such amendment or termination of the Plan. Such benefit shall be calculated in accordance with Article IV, except that for purposes of Section 6.02(A) of the Retirement Plan, the Participant's age and Credited Service at the time of termination of employment, rather than such age or service at the time of Plan amendment or termination, shall be utilized in determining the eighty-five (85) rule. For such purposes, Credited Service shall have the meaning defined in Article II.

ARTICLE X

EMPLOYMENT RIGHTS

Nothing in the Plan shall be deemed to give any person any right to remain in the employ of the Company or affect any right of the Company to terminate a person's employment.

ARTICLE XI

EFFECTIVE DATE

The Plan shall be effective January 1, 1984.

SUPPLEMENTAL RETIREMENT BENEFIT PLAN
FOR CERTAIN TRANSFERRED EMPLOYEES
OF LOCKHEED CORPORATION

(As Amended and Restated Effective February 6, 1995)

ARTICLE I

PURPOSE OF THE PLAN

This plan is established for the purpose of providing an additional retirement benefit for certain employees whose regular retirement benefits have been reduced as a result of employment service at more than one Lockheed company.

ARTICLE II

DEFINITIONS

1. BASIC RETIREMENT BENEFIT -- The monthly amount equal to the sum of a Member's Retirement Plan Benefits and Compensating Plan Benefits.
2. BOARD OF DIRECTORS -- The Board of Directors of Lockheed Corporation.
3. COMMITTEE -- The Management Development and Compensation Committee of the Board of Directors as from time to time appointed or constituted by the Board of Directors.
4. COMPANY -- Lockheed Corporation and its subsidiaries.
5. COMPENSATING PLAN -- Any deferred compensation plan or retirement benefit plan adopted by a Company in lieu of the Retirement Plan.
6. COMPENSATING PLAN BENEFITS -- The monthly amount calculated by converting the present value of Compensating Plan benefits, if any, at the time of a Member's retirement or death, to an annuity of the same form as the Member has elected under the Retirement Plan.
7. CREDITED SERVICE -- The term defined in Section 1.10 of the Retirement Plan.
8. IMPUTED CREDITED SERVICE -- The period of employment service by a Member of this Plan at a Participating Company at which no Credited Service is earned.

9. IMPUTED RETIREMENT PLAN BENEFIT -- The Retirement Plan Benefits to which a retiring Member, or a Member's surviving spouse, would be entitled if such Member's Imputed Credited Service were deemed to be years of Credited Service.

10. PARTICIPATING COMPANY -- A Lockheed Company designated by the Salary Board as a Company at which employment service of a Member shall be Imputed Credited Service.

11. PLAN -- This Supplemental Retirement Benefit Plan for Certain Transferred Employees.

12. RETIREMENT PLAN -- The Lockheed Retirement Plan for Certain Salaried Employees.

13. RETIREMENT PLAN BENEFITS -- The monthly retirement benefit amount payable under the Retirement Plan, and under the Supplemental Retirement Plan for Certain Executives of Lockheed Corporation.

14. SALARY BOARD -- The Corporate Salary Board of Lockheed Corporation.

ARTICLE III

ELIGIBILITY FOR PARTICIPATION

Those employees of the Company who

- (1) are Members of the Retirement Plan, and
- (2) are transferred to a participating Company, and
- (3) are identified by such Participating Company as a Key Employee at the time of such transfer

will be considered eligible for selection by the Salary Board for membership in the Plan. No member of the Salary Board shall be eligible for membership in the Plan.

ARTICLE IV

PLAN BENEFIT

The Supplemental Benefit payable to a retiring Member, or to the surviving spouse of a Member, shall be the monthly amount, if any, by which the Member's Basic Retirement Benefit is less than

the Imputed Retirement Plan Benefit for such Member. In lieu of receipt of monthly benefit payments as described in this Article IV, a participant may elect to receive in a single lump sum payment, an amount equal to the actuarial equivalent of his benefit payment under this plan in accordance with procedures as set forth by the Committee. The supplemental benefit amount payable to a retiring member may, effective October 1, 1993, also be elected in the form of a partial annuity payment extended in the same form as elected under the Lockheed Retirement Plan, with the balance of the benefit amount paid to him in a lump sum. Such Supplemental Benefit shall be determined and fixed as of the date of the Member's retirement or death, and shall not be subject to adjustment on account of subsequent amendment of the Retirement Plan.

ARTICLE V

PAYMENT OF BENEFIT

A. Subject to the provisions of Article VI and Article VII, the Supplemental Benefit shall be paid to the retiring Member, or to a Member's surviving spouse, in accordance with the payment provisions applicable to the retirement benefits under the Retirement Plan, including any election made by the Member under the Retirement Plan with respect to optional annuity forms, or any other benefit payment options as provided by Section 7 of the Retirement Plan.

B. (1) A Member receiving an annuity benefit from this Plan as the time of a Change in Control shall be paid in a single lump sum within thirty (30) calendar days following such Change in Control, an amount equal to the actuarial equivalent of such annuity benefit. Within thirty (30) calendar days following a Change in Control a Member who has not yet retired shall be paid in a single lump sum an amount equal to the actuarial equivalent of his or her Supplemental Benefit, calculated as if the Member had retired on the date of the Change in Control.

(2) For purposes of this Plan, a Change in Control of the Company shall be deemed to have occurred if (i) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities; or (ii) during any period of two consecutive years (not including any period prior to the adoption of this Paragraph B), individuals who at the beginning of such period constitute the Board of Directors, and any new director (other than a director

designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i) or (iii) of this Paragraph) whose election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or (iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 80% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (iv) the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

A Change in Control shall not, however, include the transaction contemplated by the Agreement and Plan of Reorganization dated as of August 29, 1994, by and among Lockheed Martin Corporation, Martin Marietta Corporation and Lockheed Corporation or any transaction which has been approved by individuals who at the beginning of any period of at least two consecutive years (not including any period prior to the adoption of this Paragraph B) constitute the Board of Directors and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i) or (iii) of this Paragraph) whose election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

(3) This Paragraph B shall apply only to a Change in Control of Lockheed Corporation and shall not cause lump sum payment of annuity benefits in any transaction involving the Company's sale, liquidation, merger, or other disposition of any subsidiary.

(4) This Paragraph B may be canceled or modified at any time prior to a Change in Control. In the event of a Change in Control, this Paragraph B shall remain in force and effect, and shall not be subject to cancellation or modification for a period of five (5) years, and any other provision defining a capitalized term used in Paragraph B shall, for purposes of Paragraph B, be subject to cancellation or modification during the five (5) year

ARTICLE VI

FORFEITURE

In the event that a retired Member has taken or permitted some act or omission resulting in damage or competitive injury to the Company, then, unless such act or omission shall have been taken or permitted in good faith without reasonable cause to believe that it was improper, or illegal, or harmful, a majority of the Committee may, in its discretion, terminate or reduce all future payments of Supplemental Benefits to such Member.

ARTICLE VII

NONASSIGNABILITY

No rights or interests of any Member or surviving spouse under this Plan shall be assignable, transferable or subject to anticipation, alienation, encumbrance, pledge or charge of any nature. Any attempt to take such action in violation of this Article shall be void and shall authorize the Committee, in its discretion, to forfeit all or any further right and interest in the Supplemental Benefit of such Member or surviving spouse.

ARTICLE VIII

TRUST

Although the Plan is an unfunded plan, the Company has established a trust (the "Trust") pursuant to a trust agreement dated December 22, 1994 by and between the Company and J. P. Morgan California to hold assets, subject to the claims of the Company's creditors in the event of its insolvency, to pay benefits under this Plan. The Company shall no later than nine months following the close of its fiscal year make contributions to the Trust in an amount sufficient, when added to the then principal of the Trust and after consideration of benefits to be paid pursuant to other plans covered by the Trust, to equal the present value of benefits which have accrued under the Plan during the preceding fiscal year, as such amount is determined by an independent actuary.

ARTICLE IX

ADMINISTRATION

The Plan shall be administered by the Salary Board under the general direction of the Committee. Subject to such direction, and such rules and procedures as the Committee may prescribe, the Salary Board 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 Salary Board may deem appropriate. Any decision made by the Salary Board under the provisions of this Article shall be conclusive and binding on all parties concerned.

ARTICLE X

AMENDMENT OR TERMINATION OF PLAN

The Board of Directors shall have the right to amend or terminate the Plan at any time or in cases where amendments are necessary to implement changes not affecting the overall functioning of the Plan; and such changes will not, in the judgment of the Lockheed Corporate Salary Board, substantially alter the nature or expense of the affected plan, then the power to amend shall also be designated to the Corporate Salary Board under guidance from counsel. In the event of Plan amendment or termination, the Supplemental Benefit payable on account of a retired or deceased Member shall not be impaired, and the benefits of other Members shall not be less than the Supplemental Benefit to which each such member would have been entitled if he or she had retired immediately prior to such amendment or termination of the Plan.

ARTICLE XI

EMPLOYMENT RIGHTS

Nothing in the Plan shall be deemed to give any person any right to remain in the employ of the Company or affect any right of the Company to terminate a person's employment.

ARTICLE XII

EFFECTIVE DATE

The Plan shall be effective January 1, 1984.

EXHIBIT 10.27

SUPPLEMENTAL BENEFIT PLAN
OF
LOCKHEED CORPORATION

(As Amended and Restated February 6, 1995)

SUPPLEMENTAL BENEFIT PLAN
OF
LOCKHEED CORPORATION

(As Amended and Restated February 6, 1995)

ARTICLE I

PURPOSE OF THE PLAN

This Plan is established to supplement the benefits of certain employees under the Lockheed Retirement Plan for Certain Salaried Employees to the extent that such benefits are reduced by the limitations on benefits imposed by Section 415 of the Internal Revenue Code. It is intended that this Plan shall be an Excess Benefit Plan as defined in Section 3(36) of the Employee Retirement Income Security Act of 1974.

ARTICLE II

DEFINITIONS

1. PLAN -- This Supplemental Benefit Plan.
2. BOARD OF DIRECTORS -- The Board of Directors of Lockheed Corporation.
3. CODE -- The Internal Revenue Code of 1986, as amended.
4. COMMITTEE -- The Management Development and Compensation Committee of the Board of Directors as from time to time appointed or constituted by the Board of Directors.
5. COMPANY -- Lockheed Corporation and its Subsidiaries.
6. PARTICIPANT -- Any employee participating in the Plan in accordance with its terms.
7. RETIREMENT PLAN -- The Lockheed Retirement Plan for Certain Salaried Employees.
8. SUPPLEMENTAL BENEFIT -- The monthly benefit payable in accordance with the Plan.
9. ACTUARIAL EQUIVALENT -- A benefit which has the equivalent value computed using the interest rate which would be

used by the Pension Benefit Guaranty Corporation to determine the present value of an immediate lump sum distribution on termination of a pension plan, as in effect on January 1 of the year in which the Participant's termination of employment occurs, and the 1983 Group Annuity Mortality Table.

ARTICLE III

ELIGIBILITY FOR PARTICIPATION

Those employees of the Company who are members of the Retirement Plan and whose benefits thereunder are affected by the limitation on benefits imposed by Section 415 of the Code or who, prior to August 29, 1994, entered into a Termination Benefits Agreement with Lockheed Corporation, shall be eligible to participate in the Plan. No member of the Committee shall be eligible for participation in the Plan.

ARTICLE IV

PLAN BENEFITS

A. The Supplemental Benefit which each Participant shall be entitled to receive under this Plan shall be the difference between the actual benefits of such Participant under the Retirement Plan and the benefits that would have been payable under the Plan except for the limitations on benefits imposed by Section 415 of the Code, as provided in Section 10.01 of the Retirement Plan, plus any additional benefits to which the Participant becomes entitled pursuant to Section 6(a) of his or her Termination Benefits Agreement on account of the merger of Lockheed Corporation contemplated by the Agreement and Plan of Reorganization dated as of August 29, 1994, by and among Lockheed Martin Corporation, Martin Marietta Corporation, and Lockheed Corporation.

B. Except as provided in Paragraphs C and D below, the benefits payable under this Plan shall be payable to the Participant or to any other person who is receiving or entitled to receive benefits with respect to the Participant under the Retirement Plan, and shall be paid in the same form, at the same times and for the same period as benefits are paid with respect to the Participant under the Retirement Plan.

C. In lieu of receipt of the annuity payments under Paragraph B above, a Participant may elect to receive in a single lump sum payment an amount equal to the Actuarial Equivalent of his Supplemental Benefit. Effective October 1, 1993, a Participant also has the option to receive a partial annuity

payment, in the same form as elected under the Lockheed Retirement Plan with the balance of the benefit amount paid to him in a lump sum payment. Any election must be made within the sixty (60) day period preceding retirement by following the procedure established by the administrator. Payment will be made to the Participant six (6) months following his retirement.

D. (1) A Person receiving an annuity benefit from this Plan at the time of a Change in Control shall be paid in a single lump sum within thirty (30) calendar days following such Change in Control, an amount equal to the Actuarial Equivalent of such annuity benefit. Within thirty (30) calendar days following a Change in Control a Participant who has not yet retired shall be paid in a single lump sum an amount equal to the Actuarial Equivalent of his or her Supplemental Benefit, calculated as if the Participant had retired on the date of the Change in Control.

(2) For purposes of this Plan, a Change in Control of the Company shall be deemed to have occurred if (i) any "person", as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities; or (ii) during any period of two consecutive years (not including any period prior to the adoption of this Paragraph D), individuals who at the beginning of such period constitute the Board of Directors, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i) or (iii) of this Paragraph) whose election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or (iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 80% of the combined voting power of the voting securities of the Company or such

surviving entity outstanding immediately after such merger or consolidation or (iv) the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

A Change in Control shall not, however, include any transaction which has been approved by individuals who at the beginning of any period of at least two consecutive years (not including any period prior to the adoption of this Paragraph D) constitute the Board of Directors and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i) or (iii) of this Paragraph) whose election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

(3) This Paragraph D shall apply only to a Change in Control of Lockheed Corporation and shall not cause lump sum payment of annuity benefits in any transaction involving the Company's sale, liquidation, merger, or other disposition of any subsidiary.

(4) This Paragraph D may be canceled or modified at any time prior to a Change in Control. In the event of a Change in Control, this Paragraph D shall remain in force and effect, and shall not be subject to cancellation or modification for a period of five (5) years, and any provision defining a capitalized term used in Paragraph D shall, for purposes of Paragraph D, be subject to cancellation or modification during the five (5) year period.

ARTICLE V

TRUST

Although the Plan is an unfunded plan, the Company has established a trust (the "Trust") pursuant to a trust agreement dated December 22, 1994 by and between the Company and J. P. Morgan California to hold assets, subject to the claims of the Company's creditors in the event of its insolvency, to pay benefits under this Plan. The Company shall no later than nine months following the close of its fiscal year make contributions to the Trust in an amount sufficient, when added to the then principal of the Trust and after consideration of benefits to be

paid pursuant to other plans covered by the Trust, to equal the present value of benefits which have accrued under the Plan during the preceding fiscal year, as such amount is determined by an independent actuary.

ARTICLE VI

ADMINISTRATION

The Plan shall be administered under the direction of the Committee. The Committee shall have the right and discretion 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.

ARTICLE VII

AMENDMENT OR TERMINATION OF PLAN

Except as provided in Paragraph D(4) of Article IV, the Board of Directors shall have the right to amend or terminate the Plan at any time. In the event of Plan amendment or termination, a Participant's benefits under the Plan shall not be less than the Plan benefits to which the Participant would have been entitled if the Participant had retired immediately prior to such amendment or termination of the Plan.

ARTICLE VIII

EMPLOYMENT RIGHTS

Nothing in the Plan shall be deemed to give any person any right to remain in the employ of the Company or affect any right of the Company to terminate a person's employment.

ARTICLE IX

EFFECTIVE DATE

The Plan shall be effective with respect to the plan years of the Retirement Plan commencing on and after December 25, 1982.

Effective March 15, 1995

LONG-TERM PERFORMANCE PLAN
of
LOCKHEED CORPORATION
AND ITS SUBSIDIARIES

ARTICLE I

PURPOSE OF THE PLAN

This plan is established to provide further incentive to certain executive employees to promote the achievement of long-term strategic goals of Lockheed Corporation by providing extra compensation based upon the achievement of such goals as measured over three-year performance cycles, with the following intent:

1. To encourage teamwork and interorganizational cooperation among Participants in order to maximize the accomplishment of corporate-wide objectives; and
2. To focus each Participant's efforts on actions and decisions calculated to generate shareholder value over a sustained period of time.

ARTICLE II
DEFINITIONS

1. BEGINNING MARKET VALUE -- The median of the daily closing New York Stock Exchange prices for a company's common stock for the month of December in the year preceding the year in which the Performance Cycle begins.
2. BOARD OF DIRECTORS -- The Board of Directors of Lockheed Corporation.
3. COMMITTEE -- The Management Development and Compensation Committee of the Board of Directors as from time to time appointed or constituted by the Board of Directors.

4. COMPANY -- Lockheed Corporation and its Subsidiaries. It shall also mean Lockheed-Martin Corporation provided the merger contemplated by the agreement and Plan of Reorganization ("the Merger Agreement"), dated August 29, 1994, closes. (the "Merger")

5. EMPLOYEE -- Any person who is employed by the Company and who is a participant in the Lockheed Management Incentive Compensation Plan.

6. ENDING MARKET VALUE -- The median of the daily closing New York Stock Exchange prices for a company's common stock for the month of December in the year in which the Performance Cycle ends.

7. PARTICIPANT -- Any Employee selected to participate in the Plan in accordance with its terms.

8. PERFORMANCE CYCLE -- A three-year period commencing on a January 1 of any year on and after January 1, 1986 and no later than January 1, 1994.

9. PLAN - This Long-Term Performance Plan.

10. TARGET AWARD -- The product of a Participant's Target Award Level and such Participant's Total Base Salary.

11. TARGET AWARD LEVEL -- A percentage of Total Base Salary set by the Committee for each Participant for each Performance Cycle which shall be twenty percent (Level A), sixteen percent (Level B), twelve percent (Level C) or eight percent (Level D).

12. TOTAL BASE SALARY -- The cumulative base salary paid to a Participant during a Performance Cycle, which shall not include any incentive compensation, commissions, overtime payments, indirect payments, retroactive payments not affecting the base salary or not applicable to a year of such Performance Cycle, and any other payments of compensation of any kind.

ARTICLE III ELIGIBILITY FOR PARTICIPATION

Those Employees whose functions and responsibilities have a direct and significant influence on the profitability and growth

of the Company over a sustained period will be considered eligible for selection for participation in the Plan for any particular Performance Cycle. Participants shall be those selected by the Committee for the January 1993 and 1994 cycles. No members of the Committee shall be eligible for participation in the Plan.

ARTICLE IV
PARTICIPANT AWARDS

1. ESTABLISHMENT OF PERFORMANCE CRITERIA. For each Performance Cycle, the Committee will adopt a set of two award factor schedules for the purpose of measuring Company performance and translating such performance into an award percentage for that Performance Cycle. The award factor schedules will measure:

- A. The Company's absolute percentage gain in total shareholder value over the Performance Cycle as compared to an absolute percentage target ("Lockheed Factor").
- B. The Company's gain in total shareholder value over the Performance Cycle as compared to the gain in total shareholder value of a peer group of companies over the same time period ("Peer Group Factor").

2. PERFORMANCE CRITERIA AND MEASUREMENT. Performance criteria and measurement shall be in accordance with the following principles:

- A. Lockheed Factor
The Lockheed Factor schedule for each Performance Cycle will be constructed to measure the actual percentage increase in the Company's total shareholder value during the Performance Cycle against a target percentage increase in total shareholder value selected by the Committee. The percentage change in total shareholder value during a Performance Cycle will be measured by comparing the Beginning Market Value of the Company's common stock to its Ending Market Value, and making appropriate adjustments for cash dividends, stock splits, and similar occurrences during the Performance

Cycle. Calculations of the actual percentage increase in the Company's total shareholder value will be rounded to the nearest one-tenth of one percent. Lockheed's value will be adjusted for the 1.63 conversion factor set forth in the Merger Agreement between Lockheed and Martin Marietta Corporation (MMC). After adjustment the value for purposes of calculations under this Plan shall be the Lockheed-Martin share price.

B. Peer Group Factor

The Peer Group Factor schedule for each Performance Cycle will be constructed to measure the Company's gain in total shareholder value over the Performance Cycle against the gain in total shareholder value attained over the same time period by a peer group of aerospace competitors.

(1.) Peer Group: The aerospace peer group for the 1992-1994 Performance Cycle consists of: General Dynamics, Grumman, Martin Marietta, McDonnell Douglas, Northrop, Raytheon, Rockwell, and Loral. The aerospace peer group for subsequent Performance Cycles will be listed on the applicable Peer Group Factor schedule. The Grumman and Martin Marietta portions of the peer group shall be equally redistributed to the remaining numbers of the peer group as follows:

- o For Grumman, as of April 15, 1994, by using the closing price as of that date.
- o For Martin Marietta, as of March 15, 1995, by using the closing price on that date.

(2.) Calculation of Gain in Total Shareholder Value: The gain in total shareholder value over the Performance Cycle for the Company, and for the aerospace peer group, will be calculated on the basis of two phantom stock portfolios. On the

first day of each Performance Cycle a fictional investment of \$100 million will be made in each of the following, based upon the Beginning Market Value of the respective stocks:

- (a) Lockheed Corporation common stock; and
- (b) A portfolio comprised of the common stock of the companies in the aerospace peer group.

The investment in the portfolio of peer company stocks under (2) will be equally divided among each of the companies of the group, except that the Committee may adjust such proportion at its discretion in order to achieve a more balanced weighting of investments in individual companies. Any such adjustment will be indicated on the applicable Peer Group Factor schedule for the Performance Cycle to which it applies. Any "cash dividend paid" on a stock in either of the portfolios will be deemed to be immediately reinvested in the underlying stock.

At the end of each Performance Cycle, the final market value of the Company portfolio will be divided by the final market value of the aerospace peer group portfolio to determine the Company's gain in total shareholder value during the Performance Cycle relative to the peer group's gain. The final market value of a portfolio will be based upon the Ending Market Values of the common stocks in the portfolio.

C. There is established an Accounting Council for the purpose of assisting the Committee in managing the operation of the Plan. Such Council shall consist of the following officers of the Company, or their delegates:

- Vice President & Controller
- Vice President & Treasurer
- Vice President-Internal Audit

The Council is authorized to establish uniform definitions and interpretations of terms and concepts, and to establish appropriate methods for and make calculations as necessary for the measurement of performance under the Plan. Items not clearly identified on, or determinable from, a company's financial records shall be determined by the Council. All such actions by the Council shall be in accordance with generally accepted accounting and financial principles, and duly recorded in writing.

D. The performance measurement calculations under the award factor schedules shall be audited by the Company's internal audit staff and subject to review by the Company's independent auditor.

3. CALCULATION OF AWARDS.

A. A Participant's Award shall be the percent of Target Award earned, based on the absolute gain in total shareholder value for the Performance Cycle (as determined from the Lockheed Factor schedule), multiplied by a factor based on Company total shareholder value relative to shareholder total value of the aerospace peer group (as determined by the Peer Group Factor schedule).

B. The award calculated in 3.A above shall be reduced by any payment made to a Participant Long Term Performance Plan on February 7, 1995 as a result of terminating the predecessor.

C. The maximum Award to any Participant may not exceed 200% of the Participant's Target Award.

ARTICLE V
ELIGIBILITY FOR AWARD/PRO-RATION OF AWARD

Except as otherwise provided in this Article, a Participant must be an Employee on the last day of a Performance Cycle in

order to be eligible to receive an Award for that Performance Cycle. If a Participant ceases to be an Employee during a Performance Cycle for reasons of retirement under a Company retirement plan, disability or death, such Participant, or Participant's designated beneficiary, shall be eligible to receive an Award for such Performance Cycle which shall be prorated according to the length of employment within such three-year period. Awards shall likewise be prorated for those Employees who become Participants during a Performance Cycle, or who cease to be a Participant during a Performance Cycle and continue to be employed by the Company.

ARTICLE VI
PAYMENT OF AWARD

1. GENERAL RULE. The amount of each Participant's Award shall be paid to such Participant in cash during the second quarter of the year following the end of the Performance Cycle for which the Award is made or on a deferred basis as determined by the Committee.

Such determination as to deferred payments shall be governed by the Committee's judgment as to the time or times of payment best serving the interests of the Company. Deferred payments shall be made pursuant to such terms and conditions as may be determined or provided for by the Committee, only to Participants who continue in the employ of the Company or are retired under a retirement plan approved by the Board of Directors, or to the estates of, or beneficiaries designated by, Participants who shall have died while in such employ or after such retirement. In the event of termination of employment by a Participant for any reason other than such retirement or death, then such Participant or his estate or his beneficiary or beneficiaries shall after such termination receive a distribution or distributions, if any, the amount (not in excess of the unpaid

deferred payments) and time of which shall be determined or provided for by the Committee.

2. VOLUNTARY DEFERRAL. The amount of each Participant's Award which has not been deferred by the Committee pursuant to paragraph 1 above will be paid to such Participant in cash during the second quarter of the year following the end of the Performance Cycle for which the Award is made, unless the Participant has made a valid irrevocable election to defer such payment. Such election shall be made during the first year of a Performance Cycle, with respect to the payment of any Participant's Award for that Performance Cycle. Deferral elections pursuant to this paragraph 2 shall otherwise be subject to the same rules and requirements for deferrals under the Company's Deferred Management Incentive Compensation Plan ("DMICP"). Any Awards so defined shall no longer be subject to the terms of this Plan but shall thereafter be subject to the DMICP, as amended from time to time. For purposes of administering the DMICP the Award shall be deemed "Incentive Compensation" and any deferred Award shall be deemed "Deferred Compensation".

ARTICLE VII
NONASSIGNABILITY

No rights or interests of any participant or surviving spouse under this Plan shall be assignable, transferable or subject to anticipation, alienation, encumbrance, pledge or charge of any nature. Any attempt to take such action in violation of this Article shall be void and shall authorize the Committee, in its discretion, to forfeit all or any further right and interest in the Plan of such Participant or surviving spouse.

ARTICLE VIII
FUNDING

The Plan shall be unfunded, and Awards hereunder shall be paid only from the general assets of the Company.

ARTICLE IX
ADMINISTRATION

The Plan shall be administered under the direction of the Committee. The Committee shall have the right and discretion to construe the Plan, to interpret any provision thereof, to make rules and regulations relating to the Plan, to require audits of the operations and calculations made under 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.

ARTICLE X
EMPLOYMENT RIGHTS

Nothing in the Plan shall be deemed to give any person any right to remain in the employ of the Company or affect any right of the Company to terminate a person's employment.

ARTICLE XI
EFFECTIVE DATE

The Plan shall apply to 1993 and 1994 performance cycles of the predecessor Plan as amended February 7, 1994.

AMENDED AND RESTATED
SUPPLEMENTAL SAVINGS PLAN
OF
LOCKHEED CORPORATION

(As amended February 6, 1995)

ARTICLE I

PURPOSE OF THE PLAN

This Plan is established to supplement the benefits of certain employees under the Lockheed Salaried Employees Savings Plan Plus ("Savings Plan") whose benefits are reduced by (1) the limitation on Annual Additions under Code Section 415 and (2) the compensation limit under Code Section 401(a)(17). It is intended that this Plan shall be an Excess Benefit Plan as defined in Section 3 (36) of the Employee Retirement Income Security Act of 1974.

The terms and definitions used in the Savings Plan are incorporated by reference in this Plan unless superseded by this Plan's terms.

ARTICLE II

DEFINITIONS

1. PLAN -- Supplemental Savings Plan of Lockheed Corporation.
2. ANNUAL ADDITION -- The term defined in Section 5.02(c)(1) of the Savings Plan.
3. BOARD OF DIRECTORS -- The Board of Directors of Lockheed Corporation.
4. CODE -- The Internal Revenue Code of 1986, as amended from time to time.
5. COMMITTEE -- The Management Development and Compensation Committee of the Board of Directors appointed by the Board of Directors.
6. CORPORATION -- Lockheed Corporation and its Subsidiaries.

7. PARTICIPANT -- Any employee who meets the Article III eligibility requirements.

8. SAVINGS PLAN -- The Lockheed Salaried Employees Savings Plan Plus.

9. EXCESS SAVINGS AMOUNT -- The amount a Participant specifies to be credited to the Participant's Account in lieu of paying such amount to the Participant in cash, in accordance with the Participant's election to defer such payment.

ARTICLE III

ELIGIBILITY FOR PARTICIPATION

Employees of the Corporation who are Participants in the Savings Plan and (1) whose benefits in that Plan are affected by (a) the Annual Additions limitation of Code Section 415 or (b) the Code Section 401(a) (17) compensation limit, or (2) who, prior to August 29, 1994, entered into a Termination Benefits Agreement with Lockheed Corporation, may participate in the Plan. No member of the Committee shall be eligible to participate in the Plan.

ARTICLE IV

PLAN BENEFITS

Each Participant shall be entitled to receive a benefit under this Plan which is the difference between the Participant's benefit under the Savings Plan and the approximate benefits that would have been payable under that Plan except for (1) the limitations on Annual Additions to a Participant's Account under Code Section 415, as provided in Section 5.02 of the Savings Plan, and/or (2) the Elective Deferral limitation of Code Section 402(g), and/or the compensation limit under Code Section 401(a)(17). In addition, if a Participant becomes entitled to the benefits described in Section 6(c) of his or her Termination Benefits Agreement on account of the merger of Lockheed Corporation contemplated by the Agreement and Plan of Reorganization, dated as of August 29, 1994, by and among Lockheed Martin Corporation, Martin Marietta Corporation, and Lockheed Corporation, such benefits shall be paid at the same time and in the same manner as the other benefits payable under this Plan.

ARTICLE V

EXCESS SAVINGS AMOUNT

1. An eligible employee may become a Participant by Filing With the Committee documents specifying the Excess Savings Amount to be deducted from his wages and credited to his Participant's Account. The Excess Savings Amount deducted and credited shall be equal to the difference between the percentage requested by the Participant on the election form in accordance with Section 3 of the Savings Plan and

- (a) the Participant's actual Elective Deferral Percentage under the Savings Plan as limited by the Annual Additions limit, or
- (b) the Participant's actual Elective Deferral Percentage under the Savings Plan as limited by the Code Section 402(g) Elective Deferral limit, or
- (c) the Code Section 401(a)(17) compensation limit.

2. Such amount shall be effective coincident with the effective date of the Participant's Elective Deferral under the Savings Plan, and shall be irrevocable for that Plan Year.

ARTICLE VI

PARTICIPANT'S ACCOUNT

A separate Participant's Account shall be maintained for each Participant which shall show in dollars (1) the Excess Savings Amount specified by the Participant and (2) the corresponding Corporation Matching Contributions, and in terms of Units, (3) the portion of the Participant's Account in the Bond Fund, the Securities Fund, and/or the short term investment fund ("STIF Fund") (the "Funds"). The Units shall be valued in accordance with the procedures followed in the Savings Plan.

ARTICLE VII

CORPORATION MATCHING CONTRIBUTION

When the Participant's Excess Savings Amounts are credited to his Participant's Account, the Corporation will contribute for

credit to the account an amount equal to sixty percent (60%) of such Excess Savings Amounts. The Corporation Matching Contribution, when added to the Corporation Matching Contribution made under the Savings Plan, shall not exceed four and eight tenths percent (4.8%) of the Participant's Weekly Rate of Compensation.

ARTICLE VIII

ALLOCATION SPECIFICATIONS

1. Upon becoming a Participant, the Participant shall elect to have the value of the amount equal to the sum of (1) the Participant's Excess Savings Amount and (2) the Corporation Matching Contributions credited to his Participant's Account allocated to the Funds by Filing With The Committee. The election shall specify the percent of the total allocation in twenty five percent (25%) increments following the procedures established under the Savings Plan. A Participant may change the investment specifications and have the value of all Units credited to his Participant's Account reallocated in accordance with the procedures established under the Savings Plan.

ARTICLE IX

PAYMENT OF BENEFITS

1. A Participant shall receive a cash payment in an amount equal to the dollar value of the Units in his Participant's Account coincident with or immediately following the date of Termination of Employment for any of the reasons set forth in Section 8.01 of the Savings Plan. Upon termination of employment for any other reason, a Participant shall receive a cash payment in an amount equal to the sum of the following:

(a) Amount of Payment

(1) The dollar value of the Units in his Participant's Account credited to the Weekly Excess Savings Amounts; and

(2) The vested portion of the dollar value of the Units in his Participant's Account which were credited to Corporation Matching Contributions. The vested portion of Corporation Matching Contributions shall be determined in accordance with the following:

Years of Service -----	Vested Percent -----
Less than 2 years	0%
2 years	25%
3 years	50%
4 years	75%
5 years or more	100%

(3) When a Participant Terminates Employment for reasons other than those set forth in Section 8.01 of the Savings Plan, the Participant shall forfeit all Units credited to the Participant's Account to which he is not entitled as a benefit under the provisions of this Article IX, and the Participant shall have no further rights in those Units.

(b) Payment Options

(1) When an eligible employee becomes a Participant, he shall File with the Committee an election for the method of payment of benefits, as provided in paragraph (b)(2) of this Article IX. The election shall be irrevocable, and is applicable to the entire amount of the Participant's Account. However, a Participant may petition the Committee at any time prior to one year before his retirement to request a change in the method of payment described in paragraph (b)(2) of this Article IX, which the Committee, at its sole discretion, may grant.

(2) A Participant may elect, in lieu of a cash payment, that the total number of Units in his Account be paid to him in five (5), ten (10), fifteen (15), or twenty (20) equal annual installments beginning on the last day of the month following the month in which the Participant's employment has been terminated. The dollar amount of each payment shall be equal to the dollar value of the Units to be paid in the installment, determined on the Valuation Date immediately preceding the date payment is due. When a Participant dies before payments begin, the Participant's method of payment election shall cease and his beneficiary shall receive a lump sum payment. When a Participant dies on or after payments begin but before payment of the entire amount due him, the dollar value of the remaining balance of the Units in the Participant's Account shall be paid in a lump sum to the Participant's beneficiary. The dollar value of the lump sum payment shall be determined on the Valuation Date immediately following the Participant's date of death. Election of the method of payment must be made in writing by Filing With the Committee when the Participant begins participation in the Plan. The election shall be irrevocable, as provided in Article V.

(c) Immediate Payout Upon Change in Control

(1) Notwithstanding any other provision of the Plan, all amounts accumulated and unpaid in each Participant's Account, as

determined in paragraph (a) of this Article IX, shall be paid in a single lump sum within fifteen (15) calendar days following a Change in Control. Paragraph (b) of this Article IX regarding Payment Options shall not apply to payments under this paragraph (c) and any elections made thereunder shall be void.

(2) For purposes of this Plan, a Change in Control of the Company shall be deemed to have occurred if (i) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or (ii) during any period of two (2) consecutive years (not including any period prior to the adoption of this paragraph (c)), individuals who at the beginning of such period constitute the Board of Directors, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i) or (iii) of this paragraph) whose election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or (iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least eighty percent (80%) of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (iv) the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

(3) A Change in Control shall not, however, include any transaction which has been approved by individuals who at the beginning of any period of at least two (2) consecutive years (not including any period prior to the adoption of this paragraph (c)) constitute the Board of Directors, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i) or (iii)) whose election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who

either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

(4) This paragraph (c) shall apply only to a Change in Control of Lockheed Corporation and shall not cause immediate payout of any Participant's Account in any transaction involving the Company's sale, liquidation, merger, or other disposition of any subsidiary.

(5) The Board of Directors may cancel or modify this paragraph (c) at any time prior to a Change in Control. In the event of a Change in Control, this paragraph (c) shall remain in force and effect, and shall not be subject to cancellation or modification for a period of five (5) years, and any other provision defining a capitalized term used in this paragraph (c) shall not, for purposes of this paragraph (c), be subject to cancellation or modification during the five year period.

ARTICLE X

TRUST

Although the Plan is an unfunded plan, the Corporation has established a trust (the "Trust") pursuant to a trust agreement dated December 22, 1994 by and between the Corporation and J. P. Morgan California to hold assets, subject to the claims of the Corporation's creditors in the event of its insolvency, to pay benefits under this Plan. The Corporation shall no later than nine months following the close of its fiscal year make contributions to the Trust in an amount sufficient, when added to the then principal of the Trust and after consideration of benefits to be paid pursuant to other plans covered by the Trust, to equal the present value of benefits which have accrued under the Plan during the preceding fiscal year.

ARTICLE XI

ADMINISTRATION

The Plan shall be administered by the Committee or in cases where amendments are necessary to implement changes not affecting the overall functioning of the Plan; and such changes will not, in the judgment of the Lockheed Corporate Salary Board, substantially alter the nature or expense of the affected plan, then the power to amend shall also be designated to the Corporate Salary Board under guidance from counsel. 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.

ARTICLE XII

AMENDMENT OR TERMINATION OF THE PLAN

The Board of Directors and/or the Corporate Salary Board shall have the right to amend or terminate the Plan at any time. When Plan is amended or terminated, a Participant's plan benefits shall not be less than the Plan benefits to which the Participant would have been entitled if the Participant had retired immediately prior to the amendment or termination.

ARTICLE XIII

EMPLOYMENT RIGHTS

Nothing in the Plan shall be deemed to give any person any right to remain an employee of the Corporation or affect any right of the Corporation to terminate a person's employment.

ARTICLE XIV

EFFECTIVE DATE

The effective date of the Plan is January 1, 1984.

DEFERRED COMPENSATION PLAN
FOR DIRECTORS
OF
LOCKHEED CORPORATION

(As Amended effective February 6, 1995)

ARTICLE I

PURPOSE OF THE PLAN

The purpose of the Deferred Compensation Plan for Directors (the "Plan") is to provide additional benefits for Directors of Lockheed Corporation following termination of service as a Director. All deferrals under this Plan shall cease upon the combination of Lockheed Corporation and Martin Marietta Corporation contemplated by the Agreement and Plan of Reorganization, dated as of August 29, 1994 and as amended from time to time, by and among Lockheed Corporation, Martin Marietta Corporation and Lockheed Martin Corporation.

ARTICLE II

DEFINITIONS

Unless the context clearly indicates otherwise, the following words and phrases shall have the meanings hereinafter indicated:

1. ACCOUNT -- A Participant's Stock Retainer Account, Cash Account and/or Elective Stock Account. Accounts are unfunded obligations of the Company.
2. ANNUAL CASH RETAINER -- The annual retainer fee to which a Director is entitled for service on the Board of Directors and which is payable in cash.
3. ANNUAL STOCK RETAINER -- The annual fee of \$5,000 to which an outside Director is entitled for service on the Board of Directors and which is credited to the Participant's Stock Retainer Account on October 1 of each year ending in an odd number and on November 15 in each year ending in an even number. The Annual Stock Retainer for a new Director shall be credited to his or her Stock Retainer Account on the first day of the month following the date such Director is first elected or otherwise begins service on the Board of Directors.

4. BOARD OF DIRECTORS -- The Board of Directors of Lockheed Corporation.
5. CASH ACCOUNT -- The bookkeeping account maintained for each Participant that is credited with (1) Deferred Cash Compensation and (2) interest imputed pursuant to Section 3(b) of Article VII.
6. COMMITTEE -- The Management Development and Compensation Committee of the Board of Directors as is, from time to time, appointed or constituted by the Board of Directors, or such other committee that the Board of Directors may from time to time appoint to administer this Plan.
7. COMPANY -- Lockheed Corporation and its successors.
8. CASH COMPENSATION -- The Annual Cash Retainer and the Meeting Fees to which an outside Director is entitled for service on the Board of Directors.
9. CREDITING DATE -- The first day in any month.
10. DEFERRED COMPENSATION -- The portion of Cash Compensation which a Participant elects to defer and the Participant's Annual Stock Retainer.
11. DISTRIBUTION SUBACCOUNTS -- Subaccounts of a Participant's Accounts which shall be established to separately account for Deferred Compensation, and interest or earnings thereon, which are subject to different payout period elections.
12. DIRECTOR -- A member of the Board of Directors.
13. ELECTIVE STOCK ACCOUNT -- The bookkeeping account maintained for each Participant that is credited with (1) the Cash Compensation which a Participant elected prior to the 1994 Plan Year to defer and invest in Stock and (2) earnings credited thereto pursuant to Section 4 of Article VII.
14. LOCKHEED MARTIN BOARD -- The Board of Directors of Lockheed Martin Corporation.
15. MEETING FEES -- The monetary amounts to which a Director is entitled for attending meetings of the Board of Directors, or a committee thereof.
16. PARTICIPANT -- Each Director who is credited with an Annual Stock Retainer and any Director who elects to defer Cash Compensation in accordance with the Plan.
17. PAYMENT ELIGIBILITY DATE -- With respect to Elective Stock

Accounts and Cash Accounts, the date on which a Participant attains the age of 65 years, or ceases to be a Director, whichever is later. With respect to Stock Retainer Accounts, the date on which a Participant ceases to be a Director. For purposes of the definition of Payment Eligibility Date under this Plan, the date on which a Participant ceases to be a Director shall, for any Participant who may serve on the Lockheed Martin Board, be the date the Participant ceases to be a member of the Lockheed Martin Board.

18. PLAN -- This Deferred Compensation Plan for Directors, as amended from time to time.
19. PLAN YEAR -- The twelve (12) month period beginning on January 1 and ending on the next succeeding December 31.
20. SECRETARY -- The Secretary of the Company or his or her designee.
21. STOCK -- Common stock of the Company until exchanged for common stock of Lockheed Martin Corporation and, thereafter, common stock of Lockheed Martin Corporation.
22. STOCK ACQUISITION PERIOD -- In Plan Years ending in an even number, the Stock Acquisition Period shall be the period beginning December 1 and ending December 15, inclusive. In Plan Years ending in an odd number, the Stock Acquisition Period shall be the period beginning October 16 and ending October 31, inclusive.
23. STOCK RETAINER ACCOUNT -- The bookkeeping account maintained for each Participant that is credited with (1) the Participant's Annual Stock Retainer and (2) earnings credited thereto pursuant to Section 4 of Article VII.
24. TRUST -- The irrevocable grantor trust which is established to acquire and hold the shares of Stock allocated to each Participant's Elective Stock Account and/or Stock Retainer Account and under which the assets are subject to the claims of the Company's creditors.
25. TRUSTEE -- The Trustee or Trustees, whether original or successor, appointed under the Trust.

ARTICLE III
PARTICIPATION

A Director shall become a Participant in the Plan (i) automatically when the Director's Annual Stock Retainer is credited to his or her Stock Retainer Account pursuant to Article IV or (ii) by electing to defer all or a portion of Cash Compensation. An election under clause (ii) shall be made by filing with the Secretary a "Director's Deferral Election Form" which complies with the requirements of Articles V and VI.

ARTICLE IV

AUTOMATIC DEFERRAL OF ANNUAL STOCK RETAINER

Any Annual Stock Retainer to which a Director is entitled during the Plan Year shall not be immediately payable to such Director but shall be deferred automatically, without any action on the part of the Director, and credited to the Participant's Stock Retainer Account.

ARTICLE V

ELECTION TO DEFER CASH COMPENSATION

1. Election. On or before December 15 of each year, a Director may elect to defer Cash Compensation for the ensuing Plan Year. Such election shall specify

- a. The percentage of each payment of Annual Cash Retainer to be deferred, and/or
- b. The percentage of each payment of Meeting Fees to be deferred.

2. Election by New Directors. A Director who is first elected during a Plan Year may elect to defer Cash Compensation for the remainder of that Plan Year by filing such election within 30 days of becoming a Director. Such election shall be effective for all Cash Compensation for that Plan Year which is earned after the election is filed with the Secretary.

3. Effect of Annual Election. The annual election made by a Participant in regard to Cash Compensation for any Plan Year shall be irrevocable with respect to such year. However, such election shall not be binding with respect to Cash Compensation attributable to any succeeding Plan Year. A separate election must be filed for each Plan Year.

ARTICLE VI

PAYOUT PERIOD ELECTIONS

1. Methods of Payout. Payments under the Plan shall be made in accordance with the options elected by the Participant. The following options are available:

- a. A single lump sum payment of the amounts credited through the first Crediting Date following the Participant's Payment Eligibility Date, payable as of such Crediting Date.
- b. Approximately equal annual installments over a period of either, 5, 10, 15 or 20 years of the amounts credited to a Participant's Account, commencing with the first Crediting Date following the Participant's Payment Eligibility Date.

2. Payout Period Election. Coincident with an election under Article V, a Participant in the Plan shall irrevocably elect one of the above methods of payment with respect to all Deferred Compensation for the ensuing Plan Year. A Participant who does not elect to defer any Cash Compensation for the ensuing Plan Year shall nevertheless, on or before December 15 of each year, make an irrevocable election of one of the above methods of payment with respect to the Annual Stock Retainer for the ensuing Plan Year. A Director who is first elected during a Plan Year and who does not elect to defer any Cash Compensation for the remainder of that Plan Year shall nevertheless, within 30 days of becoming a Director, make an irrevocable election of one of the above methods of payment with respect to the Annual Stock Retainer for that Plan Year. If a Participant fails to elect a payment method with regard to the Annual Stock Retainer for any Plan Year, the Participant shall be deemed to have elected the single sum payment option for that Plan Year.

The payout period election made by a Participant for one Plan Year shall not be binding with respect to Deferred Compensation for any succeeding Plan Year. Thus, for example, a Participant may irrevocably elect a lump sum payment for Deferred Compensation for one Plan Year and a ten-year installment payment method for Deferred Compensation the succeeding Plan Year.

ARTICLE VII

PARTICIPANT ACCOUNTS

1. General. A Stock Retainer Account, Cash Account and Elective Stock Account shall be maintained for each Participant. Each such Account shall consist of such Distribution Subaccounts as necessary to account for the amounts payable under the various distribution options elected by the Participant.

2. Stock Balance and Cash Balance Under the Elective Stock Account and Stock Retainer Account. Each Participant's Elective Stock Account and Stock Retainer Account shall consist of a Stock Balance and a Cash Balance. The Cash Balance in each such Account shall reflect the amount of the Participant's Deferred Compensation which has been allocated to the Account, but which has not yet been exchanged for an allocation of shares of Stock. The Stock Balance in the Elective Stock Account and in the Stock Retainer Account shall reflect the number of shares of Stock which have been allocated to the Account pursuant to the provisions of this Plan.

3. Allocations to Cash Account. There shall be credited to each Participant's Cash Account as of each Crediting Date, the following amounts:

- a. The portion of Cash Compensation which the Participant has elected to defer and be allocated to the Participant's Cash Account and which has not previously been credited to either the Participant's Cash Account or Elective Stock Account.
- b. Imputed interest for the period since the previous Crediting Date, calculated on such previous Cash Account balance at the current rate of interest specified and published by the Secretary of the Treasury pursuant to Public Law 92-41, 85 Stat. 97.

4. Allocations to Elective Stock Account and Stock Retainer Account.

- a. Initial Allocation to Cash Balance in Elective Stock Account. There shall be credited to the Cash Balance in each Participant's Elective Stock Account as of each Crediting Date, the following amounts:
 - 1) The amount of any dividend paid since the preceding Crediting Date with respect to one share of Stock multiplied by the number of shares of Stock which were allocated to the Participant's Elective Stock Account on the date such dividend was paid; and

- 2) Any interest or other earnings on cash invested by the Trustee pursuant to paragraph (c) below and which has not previously been credited to the Participant's Elective Stock Account.
- b. Initial Allocation to Cash Balance in Stock Retainer Account. There shall be credited to the Cash Balance in each Participant's Stock Retainer Account as of each Crediting Date, the following amounts:
- 1) Any Annual Stock Retainer to which the Participant is entitled and which has not previously been credited to the Participant's Stock Retainer Account; and
 - 2) The amount of any dividend paid since the preceding Crediting Date with respect to one share of Stock multiplied by the number of shares of Stock which were allocated to the Participant's Stock Retainer Account on the date such dividend was paid.
 - 3) Any interest or other earnings on cash invested by the Trustee pursuant to paragraph (c) below and which has not previously been credited to the Participant's Stock Retainer Account.
- c. Acquisition of Stock. Within ten business days following each Crediting Date, the Company shall deliver to the Trustee cash equal to the Deferred Compensation credited to the Participant's Cash Balances under paragraph (b)(1) above. The Trustee shall invest such cash, along with any cash dividends received by the Trustee and credited to the Participant's Cash Balances under paragraphs (a)(1) and (b)(2) above, as provided in the Trust agreement. During the next Stock Acquisition Period the Trustee shall purchase, on the open market, the maximum number of whole shares of Stock that can be purchased with the amount allocated to the Participant's Cash Balances. Commissions and other expenses of purchasing Stock shall be deemed to be part of the purchase price for such Stock.
- d. Allocation of Stock. Upon the Trustee's purchase of Stock described in paragraph (c) above, the Stock Balance in the Participant's Elective Stock Account and/or Stock Retainer Account, as appropriate, shall be credited with the number of shares of Stock so acquired by the Trustee, and the Participant's Cash Balance in the appropriate Account shall be debited by an amount

equal to the purchase price paid by the Trustee for such shares of Stock.

- e. Stock Dividends and Stock Splits. Whenever the Stock is subject to a split, stock dividend, reverse stock split, recapitalization, or like change, the number of shares of Stock allocated to each Participant's Elective Stock Account and/or Stock Retainer Account shall be adjusted accordingly.

5. Termination of the Trust.

In the event the Trust is terminated at a time when any amounts are allocated to a Participant's Elective Stock Account or Stock Retainer Account, then, notwithstanding any payment option elected by the Participant, (i) the Cash Balances in the Participant's Stock Accounts and (ii) the number of whole shares of Stock allocated to the Participant's Stock Accounts shall be distributed to the Participant as soon as practicable following the Termination Date. Fractional shares of Stock shall be paid in cash.

6. Voting; Tender Offers.

- a. Voting. The Trustee shall independently vote the shares held under the Trust.
- b. Tender Offers. In the event of any transaction which is evidenced by the filing of a Statement on Schedule 14D-1 with the Securities and Exchange Commission or in the event of any other similar transaction (a "Tender Offer"), then the Trustee shall seek confidential written instructions from each Participant as to whether the Stock credited to the Participant's Accounts should be tendered. If a Participant does not submit instructions, the Participant shall be deemed to have elected not to have such shares tendered. The Trustee shall tender or not tender the Stock in accordance with the Participant's elections. If a Participant directs that any shares allocated to his or her Elective Stock Account or Stock Retainer Account be tendered, then the Participant's Elective Stock Account or Stock Retainer Account, as appropriate, shall be debited by the number of shares tendered and an amount equal to the proceeds received in exchange for those shares shall be credited to the Participant's Cash Account.

ARTICLE VIII

DISTRIBUTIONS

1. Time and Amount of Distribution. Each Participant shall be entitled to receive a distribution of benefits under this Plan as soon as practicable following the Participant's Payment Eligibility Date. The distribution payable to a Participant shall be the amount of cash and the number of whole shares of Stock allocated to the Participant's Accounts as of the Participant's Payment Eligibility Date; provided, however, that if any portion of the distribution is made in installments, then amounts remaining credited to the Participant's Accounts shall continue to be credited with interest and/or dividend additions until distributed. Fractional shares of Stock shall be paid in cash.
2. Form of Distribution. Benefits shall be distributed in accordance with the Participant's elections pursuant to Article VI.
3. Discretionary Exceptions.
 - a. In the event that a Participant ceases to be a Director (or, if a member of the Lockheed Martin Board, ceases to be a member of that board) prior to age 65, the Committee may, in its sole discretion, determine that such Participant's Elective Stock Account and Cash Account be paid out in the manner elected by such Participant, but commencing at a date earlier than such Participant's Payment Eligibility Date, provided that if any such decision would subject the Participant to liability under Section 16(b) of the Securities Exchange Act of 1934, as amended, such decision shall be subject to the consent of the Participant or his or her designated beneficiaries;
 - b. In the event that a Participant dies prior to the Participant's Payment Eligibility Date, the Committee has the discretion to disregard any payout period elections the Participant has made and to aggregate and pay over to such Participant's designated beneficiary the balance of such Participant's Accounts through the last Crediting Date preceding such payment; and
 - c. In the event that a Participant dies following the commencement of payout on an installment basis, the

Committee may, in its sole discretion, aggregate and vary the number and amount of installments for the remaining payout, if any, to the designated beneficiary of such Participant.

4. To Whom Payments are to be Made. Each payment under the Plan shall be made to the Participant, except that, in the event of the Participant's death, payments will thereafter be made to the beneficiary or beneficiaries whom the Participant has designated on the "Lockheed Beneficiary Designation Form," Form 22-B, as filed with the Secretary. If no such beneficiary has been designated, or the designated beneficiary fails to survive the Participant, then such post-death payments shall be made in accordance with the law of the Participant's domicile at the date of death.

5. Special Payout Period. In the event that the Plan is amended, modified, suspended or terminated, the Committee may, at its option, direct a special five-year payout of all amounts accumulated and unpaid in each Participant's Account hereunder, provided that it deems this to be in the best interests of the Company. In this event, all amounts accumulated and unpaid in each Participant's Account will continue to be credited with interest and/or dividends, as specified in Article VII, throughout the special payout period. If no such special payout is directed, each Participant's Account shall continue to be credited with interest and/or dividend additions until paid out in full under the provisions of the Plan.

6. Involuntary Termination of Director Status. Notwithstanding any other provision of this Plan, in the event a Participant's status as a Director or as a member of the Lockheed Martin Board is involuntarily terminated other than by death, within 15 calendar days following such involuntary change in status all amounts accumulated and unpaid in such Participant's Cash Account shall be paid in a single lump sum and all shares of Stock in such Participant's Stock Accounts shall be distributed. Section 5 of this Article VIII regarding a special five year Payout Period shall not apply to payments under this Section 6.

7. Accelerated Payout. Notwithstanding any other provision of this Plan, a Participant may at any time elect that all or any portion of the accumulated and unpaid amounts credited to his or her Cash Account be paid in a lump sum as soon as practicable following the filing of such election with the Secretary; provided, however, that only 90% of the amount otherwise payable to the Participant upon such accelerated payout shall be paid to the Participant. The remaining 10% of the amount otherwise payable shall be permanently forfeited and shall not be paid to, or in respect of, the Participant.

ARTICLE IX
ADMINISTRATION

1. Appointment and Removal of Committee. The Plan shall be administered by the Committee. The Board of Directors shall have the power to remove any member of the Committee at any time, with or without cause, and fill any vacancy in its membership.
2. Powers and Duties of Committee. The Committee shall have such powers and duties as are conferred on it by the Plan and the Board of Directors. The Committee shall have the authority to take any and all actions that it deems necessary or appropriate in the administration of the Plan. The Committee may adopt such rules and procedures for the administration of the Plan as it deems advisable to implement such rules and procedures. The Committee shall act at meetings by affirmative vote of a majority of the members of the Committee. Any action permitted to be taken at a meeting may be taken without a meeting if, prior to such action, a written consent to the action is signed by all members of the Committee and such written consent is filed with the minutes of the proceedings of the Committee.
3. Construction and Interpretation. The Committee shall have the full discretion to construe and interpret the terms and provisions of the Plan and all determinations made by the Committee shall be final. It is the intent of the Company that the Plan satisfy and be interpreted and administered in a manner that in the case of Participants who administer other stock-based incentive plans of the Company satisfies the applicable requirements for disinterested administration of such other plans under applicable provisions of SEC Rule 16b-3.
4. Reliance Upon Information. The Committee and the Board of Directors may rely upon any information supplied to them by any officer of the Company, the Company's legal counsel or by the Company's independent public accountants in connection with the administration of the Plan, and shall not be liable for any decision or action in reliance thereon.
5. Expenses. All expenses of the administration of the Plan shall be borne by the Company, except to the extent commissions and other expenses related to Stock acquisitions and dispositions are charged against Participant Accounts in accordance with other provisions of the Plan.

6. Annual Statement. Under procedures to be established by the Committee, a Participant shall receive an annual statement with respect to such Participant's Accounts.

ARTICLE X

MISCELLANEOUS

1. Rights and Interests. No rights or interests under this Plan shall be assignable, transferable or subject to encumbrance, pledge or charge of any nature, except that a Participant may designate a beneficiary to receive any benefits arising hereunder upon such Participant's death.

No Participant shall have any right or interest in the Plan or any benefits hereunder unless and until all of the terms, conditions and provisions of the Plan that affect the Participant shall have been complied with as herein specified. Additionally, the Participant shall complete such forms and furnish such information as the Committee may require in the administration of the Plan.

2. Withholding. There shall be deducted from each payment made under the Plan all taxes which are required to be withheld by the Company or Trustee in respect to such payment. The Company and Trustee shall have the right to reduce any payment by the amount sufficient to provide the amount of said taxes.

3. Trust Related to Cash Accounts. Although the Plan is an unfunded plan, the Company has established a trust (the "Cash Accounts Trust") pursuant to a trust agreement dated December 22, 1994 by and between the Company and J. P. Morgan California to hold assets, subject to the claims of the Company's creditors in the event of its insolvency, to pay benefits under the Cash Accounts under this Plan. The Company shall no later than nine months following the close of its fiscal year make contributions to the Cash Accounts Trust in an amount sufficient, when added to the then principal of the Cash Accounts Trust and after consideration of benefits to be paid pursuant to other plans covered by the Cash Accounts Trust, to equal the present value of benefits which have accrued under the Cash Accounts during the preceding fiscal year.

4. Amendment, Modification, Suspension or Termination. The Committee may amend, modify, suspend or terminate the Plan in whole or in part, except that no amendment, modification, suspension or termination shall reduce any amounts allocated previously to a Participant's Accounts, or to be credited in the

future based on amounts previously credited to a Participant, subject to Section 7 of Article VIII, provided that any amendment to or change in the Plan adopted by the Committee, which will either significantly increase any benefits under the Plan or will substantially alter the general principles of the Plan, shall not become effective unless ratified by the Board of Directors.

5. Governing Law. The place of administration of the Plan shall be conclusively deemed to be within the State of California; and the validity, construction, interpretation and effect of the Plan and all rights of any and all persons having or claiming any interest in such Plan shall be governed by the laws of the State of California.

ARTICLE XI

EFFECTIVE DATE

The Plan shall be applicable to and shall be effective as to Compensation for Plan Years commencing on and after January 1, 1989.

The first Annual Stock Retainer will be credited to Participant Accounts on October 1, 1993. Each Participant shall make a payout period election with respect to this Annual Stock Retainer on or before December 15, 1993; which payout event shall in no event be earlier than six months after the election.

LOCKHEED CORPORATION

RETIREMENT PLAN FOR DIRECTORS

EFFECTIVE JANUARY 1, 1987

AS AMENDED FEBRUARY 6, 1995

I. Purpose

The purpose of this plan shall be to provide recognition and retirement compensation to eligible members of the Board of Directors ("Board") of Lockheed Corporation ("Company") to facilitate the Company's ability to attract, retain, and reward members of its Board.

II. Eligibility

Eligibility in this plan shall be limited to members of the Board who are not employees of the Company who have at least five years of total service on the Board as a director, and who resign or retire from the Board in good standing.

III. Amount of Benefit

Each eligible director shall be entitled to an annual retirement benefit which shall be equal to the annual retainer fee for directors as in effect at the time of the eligible director's resignation or retirement. For purposes of this calculation the annual retainer fee shall include any annual amount automatically deposited in a trust for the purpose of purchasing the Corporation's stock in accordance with the Deferred Compensation Plan for Directors of Lockheed Corporation. This benefit shall be paid either monthly or in one lump sum, as provided in Article IV. No additional amount shall be paid for service on any of the committees of the Board, nor shall interest be paid on these amounts.

IV. Commencement and Duration of Benefits

A. Monthly Payments.

Unless a lump sum payment is elected pursuant to paragraph B, benefit payments will begin on the first day of the month on or after the date on which an eligible director leaves the Board provided the director is at least age 65. An eligible director who leaves the Board prior to age 65 shall begin receiving benefit payments on the first day of the month following the month in which the director turns 65. Benefits

will be paid on the first day of each month thereafter and will be paid for a period equal to the number of years that the eligible director served as an outside director of the Company, provided such director, or spouse thereof, survives for such period. Fractional years of service will be rounded up to the next higher whole year. In no event shall the payment period exceed twenty (20) years. Upon the death of the eligible director, any remaining retirement benefits under this plan will be paid to his or her spouse according to the same payment schedule as set forth above. If there is no spouse living at the time of death of the eligible director, no further payments will be made.

B. Lump Sum Payment Option. In lieu of receipt of monthly payments under paragraph A above, an eligible director may irrevocably elect to receive in a single lump sum payment an amount which is the actuarial equivalent of the monthly benefits described in paragraph A. The actuarial equivalent shall be computed using the interest rate which is one percent (1%) above the rate which would be used by the Pension Benefit Guaranty Corporation to determine the present value of an immediate lump sum distribution on termination of a pension plan, as in effect on January 1 of the year in which monthly payments would otherwise begin under this Plan, and the Lockheed Mortality Tables. The election must be made within the sixty (60) day period preceding the later of the director's retirement from the Board or attainment of age sixty five (65), by filing a written election with the Company's Vice President of Human Resources. Payment will be made to the eligible director six (6) months following the date monthly payments would otherwise begin pursuant to paragraph A.

If a director who elects a lump sum payment should die after leaving the Board but before the lump sum payment date, the lump sum benefit will be paid on the lump sum payment date to the director's spouse. If the spouse is not living on the lump sum payment date, no payment will be made.

C. Death While a Board Member.

If the eligible director should die while still a Board member, the spouse will receive 100% of the benefit to which the director would have been entitled had the director resigned on the date he or she died. Monthly payments will commence to the spouse on the earlier of the date on which the eligible director would have become entitled to receive payments, or on the first day of the month following the month the spouse attains age 65, but in no event earlier than the first day of the third month following the director's death. In lieu of receiving monthly payments, the surviving spouse may irrevocably elect within sixty (60) days of the director's death to receive an

actuarially equivalent lump sum payment, calculated in accordance with paragraph B, payable six (6) months after the date monthly payments to the spouse would otherwise begin. If the spouse is not living at the time benefits become payable, no payment will be made.

D. Involuntary Termination of Director Status. If an eligible director's status as a Member of the Board is involuntarily terminated other than by death, either before or after age 65, within thirty (30) calendar days following such involuntary change in status there shall be paid to such director an actuarially equivalent lump sum payment, calculated in accordance with paragraph B, of the Director's retirement benefit.

V. Administration

The Salary Board of the Company, or the Vice President of Human Resources, if authorized to act on its behalf, shall have full and final authority to interpret this plan to make determinations which they believe advisable for the administration of the plan, to approve ministerial changes or amendments to the plan, to interpret plan provisions, and to approve changes as may from time to time be required by law or regulation. All decisions and determinations by the Salary Board shall be final and binding upon all parties.

If any person entitled to payments under this plan is, in the opinion of the Salary Board or its designee, incapacitated and unable to use such payments in his or her own best interest, the Salary Board or its designee may direct that payments (or any portion) be made to that person's legal guardian or conservator, or that person's spouse, as an alternative to the payment to the person unable to use the payments. The Salary Board or its designee shall have no obligation to supervise the use of such payments, and court-appointed guardianship or conservatorship may be required.

This Plan shall be governed by the laws of the State of Delaware.

VI TRUST

Although the Plan is an unfunded plan, the Company has established a trust (the "Trust") pursuant to a trust agreement dated December 22, 1994 by and between the Company and J. P. Morgan California to hold assets, subject to the claims of the Company's creditors in the event of its insolvency, to pay benefits under this Plan. The Company shall no later than nine months following the close of its fiscal year make contributions

to the Trust in an amount sufficient, when added to the then principal of the Trust and after consideration of benefits to be paid pursuant to other plans covered by the Trust, to equal the present value of benefits which have accrued under the Plan during the preceding fiscal year, as such amount is determined by an independent actuary.

VII AMENDMENT OR TERMINATION OF PLAN

The Board of Directors shall have the right to amend or terminate this Plan at any time. In the event of Plan amendment or termination, the Plan benefit payable on account of a retired or deceased director shall not be impaired, and the Plan benefit of other directors shall not be less than the benefit to which each such director would have been entitled if he or she had retired immediately prior to such amendment or termination of the Plan.

TRUST AGREEMENT

TRUST AGREEMENT (the "Trust"), as amended February 3, 1995, by and between Lockheed Corporation, a Delaware corporation (the "Corporation"), and First Interstate Bank of California, a California state banking association (the "Trustee").

WHEREAS, the Corporation or one or more of its Subsidiaries is or may become obligated under certain individual Termination Benefits Agreements (collectively, the "Agreements" and individually, the "Agreement") entered into with the executives listed on Exhibit I (collectively, the "Executives" and individually, the "Executive") to make specified payments to or on behalf of such Executives; and

WHEREAS, pursuant to the Agreements, the Corporation has agreed to pay certain of the legal fees and expenses incurred by any of the Executives in contesting or disputing his termination of employment following a "Change in Control of the Corporation" (as defined herein) or in seeking to obtain or enforce any right or benefit provided by the Agreements; and

WHEREAS, the Corporation has determined that, with respect to the benefit plans listed in Exhibit II (collectively the "Plans" and individually, the "Plan"), it would be appropriate and desirable to pay certain of the legal fees and expenses incurred in seeking to obtain or enforce any right or benefit under such Plans by any of the participants who, at the time of a Change in Control of the Corporation are, or will be

entitled to receive benefits under the Plans (collectively the "Participants" and individually, the "Participant");"

WHEREAS, the aforesaid obligations of the Corporation are not funded or otherwise secured, and the Corporation has agreed, to the extent practicable, to assure that the future payment of said obligations will not be improperly withheld in the event that a Change in Control of the Corporation should occur; and

WHEREAS, for purposes of assuring that payment of obligations with respect to the Agreements and payment of the legal fees and expenses referred to above will not be improperly withheld, the Corporation desires to deposit with the Trustee, subject only to the claims of the Corporation's existing or future creditors, amounts of cash, marketable securities or letter of credit sufficient to fund all or a portion of such payments as they may become due and payable;

WHEREAS, this Corporation has entered into a separate trust agreement, dated December 22, 1994, with J.P. Morgan California to hold, subject to the claims of the Corporation's creditors in the event of the Corporation's insolvency, assets to provide benefits under the plans listed in Appendix A thereto which are the same plans as those listed on Exhibit II;

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

THE AGREEMENTS AND PLANS

SECTION 1.01 Agreements. The agreements subject to this Trust shall consist of those Agreements listed on Exhibit I hereto.

SECTION 1.02 The Plans. The plans subject to this Trust shall consist of those Plans listed on Exhibit II hereto.

SECTION 1.03 Executives and Participants. The executives subject to this Trust shall be those Executives listed on Exhibit I hereto, and the participants subject to this Trust shall be those Participants listed on Exhibit III hereto.

SECTION 1.04 Effect of Trust. Nothing herein contained shall affect the Corporation's or any Subsidiary's obligation to make all payments required under the terms of the Agreements and the Plans, including, but not by way of limitation, the obligation to pay all benefits to which the Executives and Participants are or may become entitled under such Agreements and Plans and all legal fees and expenses incurred by the Executives in pursuing their rights under the Agreements, in addition to such of those obligations, fees and expenses as may be funded through this Trust. Distributions made from the Trust to Executives and Participants in respect of the Agreements and Plans pursuant to Section 4.02 hereof shall satisfy the Corporation's and Subsidiaries' obligations to pay such benefits, fees and expenses to such Executives and Participants under such Agreements and Plans to the extent, but only to the extent, of such distributions.

ARTICLE II

TRUST AND THE TRUST CORPUS

SECTION 2.01 Delivery of Funds.

(a) Concurrently with the execution of this Trust, the Corporation is delivering to the Trustee to be held in trust hereunder the sum of seven million five hundred thousand dollars (\$7,500,000) in cash (or marketable securities having a fair market value equal to such amount, or a letter of credit having a fair market value equal to such amount, or some combination thereof) of which two million five hundred thousand dollars (\$2,500,000) shall be allocated to Account B hereunder and five million dollars (\$5,000,000) shall be allocated to Account C hereunder and administered and disposed of by the Trustee as provided herein.

(b) Not later than seven (7) business days after the occurrence of a Potential Change in Control of the Corporation (as defined in Article III hereof) or as soon as practicable thereafter, the Corporation shall deliver to the Trustee to be held in trust hereunder an additional amount of cash (or marketable securities having a fair market value equal to such amount, or a letter of credit having a fair market value equal to such amount, or some combination thereof) representing the sum of the amounts, determined as provided in subsection (d) below, and such other amounts as may be necessary for expenses and other costs of maintaining the Trust as determined by the Board of Directors of the Corporation (collectively, the "Required Funding Amount"). Notwithstanding the foregoing, the

amount required to be delivered to the Trustee under this subsection (b) pursuant to subsection (d)(ii) below shall be reduced by the amount of cash and the value (determined as of the date of such Potential Change in Control) of property previously delivered to the Trustee pursuant to subsection (a) of this Section 2.01.

(c) In the event of a Potential Change in Control of the Corporation, the Corporation shall, at six-month intervals commencing from the date of such Potential Change in Control, unless the Trust Corpus shall theretofore have been released pursuant to Article IV hereof, recalculate the Required Funding Amount as of the end of the month immediately preceding such six-month interval date treating the Potential Change in Control as having occurred at the end of such month. If the amount so calculated exceeds the fair market value of the assets then held in trust, the Corporation shall promptly (and in no event later than seven (7) business days from the date of such six-month interval date) pay to the Trustee, an amount in cash, marketable securities, letter of credit, or any combination thereof, equal to such excess. If the Required Funding Amount so calculated is less than the fair market value of the assets held in trust, the Trustee, upon receipt of a written request from the Corporation, shall distribute to the Corporation such difference in cash or, if applicable, shall reduce the amount of the letter of credit; provided, however, that such distribution or reduction shall only be permitted prior to the occurrence of a Change in Control.

(d) The Required Funding Amount shall be equal to the total of the amounts required for funding the following three accounts:

(i) Account A shall require an amount equal to \$20,000,000 to provide for the cash payment of the benefits specified in the Agreements to each Executive (other than reimbursement for legal fees and expenses incurred in pursuing his rights under the Agreement).

(ii) Account B shall require an amount equal to \$2,500,000, which shall be available only to satisfy the obligation under the Agreements to pay the legal fees and expenses incurred by the Executives in pursuing their rights under the Agreements (the "Legal Fund - Agreements").

(iii) Account C shall require an amount equal to \$5,000,000, which shall be available only to satisfy the Corporation's obligation under Section 4.02(e) hereof to pay the legal fees and expenses incurred by the Participants in pursuing their rights under the Plans (the "Legal Fund - Plans").

(e) The payments by the Corporation to the Trustee pursuant to Sections 2.01(b) and (c) hereof shall be accompanied by the payment schedule required by Section 4.02(a) hereof.

SECTION 2.02 Trust Corpus. (a) As used herein, the term "Trust Corpus" shall mean the amounts delivered to the Trustee as described in Section 2.01(a) hereof plus all amounts delivered thereafter pursuant to Sections 2.01(b) and (c) hereof (and less such amounts distributed from the Trust pursuant to

Sections 2.01(c), 4.02 and 4.03 hereof or otherwise pursuant to the terms hereof), in whatever form held or invested as provided herein. The Trust Corpus (except for any portion delivered to the Trustee in the form of a letter of credit) shall be held, invested and reinvested by the Trustee only in accordance with this Section 2.02. The Trustee may, in its discretion, commingle the portions of the Trust Corpus allocated to Accounts A, B and C for investment purposes. The Trustee shall use its good faith efforts to invest or reinvest from time to time all or such part of the Trust Corpus as it believes prudent under the circumstances (except for any portion delivered to the Trustee in the form of a letter of credit) (taking into account, among other things, anticipated cash requirements for the payment of benefits under the Agreement and Plans) in either one or a combination of the following investments:

(i) investments in direct obligations of the United States of America or agencies of the United States of America or obligations unconditionally and fully guaranteed as to principal and interest by the United States of America, or in units or shares of mutual funds thereof in each case maturing within one (1) year or less from the date of acquisition; or

(ii) investments in negotiable certificates of deposit (in each case maturing within one (1) year or less from the date of acquisition) issued by a commercial bank organized and existing under the laws of the United States of America or any state thereof having a combined capital and surplus of at least one billion dollars (\$1,000,000,000);

provided, however, that the Trustee shall not be liable for any failure to maximize the income earned on that portion of the Trust Corpus as is from time to time invested or reinvested as set forth above, nor for any loss of income due to liquidation of

any investment which the Trustee, in its sole discretion, believes necessary to make payments or to reimburse expenses under the terms of this Trust.

(b) The Trust is intended to be a grantor trust within the meaning of section 671 of the Internal Revenue Code of 1986, as amended (the "Code"), and except as hereinafter provided, all interest and other income earned on the investment of the Trust Corpus shall be the property of the Corporation and shall not constitute a part of the Trust Corpus. The interest and other income earned in any calendar year on amounts held in the Trust shall be paid over to the Corporation by the Trustee as promptly as practicable after the end of each calendar year or, in the event a Potential Change in Control has occurred, after the first recalculation date under Section 2.01(c) hereof occurring after the end of each calendar year. The amount of such interest or other income payable to the Corporation under this Section shall be reduced by the amount required to be delivered by the Corporation to the Trustee under Section 2.01(c) and only the excess, if any, shall be paid to the Corporation.

(c) All losses of income or principal in respect of, and expenses (including, as provided in Section 5.01(g) hereof, any expenses of the Trustee) charged against, the Trust Corpus shall be for the account of the Corporation and the Corporation shall be obligated to promptly reimburse the Trust Corpus for any loss in principal amount of, or expense charged against, the Trust Corpus except to the extent that such amounts

have been applied to reduce amounts payable to the Corporation pursuant to Section 2.01(c) or 2.02(b) hereof.

ARTICLE III

CHANGE IN CONTROL

SECTION 3.01 Definition of Potential Change in Control. For purposes of this Trust, a Potential Change in Control of the Corporation shall be deemed to have occurred if (i) the Corporation enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Corporation; (ii) any "person" (as such term is used in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including the Corporation, publicly announces an intention to take actions which, if consummated, would constitute a Change in Control of the Corporation; (iii) any person, other than a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation, becomes the "beneficial owner" as defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of securities of the Corporation representing 20% or more of the combined voting power of the Corporation's then outstanding securities; or (iv) the Board of Directors of the Corporation adopts a resolution to the effect that, for purposes of this Trust, a Potential Change in Control of the Corporation has occurred.

SECTION 3.02 Definition of Change in Control. For purposes of this Trust, a Change in Control of the Corporation shall be deemed to have occurred if (i) any "person," as such

term is used in Sections 13(d) and 14(d) of the Exchange Act, other than a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing 30% or more of the combined voting power of the Corporation's then outstanding securities; or (ii) during any period of two consecutive years (not including any period prior to the execution of this Trust), individuals who at the beginning of such period constitute the Board of Directors, and any new director (other than a director designated by a person who has entered into an agreement with the Corporation to effect a transaction described in clause (i) or (iii) of this Section) whose election by the Board of Directors of the Corporation or nomination for election by the Corporation's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or (iii) the shareholders of the Corporation approve a merger or consolidation of the Corporation with any other corporation, other than a merger or consolidation which would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 80% of the combined voting power of the voting securities of the Corporation

or such surviving entity outstanding immediately after such merger or consolidation or (iv) the shareholders of the Corporation approve a plan of complete liquidation of the Corporation or an agreement for the sale or disposition by the Corporation of all or substantially all of the Corporation's assets; however, notwithstanding the foregoing, the merger of the Corporation contemplated as of August 26, 1994 by the proposed Agreement and Plan of Reorganization by and among a parent corporation, Martin Marietta Corporation and the Corporation shall not constitute either a Change in Control under this Section 3.02 or a Potential Change in Control of the Corporation under Section 3.01 hereof.

ARTICLE IV

RELEASE OF THE TRUST CORPUS

SECTION 4.01 Delivery to the Corporation. In the event the Corporation delivers the Required Funding Amount to the Trustee upon a Potential Change in Control, such amount, but not including the amounts delivered to the Trustee pursuant to Section 2.01(a) or 2.01(d)(ii) hereof, shall be returned to the Corporation six (6) months after delivery to the Trustee unless a Change in Control shall have occurred during such six (6) month period. Such six (6) month period shall be renewed in the event of any subsequent Potential Change in Control occurring during such initial period. The Corporation shall notify the Trustee of the occurrence of a Change in Control or Potential Change in Control and the Trustee may rely on such notice or on any other

actual notice, satisfactory to the Trustee, of such a change or potential change which the Trustee may receive.

SECTION 4.02 Deliveries to Executives and Participants.

(a) The Corporation shall deliver the schedules described below (the "Payment Schedules") to the Trustee no later than fifteen (15) business days following the delivery of the funds to the Trustee pursuant to Sections 2.01(a) and 2.01(b) hereof. Except as provided in Sections 2.01(c), 4.01, 4.03, and 6.01, the Trustee shall hold the Trust Corpus in its possession under the provisions of this Trust until authorized to deliver the Trust Corpus or any specified portion thereof in accordance with the terms of such Payment Schedules.

(i) The Payment Schedule with respect to the Required Funding Amount allocated to Account A shall indicate the aggregate amount delivered to the Trustee in respect of all Executives and a formula or instructions acceptable to the Trustee for determining the benefits payable to each Executive under each such Agreement (other than the reimbursement of legal fees and expenses incurred in pursuing his rights under such Agreement). An Executive who is entitled to benefits hereunder shall deliver to the Trustee a fully executed affidavit in substantially the form set forth in Exhibit IV hereof and such other documentation as the Trustee, in its sole discretion, may reasonably require in support of such affidavit. Upon receipt of such affidavit and supporting documentation, if any, the Trustee shall notify the Corporation of the Executive's request for

payment. If, within five (5) business days following the Trustee's notice to the Corporation, the Corporation does not notify the Trustee that the Corporation has paid the benefits referred to in the affidavit, the Trustee shall make payments to the Executive in accordance with the formula or other instructions set forth in the Payment Schedule. The Trustee shall make payments to the Executives from Account A in the order in which properly documented claims are received by the Trustee; provided, however, that the Trustee shall not make any payments pursuant to this subparagraph prior to the expiration of the 90-day period commencing immediately following the occurrence of a Change in Control; and provided further, that if the aggregate amounts payable pursuant to properly documented claims that are received by the Trustee during such 90-day period exceed the value of the assets allocated to Account A, as soon as practicable following the expiration of such 90-day period, the Trustee shall pay to each affected Executive an amount equal to the product of (x) a fraction, the numerator of which is the amount of the benefit payable to such Executive pursuant to the Payment Schedule and the denominator of which is the aggregate amount payable to all affected Executives and (y) the value of the assets allocated to Account A (such value to be determined as of the date of payment).

(ii) The Payment Schedule with respect to the Required Funding Amount allocated to Account B shall indicate the aggregate amount delivered to the Trustee in respect of the Executives. An Executive who is entitled to payment hereunder

shall deliver to the Trustee a fully executed affidavit substantially in the form set forth in Exhibit V hereof and such other documentation as the Trustee, in its sole discretion, may reasonably require in support of such affidavit. Upon receipt of such affidavit and supporting documents, if any, the Trustee shall notify the Corporation of the Executive's request for payment. If, within five (5) business days following the Trustee's notice to the Corporation, the Corporation does not notify the Trustee that the Corporation has paid the legal fees and expenses required in the affidavit, the Trustee shall make payments to the Executive in accordance with the affidavit and supporting documents. The Trustee shall make payments to the Executives from Account B in the order in which properly documented claims are received by the Trustee.

(iii) The Payment Schedule with respect to the Required Funding Amount allocated to Account C shall indicate the aggregate amount delivered to the Trustee in respect of the Participants. A Participant who is entitled to payment hereunder shall deliver to the Trustee a fully executed affidavit substantially in the form set forth in Exhibit V hereof and such other documentation as the Trustee, in its sole discretion, may reasonably require in support of such affidavit. Upon receipt of such affidavit and supporting documents, if any, the Trustee shall notify the Corporation of the Participant's request for payment. If, within five (5) business days following the Trustee's notice to the Corporation, the Corporation does not notify the Trustee that the Corporation has paid the legal fees

and expenses referred to in the affidavit, the Trustee shall make payments to the Participant in accordance with the affidavit and supporting documents. The Trustee shall make payments to the Participant from Account C in the order in which properly documented claims are received by the Trustee.

(b) A modified Payment Schedule shall be delivered by the Corporation to the Trustee no later than fifteen (15) business days following the date that additional amounts are required to be paid by the Corporation to the Trustee (or refunded to the Corporation) under Sections 2.01(b) and (c) hereof and no later than fifteen (15) business days following the occurrence of any event requiring a modification of the Payment Schedule. Except as otherwise provided herein, the Trustee shall make payments to the Executives and Participants in accordance with such Payment Schedules.

(c) The Trustee shall be permitted to withhold from any payment due to an Executive or Participant hereunder the amount required by law to be so withheld under federal, state and local wage withholding requirements or otherwise, and shall pay over to the appropriate government authority the amounts so withheld. The Trustee may rely on instructions from the Corporation as to any required withholding and shall be fully protected under Section 5.01(g) hereof in relying upon such instructions. If the Corporation fails to timely instruct the Trustee as to any required withholding, the Trustee shall withhold such amounts as required by applicable law to be so

withheld, and shall pay over to the appropriate government authority the amounts so withheld.

(d) Except as otherwise provided herein, in the event of any final determination by the Internal Revenue Service or a court of competent jurisdiction in any case or proceeding in which the Corporation is a principal party, which determination is not appealable or the time for appeal or protest of which has expired, or a substantially unqualified opinion of tax counsel selected by the Trustee, which determination determines or opinion opines that the Executives and Participants or any particular Executive or Participant are subject to federal income taxation on amounts held in Trust hereunder prior to the distribution of such amounts to the Executives and Participants or Executive or Participant, the Trustee shall, on receipt by the Trustee of (i) notice of such determination or (ii) such opinion of counsel, pay to each affected Executive or Participant the portion of the Trust Corpus includable in such Executive's or Participant's federal gross income.

(e) If, subsequent to a Change in Control of the Corporation, a dispute arises regarding the interpretation or enforcement of this Trust or the payment of benefits under any Plan, all of the legal fees and expenses incurred by the Executives or Participants in successfully enforcing any right or benefit provided for in this Trust or a Plan or in otherwise successfully pursuing their claims under the Trust or Plans will be paid by the Corporation to the extent permitted by law.

SECTION 4.03 Deliveries to Creditors of the Corporation. It is the intent of the parties hereto that the Trust Corpus is and shall remain at all times subject to the claims of the general creditors of the Corporation. Accordingly, the Corporation shall not create a security interest in the Trust Corpus in favor of the Executives, Participants or any creditor. If the Trustee receives the notice provided for in Section 4.04 hereof, or otherwise receives actual notice that the Corporation is insolvent or bankrupt as defined in Section 4.04 hereof, the Trustee shall make no further distributions of the Trust Corpus to any of the Executives or Participants but shall deliver the entire amount of the Trust Corpus only as a court of competent jurisdiction, or duly appointed receiver or other person authorized to act by such a court, may direct to make the Trust Corpus available to satisfy the claims of the Corporation's general creditors. The Trustee shall resume distribution of Trust Corpus to the Executives and Participants under the terms hereof, upon no less than thirty (30) days' advance notice to the Corporation, if it determines that the Corporation was not, or is no longer, bankrupt or insolvent. Unless the Trustee in its Trust Department has actual knowledge of the Corporation's bankruptcy or insolvency, the Trustee shall have no duty to inquire whether the Corporation is bankrupt or insolvent.

SECTION 4.04 Notification of Bankruptcy or Insolvency. The Corporation, through its Board of Directors and Chief Executive Officer, shall advise the Trustee promptly in writing of the Corporation's bankruptcy or insolvency. The Corporation

shall be deemed to be bankrupt or insolvent upon the occurrence of any of the following:

(i) The Corporation shall make an assignment for the benefit of creditors, file a petition in bankruptcy, petition or apply to any tribunal for the appointment of a custodian, receiver, liquidator, sequestrator, or any trustee for it or a substantial part of its assets, or shall commence any case under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction (federal or state), whether now or hereafter in effect; or if there shall have been filed any such petition or application, or any such case shall have been commenced against it, in which an order for relief is entered or which remains undismissed; or the Corporation by any act or omission shall indicate its consent to, approval of or acquiescence in any such petition, application or case or order for relief or to the appointment of a custodian, receiver or any trustee for it or any substantial part of any of its property, or shall suffer any such custodianship, receivership, or trusteeship to continue undischarged; or

(ii) The Corporation shall generally not pay its debts as such debts become due or shall cease to pay its debts in the ordinary course of business.

ARTICLE V

TRUSTEE

SECTION 5.01 Trustee. (a) The duties and responsibilities of the Trustee shall be limited to those expressly set forth in this Trust, and no implied covenants or obligations shall be read into this Trust against the Trustee.

(b) If all or any part of the Trust Corpus is at any time attached, garnished, or levied upon by any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by a court affecting such property or any part thereof, then and in any of such events the Trustee is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree, and it shall not be liable to the Corporation (or any of its subsidiaries) for any Executive or Participant by reason of such compliance even though such order, writ, judgment or decree subsequently may be reversed, modified, annulled, set aside or vacated.

(c) The Trustee shall maintain such books, records and accounts as may be necessary for the proper administration of the Trust Corpus, including without limitation, as provided in Section 2.01 hereof, and shall render to the Corporation, on or prior to each January 31, following the date of this Trust until the termination of this Trust (and on the date of such termination), an accounting with respect to the

Trust Corpus as of the end of the then most recent calendar year (and as of the date of such termination).

(d) The Trustee shall not be liable for any act taken or omitted to be taken hereunder if taken or omitted to be taken by it in good faith. The Trustee shall also be fully protected in relying upon any notice given hereunder which it in good faith believes to be genuine and executed and delivered in accordance with this Trust.

(e) The Trustee may consult with legal counsel to be selected by it, and the Trustee shall not be liable for any action taken or suffered by it in accordance with the advice of such counsel.

(f) The Trustee shall be reimbursed by the Corporation for its reasonable expenses incurred in connection with the performance of its duties hereunder and shall be paid reasonable fees (as outlined in the attached Fee Schedule) for the performance of such duties in the manner provided by Section 2.02(c) hereof and paragraph (g) of this Section 5.01.

(g) The Corporation agrees to indemnify and hold harmless the Trustee from and against any and all damages, losses, claims or expenses as incurred (including expenses of investigation and fees and disbursements of counsel to the Trustee and any taxes imposed on the Trust Corpus or income of the Trust) arising out of or in connection with the performance by the Trustee of its duties hereunder. Any amount payable to the Trustee under paragraph (f) of this Section 5.01 or this paragraph (g) and not previously paid by the Corporation pursuant

to Section 2.02(c) hereof shall be paid by the Corporation promptly upon demand therefor by the Trustee or, if not paid within thirty (30) days of such demand, from the Trust Corpus. In the event that payment is made hereunder to the Trustee from the Trust Corpus, the Trustee shall promptly notify the Corporation in writing of the amount of such payment. The Corporation agrees that, upon receipt of such notice, it will deliver to the Trustee to be held in the Trust an amount in cash (or in marketable securities or in some combinations thereof) equal to any payments made from the Trust Corpus to the Trustee pursuant to paragraph (f) of this Section 5.01 or this paragraph (g). The failure of the Corporation to transfer any such amount shall not in any way impair the Trustee's right to indemnification, reimbursement and payment pursuant to paragraph (f) of this Section 5.01 or this paragraph (g).

SECTION 5.02 Successor Trustee. The Trustee may resign and be discharged from its duties hereunder at any time by giving notice in writing of such resignation to the Corporation and each Executive and Participant specifying a date (not less than thirty (30) days after the giving of such notice) when such resignation shall take effect. Promptly after such notice, the Corporation shall appoint a successor trustee, such trustee to become Trustee hereunder upon the resignation date specified in such notice; provided, however, that, if a Change in Control shall previously have occurred, such appointment must be approved in writing by at least sixty-five percent (65%) of all Executives whose benefits under the Agreements have not been paid in full

(the "Required Executives") and by at least sixty five percent (65%) of all Participants whose benefits under the Plans have not been paid in full (the "Required Participants"). If the Corporation is unable to appoint a successor trustee or if a Change in Control shall have previously occurred, and the Required Executives and Required Participants fail to approve a successor trustee within thirty (30) business days after such notice, the Trustee shall be entitled, at the expense of the Corporation, to petition a United States District Court or any of the courts of the State of California having jurisdiction to appoint its successor. The Trustee shall continue to serve until its successor accepts the trust and receives delivery of the Trust Corpus. The Corporation (or, if a Change in Control shall previously have occurred, the Corporation with the written approval of the Required Executives and Required Participants) may at any time substitute a new trustee by giving fifteen (15) business days notice thereof to the Trustee then acting. In the event of such removal or resignation, the Trustee shall duly file with the Corporation and, if such removal or resignation occurs on and after a Change in Control, shall mail or otherwise deliver to the Executives and Participants a written statement or statements of accounts and proceedings as provided in Section 5.01(c) hereof for the period since the last previous annual accounting of the Trust, and if written objections to such accounts are not filed with the Trustee within thirty (30) business days following the date such statements are filed with the Corporation or mailed or otherwise delivered to the

Executives and Participants, if required, the Trustee shall, to the maximum extent permitted by applicable law, be forever released and discharged from all liability and accountability with respect to the propriety of its acts and transactions shown in such account. The Trustee and any successor thereto appointed hereunder shall be a commercial bank which is not an affiliate of the Corporation, but which is a national banking association or established under the laws of one of the states of the United States, and which has equity in excess of one hundred million dollars (\$100,000,000).

ARTICLE VI

TERMINATION, AMENDMENT AND WAIVER

SECTION 6.01 Termination. This Trust shall be terminated upon the earliest to occur of the following events: (i) the exhaustion of the Trust Corpus; (ii) the final payment of all amounts payable to all of the Executives and Participants pursuant to the Agreements and Plans; or (iii) the final payment of all amounts payable pursuant to claims received by the Trustee on or before the last day of the fifth calendar year commencing after the occurrence of a Change in Control. Prior to the occurrence of a Potential Change in Control, the Corporation, by appropriate action of its Board of Directors, may terminate the Trust in its entirety. Promptly upon termination of this Trust, any remaining portion of the Trust Corpus shall be paid to the Corporation.

SECTION 6.02 Amendment and Waiver. Prior to the occurrence of a Potential Change in Control, this Trust can be

amended by an instrument in writing signed by the parties hereto. After the occurrence of a Potential Change in Control, no amendment may be made to this Trust to decrease the Required Funding Amount and no amendment relating to this Trust may be made with respect to a particular Executive or Participant unless such Executive or Participant has agreed in writing to such amendment; except that the Corporation may add one or more Executives to Exhibit I or one or more Plans to Exhibit II without the written consent of the affected Executives and Participants, in which event the Corporation shall be required to make additional contributions to the Trust on behalf of such additional Executives or Plans in accordance with the provisions of Section 2.01. The parties hereto may at any time waive compliance with any of the agreements or conditions contained herein. No such waiver relating to this Trust may be made with respect to a particular Executive or Participant unless such Executive or Participant has agreed in writing to such waiver. Any agreement on the part of a party hereto, an Executive or a Participant to any such waiver shall be valid if set forth in an instrument in writing signed on behalf of such party, Executive or Participant. Notwithstanding the foregoing, any amendment or waiver may be made by written agreement of the parties hereto without obtaining the consent of the Executives or Participants if such amendment or waiver does not adversely affect the rights of the Executives or Participants hereunder.

ARTICLE VII

GENERAL PROVISIONS

SECTION 7.01 Further Assurances. The Corporation shall, at any time and from time to time, upon the reasonable request of the Trustee, execute and deliver such further instruments and do such further acts as may be necessary or proper to effectuate the purposes of this Trust.

SECTION 7.02 Certain Provisions Relating to this Trust. (a) This Trust sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes any and all prior agreements, arrangements and understandings relating thereto. This Trust shall be binding upon and inure to the benefit of the parties and their respective successors and legal representatives.

(b) This Trust shall be governed by and construed in accordance with the laws of the State of California other than and without reference to any provisions of such laws regarding choice of laws or conflict of laws.

(c) In the event that any provision of this Trust or the application thereof to any person or circumstances shall be determined by a court of proper jurisdiction to be invalid or unenforceable to any extent, the remainder of this Trust, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Trust shall be valid and enforced to the fullest extent permitted by law.

(d) Notwithstanding any other provision of this Trust, the Corporation and the Trustee agree that in the event the Trust may be deemed to be an "investment company" as defined under the Investment Company Act of 1940, as amended (the "Investment Company Act"), they shall use their best efforts to take such action as may be necessary so that either (i) the Trust will qualify for an exemption from the provisions of the Investment Company Act or (ii) the Trust will not be deemed to be such an investment company.

SECTION 7.03 Arbitration. Any dispute between the Executives or Participants and the Corporation or the Trustee as to the interpretation or application of the provisions of this Trust and amounts payable hereunder shall be determined exclusively by binding arbitration in Calabasas, California, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court of competent jurisdiction. All fees and expenses of such arbitration shall be paid by the Trustee and considered an expense of the Trust under Section 5.01(g); provided, however, that to the extent that the arbitrator determines in his or her sole discretion that such arbitration solely relates to one or more of the Agreements or one or more of the Plans, the portion of such expense solely related to such Agreement(s) shall be considered a legal expense of the Executive(s) under Section 2.01(d)(ii) hereof and shall be paid by the Trustee from the Legal Fund Agreements and the portion of the expense solely related to such Plan(s) shall be considered a

legal expense of the Participant(s) under Section 2.01(d)(iii) hereof and shall be paid to the Trustee from the Legal Fund - Plans.

SECTION 7.04 Notices. Any notice, report, demand or waiver required or permitted hereunder shall be in writing and shall be given personally or by prepaid registered or certified mail, return receipt requested, addressed as follows:

If to the Corporation:

Lockheed Corporation
4500 Park Granada Blvd.
Calabasas, California 91399-0410

Attention: Office of the General Counsel

If to the Trustee:

First Interstate Bank of California
707 Wilshire Boulevard, W10-1
Los Angeles, California 90017

Attention: Employee Benefits Manager

If to an Executive or to a Participant, to the address of such Executive or Participant as listed next to his name on Exhibit I or III hereto.

A notice shall be deemed received upon the date of delivery if given personally or, if given by mail, upon the receipt thereof.

SECTION 7.05 Trust Beneficiaries. Each Executive and Participant is an intended beneficiary under this Trust, and shall be entitled to enforce all terms and provisions hereof with the same force and effect as if such person had been a party hereto.

IN WITNESS WHEREOF, the parties have executed this Trust as of the date first written above.

Lockheed Corporation

By /s/ A.G. Van Schaick

Name: A. G. Van Schaick
Title: Vice President & Treasurer

By /s/ Robert C. Gusman

Name: R.C. Gusman
Title: Assistant Secretary

First Interstate Bank of California

By /s/ Alfred H. Antignolo

Name:
Title:

By /s/ E. Weise

Name: E. Weise
Title: Vice President

EXHIBIT II

PLANS

1. Incentive Retirement Benefit Plan for Certain Executives of Lockheed Corporation
2. Supplemental Retirement Benefit Plan for Certain Transferred Employees of Lockheed Corporation
3. Supplemental Benefit Plan of Lockheed Corporation
4. Supplemental Savings Plan of Lockheed Corporation
5. Deferred Management Incentive Compensation Plan of Lockheed Corporation and its Subsidiaries
6. Elected Officer Death Benefit
7. Sanders Associates, Inc. Supplemental Executive Retirement Plan
8. Lockheed Corporation Retirement Plan for Directors
9. Cash Accounts under the Deferred Compensation Plan for Directors of Lockheed Corporation

EXHIBIT IV

NOTICE AND
AFFIDAVIT/BENEFITS

I, _____, under penalties of perjury, do hereby solemnly swear (i) that I make this affidavit in order to induce [_____] as Trustee under the Trust Agreement with Lockheed Corporation (the "Company") dated as of [_____] (the "Trust Agreement"), to pay me the benefits to which I am entitled under such Trust Agreement, (ii) that as of _____ I became entitled to receive benefits under the [Termination Benefits Agreement], (iii) that on _____ I requested the Company to pay such benefits to me directly and (iv) that as of this date (which is at least 30 business days following the delivery of such request) the Company has not responded to my request or has refused to commence payment.

Participant's Signature

STATE OF)
)
COUNTY OF)

On the ____ day of _____, 19____, before me personally came _____ to me known, who, being by me duly sworn, did depose and say that he resides at _____, and that the statements herein are all true and correct.

Notary Public

EXHIBIT V

NOTICE AND
AFFIDAVIT/LEGAL FEES

I, _____, under penalties of perjury, do hereby solemnly swear (i) that I make this affidavit in order to induce [_____] as Trustee under the Trust Agreement with Lockheed Corporation (the "Company") dated as of [_____] (the "Trust Agreement"), to reimburse me for the legal fees or expenses in an amount equal to \$_____ to which I am entitled under such Trust Agreement, (ii) that as of _____ I requested the Company to reimburse me directly and (iii) that as of this date (which is at least 30 business days following the delivery of such request) the Company has not responded to my request or has refused to commence payment.

Participant's Signature

STATE OF)
 :
COUNTY OF)

On the ____ day of _____, 19____, before me personally came _____ to me known, who, being by me duly sworn, did depose and say that he resides at _____, and that the statements herein are all true and correct.

Notary Public

LOCKHEED CORPORATION
DIRECTORS' DEFERRED COMPENSATION PLAN
TRUST AGREEMENT

LOCKHEED CORPORATION
DIRECTORS' DEFERRED COMPENSATION PLAN
TRUST AGREEMENT
TABLE OF CONTENTS

	Page

ARTICLE I	
TITLE	2
1.1 - Title	2
ARTICLE II	
DEFINITIONS	3
2.1 - Definitions	3
ARTICLE III	
ADMINISTRATOR	4
3.1 - Committee	4
3.2 - Committee Sole Responsibility	4
3.3 - Maintenance of Records	5
3.4 - Designation of Agents	5
ARTICLE IV	
CONTRIBUTIONS	6
4.1 - Contributions	6
ARTICLE V	
INVESTMENT OF TRUST ASSETS	7
5.1 - Investments	7
ARTICLE VI	
PAYMENTS FROM TRUST FUND	8
6.1 - Payments to Participants	8
6.2 - Payments to the Company	8
6.3 - Payments to Creditors of the Company	9
6.4 - Trustee Expenses	11
6.5 - Committee Expenses	12
6.6 - Taxes	12
6.7 - Alienation	12

ARTICLE VII	
POWERS AND DUTIES OF TRUSTEE	14
7.1 - General Powers and Duties	14
7.2 - Tender Offers	15
7.3 - Records and Reports	16
7.4 - Third Persons	17
ARTICLE VIII	
INDEMNITY	18
8.1 - Indemnity	18
ARTICLE IX	
RESIGNATION, REMOVAL AND SUBSTITUTION OF TRUSTEE	19
9.1 - Resignation and Removal	19
9.2 - Successor Trustee	19
ARTICLE X	
AMENDMENT AND TERMINATION	20
10.1 - Amendment	20
10.2 - Duration and Termination	21
10.3 - Distribution Upon Termination	22
ARTICLE XI	
MISCELLANEOUS	23
11.1 - Captions	23
11.2 - Governing Law	23
11.3 - Successors	23
11.4 - No Contract	24
11.5 - Severability	24
11.6 - Mutual Undertakings	24
11.7 - Receipt or Release	24
11.8 - Notices	25
11.9 - Masculine Gender Includes Feminine and Neuter	25

LOCKHEED CORPORATION DIRECTORS' DEFERRED
COMPENSATION PLAN TRUST AGREEMENT

This Trust Agreement made as of the 26th day of November, 1990, between Lockheed Corporation, a Delaware corporation, hereinafter sometimes called the "Company" and First Interstate Bank, Ltd., hereinafter called the "Trustee", evidences the terms of a irrevocable trust for the benefit of Participants of the Deferred Compensation Plan for Directors of Lockheed Corporation (hereinafter called the "Plan").

W I T N E S S E T H:

WHEREAS, the Company wishes to establish a trust (hereinafter called the "Trust") and to transfer to the Trust assets which shall be held therein, subject to the claims of the Company's creditors in the event of the Company's insolvency, until paid to Participants or their Beneficiaries, or in certain circumstances the Company, in such manner and at such times as required under the Plan;

WHEREAS, the primary purpose of the Trust is to hold shares of common stock of the Company which are allocated to Participants' Stock Accounts under the Plan;

Now, THEREFORE, it is mutually understood and agreed as follows:

ARTICLE I

TITLE

1.1 - Title.

This Trust Agreement shall be known as the Lockheed Corporation Directors' Deferred Compensation Plan Trust.

ARTICLE II
DEFINITIONS

2.1 - Definitions.

All of the definitions set forth in Article II of the Plan are hereby incorporated by this reference.

ARTICLE III
ADMINISTRATOR

3.1 - Committee.

The Committee designated by the Plan as the Administrator of the Plan has the rights, powers, duties, responsibilities, discretion and immunities set forth in the Plan. However, a member of the Committee shall not vote upon or sign directions relating to any matter which relates solely to such person as a Participant. The Company shall notify the Trustee in writing of the names of the members of the Committee, including the persons acting as Chairman, Secretary and Assistant Secretary, and of any change in the identity of the members of the Committee. Until so notified of such a change, the Trustee shall act upon the direction of the members of the Committee last designated by the Company in writing.

3.2 - Committee Sole Responsibility.

The Committee shall have sole responsibility for the exercise of its rights and duties as set forth in Article IX of the Plan, specifically including the timing and amount of distributions from the Trust to the Participants or their Beneficiaries and the Company.

3.3 - Maintenance of Records.

The Committee shall have the sole duty and responsibility to maintain individual Participant records and to prepare and file all reports and other information required by any federal or state law or regulations relating to the Trust and the Trust assets. Notwithstanding the foregoing, the Trustee shall have the sole duty and responsibility to prepare and timely file annual reports pursuant to Section 16 of the Securities Exchange Act of 1934.

3.4 - Designation of Agents.

The Committee shall in its sole discretion have the right to appoint such agents as it may deem necessary to carry out its duties pursuant to the provisions of the Plan and this Trust.

ARTICLE IV
CONTRIBUTIONS

4.1 - Contributions.

The Company shall contribute to the Trust an amount equal to the Deferred Compensation which a Participant elects to have invested in Stock. The Trustee shall receive all such contributions, and all contributions so received, together with the income therefrom and any increment thereon, shall be held, managed and administered by the Trustee as a single Trust pursuant to the terms of this Agreement for the Company without distinction between principal and income. The Trustee shall have no duty to require any contributions to be made to the Trust by the Company and shall have no duty or authority to compute any amount to be paid to the Trust by the Company nor to determine whether the amounts received by the Trust comply with the Plan or to determine that the assets of the Trust are adequate to provide any benefits payable pursuant to the Plan.

ARTICLE V

INVESTMENT OF TRUST ASSETS

5.1 - Investments.

All contributions received by the Trustee shall be used to purchase shares of Stock in accordance with instructions from the Committee. Any amounts which are insufficient to purchase a share of Stock shall be invested by the Trustee in units or shares of mutual funds invested only in direct obligations of the United States of America or obligations unconditionally and fully guaranteed as to principal and interest by the United States of America until further contributions are received which, when added to such amounts, are sufficient to purchase a share of Stock.

ARTICLE VI

PAYMENTS FROM TRUST FUND

6.1 - Payments to Participants.

(a) All payments from the Trust to Participants (or their Beneficiaries) shall be made by the Trustee in such manner, at such times and in such amounts as the Committee shall direct, and the Trustee shall be under no duty to make inquiry as to whether any distribution directed by the Committee is made pursuant to the provisions of the Plan.

(b) The Trustee may deduct from any such payment any federal, state, or local taxes required by law to be withheld by the Trustee.

6.2 - Payments to the Company.

(a) The Trust is intended to be a grantor trust within the meaning of Section 671 of the Internal Revenue Code of 1986, as amended (the "Code"), and all interest and cash dividends earned on the investment of Trust assets shall be the property of the Company and shall not constitute a part of the Trust assets. The interest and cash dividends earned in any calendar year on amounts held in the Trust shall be paid over to the Company by the Trustee as promptly as practicable after the end of each calendar year. Shares

obtained due to stock dividends or stock splits shall be held as Trust assets until distribution or other disposition is directed by the Committee.

(b) In the event that a Participant directs that amounts credited to his Stock Account be transferred to his Cash Account, the Committee shall direct the Trustee to sell that number of shares of Stock which is equal to the number of shares to be transferred from the Participant's Stock Account to his Cash Account and to distribute the proceeds of such sale to the Company.

(c) The Trustee shall sell Stock and distribute the proceeds of sales of Stock in such manner, at such times and in such amounts as the Committee shall direct, and the Trustee shall be under no duty to make inquiry as to whether any such sale or distribution directed by the Committee is made pursuant to the provisions of the Plan.

6.3 - Payments to Creditors of the Company.

(a) It is the intent of the parties hereto that the Trust assets are and shall remain at all times subject to the claims of the general creditors of the Company. Accordingly, the Company shall not create a security interest in the Trust assets in favor of the Participants or any creditor. If the Trustee receives the notice provided

for in Section 6.3(b) hereof, or otherwise receives actual notice provided for in Section 6.3(b) hereof, the Trustee shall make no further distributions of the Trust Corpus to any of the Participants but shall deliver the entire amount of the Trust assets only as a court of competent jurisdiction, or duly appointed receiver or other person authorized to act by such a court, may direct to make the Trust assets available to satisfy the claims of the Company's general creditors. The Trustee shall resume distribution of Trust assets to the Participants under the terms hereof, upon no less than thirty (30) days' advance notice to the Company, if it determines that the Company was not, or is no longer, bankrupt or insolvent. Unless the Trustee in its Trust Department has actual knowledge of the Company's bankruptcy or insolvency the Trustee shall have no duty to inquire whether the Company is bankrupt or insolvent.

(b) Notification of Bankruptcy or Insolvency. The Company, through its Board of Directors and Chief Executive Officer, shall advise the Trustee promptly in writing of the Company's bankruptcy or insolvency. The Company shall be deemed to be bankrupt or insolvent upon the occurrence of any of the following:

(i) The Company shall make an assignment for the benefit of creditors, file a petition in bankruptcy,

petition or apply to any tribunal for the appointment of a custodian, receiver, liquidator, sequestrator, or any trustee for it or a substantial part of its assets, or shall commence any case under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction (federal or state), whether now or hereafter in effect; or if there shall have been filed any such petition or application, or any such case shall have been commenced against it, in which an order for relief is entered or which remains undismissed; or the Company by any act or omission shall indicate its consent to, approval of or acquiescence in any such petition, application or case or order for relief or to the appointment of a custodian, receiver or any trustee for it or any substantial part of any of its property, or shall suffer any such custodianship, receivership, or trusteeship to continue undischarged; or

(ii) The Company shall generally not pay its debts as such debts become due or shall cease to pay its debts in the ordinary course of business.

6.4 - Trustee Expenses.

The Trustee shall be paid reasonable fees (as outlined in the attached Fee Schedule) and shall be reimbursed for its

reasonable expenses that are necessary and incident to the administration of the Trust. Such expenses shall include counsel fees, if any, incurred by Trustee for the purpose of determining its responsibilities under the Trust. All such expenses and fees shall be paid to the Trustee, or to a third party on behalf of the Trustee, directly by the Company and not from the assets of the Trust.

6.5 - Committee Expenses.

Expenses and fees of the Committee or Company for the administration of the Plan and services in relation thereto for legal and accounting and other similar expenses shall be paid by the Company and not from the assets of the Trust.

6.6 - Taxes.

The Trustee shall not be liable for any real and personal property taxes, income taxes and other taxes of any kind levied or assessed under existing or future laws against the Trust assets. Such taxes shall be paid directly by the Company and not from the assets of the Trust.

6.7 - Alienation.

The benefits, proceeds, payments or claims of Participants (or their Beneficiaries) payable from the Trust

assets shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary. Any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, garnish, levy or otherwise dispose of or execute upon any right or benefits payable hereunder shall be void. The Trust assets shall not in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of any Participant (or Beneficiary) entitled to benefits hereunder and such benefits shall not be considered an asset of the Participant (or Beneficiary) in any event, including the Participant's (or Beneficiary's) insolvency or bankruptcy.

ARTICLE VII

POWERS AND DUTIES OF TRUSTEE

7.1 - General Powers and Duties.

The Trustee shall have all powers necessary to administer the Trust, including, but not by way of limitation the following powers:

- (a) To hold, invest and reinvest the principal or income of the Trust in stock as described in Section 5.1;
 - (b) To make payments as directed by the Committee;
 - (c) To cause property of the Trust to be issued, held or registered in the name of the Trustee or in the name of its nominee, or in the name of a depository or the nominee of such depository, or in such form that title will pass by delivery, provided the records of the Trustee shall at all times indicate the true ownership of such property;
 - (d) To independently vote the Stock held by the Trustee;
- and
- (e) Generally, to do all such acts, execute all such instruments, take all such proceedings, and exercise all such rights and privileges with relation to the property

constituting the Trust as if the Trustee were the absolute owner thereof.

In addition to the above powers, the Trustee shall have such additional powers as may now or hereafter be conferred upon the Trustee by law or as may be necessary to enable the Trustee to administer this Trust in accordance with the provisions of this Trust and the Plan, subject to the direction of the Committee and any limitation thereof that may be provided for herein.

7.2 - Tender Offers.

(a) Application. In the event of any transaction which is evidenced by the filing of a Statement on Schedule 14D-1 with the Securities and Exchange Commission or in the event of any other similar transaction (a "Tender Offer"), then, notwithstanding any provision of the Trust Agreement to the contrary, the provisions of this Section 7.2 shall apply.

(b) Special Provisions. In the event of a Tender Offer, the Committee shall seek confidential written instructions from each Participant as to whether the Stock allocated to the Participant's Stock Account under the Plan should be tendered. If a Participant does not submit instructions to the Committee, the Participant shall be

deemed to have elected not to have the shares credited to such Participant's Stock Account tendered. The Committee shall instruct the Trustee whether or not to tender shares of Stock, and the number of shares of Stock, if any, to be tendered in accordance with the Participants' elections.

7.3 - Records and Reports.

(a) The Trustee shall keep and maintain such accounts and records as it shall deem necessary and proper to record each of its transactions with respect to the administration of the Trust and permit inspection of such account, records, and assets of the Trust by a duly authorized representative of the Company or the Committee at any time during usual business hours.

(b) Within a reasonable period of time following the close of each Plan Year, and at such other times as may be requested by the Committee, the Trustee shall file with the Committee a written report containing a valuation of the assets of the Trust (at both their book and fair market value as of the close of the Plan Year) and such other information as is requested by the Committee with respect to the transactions effected by the Trustee during such Plan Year or other period.

(c) The Trustee shall make such periodic or special reports to the Committee as the Trustee shall deem necessary and proper or as the Committee may reasonably request.

(d) The Committee shall promptly notify the Trustee in writing of its approval or disapproval of the Trustee's written report. The Committee's failure to disapprove the report within sixty days after its receipt shall be considered an approval. The approval shall be binding as to all matters embraced in this statement to the same extent as if the account of the Trustee had been settled by judgement or decree of a court of competent jurisdiction under which the Trustee and all persons having or claiming any interest in the Trust were parties; provided, however, that the Trustee may have its account judicially settled if so desired. The Company shall not be liable to any person for approving, disapproving or failing to approve any statement of account rendered by the Trustee.

7.4 - Third Persons.

A third person dealing with the Trustee shall not be required to make any inquiry as to whether the Company or the Committee has instructed the Trustee, or the Trustee is otherwise authorized, to take or omit any action, and shall not be required to follow the application by the Trustee of any money or property which may be paid or delivered to the Trustee.

ARTICLE VIII

INDEMNITY

8.1 - Indemnity.

Except in the case of liabilities and claims arising out of the Trustee's willful misconduct or gross negligence, the Company shall indemnify and hold the Trustee harmless from and against all liabilities and claims (including reasonable attorney's fees and expenses in defense thereof) arising out of or in any way connected with the Plan or the Trust fund or the management, operation, administration or control thereof and based in whole or in part on:

(1) Any act or inaction of the Company (which term includes, in this paragraph, any actual or ostensible agent of the Company); or

(2) Any act or inaction of the Trustee resulting from the absence of proper directions hereunder, or in accordance with any directions, purported or real, from the Company, whether or not proper hereunder, if relied upon in good faith by the Trustee.

ARTICLE IX

RESIGNATION, REMOVAL AND SUBSTITUTION OF TRUSTEE

9.1 - Resignation and Removal.

The Trustee may be removed by the Committee at any time by delivery of written notice of such action to the Trustee. The Trustee may resign at any time by delivering to the Committee a written notice of resignation, to take effect on a date specified therein, which shall be not less than 30 days after the delivery thereof, unless such notice shall be waived by the Company. Within 30 days after such removal or resignation of the Trustee, the Trustee shall file with the Committee a written report and account containing information similar to that required to be set forth in the annual report provided for herein.

9.2 - Successor Trustee.

Upon removal or resignation of the Trustee, the Committee shall designate a successor Trustee to act hereunder, which shall have the same powers and duties as those conferred upon the Trustee. Upon such designation, and upon the written acceptance of the successor Trustee, the Trustee shall assign, transfer and pay over to such successor Trustee the assets of the Trust.

ARTICLE X

AMENDMENT AND TERMINATION

10.1 - Amendment.

The Committee shall have the right to amend (but not terminate) the Trust from time to time and to amend further or cancel any such amendment. Any amendment shall be stated in an instrument in writing executed by the Company and Trustee, and this Trust Agreement shall be amended in the manner and at the time therein set forth, and the Company and Trustee shall be bound thereby; provided, however:

(a) No amendment shall have any retroactive effect so as to deprive any Participant of any benefit already accrued or create a reversion of Trust assets to the Company except as already provided in this Trust Agreement, other than such changes, if any, as may be required in order for the Trust to be considered a component of an unfunded deferred compensation plan;

(b) No amendment shall make the Trust revocable and;

(c) No amendment shall increase the duties or liabilities of the Trustee without its consent.

10.2 - Duration and Termination.

This Trust shall not be revocable and shall continue until the earliest of (a) the accomplishment of the purpose for which it was created, (b) the exhaustion of all appeals of a final determination of a court of competent jurisdiction that the interest in the Trust of Participants is includable for federal income tax purposes in their gross income without such determination having been reversed (or the earlier expiration of the time to appeal), (c) if required to comply with California rules regulating the maximum length for which trusts may be established, the expiration of twenty years and six months after the death of the last surviving Participant who is living and is a Participant on the date this Trust is established, (d) a determination of the Board of Directors to terminate the Trust because the applicable law requires it to be amended in a way that could make it taxable as a separate entity and failure to so amend the Trust would subject the Company to material penalties, or (e) a determination of the Board of Directors to terminate the Trust because the Board of Directors concludes, after consulting with legal counsel, that judicial authority or the opinion of the U.S. Department of Treasury (as expressed in its proposed or final regulations, revenue rulings, private letter rulings, notices, or similar administrative announcements) creates a significant possibility that the Trust will not be considered a component of an unfunded deferred compensation plan.

10.3 - Distribution Upon Termination.

Upon termination of this Trust, the Trustee shall liquidate the Trust Fund and, after its final account has been settled as provided in Section 7.3, shall distribute the net balance thereof to the Company. Upon making such distribution, the Trustee shall be relieved from all further liability. The powers of the Trustee hereunder shall continue so long as any assets of the Trust fund remain in its hands.

ARTICLE XI
MISCELLANEOUS

11.1 - Captions.

Captions are for reference only and shall not be deemed part of the context of this Trust Agreement.

11.2 - Governing Law.

This Trust Agreement and the Trust hereby created shall be construed, administered and governed in all respects under applicable federal law, and to the extent that federal law is inapplicable, under the laws of the State of California; provided, however, that if any provision is susceptible to more than one interpretation, such interpretation shall be given thereto as is consistent with the Trust being classified as a grantor trust as defined in Sections 671, et seq. of the Internal Revenue Code of 1986, as amended, and a component of an unfunded deferred compensation plan.

11.3 - Successors.

This Trust Agreement shall be binding upon, and the powers herein granted to the Company, the Committee and the Trustee, respectively, shall be exercisable by, the respective

successors and assigns of the Company, the Committee and the Trustee.

11.4 - No Contract.

This Trust Agreement shall not in any way be deemed to be a contract between the Company and any Participant.

11.5 - Severability.

If any provision of this Trust is invalid or unenforceable, this shall not affect any other provision of this Trust Agreement.

11.6 - Mutual Undertakings.

All parties to this Trust Agreement and all persons claiming an interest in this Trust agree to perform all acts necessary to carry out the Trust as specified herein.

11.7 - Receipt or Release.

Any payment to a Participant or Beneficiary in accordance with the provisions of the Plan or Trust shall, to the extent thereof, be in full satisfaction of all claims against the Trustee and the Company, and the Trustee may require such

Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect.

11.8 - Notices.

All directions, notices, and other communications from the Committee and the Company to the Trustee shall be in writing and signed by the Committee, a majority of its members or a person authorized to sign on behalf of the Committee, and, as to the Company, certified by an officer of the Company, except as otherwise expressly provided herein.

11.9 - Masculine Gender Includes Feminine and Neuter.

As used in this Trust Agreement, the masculine shall include the feminine and neuter genders.

IN WITNESS WHEREOF, the parties have executed this Trust Agreement or caused it to be executed by their duly authorized officers, as of the date first above written.

LOCKHEED CORPORATION

By /s/ WALTER E. SKOWRONSKI

Walter E. Skowronski
Title: Vice President and Treasurer

By /s/ WILLIAM VINSON

William Vinson
Title: Vice President-Secretary

FIRST INTERSTATE BANK, LTD., TRUSTEE

By /s/ E. WEISE

E. Weise
Title: Vice President

By /s/

Title: Vice President

First Amendment to the
Lockheed Corporation Directors'
Deferred Compensation Plan Trust Agreement

Lockheed Corporation, a Delaware corporation (the "Company"), and First Interstate Bank of California, successor to First Interstate Bank, Ltd. (the "Trustee"), adopt the following amendment to the Lockheed Corporation Directors' Deferred Compensation Plan Trust Agreement (the "Trust Agreement") effective October 1, 1993:

- 1) The third paragraph of the Preamble is amended by replacing the phrase "Participants' Stock Accounts" with the phrase "Participants' Elective Stock Accounts and Stock Retainer Accounts".
- 2) In Section 3.2, the reference to Article IX is replaced with a reference to Article X.
- 3) The word "annual" is deleted from Section 3.3.
- 4) The first sentence of Section 4.1 is amended to read as follows:

"The Company shall contribute to the Trust an amount equal to the Deferred Compensation which is to be invested in Stock".
- 5) In Section 5.1 the phrase "instructions from the Committee" is replaced with the phrase "the Plan".
- 6) Section 6.2(b) is amended to read as follows:

"(b) In the event that a Participant directs that amounts credited to his Elective Stock Account be transferred to his Cash Account, the Committee shall notify the Trustee, which shall sell that number of shares of Stock which is equal to the number of Shares to be transferred from the Participant's Elective Stock Account to his Cash Account and to distribute the proceeds of such sale to the Company."
- 7) Section 7.2(b) is amended to read as follows:

"(b) Special Provisions. In the event of a Tender Offer, the Trustee shall seek confidential written instructions from each Participant as to whether the Stock allocated to the Participant's Accounts under the Plan should be tendered. If a

Participant does not submit instructions, the Participant shall be deemed to have elected not to have the shares credited to such Participant's Accounts tendered. The Trustee shall tender or not tender Stock in accordance with the Participants' elections."

8) The first sentence of Section 10.3 is amended to read as follows:

"Upon termination of this Trust, the Trustee shall liquidate all Participant Elective Stock Accounts and, after its final account has been settled as provided in Section 7.3, shall (i) distribute the net cash balance in such Elective Stock Accounts to the Company and (ii) distribute the net balance of cash and/or shares of Stock in each Participant's Stock Retainer Account to the appropriate Participant".

IN WITNESS WHEREOF, the parties have executed this Amendment Number 1 as of the 1st day of October, 1993.

LOCKHEED CORPORATION

By /s/ CAROL R. MARSHALL

Name: Carol R. Marshall
Title: Vice President - Secretary

By /s/ WALTER E. SKOWRONSKI

Name: Walter E. Skowronski
Title: Vice President & Treasurer

FIRST INTERSTATE BANK OF CALIFORNIA, TRUSTEE

By /s/ E. WEISE

Name: E. Weise
Title: Vice President

By /s/ DANA SKAAR

Name: Dana Skaar
Title: Assistant Vice President

SECOND AMENDMENT TO THE
LOCKHEED CORPORATION DIRECTORS'
DEFERRED COMPENSATION PLAN TRUST AGREEMENT

Lockheed Corporation, a Delaware corporation, and First Interstate Bank of California, successor to First Interstate Bank, Ltd. (the "Trustee"), adopt the following amendment to the Lockheed Corporation Directors' Deferred Compensation Plan Trust Agreement effective January 1, 1994:

- 1) In Section 3.2, the reference to Article X is replaced with a reference to Article IX.
- 2) The following sentence is added at the end of Section 5.1:

"Notwithstanding the foregoing, the Trustee shall purchase Stock only during a Stock Acquisition Period."
- 3) Section 6.2(b) is deleted in its entirety and existing Section 6.2(c) is renumbered as 6.2(b).
- 4) The first sentence of Section 10.3 is amended to read as follows:

"Upon termination of this Trust, and after its final account has been settled as provided in Section 7.3, the Trustee shall distribute the Trust assets as set forth in the Plan."

IN WITNESS WHEREOF, the parties have executed this Amendment Number 2 as of the 27th day of May, 1994.

LOCKHEED CORPORATION

FIRST INTERSTATE BANK OF CALIFORNIA, TRUSTEE

By /s/ CAROL R. MARSHALL

Name: Carol R. Marshall
Title: Vice President-
Secretary

By /s/ E. WEISE

Name: E. Weise
Title: Vice President

By /s/ WALTER E. SKOWRONSKI

Name: Walter E. Skowronski
Title: Vice President-
& Treasurer

By /s/ DANA L. SKAAR

Name: Dana L. Skaar
Title: Assistant Vice
President

TRUST AGREEMENT

TRUST AGREEMENT made this 22nd day of December, 1994, by and between Lockheed Corporation, a corporation organized and existing under the laws of the State of Delaware ("Company") and J. P. Morgan California, a California chartered trust company ("Trustee");

WHEREAS, Company has adopted the nonqualified deferred compensation plans and other contractual arrangements as listed in Appendix A (hereinafter called the "Plans");

WHEREAS, Company has incurred or expects to incur liability under the terms of such Plans with respect to the individuals participating in such Plans;

WHEREAS, Company wishes to establish a trust (hereinafter called the "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of Company's creditors in the event of Company's Insolvency, as herein defined, until paid to Plan participants and their beneficiaries in such manner and at such times as specified in the Plans;

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and, to the extent applicable, shall not affect the status of the Plans as unfunded plans maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974 (hereinafter called "ERISA");

WHEREAS, it is the intention of Company to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plans;

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

SECTION 1. ESTABLISHMENT OF TRUST.

(a) Company hereby deposits with Trustee in trust the cash and/or property shown on Appendix B, which shall become the principal of the Trust to be held, administered and disposed of by Trustee as provided in this Trust Agreement.

(b) The Trust hereby established shall be irrevocable.

(c) The Trust is intended to be a grantor trust, of which Company is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.

(d) The principal of the Trust and any earnings thereon shall be held separate and apart from other funds of Company and shall be used exclusively for the uses and purposes of Plan participants and their beneficiaries and Company's general creditors as herein set forth. Plan participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plans and this Trust Agreement shall be mere unsecured contractual rights of Plan participants and their beneficiaries against Company. Any assets held by the Trust will be subject to the claims of Company's general creditors under federal and state law in the event of Insolvency, as defined in Section 3(a) herein.

(e) Company shall make additional irrevocable contributions to the Trust of cash or other property acceptable to Trustee pursuant to any applicable terms of the Plans. In addition, Company, in its sole discretion, may at any time, or from time to time, make additional irrevocable contributions of cash or other property acceptable to the Trustee. Such additional contribution shall augment the principal to be held, administered and disposed of by Trustee as provided in this Trust Agreement.

(f) Upon a Potential Change in Control of Company (as defined in Section 13(f) below), Company shall, as soon as possible, but in no event later than thirty (30) days following such Potential Change in Control, (1) deliver to Trustee a Payment Schedule (as defined in Section 2(a) below) for each of the Plans indicating the benefits which would be payable if a Change in Control of Company (as defined in Section 13(g) below) had occurred on the date of the Potential Change in Control and (2) make an irrevocable contribution to the Trust of cash or other property acceptable to Trustee that is sufficient, when added to the then principal of the Trust, to pay each Plan participant or beneficiary the benefits to which Plan participants or their beneficiaries would be entitled pursuant to the terms of the Plans if a Change in Control of Company had occurred on the date of the Potential Change in Control of Company.

(g) Upon a Change of Control of Company (as defined in Section 13(g) below), Company shall, as soon as possible, but in no event later than ten (10) days following such Change of Control, (1) deliver to Trustee a Payment Schedule (as defined in Section 2(a) below) for each of the Plans indicating the benefits which are payable as of the date of such Change in Control and

(2) make an irrevocable contribution to the Trust of cash or other property acceptable to Trustee that is sufficient, when added to the then principal of the Trust, to pay each Plan participant or beneficiary the benefits to which Plan participants or their beneficiaries are entitled pursuant to the terms of the Plans as of the date on which the Change of Control occurred.

SECTION 2. PAYMENTS TO PLAN PARTICIPANTS AND THEIR

BENEFICIARIES.

(a) From time to time Company or such party as it shall designate in writing to Trustee shall deliver to Trustee a schedule or schedules (each, a "Payment Schedule") that indicates the amounts payable and applicable withholding taxes in respect of each Plan participant (and his or her beneficiaries), or that provides a formula or other instructions acceptable to Trustee for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Plans), and the time of commencement for payment of such amounts. Except as otherwise provided herein, Trustee shall make payments to the Plan participants and their beneficiaries in accordance with such Payment Schedule. Trustee shall deduct from any such payments any withholding taxes which Company has determined apply and remit such withholding taxes to Company. Company shall be responsible for payment and reporting of such withholding taxes to the appropriate taxing authorities.

(b) The entitlement of a Plan participant or his or her beneficiaries to benefits under the Plans shall be determined by Company or such party as it shall designate under the Plans, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plans. Under no circumstances shall Trustee have any duty to determine any person's payment rights or other entitlements under the Plans.

(c) Company may make payment of benefits directly to Plan participants or their beneficiaries as they become due under the terms of the Plans. Company shall notify Trustee of its decision to make payment of benefits directly prior to the time amounts are payable to participants or their beneficiaries. In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make payments of benefits in accordance with the terms of the Plans, as reflected on a Payment Schedule, Company shall make the balance of each such payment as it falls due. Trustee shall notify Company where principal and earnings of the Trust are not sufficient to make any such payments.

(d) Notwithstanding anything contained in this Section 2 to the contrary, Company has contracted with a third-party (a "Third Party Payor") for each Plan, as indicated in Appendix A,

to pay benefits to participants and beneficiaries under that Plan. Accordingly, from time to time, Company or such party as it shall designate in writing to Trustee shall deliver to Trustee a Payment Schedule with instructions to pay the amounts described therein to the appropriate Third Party Payor(s). Except as otherwise provided herein, Trustee shall make payments to the Third Party Payor(s) in accordance with such Payment Schedule and such instructions, which Payment Schedule and instructions shall provide whether (1) Trustee shall pay to the Third Party Payor the gross amount payable to Plan participants and beneficiaries, with the Third Party Payor responsible for withholding any applicable withholding taxes and reporting and remitting such withholding taxes to the appropriate taxing authorities or (2) Trustee shall pay to the Third Party Payor the amount of benefits net of withholding taxes (as set forth in the Payment Schedule) and pay to Company the amount of the withholding taxes, with Company responsible for reporting and remitting to the appropriate taxing authorities. If any financial institution that has been designated a Third Party Payor for a particular Plan for any reason ceases to act as Third Party Payor for that Plan, Company shall designate a successor Third Party Payor and provide Trustee with written notice of such designation, or, if Company fails to make such a designation within thirty (30) days after the date on which such Third Party Payor ceases to so act, Trustee may designate a successor Third Party Payor. Any successor Third Party Payor designated by the Trustee shall be a bank or trust company qualified and authorized to do trust business in the State of California and having on the date of designation combined capital and surplus and undivided profits of at least \$1,000,000,000 or total assets of at least \$10,000,000,000. The provisions of Section 2(a) shall apply to benefits payable under a Plan at any time that there is no designated Third Party Payor for such Plan.

SECTION 3. TRUSTEE RESPONSIBILITY REGARDING PAYMENTS TO TRUST BENEFICIARY WHEN COMPANY IS INSOLVENT.

(a) Trustee shall cease payment of benefits to Plan participants and their beneficiaries or the Third Party Payor(s) if the Company is Insolvent. Company shall be considered "Insolvent" for purposes of this Trust Agreement if (i) Company is unable to pay its debts as they become due, or (ii) Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

(b) At all times during the continuance of this Trust, as provided in Section 1(d) hereof, the principal and income of the Trust shall be subject to claims of general creditors of Company under federal and state law as set forth below.

- (1) The Board of Directors and the Chief Executive Officer of Company shall have the duty to inform Trustee in

writing of Company's Insolvency. If a person claiming to be a creditor of Company alleges in writing to Trustee that Company has become Insolvent, Trustee shall determine whether Company is Insolvent and, pending such determination, Trustee shall discontinue payment of benefits to Plan participants or their beneficiaries.

(2) Unless Trustee has actual knowledge of Company's Insolvency, or has received notice from Company or a person claiming to be a creditor alleging that Company is Insolvent, Trustee shall have no duty to inquire whether Company is Insolvent. Trustee may in all events rely on such evidence concerning Company's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Company's solvency.

(3) If at any time Trustee has determined that Company is Insolvent, Trustee shall discontinue payments to Plan participants or their beneficiaries or the Third Party Payor(s) and shall hold the assets of the Trust for the benefit of Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Plan participants or their beneficiaries to pursue their rights as general creditors of Company with respect to benefits due under the Plans or otherwise.

(4) Trustee shall resume the payment of benefits to Plan participants or their beneficiaries or the Third Party Payor(s) in accordance with Section 2 of this Trust Agreement only after Trustee has determined that Company is not Insolvent (or is no longer Insolvent).

(c) Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to Section 3(b) hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Plan participants or their beneficiaries under the terms of the Plans, or the Third Party Payor(s) pursuant to the Payment Schedule, for the period of such discontinuance, less the aggregate amount of any payments made to Plan participants or their beneficiaries or the Third Party Payor(s) by Company in lieu of the payments provided for hereunder during any such period of discontinuance.

SECTION 4. PAYMENTS TO COMPANY.

Except as provided in Section 2 or Section 3 hereof, Company shall have no right or power to direct Trustee to return to Company or to divert to others any of the Trust assets before all payment of benefits have been made to Plan participants and their beneficiaries pursuant to the terms of the Plans.

SECTION 5. INVESTMENT AUTHORITY.

(a) Trustee shall have full investment authority with respect to the Trust assets, subject to the right of Company to designate in writing a general investment policy with respect to Trust assets which policy may be amended from time to time in Company's sole discretion. Subject to any such general investment policy, Trustee may invest and reinvest in and acquire by purchase, exchange or otherwise property of any character whatsoever, foreign or domestic, or interests or participations therein. Without limiting the foregoing, but subject to any such general investment policy, Trustee (1) shall have the powers regarding Trust investments set forth in California Probate Code Sections 16223 through 16225 as such provisions existed on the date of execution of this instrument, and (2) shall have the power to invest in (i) common or collective trust funds advised or managed by Trustee or an affiliate of Trustee, and (ii) shares of or interests in any mutual fund or any investment company for which Trustee or an affiliate of Trustee performs investment advisory, custody, distribution, management or other services.

Company recognizes that allocation by Trustee of Trust assets among such funds or companies may affect the compensation of Trustee or such affiliate with respect to such funds or companies. Trustee's compensation as provided for in Section 9 hereof shall not be reduced by the compensation, if any, with respect to such funds or companies received by Trustee or such affiliate. Company specifically waives any rule of undivided loyalty or any other conflict of interest with respect to such investment.

(b) Subject to the Company's written general investment policy, Trustee is authorized to exercise from time to time in its sole discretion the following powers in respect of any property of the Trust, it being intended that these powers be construed in the broadest possible manner:

(1) Power to sell at public or private sale for cash and upon such terms and conditions as it shall deem proper. No purchaser shall be bound to see to or be liable for the application of the proceeds of any such sale.

(2) Power to exchange any securities or property held by it for other securities or property, or partly for such securities or property and partly for cash, and to exercise conversion, subscription, option and similar rights with respect to any securities held by it, and to make payments in connection therewith.

(3) Power to vote in person or by proxy at corporate or other meetings and to participate in or consent to any voting trust, reorganization, dissolution, merger or other action affecting any securities in its possession or the

issuers thereof, and to make payments in connection therewith.

(4) Power to compromise and adjust all debts or claims due to or made against it.

(5) In the acquisition, disposition and management of investments for or under the trust, power to acquire and hold any securities or other property even though Trustee in its individual or any other capacity, shall have invested or may thereafter invest its or their own or other funds in the same securities or related property or related securities or other property the interest, principal or other avails of which may be payable at different rates or different times or may have a different rank or priority; and to acquire and hold any securities or other property even though in connection therewith Trustee, in its individual or any other capacity, may receive compensation reasonably and customarily due in the course of its or their regular activities.

(6) Power to acquire, hold or dispose of property in its name without designation of fiduciary capacity, or in the name of its nominee, to deposit any property with any custodian, or in a depository, clearing corporation or any central system for handling of investments, or any nominee thereof.

(7) Power to employ from time to time counsel and suitable agents, including custodians, accountants, brokers and appraisers, including any affiliate of Trustee.

(8) Power to do all acts which it may deem necessary or proper and to exercise any and all powers of Trustee under this Trust Agreement under such terms and conditions as it may deem to be for the best interest of the Trust.

Notwithstanding anything contained herein to the contrary, Trustee shall not have the powers set forth in Sections 16226, 16228 through 16233, 16241 and 16244 of the California Probate Code as in effect on the effective date of this Trust Agreement.

(c) In no event may Trustee invest in securities (including stock or rights to acquire stock) or obligations issued by Company or Parent Company (as defined in Section 13(f)(2) below), other than a de minimis amount held in common investment vehicles in which Trustee invests. All rights associated with assets of the Trust shall be exercised by Trustee or the person designed by Trustee, and shall in no event be exercisable by or rest with Plan participants.

(d) Notwithstanding anything contained herein to the contrary, Company shall have the right, at any time, and from

time to time in its sole discretion, to substitute assets, other than Company stock or stock of Parent Company (as defined in Section 13(f)(2) below), of equal fair market value for any asset held by the Trust.

(e)(1) Notwithstanding anything contained herein to the contrary, at any time, Company may, by a writing delivered to Trustee, delegate investment authority, management and control of Trust assets to one or more Investment Managers (as defined in section 5(e)(4) below) appointed by Company. Where Company has specifically delegated investment authority, management and control of Trust assets, Trustee shall continue to be the sole custodian of the Trust assets but shall not be the fiduciary with respect to the investment, management and control of the Trust assets and shall exercise the investment, management and control of such assets subject to the direction by any Investment Manager appointed by Company, and in such case such Investment Manager shall be the fiduciary with respect to the investment, management and control of such assets. The appointment, selection and retention of any Investment Manager shall be solely the responsibility of Company. Trustee is authorized and entitled to rely upon the fact that said Investment Manager is authorized to direct the investment and management of the assets of the Trust until such time as Company shall notify Trustee in writing that another Investment Manager has been appointed in the place and stead of the Investment Manager named or, in the alternative, that the Investment Manager named has been removed and the responsibility for the investment and management of the Trust assets has been transferred back to Trustee, as the case may be.

(2) Trustee shall not be liable nor responsible for losses or unfavorable results arising from Trustee's compliance with any directions of an Investment Manager appointed by Company which are made in accordance with the terms of the Trust. Trustee shall be under no duty to question any directions of the Investment Manager nor to review any securities or other property of the Trust constituting assets thereof with respect to which an Investment Manager has investment responsibility, nor to make any suggestions to such Investment Manager in connection therewith. Trustee shall, as promptly as possible, comply with any written directions given by an Investment Manager. Notwithstanding any other provisions of this Trust, however, Trustee, in its sole discretion, may refuse to comply with any directions which Trustee deems to be improper or contrary to the provisions of the Trust and any applicable federal or state statutes. Trustee shall not be liable for the making or retention of any investment pursuant to such investment directions or for its failure to invest any or all of the Trust funds in the absence of such written directions.

(3) All directions concerning investments made by the Investment Manager shall be signed by such person or persons, acting on behalf of the Investment Manager as may be duly

authorized in writing pursuant to this Trust; provided, however that the transmission to Trustee of such directions by photostatic teletransmission with duplicate or facsimile signature or signatures shall be considered a delivery in writing of the aforesaid directions until Trustee is notified in writing by Company that the use of such devices with duplicate or facsimile signatures is no longer authorized. Trustee shall be authorized to accept telephonic directions provided that such directions are promptly confirmed to Trustee in writing.

(4) For purposes of this Trust Agreement, "Investment Manager" shall mean a fiduciary (i) who (A) is registered as an investment adviser under the Investment Advisers Act of 1940, (B) is a bank, as defined in the Investment Advisers Act of 1940 or (C) is an insurance company qualified to perform investment advisory services under the laws of more than one state, and (ii) who has agreed to abide by a written general investment policy established by Company with respect to the Trust assets to be managed by such Investment Manager.

SECTION 6. DISPOSITION OF INCOME.

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested and added to principal.

SECTION 7. ACCOUNTING BY TRUSTEE.

Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between Company and Trustee. Within 90 days following the close of each calendar quarter and within 90 days after the removal or resignation of Trustee, Trustee shall deliver to Company a written account of its administration of the Trust during such quarter or during the period from the close of the last preceding quarter to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such quarter or as of the date of such removal or resignation, as the case may be.

The Company may approve such account by an instrument in writing delivered to Trustee. In the absence of Company's filing with Trustee objections to any such account within one hundred eighty (180) days after its receipt, Company shall be deemed to have so approved such account. In such case, or upon

the written approval by Company of any such account, Trustee shall, to the extent permitted by applicable law, be discharged from all liability to Company for its acts or failures to act described by such account, and Company shall thereafter reimburse, indemnify (as provided in Section 8(b) hereof) and hold harmless Trustee, individually and as Trustee, of, from and against any and all expenses, losses, damages, liabilities, demands, charges and claims of any kind or nature whatsoever in respect of its acts, omissions, transactions, duties, obligations or responsibilities as Trustee during the period covered by such account. The foregoing, however, shall not preclude the Trustee from having its account settled by a court of competent jurisdiction. Company shall not be liable to any person for approving, disapproving or failing to approve any statement of account rendered by Trustee.

SECTION 8. RESPONSIBILITY OF TRUSTEE.

(a) Trustee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that prudent persons acting in a like fiduciary capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the Trust as determined from the Trust instrument.

Similarly, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing Trust property, the Trustee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Trust and its beneficiaries, that prudent persons acting in a like fiduciary capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the Trust as determined from the Trust instrument. In the course of administering the Trust pursuant to this standard, individual investments shall be considered as part of an overall investment strategy.

(b) Trustee shall have no duty to make an independent investigation as to any matters relating to the Plans, and shall be entitled to rely on the determinations of the Company as to all such matters. Company shall notify Trustee in writing of the occurrence of a Potential Change in Control or Change in Control. Trustee may rely on such written notice and Company's determination shall be binding upon Trustee and the Plan participants and their beneficiaries.

Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval given by Company which is contemplated by, and in conformity with, the terms of the Plans or this Trust Agreement. Except as otherwise

provided in this Trust Agreement, the Trustee may act upon any instruction, whether written, oral, telephonic, cable or telex, which purports to have come from Company or its designees, without responsibility for errors in delivery, transmission or receipt provided that the Trustee in good faith has determined that there is no reason to believe that such instruction, on its face, is invalid.

Trustee is authorized, but not required, to take any action it believes appropriate if it is unable in due time to obtain instructions from Company or if such action is determined by it to be required by law.

In the event of a dispute between Company and any party, Trustee may apply to a court of competent jurisdiction to resolve the dispute.

(c) Company hereby indemnifies Trustee against losses, liabilities, claims, costs and expenses in connection with the administration of the Trust, unless resulting from the negligence or misconduct of Trustee. If Trustee undertakes or defends any litigation arising in connection with this Trust, Company agrees to indemnify Trustee against Trustee's costs, expenses and liabilities (including, without limitation, attorneys' fees and expenses) relating thereto and to be primarily liable for such payments.

(d) Without limiting the authorities granted under Section 5, Trustee may employ and consult with legal counsel (who may also be counsel for Company generally) with respect to any of its duties or obligations hereunder and may employ agents, including accountants and other professionals, to assist it in performing any of its duties or obligations hereunder and Company shall pay the costs of any counsel or agent so employed (excluding any employees of Trustee).

(e) Trustee shall have, without exclusion, all powers conferred on Trustees by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy.

(f) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

SECTION 9. COMPENSATION AND EXPENSES OF TRUSTEE.

The Trustee's compensation shall be as agreed in writing from time to time by Company and Trustee. Company shall pay all administrative and Trustee's fees and expenses. If Company does not pay any fees, expenses, liabilities or costs payable by Company under the terms of this Trust Agreement in a reasonably timely manner, Trustee may obtain payment from the Trust.

SECTION 10. RESIGNATION AND REMOVAL OF TRUSTEE.

(a) Trustee may resign at any time by written notice to Company, which shall be effective 60 days after receipt of such notice unless Company and Trustee agree otherwise.

(b) Trustee may be removed by Company on 60 days' written notice or upon shorter notice accepted by Trustee.

(c) If Trustee resigns or is removed within five years of a Change of Control, as defined herein, Trustee shall select a successor Trustee in accordance with the provisions of Section 11(b) hereof prior to the effective date of Trustee's resignation or removal.

(d) Upon resignation or removal of Trustee and appointment of a successor Trustee, all assets of the Trust shall subsequently be transferred to the successor Trustee. Such transfer shall be completed within 60 days after receipt of written notice of such resignation, removal or transfer, unless Company extends the time limit; provided that Trustee shall not be required to effect such transfer until it has been released as provided in Section 7 hereof.

(e) If Trustee resigns or is removed, a successor shall be appointed, in accordance with Section 11 hereof, by the effective date of resignation or removal under paragraph (a) or (b) of this section. If no such appointment has been timely made, Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

SECTION 11. APPOINTMENT OF SUCCESSOR.

(a) If Trustee resigns or is removed in accordance with Section 10(a) or (b) hereof, Company may appoint any third party, such as a bank trust department or other party that may be granted corporate trustee powers under state law, as a successor to replace Trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the new Trustee,

who shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. Subject to the provisions of Section 10(d), the former Trustee shall execute any instrument necessary or reasonably requested by Company or the successor Trustee to evidence the transfer.

(b) If Trustee resigns or is removed pursuant to the provisions of Section 10(c) hereof and selects a successor Trustee, Trustee may appoint any third party such as a bank trust department or other party that may be granted corporate trustee powers under state law. The appointment of a successor Trustee shall be effective when accepted in writing by the new Trustee. The new Trustee shall have all rights and powers of the former Trustee including ownership rights in Trust assets. Subject to the provisions of Section 10(d), the former Trustee shall execute any instrument necessary or reasonably required by the successor Trustee to evidence the transfer.

SECTION 12. AMENDMENT OR TERMINATION.

(a) This Trust Agreement may be amended by a written instrument executed by Trustee and Company. Notwithstanding the foregoing, no such amendment shall (1) conflict with the terms of the Plans, (2) give Plan participants any greater rights in Trust assets than rights as general creditors, (3) amend Section 5(c) of this Trust Agreement, (4) add any additional plans to those listed in Appendix A as plans for which benefits may be paid from the assets of the Trust, (5) allow Company to borrow funds from the Trust, (6) make the Trust revocable, or (7) amend this Section 12(a).

(b) The Trust shall not terminate until the date on which Plan participants and their beneficiaries are no longer entitled to benefits pursuant to the terms of the Plans. Notwithstanding the foregoing, the Trust shall terminate upon the earlier of (1) the exhaustion of the assets of the Trust or (2) the exhaustion of all appeals of (or the earlier expiration of the time to appeal) a final determination of a court of competent jurisdiction that the Trust is not or has ceased to be a grantor trust as described in Section 1(c) hereof. Upon termination of the Trust any assets remaining in the Trust shall be returned to Company.

(c) Upon receipt by Company of written approval by all participants or beneficiaries with accrued benefits, whether or not vested, under the Plans, Company may terminate this Trust in its entirety prior to the time all benefit payments under the Plans have been made upon written notice to Trustee. All assets in the Trust at termination shall be returned to Company unless Company otherwise directs the Trustee.

(d) Upon receipt by Company of written approval by all participants or beneficiaries with accrued benefits, whether or not vested, under any Plan, Company may terminate this Trust as to that Plan. Upon such a partial termination of the Trust, all assets of the Trust shall remain in the Trust and be available for payment of benefits under the remaining Plans.

(e) Sections 1(f), 1(g), 10(c), and 11(b) of the Trust Agreement may not be amended by Company for five years following a Change in Control, as defined herein.

SECTION 13. MISCELLANEOUS.

(a) Any provision of this Trust Agreement prohibited by law or which would cause the Trust to any extent to fail or cease to be a grantor trust as described in Section 1(c) hereof shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.

(b) The Plans shall be administered by Company, and the Trustee shall be under no duty whatsoever in respect of the administration of the Plans.

(c) Benefits payable to Plan participants and their beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.

(d) This Trust Agreement shall be governed by and construed in accordance with the laws of the State of California.

(e) Company hereby indemnifies and agrees to hold Trustee harmless from all liabilities, including attorneys' fees, relating to or arising out of the establishment, maintenance and administration of the Plans. To the extent Company does not pay any of such liabilities in a reasonably timely manner, Trustee may obtain payment from the Trust.

(f)(1) For purposes of this Trust, a Potential Change in Control of Company shall be deemed to have occurred if (i) Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control (as defined in Section 13(g) below) of Company; (ii) any "person" (as such term is used in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including Company, publicly announces an intention to take actions which, if consummated, would constitute a Change in Control of Company (as defined in Section 13(g) below), (iii) any person, other than a trustee or other fiduciary holding securities under an employee benefit plan of Company, becomes the "beneficial

owner" as defined in Rule 13d-3 under the Exchange Act, directly or indirectly of securities of Company representing 20% or more of the combined voting power of Company's then outstanding securities (other than in connection with the Merger (as defined in Section (g)(2) below)), or (iv) the Board of Directors of Company adopts a resolution to the effect that, for purposes of this Trust, a Potential Change in Control of Company has occurred.

(2) A Potential Change in Control of Company shall also be deemed to have occurred if there is a "potential change in control" of any corporation which owns, directly or indirectly, securities representing fifty percent (50%) or more of the combined voting power of Company's outstanding securities as of the date immediately prior to such transaction (the "Parent Company"). Whether the Parent Corporation has incurred a "potential change in control" shall be determined under the terms of this Section 13(f) by substituting the name of the Parent Corporation for "Company."

(g)(1) For purposes of this Trust, a Change in Control of Company shall be deemed to have occurred if (i) any "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act, other than a trustee or other fiduciary holding securities under an employee benefit plan of Company, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Company representing 30% or more of the combined voting power of Company's then outstanding securities; or (ii) during any period of two consecutive years (not including any period prior to the establishment of this Trust), individuals who at the beginning of such period constitute the Board of Directors of Company (the "Board of Directors"), and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i) or (iii) of this paragraph) whose election by the Board of Directors or nomination for election by Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or (iii) the shareholders of Company approve a merger or consolidation of Company with any other corporation, other than a merger or consolidation which would result in the voting securities of Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 80% of the combined voting power of the voting securities of Company or such surviving entity outstanding immediately after such

merger or consolidation or (iv) the shareholders of Company approve a plan of complete liquidation of Company or an agreement for the sale or disposition by Company of all or substantially all of Company's assets.

(2) A Change in Control shall not, however, include the merger of Company contemplated by the Agreement and Plan of Reorganization, dated as of August 29, 1994, by and among Company, Martin Marietta Corporation and Lockheed Martin Corporation (the "Merger") or any transaction which has been approved by individuals who at the beginning of any period of at least two consecutive years (not including any period prior to the establishment of this Trust) constitute the Board of Directors and any new director (other than a director designated by a person who has entered into an agreement with Company to effect a transaction described in clause (i) or (iii) of paragraph (g)(1) above) whose election by the Board of Directors or nomination for election by Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

(3) A Change in Control of Company shall also be deemed to have occurred if there is a "change in control" of a Parent Corporation. Whether a Parent Corporation has incurred a "change in control" shall be determined under the terms of paragraph (1) of this Section 13(g) by substituting the name of the Parent Corporation for "Company" therein.

(4) No transaction involving Company's sale, liquidation, merger or other disposition of any subsidiary shall constitute a Change in Control of Company.

(i) This Trust Agreement shall inure to the benefits of, and be binding upon, the parties hereto and their successors and assigns.

(j) This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and said counterpart shall constitute but one and the same instrument, which may be sufficiently evidenced by any one counterpart.

SECTION 14. EFFECTIVE DATE.

The effective date of this Trust Agreement shall be December 22, 1994.

IN WITNESS WHEREOF the Company and the Trustee have executed this instrument this 22nd day of December, 1994.

LOCKHEED CORPORATION

By _____
Title:

By _____
Title:

J.P. MORGAN CALIFORNIA

By _____
Title:

By _____
Title:

Plan or Arrangement -----	Third Party Payor -----
Supplemental Benefit Plan of Lockheed Corporation	First Interstate Bank
Incentive Retirement Benefit Plan for Certain Executives of Lockheed Corporation	First Interstate Bank
Supplemental Retirement Benefit Plan for Certain Transferred Employees of Lockheed Corporation	First Interstate Bank
Sanders Associates, Inc. Supplemental Executive Retirement Plan	First Interstate Bank
Supplemental Savings Plan of Lockheed Corporation	Bankers Trust
Deferred Management Incentive Compensation Plan of Lockheed Corporation and its Subsidiaries	Bankers Trust
Officers Death Benefit	Bankers Trust
Deferred Compensation Plan for Directors of Lockheed Corporation (Cash Accounts Only)	Bankers Trust
Lockheed Corporation Retirement Plan for Directors	Bankers Trust

\$53 million cash

SUBSIDIARIES OF THE REGISTRANT

Name of Subsidiary -----	Jurisdiction in Which Incorporated or Organized -----	Percentage of Voting Securities Owned -----
Lockheed Corporation	Delaware	100%
Martin Marietta Corporation	Maryland	100%
Lockheed Canada, Inc.	Canada	(1)
Lockheed Commercial Electronics Company	Delaware	(1)
Lockheed Engineering and Sciences Company	Texas	(1)
Lockheed Environmental Systems and Technology Company	Nevada	(2)
Lockheed Finance Corporation	California	(1)
Lockheed Information Management Services Company	New York	(1)
Lockheed Missiles & Space Company, Inc.	California	(1)
Lockheed Sanders, Inc.	Delaware	(1)
Lockheed Space Operations Company	Nevada	(1)
Lockheed Support Systems, Inc.	Oklahoma	(1)
MountainGate Data Systems, Inc.	California	(1)
CalComp Inc.	California	(3)
Access Graphics, Inc.	Delaware	(4)
Lockheed Idaho Technologies Company	Idaho	(1)
Martin Marietta Technologies, Inc.	Maryland	(5)
Martin Marietta Materials, Inc.	North Carolina	(6)
Martin Marietta Energy Systems, Inc.	Delaware	(5)

- (1) 100% owned subsidiary of Lockheed Corporation.
(2) 100% owned subsidiary of Lockheed Engineering and Sciences Company.
(3) 100% owned subsidiary of Lockheed Sanders, Inc.
(4) 100% owned subsidiary of AGT Holdings, Inc., which is a 100% owned subsidiary of CalComp Inc.
(5) 100% owned subsidiary of Martin Marietta Corporation.
(6) 81.1% owned subsidiary of Martin Marietta Corporation.

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent: (a) to the reference to our firm under the caption "Experts"; (b) to the incorporation by reference of our report dated January 21, 1994, with respect to the financial statements of Martin Marietta Corporation and consolidated subsidiaries incorporated by reference in its Annual Report on Form 10-K for the year ended December 31, 1993, and the related financial statement schedules included therein, filed with the Securities and Exchange Commission; and (c) to the inclusion of our report dated November 1, 1994, with respect to the consolidated balance sheet of Lockheed Martin Corporation as of October 31, 1994, in this Joint Proxy Statement/Prospectus of Lockheed Corporation, Martin Marietta Corporation and Lockheed Martin Corporation; all of which are referred to and made part of the Registration Statement on Form S-4 to be filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

Washington, D.C.
February 3, 1995

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" and to the incorporation by reference of our report dated February 7, 1994, with respect to the consolidated financial statements and schedules of Lockheed Corporation included in its Annual Report (Form 10-K) for the year ended December 26, 1993, filed with the Securities and Exchange Commission, in this Joint Proxy Statement/Prospectus of Lockheed Corporation, Martin Marietta Corporation and Lockheed Martin Corporation which is referred to and made part of the Registration Statement on Form S-4 to be filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

Los Angeles, California
February 6, 1995

CONSENT OF KPMG PEAT MARWICK LLP, INDEPENDENT AUDITORS

The Board of Directors
General Electric Company:

The Board of Directors
Martin Marietta Corporation:

We consent to the incorporation by reference in this Registration Statement relating to the proposed combination of Martin Marietta Corporation and Lockheed Corporation on Form S-4 of Lockheed Martin Corporation of our report, dated February 3, 1993, relating to the consolidated financial statements of GE Aerospace Businesses as of December 31, 1992 and 1991 and for each of the years in the two-year period ended December 31, 1992, which report is incorporated by reference in the December 31, 1993 annual report on Form 10-K of Martin Marietta Corporation, which is incorporated herein by reference and to the references to our firm under the caption "Experts" in the Joint Proxy Statement/Prospectus which is referred to and made part of this Registration Statement.

KPMG PEAT MARWICK LLP

Harrisburg, Pennsylvania
February 3, 1995

CONSENT OF ARTHUR ANDERSEN LLP, INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement on Form S-4 of our report dated January 20, 1994 on our audits of the combined financial statements of the General Dynamics Space Systems Group as of December 31, 1993 and 1992 and for each of the three years in the period ended December 31, 1993 included in the Martin Marietta Corporation's Form 8-K dated May 13, 1994 and to the references to our firm under the caption "Experts" in the Joint Proxy Statement/Prospectus which is referred to and made part of this Registration Statement.

ARTHUR ANDERSEN LLP

San Diego, California
February 3, 1995

[Letterhead of Bear Stearns]

CONSENT OF BEAR, STEARNS & CO. INC.

We hereby consent to the inclusion in the Joint Proxy Statement/Prospectus constituting part of this Registration Statement on Form S-4 of Lockheed Martin of our opinion attached as Appendix III thereto and the reference to such opinion and to our firm therein. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission issued thereunder.

BEAR, STEARNS & CO. INC.

By: /s/ DENNIS A. BOVIN

Managing Director

Dated: February 9, 1995

POWER OF ATTORNEY
FORM S-4 REGISTRATION STATEMENT
LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") Lockheed Martin Corporation's Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ NORMAN R. AUGUSTINE

Name: Norman R. Augustine
Title: Director

February 6, 1995

Date

POWER OF ATTORNEY
FORM S-4 REGISTRATION STATEMENT
LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") Lockheed Martin Corporation's Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ MARCUS C. BENNETT

February 6, 1995

Name: Marcus C. Bennett

Date

Title: Chief Financial Officer and Director

POWER OF ATTORNEY

FORM S-4 REGISTRATION STATEMENT

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") Lockheed Martin Corporation's Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ A. JAMES CLARK

Name: A. James Clark
Title: Director

February 6, 1995

Date

POWER OF ATTORNEY

FORM S-4 REGISTRATION STATEMENT

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") Lockheed Martin Corporation's Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ EDWIN I. COLODNY

Name: Edwin I. Colodny
Title: Director

February 6, 1995

Date

POWER OF ATTORNEY
FORM S-4 REGISTRATION STATEMENT
LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") Lockheed Martin Corporation's Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ JAMES L. EVERETT, III

Name: James L. Everett, III
Title: Director

February 6, 1995

Date

POWER OF ATTORNEY

FORM S-4 REGISTRATION STATEMENT

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") Lockheed Martin Corporation's Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ EDWARD L. HENNESSY, JR.

February 6, 1995

Name: Edward L. Hennessy, Jr.
Title: Director

Date

POWER OF ATTORNEY

FORM S-4 REGISTRATION STATEMENT

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") Lockheed Martin Corporation's Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ EDWARD E. HOOD, JR.

Name: Edward E. Hood, Jr.
Title: Director

February 6, 1995

Date

POWER OF ATTORNEY

FORM S-4 REGISTRATION STATEMENT

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") Lockheed Martin Corporation's Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ CALEB B. HURTT

Name: Caleb B. Hurtt
Title: Director

February 6, 1995

Date

POWER OF ATTORNEY

FORM S-4 REGISTRATION STATEMENT

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") Lockheed Martin Corporation's Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ GWENDOLYN S. KING

Name: Gwendolyn S. King
Title: Director

February 6, 1995

Date

POWER OF ATTORNEY

FORM S-4 REGISTRATION STATEMENT

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") Lockheed Martin Corporation's Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ GORDON S. MACKLIN

Name: Gordon S. Macklin
Title: Director

February 6, 1995

Date

POWER OF ATTORNEY

FORM S-4 REGISTRATION STATEMENT

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") Lockheed Martin Corporation's Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ EUGENE F. MURPHY

Name: Eugene F. Murphy
Title: Director

February 6, 1996

Date

POWER OF ATTORNEY

FORM S-4 REGISTRATION STATEMENT

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Frank H. Menaker, Jr. and Stephen M. Piper, and each of them, jointly and severally, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") Lockheed Martin Corporation's Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all amendments thereto (including post-effective amendments), and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ ALLEN E. MURRAY

Name: Allen E. Murray
Title: Director

February 6, 1995

Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for his or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ DANIEL M. TELLEP

February 6, 1995

Daniel M. Tellep
Chief Executive Officer
and Director

Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ ROBERT E. RULON

February 6, 1995

Robert E. Rulon
Chief Accounting Officer

Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ LYNNE V. CHENEY

February 6, 1995

Lynne V. Cheney
Director

Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ LODWRICK M. COOK

February 6, 1995

Lodwrick M. Cook
Director

Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ HOUSTON I. FLOURNOY

February 6, 1995

Houston I. Flournoy
Director

Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ JAMES F. GIBBONS

February 6, 1995

James F. Gibbons
Director-----
Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ LAWRENCE O. KITCHEN

 Lawrence O. Kitchen
 Director

February 6, 1995

 Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ VINCENT N. MARAFINO

 Vincent N. Marafino
 Director

February 6, 1995

 Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ DAVID S. POTTER

 David S. Potter
 Director

February 6, 1995

 Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ FRANK SAVAGE

February 6, 1995

Frank Savage
Director-----
Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ CARLISLE A. H. TROST

 Carlisle A. H. Trost
 Director

February 6, 1995

 Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ JAMES R. UKROPINA

February 6, 1995

James R. Ukropina
Director

Date

POWER OF ATTORNEY

LOCKHEED MARTIN CORPORATION

The undersigned hereby constitutes and appoints Vincent N. Marafino, William T. Vinson and Robert E. Rulon, and each of them, jointly and severally, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, including, but not limited to, that listed below, to execute and file, or cause to be filed, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission (hereinafter referred to as the "Commission") any amendments (including post-effective amendments) to the Lockheed Martin Corporation Registration Statement on Form S-4 relating to the issuance of securities in connection with the combination of Lockheed Corporation and Martin Marietta Corporation, and all matters required by the Commission in connection with such Registration Statement under the Securities Act of 1933, as amended, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ DOUGLAS C. YEARLEY

 Douglas C. Yearley
 Director

February 6, 1995

 Date

NOTICE TO PARTICIPANTS
IN THE
LOCKHEED SALARIED EMPLOYEE
SAVINGS PLAN PLUS

Dear Plan Participant:

The enclosed Joint Proxy Statement/Prospectus has been prepared by Lockheed Corporation ("Lockheed") and Martin Marietta Corporation ("Martin Marietta") in connection with the solicitation of proxies for the Special Meeting of Stockholders of Lockheed to be held on March 15, 1995.

At the Special Meeting, the stockholders of Lockheed will be asked to approve the combination of the businesses of Lockheed and Martin Marietta and certain matters related to this combination. As a participant in the Lockheed Salaried Employee Savings Plan Plus (the "Plan"), you may instruct the Trustee on voting the shares of Lockheed common stock held in the Plan. If combination is approved, Lockheed and Martin Marietta will become subsidiaries of a new holding company named Lockheed Martin Corporation ("Lockheed Martin"), and the Lockheed common stock held by the Plan will be converted into Lockheed Martin common stock.

The proposed combination of Lockheed and Martin Marietta is described in the enclosed Joint Proxy Statement/Prospectus. You should carefully read this material and the following explanation of the voting pass-through rules of the Plan and how to complete and return your voting instruction forms.

TO BE COUNTED, VOTING INSTRUCTIONS MUST BE RECEIVED
BY THE TRUSTEE NO LATER THAN 5:00 P.M. PACIFIC
STANDARD TIME ON ____ __, 1995.

THE TRUSTEE'S RECOMMENDATION

The Trustee has consulted with its financial advisor and has independently evaluated the proposed combination of Lockheed and Martin Marietta. The Trustee believes that the proposed combination is beneficial to all shareholders of Lockheed, including the Plan, and therefore recommends a vote "FOR" the proposal to approve the combination and "FOR" the proposals to approve the adoption of an omnibus performance award plan and a directors deferred stock plan for Lockheed Martin. However, you are not obligated to follow the Trustee's recommendation, and you should feel free to instruct the Trustee to vote in the manner that you think best.

HOW TO COMPLETE YOUR VOTING INSTRUCTION FORMS

The Plan holds shares of Lockheed common stock which have been allocated to individual participants' accounts (approximately 7.3 million shares), and shares of Lockheed common stock which are not yet allocated to any individual's account (approximately 6.8 million shares). This section explains how you may give voting instructions to the Trustee with respect to both allocated and unallocated shares of common stock.

Enclosed are two voting instruction forms to be used for giving voting instructions to the Trustee. The plain blue form is for allocated shares, and the blue with black border form is for unallocated shares. The recommendations of the Lockheed Board of Directors with respect to matters to be voted upon at the Special Meeting of Stockholders are printed on these forms. If you want to follow the Board's recommendations on all matters, you can do so by signing, dating and returning both forms in the enclosed postage-paid envelope without checking any of the boxes on the forms.

Your Role as a Named Fiduciary

Only the Trustee can vote the shares held by the Plan. However, under the terms of the Plan, each participant is designated as a "Named Fiduciary" for voting purposes, and thus you are entitled to instruct the Trustee how to vote (1) all shares allocated to your account, and (2) a proportionate number of unallocated shares based upon the number of ESOP Match Shares currently allocated to your account. By signing, dating, and returning EITHER or BOTH of the voting instruction forms, you are accepting your designation under the Plan as a "Named Fiduciary," and you should therefore exercise your voting rights prudently and in the interest of all Plan participants.

You may instruct the Trustee to vote for or against any particular matter or to abstain from voting on that matter. If you sign and return a voting instruction form but do not check any boxes on the form, the Trustee will vote the shares in accordance with the Board's recommendations on the voting instruction forms.

You should sign, date and return both voting instruction forms only if you wish to act as "Named Fiduciary" for both the shares allocated to your account and a portion of the unallocated shares. The following paragraphs explain how the Trustee will vote shares for which you have NOT returned a voting instruction form.

Shares Allocated to Your Account

The plain blue voting instruction form (the form without a black border) represents your instructions to the Trustee for the

shares which have been allocated to your account and which will be voted in accordance with your instructions. You should mark the boxes on the form to indicate your voting instructions to the Trustee, sign and date the instruction form and return it in the envelope that is provided. IF YOU DO NOT SIGN, DATE, AND RETURN BY THE VOTING DEADLINE A VOTING INSTRUCTION FORM WITH RESPECT TO SHARES ALLOCATED TO YOUR ACCOUNT, THE TRUSTEE WILL VOTE THESE SHARES IN FAVOR OF THE COMBINATION OF LOCKHEED AND MARTIN MARIETTA AND IN FAVOR OF ALL OTHER MATTERS RELATED TO THE COMBINATION.

Unallocated Shares

The blue voting instruction form with the black border represents your instructions to the Trustee for the unallocated shares. All of the unallocated shares will be voted in accordance with voting instruction forms that are timely returned by participants regardless of the number of participants who respond. The minimum number of unallocated shares for which you are entitled to provide instructions will be approximately .92 times the number of ESOP Match Shares shown on the voting instruction form with the black border. You should mark the boxes on this form to indicate your voting instructions to the Trustee with respect to unallocated shares, sign and date the instruction form and return it in the envelope provided.

If you do not sign and return a black border voting instruction form before the cut-off date, the unallocated shares for which you could have provided instructions will be voted in accordance with the instructions of participants who do return the black border form (not by the exercise of the Trustee's judgment). Accordingly, the exact number of unallocated shares for which you will be entitled to provide instructions cannot be determined until the Trustee has received all timely participant instructions with respect to the unallocated shares.

Voting Deadline

In order to be assured that your voting instructions to the Trustee will be followed, you must complete, sign, date and return your voting instruction forms to the Trustee no later than 5:00 p.m. Pacific Standard Time on ____, 1995. Please remember to return your instruction forms directly to the Trustee in the enclosed envelope, rather than to Lockheed or any other party.

If you are also a direct stockholder of Lockheed, you will receive, under separate cover, proxy materials, including a proxy card, which can be used to vote your directly-owned shares of Lockheed common stock. That proxy card cannot be used to direct the voting of shares held in the Plan, which can only be voted by the Trustee in accordance with instructions received from Plan participants, as described above.

Confidentiality

Your voting instructions to the Trustee are strictly confidential. Under no circumstances will the Trustee, or any of its agents, disclose to Lockheed or any other party how or if you voted. You should feel free to instruct the Trustee to vote in the manner you think is best.

Questions

If you have any questions about your voting rights under the Plan, the voting instruction forms, or the secrecy of your vote, please contact the Trustee between the hours of 8:00 am. and 5:00 p.m. Pacific Standard Time at 1-800-441-1800 if you are calling from within California, or 1-800-535-3093 if you are calling from outside California.

U.S. TRUST COMPANY OF CALIFORNIA, N.A.

_____, 1995

THE LOCKHEED SALARIED EMPLOYEE SAVINGS PLAN PLUS

ALLOCATED SHARES
VOTING INSTRUCTIONS TO TRUSTEE

FOR THE SPECIAL MEETING OF STOCKHOLDERS OF LOCKHEED CORPORATION - MARCH 15, 1995

The undersigned Participant in The Lockheed Salaried Employee Savings Plan Plus (the "Plan") hereby instructs U.S. Trust Company of California, N.A., as Trustee under the Plan ("Trustee"), to vote all shares of common stock of Lockheed Corporation allocated to the account of the Participant in accordance with the instructions on the reverse side of this form, and to represent the undersigned at the Special Meeting of Stockholders of Lockheed to be held at the Ritz-Carlton Chicago, 160 E. Pearson Street, Chicago, Illinois on March 15, 1995, at 9:00 a.m. local time, and at any adjournments or postponements thereof, and to act in its discretion upon such other matters as may properly come before the meeting or any adjournments or postponements thereof.

THIS FORM MUST BE PROPERLY COMPLETED, SIGNED, DATED AND RECEIVED BY THE TRUSTEE NO LATER THAN 5:00 P.M. PACIFIC STANDARD TIME ON MARCH 13, 1995. IF YOUR VOTING INSTRUCTIONS ARE NOT TIMELY RECEIVED, THE TRUSTEE WILL VOTE THE SHARES ALLOCATED TO YOUR ACCOUNT FOR THE ITEMS ON THE REVERSE SIDE OF THIS FORM. IF THIS FORM IS NOT RECEIVED BEFORE 5:00 P.M. PACIFIC STANDARD TIME ON MARCH 13, 1995, THE TRUSTEE CANNOT ENSURE THAT YOUR VOTING INSTRUCTIONS WILL BE FOLLOWED. YOUR VOTING INSTRUCTIONS TO THE TRUSTEE ARE CONFIDENTIAL AS EXPLAINED IN THE ACCOMPANYING NOTICE TO PLAN PARTICIPANTS.

YOUR ALLOCATED SHARES:

Please specify your choice on each item, date and sign (on the reverse hereof), fold and return in the enclosed envelope.

X Please mark your choice like this and sign and date below

FOR YOUR INFORMATION, THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ITEMS 1, 2 AND 3.

- 1. / /FOR / /AGAINST / /ABSTAIN Approve and adopt an Agreement and Plan of Reorganization, dated August 29, 1994, as amended as of February 7, 1995 and a Plan and Agreement of Merger, dated August 29, 1994.
- 2. / /FOR / /AGAINST / /ABSTAIN Approve the adoption of the Lockheed Martin 1995 Omnibus Performance Award Plan.
- 3. / /FOR / /AGAINST / /ABSTAIN Approve the adoption of the Lockheed Martin Directors Deferred Stock Plan.

As a Participant in the Plan, I hereby acknowledge receipt of the Joint Proxy Statement/Prospectus relating to the Special Meeting of Stockholders of Lockheed, and I hereby instruct the Trustee to vote all shares allocated to my account as I have indicated above. If I sign, date and return this form but do not specifically instruct the Trustee how to vote, the Trustee will vote my allocated shares in accordance with the recommendations of the Lockheed Board of Directors.

The submission of this voting instruction form, if properly signed and dated, revokes ALL of my prior allocated share voting instructions received by the Trustee.

SIGNATURE

DATE

PLEASE SIGN, DATE AND MAIL THIS VOTING INSTRUCTION FORM PROMPTLY IN THE ENVELOPE PROVIDED

I PLAN TO ATTEND THE SPECIAL MEETING / /YES / /NO

(Line markings on the top and bottom of this form are provided as a folding guide.)

THE LOCKHEED SALARIED EMPLOYEE SAVINGS PLAN PLUS

UNALLOCATED SHARES
VOTING INSTRUCTIONS TO TRUSTEE

FOR THE SPECIAL MEETING OF STOCKHOLDERS OF LOCKHEED CORPORATION - MARCH 15, 1995

The undersigned Participant in The Lockheed Salaried Employee Savings Plan Plus (the "Plan") hereby instructs U.S. Trust Company of California, N.A., as Trustee under the Plan ("Trustee"), to vote a proportionate number of shares of common stock of Lockheed Corporation not yet allocated to Participants' accounts in accordance with the instructions on the reverse side of this form, and to represent the undersigned at the Special Meeting of Stockholders of Lockheed to be held at The Ritz-Carlton Chicago, 160 E. Pearson Street, Chicago, Illinois on March 15, 1995, at 9:00 a.m. local time, and at any adjournments or postponements thereof, and to act in its discretion upon such other matters as may properly come before the meeting or any adjournments or postponements thereof.

THIS FORM MUST BE PROPERLY COMPLETED, SIGNED, DATED AND RECEIVED BY THE TRUSTEE NO LATER THAN 5:00 P.M. PACIFIC STANDARD TIME ON MARCH 13, 1995. IF THIS FORM IS RECEIVED AFTER 5:00 P.M. PACIFIC STANDARD TIME ON MARCH 13, 1995, THE TRUSTEE CANNOT ENSURE THAT YOUR VOTING INSTRUCTIONS WILL BE FOLLOWED. YOUR VOTING INSTRUCTIONS ARE CONFIDENTIAL AS EXPLAINED IN THE ACCOMPANYING NOTICE TO PLAN PARTICIPANTS.

YOUR ESOP MATCH SHARES:

Please specify your choice on each item, date and sign (on the reverse hereof), fold and return in the enclosed envelope.

X Please mark your choice like this and sign and date below

FOR YOUR INFORMATION, THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ITEMS 1, 2 AND 3.

- | | | | | |
|----|--------|------------|------------|---|
| 1. | / /FOR | / /AGAINST | / /ABSTAIN | Approve and adopt an Agreement and Plan of Reorganization, dated August 29, 1994, as amended as of February 7, 1995, and a Plan and Agreement of Merger, dated August 29, 1994. |
| 2. | / /FOR | / /AGAINST | / /ABSTAIN | Approve the adoption of the Lockheed Martin 1995 Omnibus Performance Award Plan. |
| 3. | / /FOR | / /AGAINST | / /ABSTAIN | Approve the adoption of the Lockheed Martin Directors Deferred Stock Plan. |

As a Participant in the Plan, I hereby acknowledge receipt of the Joint Proxy Statement/Prospectus relating to the Special Meeting of Stockholders of Lockheed, and I hereby instruct the Trustee to vote a proportionate number of shares not yet allocated to Participants' accounts as I have indicated above. If I sign, date and return this form but do not specifically instruct the Trustee how to vote, the Trustee will vote my proportionate share of the unallocated shares in accordance with the recommendations of the Lockheed Board of Directors.

The submission of this voting instruction form, if properly signed and dated, revokes ALL of my prior unallocated share voting instructions received by the Trustee.

SIGNATURE

DATE

PLEASE SIGN, DATE AND MAIL THIS VOTING INSTRUCTION FORM PROMPTLY IN THE ENVELOPE PROVIDED

(Line markings on the top and bottom of this form are provided as a folding guide.)

NOTICE TO PARTICIPANTS
IN THE
LOCKHEED HOURLY ESOPS

Dear ESOP Participant:

The enclosed Joint Proxy Statement/Prospectus has been prepared by Lockheed Corporation ("Lockheed") and Martin Marietta Corporation ("Martin Marietta") in connection with the solicitation of proxies for the Special Meeting of Stockholders of Lockheed to be held on March 15, 1995.

At the Special Meeting, the stockholders of Lockheed will be asked to approve the combination of the businesses of Lockheed and Martin Marietta and certain matters related to this combination. As a participant in the Lockheed Hourly Employee Savings Plan Plus or the Lockheed Space Operations Company Hourly Employee Investment Plan Plus (the "ESOPs"), you may instruct the Trustee on voting the shares of Lockheed common stock allocated to your ESOP account. If the combination is approved, Lockheed and Martin Marietta will become subsidiaries of a new holding company named Lockheed Martin Corporation ("Lockheed Martin"), and the Lockheed common stock held by the ESOPs will be converted into Lockheed Martin common stock.

The proposed combination of Lockheed and Martin Marietta is described in the enclosed Joint Proxy Statement/Prospectus. You should carefully read this material and the following explanation of the voting pass-through rules of the ESOPs and how to complete and return your voting instruction form.

TO BE COUNTED, VOTING INSTRUCTIONS MUST BE RECEIVED
BY THE TRUSTEE NO LATER THAN 5:00 P.M. PACIFIC
STANDARD TIME ON MARCH 13, 1995.

THE TRUSTEE'S RECOMMENDATION

The Trustee has consulted with its financial advisor and has independently evaluated the proposed combination of Lockheed and Martin Marietta. The Trustee believes that the proposed combination is beneficial to all shareholders of Lockheed, including the ESOPs, and therefore recommends a vote "FOR" the proposal to approve the combination and "FOR" the proposals to approve the adoption of an omnibus performance award plan and a directors deferred stock plan for Lockheed Martin. However, you are not obligated to follow the Trustee's recommendation, and you should feel free to instruct the Trustee to vote in the manner that you think best.

HOW TO COMPLETE YOUR VOTING INSTRUCTION FORM

The ESOPs hold shares of Lockheed common stock which have been allocated to individual participants' accounts. This section explains how you may give voting instructions to the Trustee with respect to shares of common stock allocated to your account.

Enclosed is a blue instruction form to be used for giving voting instructions to the Trustee. The recommendations of the Lockheed Board of Directors with respect to matters to be voted upon at the Special Meeting of Stockholders are printed on this form. If you want to follow the Board's recommendations on all matters, you can do so by signing, dating and returning the form in the enclosed postage-paid envelope without checking any of the boxes on the form.

Your Role as a Named Fiduciary

Only the Trustee can vote the shares held by the ESOPs. However, under the terms of each ESOP, each participant is designated as a "Named Fiduciary" for voting purposes, and thus you are entitled to instruct the Trustee how to vote all shares allocated to your account. By signing, dating, and returning the voting instruction form, you are accepting your designation under the ESOP as a "Named Fiduciary," and you should therefore exercise your voting rights prudently and in the interest of all ESOP participants.

You may instruct the Trustee to vote for or against any particular matter or to abstain from voting on that matter. If you sign and return a voting instruction form but do not check any boxes on the form, the Trustee will vote the shares in accordance with the Board's recommendations on the voting instruction form.

You should sign, date and return a voting instruction form only if you wish to act as "Named Fiduciary" for the shares allocated to your account. The ESOPs provide that if you do not give any voting instructions with respect to shares allocated to your account, your shares will not be voted. However, in order for the Trustee to satisfy its fiduciary obligations under the law, the Trustee will vote all shares for which ESOP participants do not provide voting instructions. **THEREFORE, IF YOU DO NOT SIGN, DATE, AND RETURN A VOTING INSTRUCTION FORM BY THE VOTING DEADLINE, THE TRUSTEE WILL VOTE THE SHARES ALLOCATED TO YOUR ESOP ACCOUNT IN FAVOR OF THE COMBINATION OF LOCKHEED AND MARTIN MARIETTA AND IN FAVOR OF ALL OTHER MATTERS RELATED TO THE COMBINATION.**

Voting Deadline

In order to be assured that your voting instructions to the Trustee will be followed, you must complete, sign, date and return your voting instruction form to the Trustee no later than 5:00 p.m. Pacific Standard Time on March 13, 1995. Please remember to return your instruction form directly to the Trustee in the enclosed envelope, rather than to Lockheed or any other party.

If you are also a direct stockholder of Lockheed, you will receive, under separate cover, proxy materials, including a proxy card, which can be used to vote your directly-owned shares of Lockheed common stock. That proxy card cannot be used to direct the voting of shares held in the ESOPs, which can only be voted by the Trustee in accordance with instructions received from ESOP participants, as described above.

Confidentiality

Your voting instructions to the Trustee are strictly confidential. Under no circumstances will the Trustee, or any of its agents, disclose to Lockheed or any other party how or if you voted. You should feel free to instruct the Trustee to vote in the manner you think is best.

Questions

If you have any questions about your voting rights under the ESOPs, the voting instruction form, or the secrecy of your vote, please contact the Trustee between the hours of 8:00 a.m. and 5:00 p.m. Pacific Standard Time at 1-800-441-1800 if you are calling from within California, or 1-800-535-3093 if you are calling from outside California.

U. S. TRUST COMPANY OF CALIFORNIA, N.A.

_____, 1995

THE LOCKHEED HOURLY EMPLOYEE SAVINGS PLAN PLUS

ALLOCATED SHARES
VOTING INSTRUCTIONS TO TRUSTEE

FOR THE SPECIAL MEETING OF STOCKHOLDERS OF LOCKHEED CORPORATION - MARCH 15, 1995

The undersigned Participant in The Lockheed Hourly Employee Savings Plan Plus (the "Plan") hereby instructs U.S. Trust Company of California, N.A., as Trustee under the Plan ("Trustee"), to vote all shares of common stock of Lockheed Corporation allocated to the account of the Participant in accordance with the instructions on the reverse side of this form, and to represent the undersigned at the Special Meeting of Stockholders of Lockheed to be held at The Ritz-Carlton Chicago, 160 E. Pearson Street, Chicago, Illinois on March 15, 1995, at 9:00 a.m. local time, and at any adjournments or postponements thereof, and to act in its discretion upon such other matters as may properly come before the meeting or any adjournments or postponements thereof.

THIS FORM MUST BE PROPERLY COMPLETED, SIGNED, DATED AND RECEIVED BY THE TRUSTEE NO LATER THAN 5:00 P.M. PACIFIC STANDARD TIME ON MARCH 13, 1995. IF YOUR VOTING INSTRUCTIONS ARE NOT TIMELY RECEIVED, THE TRUSTEE WILL VOTE THE SHARES ALLOCATED TO YOUR ACCOUNT FOR THE ITEMS ON THE REVERSE SIDE OF THIS FORM. IF THIS FORM IS NOT RECEIVED BEFORE 5:00 P.M. PACIFIC STANDARD TIME ON MARCH 13, 1995, THE TRUSTEE CANNOT ENSURE THAT YOUR VOTING INSTRUCTIONS WILL BE FOLLOWED. YOUR VOTING INSTRUCTIONS TO THE TRUSTEE ARE CONFIDENTIAL AS EXPLAINED IN THE ACCOMPANYING NOTICE TO PLAN PARTICIPANTS.

YOUR ALLOCATED SHARES:

Please specify your choice on each item, date and sign (on the reverse hereof), fold and return in the enclosed envelope.

THE LOCKHEED SPACE OPERATIONS COMPANY HOURLY EMPLOYEE INVESTMENT PLAN PLUS

ALLOCATED SHARES
VOTING INSTRUCTIONS TO TRUSTEE

FOR THE SPECIAL MEETING OF STOCKHOLDERS OF LOCKHEED CORPORATION - MARCH 15, 1995

The undersigned Participant in The Lockheed Space Operations Company Hourly Employee Investment Plan Plus (the "Plan") hereby instructs U.S. Trust Company of California, N.A., as Trustee under the Plan ("Trustee"), to vote all shares of common stock of Lockheed Corporation allocated to the account of the Participant in accordance with the instructions on the reverse side of this form, and to represent the undersigned at the Special Meeting of Stockholders of Lockheed to be held at The Ritz-Carlton Chicago, 160 E. Pearson Street, Chicago, Illinois on March 15, 1995, at 9:00 a.m. local time, and at any adjournments or postponements thereof, and to act in its discretion upon such other matters as may properly come before the meeting or any adjournments or postponements thereof.

THIS FORM MUST BE PROPERLY COMPLETED, SIGNED, DATED AND RECEIVED BY THE TRUSTEE NO LATER THAN 5:00 P.M. PACIFIC STANDARD TIME ON MARCH 13, 1995. IF YOUR VOTING INSTRUCTIONS ARE NOT TIMELY RECEIVED, THE TRUSTEE WILL VOTE THE SHARES ALLOCATED TO YOUR ACCOUNT FOR THE ITEMS ON THE REVERSE SIDE OF THIS FORM. IF THIS FORM IS NOT RECEIVED BEFORE 5:00 P.M. PACIFIC STANDARD TIME ON MARCH 13, 1995, THE TRUSTEE CANNOT ENSURE THAT YOUR VOTING INSTRUCTIONS WILL BE FOLLOWED. YOUR VOTING INSTRUCTIONS TO THE TRUSTEE ARE CONFIDENTIAL AS EXPLAINED IN THE ACCOMPANYING NOTICE TO PLAN PARTICIPANTS.

YOUR ALLOCATED SHARES:

Please specify your choice on each item, date and sign (on the reverse hereof), fold and return in the enclosed envelope.

X Please mark your choice like this and sign and date below

FOR YOUR INFORMATION, THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ITEMS 1,2 AND 3.

- 1. / /FOR / /AGAINST / /ABSTAIN Approve and adopt an Agreement and Plan of Reorganization, dated August 29, 1994, as amended as of February 7, 1995, and a Plan and Agreement of Merger, dated August 29, 1994.
- 2. / /FOR / /AGAINST / /ABSTAIN Approve the adoption of the Lockheed Martin 1995 Omnibus Performance Award Plan.
- 3. / /FOR / /AGAINST / /ABSTAIN Approve the adoption of the Lockheed Martin Directors Deferred Stock Plan.

As a Participant in the Plan, I hereby acknowledge receipt of the Joint Proxy Statement/Prospectus relating to the Special Meeting of Stockholders of Lockheed, and I hereby instruct the Trustee to vote all shares allocated to my account as I have indicated above. If I sign, date and return this form but do not specifically instruct the Trustee how to vote, the Trustee will vote my allocated shares in accordance with the recommendations of the Lockheed Board of Directors.

The submission of this voting instruction form, if properly signed and dated, revokes ALL of my prior allocated share voting instructions received by the Trustee.

SIGNATURE

DATE

PLEASE SIGN, DATE AND MAIL THIS VOTING INSTRUCTION FORM PROMPTLY IN THE ENVELOPE PROVIDED

I PLAN TO ATTEND THE SPECIAL MEETING / /YES / /NO

(Line markings on the top and bottom of this form are provided as a folding guide.)

[BANKERS TRUST LETTERHEAD]

February __, 1995

Dear Lockheed Participant:

Please find enclosed proxy materials related to the Special Meeting of Lockheed stockholders to be held on March 15, 1995. At that meeting the stockholders will consider, among other things identified in the proxy materials, the combination of Lockheed and Martin Marietta Corporation. As a participant in the Lockheed Capital Accumulation Plan or the Lockheed Hourly Employee Savings and Stock Investment Plan - Fort Worth and Abilene Divisions you are entitled to vote the equivalent shares of Lockheed common stock allocated to your account. A voting instruction form is enclosed. You should keep the following points in mind when exercising your voting power.

- - YOUR VOTING INSTRUCTIONS TO THE TRUSTEE ARE STRICTLY CONFIDENTIAL. The trustee will not disclose to Lockheed or any other party how or if you voted.
- - All matters to be voted on at the Special Meeting are extremely important. You should read the enclosed proxy materials carefully.
- - YOUR INSTRUCTIONS TO THE TRUSTEE MUST BE RECEIVED NO LATER THAN CLOSE OF BUSINESS ON MARCH 13, 1995. IF THE TRUSTEE DOES NOT RECEIVE YOUR TIMELY VOTING INSTRUCTIONS THE TRUSTEE WILL VOTE THE EQUIVALENT SHARES ALLOCATED TO YOUR ACCOUNT IN ITS DISCRETION.

If you have any questions regarding the enclosed material, please contact Nellie Myers at Bankers Trust (213) 620-8473.

Sincerely,

Bankers Trust Company, Trustee

CONFIDENTIAL VOTING INSTRUCTIONS TO TRUSTEE

FOR THE SPECIAL MEETING OF STOCKHOLDERS - MARCH 15, 1995
THE TRUSTEE SOLICITS THESE VOTING INSTRUCTIONS FROM PARTICIPANTS IN

- THE LOCKHEED CAPITAL ACCUMULATION PLAN
- THE LOCKHEED HOURLY EMPLOYEE SAVINGS AND STOCK INVESTMENT PLAN - FORT WORTH AND ABILENE DIVISIONS

The undersigned, a Participant in one of the plans named above, hereby instructs Bankers Trust, as Trustee under the plan, to vote all equivalent shares of common stock of Lockheed allocated to the account of the undersigned under the plan ("Shares") in accordance with the instructions on the reverse side of this form, and to represent the undersigned at the Special Meeting of Stockholders of Lockheed to be held at The Ritz-Carlton Chicago, 160 E. Pearson Street, Chicago, Illinois on March 15, 1995, at 9:00 a.m. local time, and at any adjournments or postponements thereof, and to act in its discretion upon such other matters as may properly come before the meeting or any adjournments or postponements thereof.

The submission of this voting instruction form, if properly executed, revokes all prior voting instruction forms.

TO ASSURE THAT YOUR VOTING INSTRUCTIONS ARE FOLLOWED, THIS FORM MUST BE PROPERLY COMPLETED, SIGNED AND RECEIVED BACK BY THE TRUSTEE BY THE CLOSE OF BUSINESS ON MARCH 13, 1995. IF YOUR VOTING INSTRUCTIONS ARE NOT TIMELY RECEIVED THE TRUSTEE WILL VOTE THE EQUIVALENT SHARES ALLOCATED TO YOUR ACCOUNT IN ITS DISCRETION. YOUR VOTING INSTRUCTIONS ARE CONFIDENTIAL.

EQUIVALENT SHARES:

Please specify your choice on each item, date and sign (on the reverse hereof), fold and return in the enclosed envelope.

X Please mark your choice like this and sign and date below

FOR YOUR INFORMATION, THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ITEMS 1, 2 AND 3.
THE TRUSTEE MAKES NO RECOMMENDATIONS WITH RESPECT TO YOUR VOTING DECISIONS.

- | | | | | |
|----|--------|------------|------------|---|
| 1. | / /FOR | / /AGAINST | / /ABSTAIN | Approve and adopt an Agreement and Plan of Reorganization, dated August 29, 1994, as amended as of February 7, 1995, and a Plan and Agreement of Merger, dated August 29, 1994. |
| 2. | / /FOR | / /AGAINST | / /ABSTAIN | Approve the adoption of the Lockheed Martin 1995 Omnibus Performance Award Plan. |
| 3. | / /FOR | / /AGAINST | / /ABSTAIN | Approve the adoption of the Lockheed Martin Directors Deferred Stock Plan. |

As a Participant in the Plan, I hereby acknowledge receipt of the Joint Proxy Statement/Prospectus relating to the Special Meeting of Stockholders of Lockheed, and I hereby instruct the Trustee to vote all equivalent shares allocated to my account as I have indicated above. If this form is signed and received by the Trustee on time but I do not indicate my voting preferences, my equivalent shares will be voted in the Trustee's discretion.

The submission of this voting instruction form, if properly signed and dated, revokes ALL of my prior equivalent share voting instructions received by the Trustee.

SIGNATURE

DATE

PLEASE SIGN, DATE AND MAIL THIS VOTING INSTRUCTION FORM PROMPTLY IN THE ENVELOPE PROVIDED

I PLAN TO ATTEND THE SPECIAL MEETING / /YES / /NO

(Line markings on the top and bottom of this form are provided as a folding guide)