

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2024

or

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

For the transition period from _____ to _____

Commission file number: 1-11437

LOCKHEED MARTIN CORPORATION

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

52-1893632

(I.R.S. Employer Identification No.)

6801 Rockledge Drive, Bethesda, Maryland

(Address of principal executive offices)

20817

(Zip Code)

(301) 897-6000

(Registrant's telephone number, including area code)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 239,938,144 shares of our common stock, \$1 par value per share, outstanding as of April 19, 2024.

Lockheed Martin Corporation
Form 10-Q
For the Quarterly Period Ended March 31, 2024
Table of Contents

	<u>Page</u>
<u>PART I. FINANCIAL INFORMATION</u>	
ITEM 1. Financial Statements (Unaudited)	
Consolidated Statements of Earnings for the Quarters Ended March 31, 2024 and March 26, 2023	3
Consolidated Statements of Comprehensive Income for the Quarters Ended March 31, 2024 and March 26, 2023	4
Consolidated Balance Sheets as of March 31, 2024 and December 31, 2023	5
Consolidated Statements of Cash Flows for the Quarters Ended March 31, 2024 and March 26, 2023	6
Consolidated Statements of Equity for the Quarters Ended March 31, 2024 and March 26, 2023	7
Notes to Consolidated Financial Statements	8
Report of Independent Registered Public Accounting Firm	24
ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	25
ITEM 3. Quantitative and Qualitative Disclosures About Market Risk	39
ITEM 4. Controls and Procedures	39
<u>PART II. OTHER INFORMATION</u>	
ITEM 1. Legal Proceedings	40
ITEM 1A. Risk Factors	41
ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds	41
ITEM 5. Other Information	42
ITEM 6. Exhibits	42
<u>SIGNATURE</u>	43

PART I. FINANCIAL INFORMATION**ITEM 1. Financial Statements**

Lockheed Martin Corporation
Consolidated Statements of Earnings
(unaudited; in millions, except per share data)

	Quarters Ended	
	March 31, 2024	March 26, 2023
Net sales		
Products	\$ 14,196	\$ 12,526
Services	2,999	2,600
Total net sales	17,195	15,126
Cost of sales		
Products	(12,884)	(11,151)
Services	(2,603)	(2,284)
Other unallocated, net	285	355
Total cost of sales	(15,202)	(13,080)
Gross profit	1,993	2,046
Other income (expense), net	36	(9)
Operating profit	2,029	2,037
Interest expense	(255)	(202)
Non-service FAS pension income	16	110
Other non-operating income, net	45	49
Earnings before income taxes	1,835	1,994
Income tax expense	(290)	(305)
Net earnings	\$ 1,545	\$ 1,689
Earnings per common share		
Basic	\$ 6.42	\$ 6.63
Diluted	\$ 6.39	\$ 6.61
Cash dividends paid per common share	\$ 3.15	\$ 3.00

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Lockheed Martin Corporation
Consolidated Statements of Comprehensive Income
(unaudited; in millions)

	Quarters Ended	
	March 31, 2024	March 26, 2023
Net earnings	\$ 1,545	\$ 1,689
Other comprehensive income, net of tax		
Postretirement benefit plans		
Amortization of actuarial losses and prior service credits, net of tax of \$5 million in 2024 and \$10 million in 2023	19	(37)
Other, net, net of tax of \$0 million in 2024 and \$4 million in 2023	(27)	(26)
Other comprehensive (loss), net of tax	(8)	(63)
Comprehensive income	\$ 1,537	\$ 1,626

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Lockheed Martin Corporation
Consolidated Balance Sheets
(in millions, except par value)

	March 31, 2024	December 31, 2023
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 2,790	\$ 1,442
Receivables, net	2,257	2,132
Contract assets	14,050	13,183
Inventories	3,278	3,132
Other current assets	583	632
Total current assets	22,958	20,521
Property, plant and equipment, net	8,354	8,370
Goodwill	10,789	10,799
Intangible assets, net	2,151	2,212
Deferred income taxes	3,024	2,953
Other noncurrent assets	7,687	7,601
Total assets	\$ 54,963	\$ 52,456
Liabilities and equity		
Current liabilities		
Accounts payable	\$ 3,523	\$ 2,312
Salaries, benefits and payroll taxes	2,679	3,133
Contract liabilities	8,745	9,190
Current maturities of long-term debt	168	168
Other current liabilities	2,584	2,134
Total current liabilities	17,699	16,937
Long-term debt, net	19,250	17,291
Accrued pension liabilities	6,133	6,162
Other noncurrent liabilities	5,231	5,231
Total liabilities	48,313	45,621
Stockholders' equity		
Common stock, \$1 par value per share	239	240
Additional paid-in capital	—	—
Retained earnings	15,222	15,398
Accumulated other comprehensive loss	(8,811)	(8,803)
Total stockholders' equity	6,650	6,835
Total liabilities and equity	\$ 54,963	\$ 52,456

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Lockheed Martin Corporation
Consolidated Statements of Cash Flows
(unaudited; in millions)

	Quarters Ended	
	March 31, 2024	March 26, 2023
Operating activities		
Net earnings	\$ 1,545	\$ 1,689
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation and amortization	351	325
Stock-based compensation	61	57
Deferred income taxes	(77)	(117)
Changes in assets and liabilities		
Receivables, net	(125)	(78)
Contract assets	(867)	(871)
Inventories	(146)	(383)
Accounts payable	1,301	1,217
Contract liabilities	(445)	(152)
Income taxes	341	414
Qualified defined benefit pension plans	(1)	(94)
Other, net	(303)	(443)
Net cash provided by operating activities	1,635	1,564
Investing activities		
Capital expenditures	(378)	(294)
Other, net	6	35
Net cash used for investing activities	(372)	(259)
Financing activities		
Issuance of long-term debt, net of related costs	1,980	—
Repurchases of common stock	(1,000)	(500)
Dividends paid	(780)	(784)
Other, net	(115)	(128)
Net cash provided by (used for) financing activities	85	(1,412)
Net change in cash and cash equivalents	1,348	(107)
Cash and cash equivalents at beginning of period	1,442	2,547
Cash and cash equivalents at end of period	\$ 2,790	\$ 2,440

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Lockheed Martin Corporation
Consolidated Statements of Equity
(unaudited; in millions)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balance at December 31, 2023	\$ 240	\$ —	\$ 15,398	\$ (8,803)	\$ 6,835
Net earnings	—	—	1,545	—	1,545
Other comprehensive income, net of tax	—	—	—	(8)	(8)
Dividends declared	—	—	(763)	—	(763)
Repurchases of common stock	(2)	(40)	(958)	—	(1,000)
Stock-based awards, ESOP activity and other	1	40	—	—	41
Balance at March 31, 2024	\$ 239	\$ —	\$ 15,222	\$ (8,811)	\$ 6,650
Balance at December 31, 2022	\$ 254	\$ 92	\$ 16,943	\$ (8,023)	\$ 9,266
Net earnings	—	—	1,689	—	1,689
Other comprehensive income, net of tax	—	—	—	(63)	(63)
Dividends declared	—	—	(768)	—	(768)
Repurchases of common stock	(1)	(113)	(386)	—	(500)
Stock-based awards, ESOP activity and other	1	21	—	—	22
Balance at March 26, 2023	\$ 254	\$ —	\$ 17,478	\$ (8,086)	\$ 9,646

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited)

NOTE 1 - BASIS OF PRESENTATION

We prepared these consolidated financial statements in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information, the instructions to Form 10-Q and Article 10 of U.S. Securities and Exchange Commission (SEC) Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements.

In the opinion of management, these consolidated financial statements reflect all adjustments that are of a normal recurring nature necessary for a fair presentation of our results of operations, financial condition, and cash flows for the interim periods presented. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base these estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Our actual results may differ materially from these estimates. Significant estimates inherent in the preparation of our consolidated financial statements include, but are not limited to, accounting for sales and cost recognition; postretirement benefit plans; environmental liabilities and assets for the portion of environmental costs that are probable of future recovery; evaluation of goodwill, intangible assets, investments and other assets for impairment; income taxes including deferred tax assets; fair value measurements; and contingencies. The consolidated financial statements include the accounts of subsidiaries we control and variable interest entities if we are the primary beneficiary. We eliminate intercompany balances and transactions in consolidation.

We close our books and records on the last Sunday of the interim calendar quarter, which was on March 31 for the first quarter of 2024 and March 26 for the first quarter of 2023, to align our financial closing with our business processes. The consolidated financial statements and tables of financial information included herein are labeled based on that convention. This practice only affects interim periods as our fiscal year ends on December 31.

The results of operations for the interim periods presented are not necessarily indicative of results to be expected for the full year or future periods. Unless otherwise noted, we present all per share amounts cited in these consolidated financial statements on a "per diluted share" basis. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023 (2023 Form 10-K).

NOTE 2 - EARNINGS PER COMMON SHARE

The weighted average number of shares outstanding used to compute earnings per common share were as follows (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Weighted average common shares outstanding for basic computations	240.7	254.7
Weighted average dilutive effect of equity awards	0.9	1.0
Weighted average common shares outstanding for diluted computations	241.6	255.7

We compute basic and diluted earnings per common share by dividing net earnings by the respective weighted average number of common shares outstanding for the periods presented. Our calculation of diluted earnings per common share also includes the dilutive effects for the assumed vesting of outstanding restricted stock units (RSUs) and performance stock units (PSUs) based on the treasury stock method. There were no significant anti-dilutive equity awards during the quarters ended March 31, 2024 and March 26, 2023. Basic and diluted weighted average common shares outstanding decreased in 2024 compared to 2023 due to share repurchases. See "Note 9 - Stockholders' Equity" for more information.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

NOTE 3 - INFORMATION ON BUSINESS SEGMENTS**Overview**

We operate in four business segments: Aeronautics, Missiles and Fire Control (MFC), Rotary and Mission Systems (RMS) and Space. We organize our business segments based on the nature of products and services offered.

Selected Financial Data by Business Segment

Net sales and operating profit of our business segments exclude intersegment sales, cost of sales and profit as these activities are eliminated in consolidation and thus are not included in management's evaluation of performance of each segment. Business segment operating profit includes our share of earnings or losses from equity method investees as the operating activities of the equity method investees are closely aligned with the operations of our business segments.

Summary operating results for each of our business segments were as follows (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Net sales		
Aeronautics	\$ 6,845	\$ 6,269
Missiles and Fire Control	2,993	2,388
Rotary and Mission Systems	4,088	3,510
Space	3,269	2,959
Total net sales	\$ 17,195	\$ 15,126
Operating profit		
Aeronautics	\$ 679	\$ 675
Missiles and Fire Control	311	377
Rotary and Mission Systems	430	350
Space	325	280
Total business segment operating profit	1,745	1,682
Unallocated items		
FAS/CAS pension operating adjustment	406	415
Intangible asset amortization expense	(61)	(62)
Other, net	(61)	2
Total unallocated items	284	355
Total consolidated operating profit	\$ 2,029	\$ 2,037
Intersegment sales		
Aeronautics	\$ 70	\$ 53
Missiles and Fire Control	202	146
Rotary and Mission Systems	586	489
Space	107	86
Total intersegment sales	\$ 965	\$ 774

Unallocated Items

Business segment operating profit excludes the FAS/CAS pension operating adjustment, a portion of corporate costs not considered allowable or allocable to contracts with the U.S. Government under the applicable U.S. Government cost accounting standards (CAS) or federal acquisition regulations (FAR), and other items not considered part of management's evaluation of segment operating performance such as a portion of management and administration costs, legal fees and settlements, stock-based compensation expense, changes in the fair value of assets and liabilities for deferred compensation plans, retiree benefits, significant severance charges, significant asset impairments, gains or

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

losses from divestitures, intangible asset amortization expense, and other miscellaneous corporate activities. Excluded items are included in the reconciling item "Unallocated items" between operating profit from our business segments and our consolidated operating profit. See "Note 10 - Other" for a discussion related to certain factors that may impact the comparability of net sales and operating profit of our business segments.

FAS/CAS Pension Operating Adjustment

Our business segments' results of operations include pension expense only as calculated under U.S. Government Cost Accounting Standards (CAS), which we refer to as CAS pension cost. We recover CAS pension and other postretirement benefit plan cost through the pricing of our products and services on U.S. Government contracts and, therefore, recognize CAS pension cost in each of our business segment's net sales and cost of sales. Our consolidated financial statements must present pension and other postretirement benefit plan income calculated in accordance with Financial Accounting Standards (FAS) requirements under U.S. GAAP. The operating portion of the total FAS/CAS pension adjustment represents the difference between the service cost component of FAS pension income (expense) and total CAS pension cost. The non-service FAS pension income (expense) components are included in non-service FAS pension income (expense) in our consolidated statements of earnings. As a result, to the extent that CAS pension cost exceeds the service cost component of FAS pension income (expense) we have a favorable FAS/CAS pension operating adjustment.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

Disaggregation of Net Sales

Net sales by products and services, contract type, customer, and geographic region were as follows (in millions):

	Quarters Ended March 31, 2024				
	Aeronautics	MFC	RMS	Space	Total
Net sales					
Products	\$ 5,592	\$ 2,664	\$ 3,241	\$ 2,699	\$ 14,196
Services	1,253	329	847	570	2,999
Total net sales	\$ 6,845	\$ 2,993	\$ 4,088	\$ 3,269	\$ 17,195
Net sales by contract type					
Fixed-price	\$ 4,584	\$ 1,996	\$ 2,477	\$ 900	\$ 9,957
Cost-reimbursable	2,261	997	1,611	2,369	7,238
Total net sales	\$ 6,845	\$ 2,993	\$ 4,088	\$ 3,269	\$ 17,195
Net sales by customer					
U.S. Government	\$ 4,666	\$ 2,167	\$ 2,840	\$ 3,162	\$ 12,835
International ^(a)	2,152	824	1,162	68	4,206
U.S. commercial and other	27	2	86	39	154
Total net sales	\$ 6,845	\$ 2,993	\$ 4,088	\$ 3,269	\$ 17,195
Net sales by geographic region					
United States	\$ 4,693	\$ 2,169	\$ 2,926	\$ 3,201	\$ 12,989
Europe	1,211	245	269	18	1,743
Asia Pacific	636	187	540	46	1,409
Middle East	203	370	162	4	739
Other	102	22	191	—	315
Total net sales	\$ 6,845	\$ 2,993	\$ 4,088	\$ 3,269	\$ 17,195

	Quarter Ended March 26, 2023				
	Aeronautics	MFC	RMS	Space	Total
Net sales					
Products	\$ 5,156	\$ 2,089	\$ 2,792	\$ 2,489	\$ 12,526
Services	1,113	299	718	470	2,600
Total net sales	\$ 6,269	\$ 2,388	\$ 3,510	\$ 2,959	\$ 15,126
Net sales by contract type					
Fixed-price	\$ 4,312	\$ 1,618	\$ 2,208	\$ 764	\$ 8,902
Cost-reimbursable	1,957	770	1,302	2,195	6,224
Total net sales	\$ 6,269	\$ 2,388	\$ 3,510	\$ 2,959	\$ 15,126
Net sales by customer					
U.S. Government	\$ 4,117	\$ 1,581	\$ 2,423	\$ 2,908	\$ 11,029
International ^(a)	2,114	805	1,020	45	3,984
U.S. commercial and other	38	2	67	6	113
Total net sales	\$ 6,269	\$ 2,388	\$ 3,510	\$ 2,959	\$ 15,126
Net sales by geographic region					
United States	\$ 4,155	\$ 1,583	\$ 2,490	\$ 2,914	\$ 11,142
Europe	1,130	211	225	23	1,589
Asia Pacific	675	102	438	22	1,237
Middle East	225	455	186	—	866
Other	84	37	171	—	292
Total net sales	\$ 6,269	\$ 2,388	\$ 3,510	\$ 2,959	\$ 15,126

^(a) International sales include foreign military sales (FMS) contracted through the U.S. Government and direct commercial sales to international governments and other international customers.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

Our Aeronautics business segment includes our largest program, the F-35 Lightning II, an international multi-role, multi-variant, stealth fighter aircraft. Net sales for the F-35 program represented approximately 25% of our total consolidated net sales for the quarter ended March 31, 2024 and 26% of our total consolidated net sales for the quarter ended March 26, 2023.

Assets

Total assets for each of our business segments were as follows (in millions):

	March 31, 2024	December 31, 2023
Assets		
Aeronautics	\$ 13,695	\$ 13,167
Missiles and Fire Control	5,786	5,703
Rotary and Mission Systems	17,454	17,521
Space	6,862	6,560
Total business segment assets	43,797	42,951
Corporate assets ^(a)	11,166	9,505
Total assets	\$ 54,963	\$ 52,456

^(a) Corporate assets primarily include cash and cash equivalents, deferred income taxes, assets for the portion of environmental costs that are probable of future recovery, property, plant and equipment used in our corporate operations, assets held in a trust for deferred compensation plans, and investments in early-stage companies.

NOTE 4 - CONTRACT ASSETS AND LIABILITIES

Contract assets include unbilled amounts typically resulting from sales under contracts when the percentage-of-completion cost-to-cost method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer. Contract liabilities include advance payments and billings in excess of revenue recognized. Contract assets and contract liabilities were as follows (in millions):

	March 31, 2024	December 31, 2023
Contract assets	\$ 14,050	\$ 13,183
Contract liabilities	8,745	9,190

Contract assets increased \$867 million during the quarter ended March 31, 2024, due to the recognition of revenue related to the satisfaction or partial satisfaction of performance obligations during the quarter ended March 31, 2024 for which we have not yet billed our customers. There were no significant credit or impairment losses related to our contract assets during the quarters ended March 31, 2024 and March 26, 2023.

Contract liabilities decreased \$445 million during the quarter ended March 31, 2024, primarily due to revenue recognized in excess of payments received on these performance obligations. During the quarter ended March 31, 2024, we recognized \$2.4 billion of our contract liabilities at December 31, 2023 as revenue. During the quarter ended March 26, 2023, we recognized \$2.2 billion of our contract liabilities at December 31, 2022 as revenue.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

NOTE 5 - INVENTORIES

Inventories consisted of the following (in millions):

	March 31, 2024	December 31, 2023
Materials, spares and supplies	\$ 640	\$ 606
Work-in-process	2,443	2,338
Finished goods	195	188
Total inventories	\$ 3,278	\$ 3,132

Costs incurred to fulfill a contract in advance of the contract being awarded are included in inventories as work-in-process if we determine that those costs relate directly to a contract or to an anticipated contract that we can specifically identify and determine that contract award is probable, the costs generate or enhance resources that will be used in satisfying performance obligations, and the costs are recoverable (referred to as pre-contract costs). These advanced procurement costs are generally incurred in order to enhance our ability to achieve schedule and certain customer milestones. Pre-contract costs that are initially capitalized in inventory are generally recognized as cost of sales consistent with the transfer of products and services to the customer upon the receipt of the anticipated contract. All other pre-contract costs, including start-up costs, are expensed as incurred. As of March 31, 2024 and December 31, 2023, \$1.1 billion and \$989 million of pre-contract costs (primarily the F-35 program and classified contracts at our Aeronautics business segment) were included in inventories.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

NOTE 6 - POSTRETIREMENT BENEFIT PLANS**FAS income**

The pretax FAS income related to our qualified defined benefit pension plans and retiree medical and life insurance plans consisted of the following (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Qualified defined benefit pension plans		
Operating:		
Service cost	\$ (15)	\$ (16)
Non-operating:		
Interest cost	(349)	(365)
Expected return on plan assets	393	430
Amortization of actuarial losses	(65)	(42)
Amortization of prior service credits	37	87
Non-service FAS pension income	16	110
Total FAS pension income	\$ 1	\$ 94
Retiree medical and life insurance plans		
Operating:		
Service cost	\$ (1)	\$ (1)
Non-operating:		
Interest cost	(16)	(17)
Expected return on plan assets	27	26
Amortization of actuarial gains	9	8
Amortization of prior service costs	(1)	(3)
Non-service FAS retiree medical and life income	19	14
Total FAS retiree medical and life income	\$ 18	\$ 13

We record the service cost component of FAS income for our qualified defined benefit pension plans and retiree medical and life insurance plans in the cost of sales accounts; the non-service components of our FAS income for our qualified defined benefit pension plans in the non-service FAS pension income account; and the non-service components of our FAS income for our retiree medical and life insurance plans as part of the other non-operating income, net account on our consolidated statements of earnings.

The amortization of net actuarial losses or gains and prior service credits or costs in the table above, along with similar costs related to our other postretirement benefit plans (\$4 million for the quarter ended March 31, 2024 and \$3 million for the quarter ended March 26, 2023) were reclassified from accumulated other comprehensive loss (AOCL) and recorded as a component of FAS income for the periods presented. These costs totaled \$24 million, (\$19 million, net of tax) during the quarter ended March 31, 2024, and \$(47) million (\$37) million, net of tax) during the quarter ended March 26, 2023.

Funding Requirements

The required funding of our qualified defined benefit pension plans is determined in accordance with the Employee Retirement Income Security Act of 1974 (ERISA), as amended, along with consideration of CAS and Internal Revenue Code rules. We made no contributions to our qualified defined benefit pension plans during the quarters ended March 31, 2024 and March 26, 2023.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

NOTE 7 - LEGAL PROCEEDINGS AND CONTINGENCIES**Legal Proceedings**

We are a party to litigation and other proceedings that arise in the ordinary course of our business, including matters arising under provisions relating to the protection of the environment, and are subject to contingencies related to certain businesses we previously owned. These types of matters could result in fines, penalties, cost reimbursements or contributions, compensatory or treble damages or non-monetary sanctions or relief. We believe the probability is remote that the outcome of each of these matters, including the legal proceedings described below, will have a material adverse effect on the company as a whole, notwithstanding that the unfavorable resolution of any matter may have a material effect on our net earnings and cash flows in any particular interim reporting period. Among the factors that we consider in this assessment are the nature of existing legal proceedings and claims, the asserted or possible damages or loss contingency (if estimable), the progress of the case, existing law and precedent, the opinions or views of legal counsel and other advisers, our experience in similar cases and the experience of other companies, the facts available to us at the time of assessment and how we intend to respond to the proceeding or claim. Our assessment of these factors may change over time as individual proceedings or claims progress.

Although we cannot predict the outcome of legal or other proceedings with certainty, where there is at least a reasonable possibility that a loss may have been incurred, GAAP requires us to disclose an estimate of the reasonably possible loss or range of loss or make a statement that such an estimate cannot be made. We follow a thorough process in which we seek to estimate the reasonably possible loss or range of loss, and only if we are unable to make such an estimate do we conclude and disclose that an estimate cannot be made. Accordingly, unless otherwise indicated below in our discussion of legal proceedings, a reasonably possible loss or range of loss associated with any individual legal proceeding cannot be estimated.

United States of America, ex rel. Patzer; Cimma v. Sikorsky Aircraft Corp., et al.

As a result of our acquisition of Sikorsky Aircraft Corporation (Sikorsky), we assumed the defense of and any potential liability for two civil False Claims Act lawsuits pending in the U.S. District Court for the Eastern District of Wisconsin. In October 2014, the U.S. Government filed a complaint in intervention in the first suit, which was brought by qui tam relator Mary Patzer, a former Derco Aerospace (Derco) employee. In May 2017, the U.S. Government filed a complaint in intervention in a second suit, which was brought by qui tam relator Peter Cimma, a former Sikorsky Support Services, Inc. (SSSI) employee. In November 2017, the Court consolidated the cases into a single action for discovery and trial.

The U.S. Government alleges that Sikorsky and two of its wholly-owned subsidiaries, Derco and SSSI, violated the civil False Claims Act and the Truth in Negotiations Act in connection with a contract the U.S. Navy awarded to SSSI in June 2006 to support the Navy's T-34 and T-44 fixed-wing turboprop training aircraft. SSSI subcontracted with Derco, primarily to procure and manage spare parts for the training aircraft. The U.S. Government contends that SSSI overbilled the Navy on the contract as the result of Derco's use of prohibited cost-plus-percentage-of-cost (CPPC) pricing to add profit and overhead costs as a percentage of the price of the spare parts that Derco procured and then sold to SSSI. The U.S. Government also alleges that Derco's claims to SSSI, SSSI's claims to the Navy, and SSSI's yearly Certificates of Final Indirect Costs from 2006 through 2012 were false and that SSSI submitted inaccurate cost or pricing data in violation of the Truth in Negotiations Act for a sole-sourced, follow-on "bridge" contract. The U.S. Government's complaints assert common law claims for breach of contract and unjust enrichment. On November 29, 2021, the District Court granted the U.S. Government's motion for partial summary judgment, finding that the Derco-SSSI agreement was a CPPC contract. On October 17, 2023, the District Court ruled on the parties' cross motions for summary judgment, granting some motions and denying others. Trial on the U.S. Government's remaining claims is scheduled for May 6, 2024.

We believe that we have legal and factual defenses to the U.S. Government's remaining claims. The U.S. Government seeks damages of approximately \$52 million, subject to trebling, plus statutory penalties. Although we continue to evaluate our liability and exposure, we do not currently believe that it is probable that we will incur a material loss. If, contrary to our expectations, the U.S. Government prevails on the remaining issues in this matter and proves damages at or near \$52 million and is successful in having such damages trebled, the outcome could have an adverse effect on our results of operations in the period in which a liability is recognized and on our cash flows for the period in which any damages are paid.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

Lockheed Martin v. Metropolitan Transportation Authority

On April 24, 2009, we filed a declaratory judgment action against the New York Metropolitan Transportation Authority and its Capital Construction Company (collectively, the MTA) asking the U.S. District Court for the Southern District of New York to find that the MTA is in material breach of our agreement based on the MTA's failure to provide access to sites where work must be performed and the customer-furnished equipment necessary to complete the contract. The MTA filed an answer and counterclaim alleging that we breached the contract and subsequently terminated the contract for alleged default. The primary damages sought by the MTA are the costs to complete the contract and potential re-procurement costs. While we are unable to estimate the cost of another contractor to complete the contract and the costs of re-procurement, we note that our contract with the MTA had a total value of \$323 million, of which \$241 million was paid to us, and that the MTA is seeking damages of approximately \$190 million. We dispute the MTA's allegations and are defending against them. Additionally, following an investigation, our sureties on a performance bond related to this matter, who were represented by independent counsel, concluded that the MTA's termination of the contract was improper. Finally, our declaratory judgment action was later amended to include claims for monetary damages against the MTA of approximately \$95 million. This matter was taken under submission by the District Court in December 2014, after a five-week bench trial and the filing of post-trial pleadings by the parties. We continue to await a decision from the District Court. Although this matter relates to our former Information Systems & Global Solutions (IS&GS) business, we retained responsibility for the litigation when we divested IS&GS in 2016.

Environmental Matters

We are involved in proceedings and potential proceedings relating to soil, sediment, surface water, and groundwater contamination, disposal of hazardous substances, and other environmental matters at several of our current or former facilities, facilities for which we may have contractual responsibility, and at third-party sites where we have been designated as a potentially responsible party (PRP). A substantial portion of environmental costs will be included in our net sales and cost of sales in future periods pursuant to U.S. Government regulations. At the time a liability is recorded for future environmental costs, we record assets for estimated future recovery considered probable through the pricing of products and services to agencies of the U.S. Government, regardless of the contract form (e.g., cost-reimbursable, fixed-price). We continually evaluate the recoverability of our assets for the portion of environmental costs that are probable of future recovery by assessing, among other factors, U.S. Government regulations, our U.S. Government business base and contract mix, and our history of receiving reimbursement of such costs. We include the portions of those environmental costs expected to be allocated to our non-U.S. government contracts, or determined not to be recoverable under U.S. Government contracts, in our cost of sales at the time the liability is established or adjusted.

At March 31, 2024 and December 31, 2023, the aggregate amount of liabilities recorded relative to environmental matters was \$677 million and \$680 million, most of which are recorded in other noncurrent liabilities on our consolidated balance sheets. We have recorded assets for the portion of environmental costs that are probable of future recovery totaling \$611 million and \$613 million at March 31, 2024 and December 31, 2023, most of which are recorded in other noncurrent assets on our consolidated balance sheets.

Environmental remediation activities usually span many years, which makes estimating liabilities a matter of judgment because of uncertainties with respect to assessing the extent of the contamination as well as such factors as changing remediation technologies and changing regulatory environmental standards. We are monitoring or investigating a number of former and present operating facilities for potential future remediation. We perform quarterly reviews of the status of our environmental remediation sites and the related liabilities and receivables. Additionally, in our quarterly reviews, we consider these and other factors in estimating the timing and amount of any future costs that may be required for remediation activities, and we record a liability when it is probable that a loss has occurred or will occur for a particular site and the loss can be reasonably estimated. The amount of liability recorded is based on our estimate of the costs to be incurred for remediation for that site. We do not discount the recorded liabilities, as the amount and timing of future cash payments are not fixed or cannot be reliably determined. We cannot reasonably determine the extent of our financial exposure in all cases as, although a loss may be probable or reasonably possible, in some cases it is not possible at this time to estimate the reasonably possible loss or range of loss. We project costs and recovery of costs over approximately 20 years.

We also pursue claims for recovery of costs incurred or for contribution to site remediation costs against other PRPs, including the U.S. Government, and are conducting remediation activities under various consent decrees, orders, and agreements relating to soil, groundwater, sediment, or surface water contamination at certain sites of former or current

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

operations. Under agreements related to certain sites in California, New York, United States Virgin Islands and Washington, the U.S. Government and/or a private party reimburses us an amount equal to a percentage, specific to each site, of expenditures for certain remediation activities in their capacity as PRPs under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

In addition to the proceedings and potential proceedings discussed above, potential new regulations concerning perchlorate and hexavalent chromium at the federal and state level could increase our cleanup costs. If substantially lower cleanup standards are adopted for perchlorate or for hexavalent chromium, we expect a material increase in both our estimates for environmental liabilities and the related assets for the portion of costs that are probable of future recovery. The amount that would be allocable to our non-U.S. government contracts or that is determined not to be recoverable under U.S. Government contracts would be expensed, which may have a material effect on our earnings in any particular interim reporting period.

We also are evaluating the potential impact of new, existing, and contemplated requirements addressing a class of chemicals known generally as per- and polyfluoroalkyl substances (PFAS). PFAS are common and appear in products such as fire-fighting foams and stain- and stick-resistant products (e.g., Teflon, stain-resistant fabrics) and have been used in manufacturing processes. Regulations requiring very low PFAS contaminant levels in drinking water could eventually lead to increased cleanup costs at a number of our environmental remediation sites.

Letters of Credit, Surety Bonds and Third-Party Guarantees

We have entered into standby letters of credit and surety bonds issued on our behalf by financial institutions, and we have directly issued guarantees to third parties primarily relating to advances received from customers and the guarantee of future performance on certain contracts. Letters of credit and surety bonds generally are available for draw down in the event we do not perform. We had total outstanding letters of credit and surety bonds aggregating \$2.7 billion and \$2.9 billion at March 31, 2024 and December 31, 2023.

Additionally, we may guarantee the contractual performance of third parties such as joint venture partners. At March 31, 2024 and December 31, 2023, third-party guarantees totaled \$364 million and \$1.0 billion, of which approximately 29% and 75% related to guarantees of contractual performance of joint ventures to which we currently are or previously were a party. These amounts represent our estimate of the maximum amounts we would expect to incur upon the contractual non-performance of the joint venture, joint venture partners or divested businesses. Generally, we also have cross-indemnities in place that may enable us to recover amounts that may be paid on behalf of a joint venture partner. Third-party guarantees do not include guarantees issued on behalf of subsidiaries and other consolidated entities.

In determining our exposures, we evaluate the reputation, performance on contractual obligations, technical capabilities and credit quality of our current and former joint venture partners and the transferee under novation agreements all of which include a guarantee as required by the FAR. At March 31, 2024 and December 31, 2023, there were no material amounts recorded in our financial statements related to third-party guarantees or novation agreements.

Other Contingencies

As a U.S. Government contractor, we are subject to various audits and investigations by the U.S. Government to determine whether our operations are being conducted in accordance with applicable regulatory requirements. U.S. Government investigations of us, whether relating to government contracts or conducted for other reasons, could result in administrative, civil, or criminal liabilities, including repayments, fines or penalties being imposed upon us, suspension, proposed debarment, debarment from eligibility for future U.S. Government contracting, or suspension of export privileges. Suspension or debarment could have a material adverse effect on us because of our dependence on contracts with the U.S. Government. U.S. Government investigations often take years to complete and many result in no adverse action against us. We also provide products and services to customers outside of the U.S., which are subject to U.S. and foreign laws and regulations and foreign procurement policies and practices. Our compliance with local regulations or applicable U.S. Government regulations also may be audited or investigated.

In the normal course of business, we provide warranties to our customers associated with certain product sales. We record estimated warranty costs in the period in which the related products are delivered. The warranty liability is generally based on the number of months of warranty coverage remaining for the products delivered and the average historical

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

monthly warranty payments. Warranty obligations incurred in connection with long-term production contracts are accounted for within the contract estimates at completion.

NOTE 8 - FAIR VALUE MEASUREMENTS

Assets and liabilities measured and recorded at fair value on a recurring basis consisted of the following (in millions):

	March 31, 2024				December 31, 2023			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets								
Mutual funds	\$ 985	\$ 985	\$ —	\$ —	\$ 1,025	\$ 1,025	\$ —	\$ —
U.S. Government securities	101	—	101	—	119	—	119	—
Other securities	698	338	315	45	679	333	301	45
Derivatives	15	—	15	—	32	—	32	—
Liabilities								
Derivatives	221	—	221	—	200	—	200	—

Substantially all assets measured at fair value, other than derivatives, represent assets held in a trust to fund certain of our non-qualified deferred compensation plans and are recorded in other noncurrent assets on our consolidated balance sheets. The fair values of mutual funds and certain other securities are determined by reference to the quoted market price per unit in active markets multiplied by the number of units held without consideration of transaction costs. The fair values of U.S. Government and certain other securities are determined using pricing models that use observable inputs (e.g., interest rates and yield curves observable at commonly quoted intervals), bids provided by brokers or dealers or quoted prices of securities with similar characteristics. The fair values of derivative instruments, which consist of foreign currency forward contracts, including embedded derivatives, and interest rate swap contracts, are primarily determined based on the present value of future cash flows using model-derived valuations that use observable inputs such as interest rates, credit spreads and foreign currency exchange rates.

We use derivative instruments principally to reduce our exposure to market risks from changes in foreign currency exchange rates and interest rates. We do not enter into or hold derivative instruments for speculative trading purposes. We transact business globally and are subject to risks associated with changing foreign currency exchange rates. We enter into foreign currency hedges such as forward and option contracts that change in value as foreign currency exchange rates change. Our most significant foreign currency exposures relate to the British pound sterling, the euro, the Canadian dollar, the Australian dollar, the Norwegian kroner and the Polish zloty. These contracts hedge forecasted foreign currency transactions in order to minimize fluctuations in our earnings and cash flows associated with changes in foreign currency exchange rates. We designate foreign currency hedges as cash flow hedges. We also are exposed to the impact of interest rate changes primarily through our borrowing activities. For fixed rate borrowings, we may use variable interest rate swaps, effectively converting fixed rate borrowings to variable rate borrowings in order to hedge changes in the fair value of the debt. These swaps are designated as fair value hedges. For variable rate borrowings, we may use fixed interest rate swaps, effectively converting variable rate borrowings to fixed rate borrowings in order to minimize the impact of interest rate changes on earnings. These swaps are designated as cash flow hedges. We also may enter into derivative instruments that are not designated as hedges and do not qualify for hedge accounting, which are intended to minimize certain economic exposures.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

The aggregate notional amount of our outstanding interest rate swaps was \$1.3 billion at both March 31, 2024 and December 31, 2023. The aggregate notional amount of our outstanding foreign currency hedges was \$6.2 billion and \$6.5 billion at March 31, 2024 and December 31, 2023. The fair values of our outstanding interest rate swaps and foreign currency hedges at March 31, 2024 and December 31, 2023 were not significant. Derivative instruments did not have a material impact on net earnings and comprehensive income during the quarters ended March 31, 2024 and March 26, 2023. The impact of derivative instruments on our consolidated statements of cash flows is included in net cash provided by operating activities. Substantially all of our derivatives are designated for hedge accounting.

We also make investments in early-stage companies that we believe are advancing or developing new technologies applicable to our business. Investments that have quoted market prices in active markets (Level 1) are recorded at fair value and reflected in other securities while certain investments are categorized as Level 3 when valuations using observable inputs are unavailable. See "Note 10 - Other - Investments" for more information.

In addition to the financial instruments listed in the table above, we hold other financial instruments, including cash and cash equivalents, receivables, accounts payable and debt. The carrying amounts for cash and cash equivalents, receivables and accounts payable approximated their fair values. The estimated fair value of our outstanding debt was \$19.9 billion and \$18.5 billion at March 31, 2024 and December 31, 2023. The outstanding principal amount of debt, including short-term and long-term debt, was \$20.7 billion and \$18.7 billion at March 31, 2024 and December 31, 2023, excluding \$1.3 billion of unamortized discounts and issuance costs at both March 31, 2024 and December 31, 2023. The estimated fair values of our outstanding debt were determined based on the present value of future cash flows using model-derived valuations that use observable inputs such as interest rates and credit spreads (Level 2).

NOTE 9 - STOCKHOLDERS' EQUITY

Repurchases of Common Stock

During the quarter ended March 31, 2024, we repurchased 2.3 million shares of our common stock for \$1.0 billion in open market purchases. The total remaining authorization for future common stock repurchases under our share repurchase program was \$9.0 billion as of March 31, 2024. As we repurchase our common shares, we reduce common stock for the \$1 of par value of the shares repurchased, with the excess purchase price over par value recorded as a reduction of additional paid-in capital. If additional paid-in capital is reduced to zero, we record the remainder of the excess purchase price over par value as a reduction of retained earnings.

Dividends

We declared cash dividends totaling \$763 million (\$3.15 per share) during the quarter ended March 31, 2024. The total amount of dividends declared may differ from the total amount of dividends paid during a period due to the timing of dividend-equivalents paid on RSUs and PSUs. These dividend-equivalents are accrued during the vesting period and are paid upon the vesting of the RSUs and PSUs, which primarily occurs in the first quarter each year.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

Accumulated Other Comprehensive Loss

Changes in the balance of AOCL, net of tax, consisted of the following (in millions):

	Postretirement Benefit Plans	Other, net	AOCL
Balance at December 31, 2023	\$ (8,704)	\$ (99)	\$ (8,803)
Other comprehensive income (loss) before reclassifications	—	(41)	(41)
Amounts reclassified from AOCL			
Amortization of net actuarial losses ^(a)	47	—	47
Amortization of net prior service credits ^(a)	(28)	—	(28)
Other	—	14	14
Total reclassified from AOCL	19	14	33
Total other comprehensive income (loss)	19	(27)	(8)
Balance at March 31, 2024	\$ (8,685)	\$ (126)	\$ (8,811)
Balance at December 31, 2022	\$ (7,866)	\$ (157)	\$ (8,023)
Other comprehensive income (loss) before reclassifications	—	(29)	(29)
Amounts reclassified from AOCL			
Amortization of net actuarial losses ^(a)	29	—	29
Amortization of net prior service credits ^(a)	(66)	—	(66)
Other	—	3	3
Total reclassified from AOCL	(37)	3	(34)
Total other comprehensive income (loss)	(37)	(26)	(63)
Balance at March 26, 2023	\$ (7,903)	\$ (183)	\$ (8,086)

^(a) Reclassifications from AOCL related to postretirement benefit plans were recorded as a component of FAS income for each period presented. See "Note 6 - Postretirement Benefit Plans".

NOTE 10 - OTHER
Contract Estimates

Significant estimates and assumptions are made in estimating contract sales, costs, and profit. We estimate profit as the difference between estimated revenues and total estimated costs to complete the contract. At the outset of a long-term contract, we identify and monitor risks to the achievement of the technical, schedule and cost aspects of the contract, as well as our ability to earn variable consideration, and assess the effects of those risks on our estimates of sales and total costs to complete the contract. The estimates consider the technical requirements (e.g., a newly-developed product versus a mature product), the schedule and associated tasks (e.g., the number and type of milestone events) and costs (e.g., material, labor, subcontractor, overhead, general and administrative and the estimated costs to fulfill our industrial cooperation agreements, sometimes referred to as offset or localization agreements, required under certain contracts with international customers). The initial profit booking rate of each contract considers risks surrounding the ability to achieve the technical requirements, schedule and costs in the initial estimated total costs to complete the contract. Profit booking rates may increase during the performance of the contract if we successfully retire risks related to technical, schedule and cost aspects of the contract, which decreases the estimated total costs to complete the contract or may increase the variable consideration we expect to receive on the contract. Conversely, our profit booking rates may decrease if the estimated total costs to complete the contract increase or our estimates of variable consideration we expect to receive decrease. All of the estimates are subject to change during the performance of the contract and may affect the profit booking rate. When estimates of total costs to be incurred on a contract exceed total estimates of the transaction price, a provision for the entire loss is determined at the contract level and is recorded in the period in which the loss is evident, which we refer to as a reach-forward loss.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

Comparability of our segment sales, operating profit and operating margin may be impacted favorably or unfavorably by changes in profit booking rates on our contracts. Increases in the profit booking rates, typically referred to as favorable profit booking rate adjustments, usually relate to revisions in the estimated total costs to fulfill the performance obligations that reflect improved conditions on a particular contract. Conversely, conditions on a particular contract may deteriorate, resulting in an increase in the estimated total costs to fulfill the performance obligations and a reduction in the profit booking rate and are typically referred to as unfavorable profit booking rate adjustments. Increases or decreases in profit booking rates are recognized in the current period they are determined and reflect the inception-to-date effect of such changes. Segment operating profit and margin can be impacted favorably or unfavorably by, for example, certain items listed below, which may or may not impact sales. Favorable items include the positive resolution of contractual matters, cost recoveries on severance and restructuring, insurance recoveries and gains on sales of assets. Unfavorable items include the adverse resolution of contractual matters; supply chain disruptions; restructuring charges (except for significant severance actions, which are excluded from segment operating results); reserves for disputes; certain asset impairments; and losses on sales of certain assets.

Our consolidated net profit booking rate adjustments increased sales by \$272 million during the quarter ended March 31, 2024 and \$433 million during the quarter ended March 26, 2023. These adjustments increased segment operating profit by approximately \$195 million (\$154 million, or \$0.64 per share, after tax) during the quarter ended March 31, 2024, and \$415 million (\$328 million, or \$1.28 per share, after tax) during the quarter ended March 26, 2023. The impact to 2024 segment operating profit includes a reach-forward loss of \$100 million recognized on a classified program at our MFC business segment described below.

We have various development programs for new and upgraded products, services, and related technologies which have complex design and technical challenges. This development work is inherently uncertain and subject to significant variability in estimates of the cost and time required to complete the work by us and our suppliers. Many of these programs have cost-type contracting arrangements (e.g. cost-reimbursable or cost-plus-fee). In such cases, the associated financial risks are primarily in reduced fees, lower profit rates, or program cancellation if cost, schedule, or technical performance issues arise.

However, some of our existing development programs are contracted on a fixed-price basis or include cost-type contracting for the development phase with fixed-price production options and our customers are increasingly implementing procurement policies such as these that shift risk to contractors. Competitively bid programs with fixed-price development work or fixed-price production options increase the risk of a reach-forward loss upon contract award and during the period of contract performance. Due to the complex and often experimental nature of development programs, we may experience (and have experienced in the past) technical and quality issues during the development of new products or technologies for a variety of reasons. Our development programs are ongoing, and while we believe the cost and fee estimates incorporated in the financial statements are appropriate, the technical complexity of these programs and fixed-price contract structure creates financial risk as estimated completion costs may exceed the current contract value, which could trigger earnings charges, termination provisions, or other financially significant exposures. These programs have risk for reach-forward losses if our estimated costs exceed our estimated contract revenues, and such losses could be significant to our financial results, cash flows, or financial condition. Any such losses are recorded in the period in which the loss is evident.

We have experienced performance issues on a classified fixed-price incentive fee contract that involves highly complex design and systems integration at our Aeronautics business segment and have periodically recognized reach-forward losses. As of March 31, 2024, we recognized additional losses of \$20 million related to technical challenges that have resulted in schedule delays and higher than anticipated costs bringing cumulative losses to approximately \$290 million. We will continue to monitor the technical requirements and our performance, the remaining work and any future changes in scope or schedule, and estimated costs to complete the program and may have to record additional losses in future periods if we experience further performance issues, increases in scope, or cost growth, which could be material to our financial results. In addition, we and our industry team will continue to incur advanced procurement costs (also referred to as pre-contract costs) in order to enhance our ability to achieve the schedule and certain milestones. We will monitor the recoverability of pre-contract costs, which could be impacted by the customer's decision regarding future phases of the program.

We are responsible for a program to design, develop and construct a ground-based radar at our RMS business segment. The program previously experienced performance issues for which we have periodically recognized reach-forward losses. During the first quarter of 2024, we delivered and the customer accepted the radar, which retired the

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

technical risk on the production scope at less than anticipated cost. As a result, we reduced the cumulative losses on the program by \$20 million to approximately \$260 million as of March 31, 2024 and determined that additional losses will not be incurred as the production scope of work is winding down.

We have contracted with the Canadian Government for the Canadian Maritime Helicopter Program (CMHP) at our RMS business segment that provides for design, development, and production of CH-148 aircraft (the Original Equipment contract), which is a military variant of the S-92 helicopter, and for logistical support to the fleet (the In Service Support contract) over an extended time period. We are currently in discussions with the Canadian Government to potentially restructure certain contractual terms and conditions that may be beneficial to both parties. The program has experienced performance issues, including delays in the final aircraft deliveries from the original contract requirement, and the Royal Canadian Air Force's flight hours have been significantly less than originally anticipated, which has impacted program revenues and the recovery of our costs under this program. We have incurred significant costs and recognized the related sales, of which about \$970 million are currently included in contract assets on the balance sheet which could become at risk for future recovery. Such assets are recovered based on flight hours. Future sales and recovery of costs under the program are highly dependent upon achieving a certain number of flight hours, which are not entirely in our control and dependent on aircraft availability and performance, the availability of Canadian government resources, and potential restructured contract terms and conditions to better align with the current needs of the Canadian government and allow for cost recovery. As of March 31, 2024, cumulative losses remained at approximately \$100 million. Future performance issues, lower than forecast flight hours, or changes in our estimates due to the outcome of any restructuring discussions may further affect our ability to recover our costs, including recovery of the contract assets recognized on the balance sheet and our assessment of the reach-forward loss, which could be material to our operating results.

We also have a number of contracts with Turkish industry for the Turkish Utility Helicopter Program (TUHP), which anticipates co-production with Turkish industry for production of T70 helicopters for use in Türkiye, as well as the related provision of Turkish goods and services under buy-back or offset obligations, to include the future sales of helicopters built in Türkiye for sale globally. In 2020, the U.S. Government imposed certain sanctions on Turkish entities and persons that have affected our ability to perform under the TUHP contracts and we have provided force majeure notices under the affected contracts. As of March 31, 2024, cumulative losses related to development work for the program remained insignificant and the program remains in a contract liability position on the balance sheet. The TUHP contracts may be negotiated to be restructured or terminated, either in whole or in part and as a result, we could be at risk of recording significant reach-forward losses in future periods. Additionally, we could elect to pursue other relief or remedies, which could result in a further reduction in sales, the imposition of penalties or assessment of damages, and increased unrecoverable costs, which could be material to our financial results.

Our MFC business segment was previously awarded a competitively bid classified contract, which includes a cost-reimbursable base contract for the initial phase of the program and multiple fixed price options for additional phases. The options for additional phases may be exercised over the next several years and if performed we expect they would each be at a loss. During the first quarter of 2024, we updated our assessment of the likelihood that the options may be exercised and concluded it was probable that an option would be exercised based on progress made on the program and discussions with the customer. Accordingly, in the first quarter of 2024 we recognized a reach forward loss of approximately \$100 million, bringing the cumulative losses recognized on the program to approximately \$150 million, including charges for precontract costs recognized in prior periods. We will continue to assess the likelihood that additional options will be exercised, utilizing factors such as our performance, future requirements of the program, discussions with the customer and suppliers, customer funding, experience with other customer programs, among other factors. We will be required to recognize additional losses for the remaining options if they become probable of being exercised. The potential total loss across the additional options is up to approximately \$1.3 billion. The ultimate amount of additional loss recognized, if any, will depend on how many of the additional options are exercised or become probable of being exercised.

Backlog

Backlog (i.e., unfulfilled or remaining performance obligations) represents the sales we expect to recognize for our products and services for which control has not yet transferred to the customer. It is converted into sales in future periods as work is performed or deliveries are made. For our cost-reimbursable and fixed-priced-incentive contracts, the estimated consideration we expect to receive pursuant to the terms of the contract may exceed the contractual award amount. The estimated consideration is determined at the outset of the contract and is continuously reviewed throughout the contract period. In determining the estimated consideration, we consider the risks related to the technical, schedule and cost

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

impacts to complete the contract and an estimate of any variable consideration. Periodically, we review these risks and may increase or decrease backlog accordingly. As the risks on such contracts are successfully retired, the estimated consideration from customers may be reduced, resulting in a reduction of backlog without a corresponding recognition of sales. As of March 31, 2024, our ending backlog was \$159.4 billion. We expect to recognize approximately 38% of our backlog over the next 12 months and approximately 62% over the next 24 months as revenue with the remainder recognized thereafter.

Income Taxes

Our effective income tax rates were 15.8% and 15.3% for the quarters ended March 31, 2024 and March 26, 2023. The rates for all periods benefited from research and development tax credits, tax deductions for foreign derived intangible income, dividends paid to our defined contribution plans with an employee stock ownership plan feature and employee equity awards.

Investments

We make investments in companies that we believe are advancing or developing new technologies applicable to our business. These investments are primarily in early-stage companies and may be in the form of common or preferred stock, warrants, convertible debt securities, investments in funds or equity method investments. Most of these investments are in equity securities without readily determinable fair values (privately held securities), which are measured initially at cost and are then adjusted to fair value only if there is an observable price change or reduced for impairment, if applicable. The carrying amounts of the investments were \$597 million and \$581 million at March 31, 2024 and December 31, 2023. Due to changes in fair value and/or sales of investments, we recorded net gains of \$5 million (\$4 million, or \$0.02 per share, after-tax) during the quarter ended March 31, 2024 and net gains of \$29 million (\$22 million, or \$0.09 per share, after-tax) during the quarter ended March 26, 2023. These gains are reflected in the other non-operating income, net account on our consolidated statements of earnings.

Debt Issuance

On January 29, 2024, we issued a total of \$2.0 billion of senior unsecured notes, consisting of \$650 million aggregate principal amount of 4.50% Notes due 2029 (the "2029 Notes"), \$600 million aggregate principal amount of 4.80% Notes due 2034 (the "2034 Notes") and \$750 million aggregate principal amount of 5.20% Notes due 2064 (the "2064 Notes" and, together with the 2029 Notes and 2034 Notes, the "Notes"). Net proceeds of \$1.98 billion were received from the offering after deducting pricing discounts and debt issuance costs, which are being amortized and recorded as interest expense over the term of the Notes. We will pay interest on the Notes semi-annually in arrears on February 15 and August 15 of each year with the first payment to be made on August 15, 2024. We may, at our option, redeem the Notes of any series in whole or in part at any time and from time to time at a redemption price equal to the greater of 100% of the principal amount of the Notes to be redeemed or an applicable make-whole amount, plus accrued and unpaid interest to the date of redemption. The Notes rank equally in right of payment with all of our existing unsecured and unsubordinated indebtedness.

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Lockheed Martin Corporation

Results of Review of Interim Financial Statements

We have reviewed the accompanying consolidated balance sheet of Lockheed Martin Corporation (the Company) as of March 31, 2024, the related consolidated statements of earnings, comprehensive income, cash flows and equity for the quarters ended March 31, 2024 and March 26, 2023, and the related notes (collectively referred to as the “consolidated interim financial statements”). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2023, the related consolidated statements of earnings, comprehensive income, cash flows and equity for the year then ended, and the related notes (not presented herein); and in our report dated January 23, 2024, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2023, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

Tysons, Virginia
April 23, 2024

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to help the reader understand our results of operations and financial condition. The MD&A is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and notes to consolidated financial statements and with our Annual Report on Form 10-K for the year ended December 31, 2023 (2023 Form 10-K).

BUSINESS OVERVIEW

We are a global defense technology company driving innovation and advancing scientific discovery. Our all-domain mission solutions and 21st Century Security vision accelerate the delivery of transformative technologies to our customers. We are principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. We also provide a broad range of management, engineering, technical, scientific, logistics, system integration and cybersecurity services. Our main areas of focus are in defense, space, intelligence, homeland security and information technology, including cybersecurity. We serve both U.S. and international customers with products and services that have defense, civil and commercial applications, with our principal customers being agencies of the U.S. Government. During the quarter ended March 31, 2024, 75% of our \$17.2 billion in net sales were from the U.S. Government, either as a prime contractor or as a subcontractor (including 66% from the Department of Defense (DoD)), 24% were from international customers (including foreign military sales (FMS) contracted through the U.S. Government) and 1% were from U.S. commercial and other customers.

U.S. Budget Environment

With three quarters of our sales from the U.S. Government, U.S. Government spending levels, particularly defense spending, and timely funding thereof can affect our financial performance over the short and long term.

On March 22, 2024, the President signed the second Fiscal Year (FY) 2024 Consolidated Appropriations package into law, which includes the DoD. This legislation reflects the Fiscal Responsibility Act (FRA) spending limit of \$886 billion for National Defense, of which \$842 billion was for the DoD base budget.

The President's FY 2025 budget request was submitted to Congress on March 11, 2024, initiating the FY 2025 defense authorization and appropriations legislative process. The request included \$895 billion for National Defense, of which \$850 billion is for the DoD base budget, in keeping with the limit established by the FRA. While compression on overall requirements driven by the FRA limit is evident, the Office of the Secretary of Defense has stated the FY 2025 budget proposal meets their objectives of keeping National Defense Strategy priorities on track.

On April 20, 2024, the House of Representatives passed three bills providing a total of \$95 billion in additional supplemental funding for Ukraine, Israel and Taiwan, to include funding for the restock of U.S. munitions capacity, and a fourth bill to impose sanctions and allow the use of seized Russian assets to assist Ukraine. The four bills were combined into one and sent to the Senate, where it is expected to be passed and subsequently signed into law in the near-term.

We anticipate the federal budget will continue to be subject to debate and compromise shaped by, among other things, heightened political tensions and the 2024 elections, the global security environment, inflationary pressures, and macroeconomic conditions. The result may be shifting funding priorities, which could have material impacts on defense spending broadly and our programs.

See also the discussion of U.S. Government funding risks within "Item 1A, Risk Factors" included in our 2023 Form 10-K.

Geopolitical and Economic Environment

We operate in a complex and evolving global security environment and our business is affected by geopolitical and security issues. Russia's invasion of Ukraine, conflicts in the Middle East and heightened tension in the Pacific region have elevated global security concerns resulting in increased interest for our products and services as countries seek to improve their security posture. In this context, the U.S. Government, our largest customer, continues to align its budget with the defense priorities set forth in the 2022 National Defense Strategy. In addition, security assistance provided by the U.S. Government and its allies to Ukraine has increased U.S. Government and allied demand to replenish U.S. stockpiles, resulting in additional and potential future orders, including for the ramp-up in production capacity for certain products. We continue to expect additional orders over the next several years attributable to the global threat environment. We operate

in a long-cycle business and the U.S. government has been focused on increasing industry capacity to meet demand. For example, in 2024, our Missiles and Fire Control business segment expects to begin realizing higher year over year sales from the production ramp up associated with munitions replenishment. We continue to work with the U.S. Government and our supply chain to evaluate increases in capacity at our operations to anticipate potential demand and enable us to deliver critical capabilities.

Our business and financial performance is also affected by general economic conditions. We continue to experience supply chain challenges, including supplier shortages and performance issues. These issues have delayed certain customer deliveries, have been a limiting factor on our ability to ramp up production in response to customer demand for certain products and have caused out-of-sequence manufacturing, which increases costs and decreases operational efficiency. In addition, elevated levels of inflation and macro-economic conditions present risks for Lockheed Martin, our suppliers and the stability of the broader defense industrial base. Certain costs, including rising labor rates and supplier costs, have increased as a result of inflation, and have adversely affected our margins on certain programs. In addition, some suppliers are reducing the typical duration of pricing validity in their proposals to us, which is operationally challenging and increases the risk of cost volatility. We continue to work to mitigate challenges caused by the supply chain or current macroeconomic environment on our business, including by supporting small business and at-risk suppliers, deploying resources to work with our supply chain, securing materials and support by executing long-term contracts, identifying alternative sources, and optimizing our supply chain organization through digital transformation and workforce development. If we experience significant supply chain issues or high rates of inflation, and are unable to successfully mitigate the impact, our future profits, margins and cash flows, particularly for existing fixed-price contracts, may be adversely affected. Inflation and higher interest rates can also constrain the overall purchasing power of our customers for our products and services potentially impacting future orders, especially in a budget constrained environment. We remain committed to our ongoing efforts to increase the efficiency of our operations and improve the cost competitiveness and affordability of our products and services, which may, in part, offset cost increases from inflation.

For additional risks to the company related to the geopolitical and economic environment, see “Item 1A, Risk Factors” of our 2023 Form 10-K.

CONSOLIDATED RESULTS OF OPERATIONS

Our operating cycle is primarily long-term and involves many types of contracts for the design, development and manufacture of products and related activities with varying delivery schedules. Additionally, we close our books and records on the last Sunday of each month, except for the month of December, as our fiscal year ends on December 31, to align our financial closing with our business processes. Because of this, the number of weeks in a reporting quarter may vary slightly during the year and for comparable prior year periods. Consequently, the results of operations of a particular year, or year-to-year comparisons of sales and profits, may not be indicative of future operating results. The following discussions of comparative results should be reviewed in this context. All per share amounts cited in these discussions are presented on a "per diluted share" basis, unless otherwise noted. Our consolidated results of operations were as follows (in millions, except per share data):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Net sales	\$ 17,195	\$ 15,126
Cost of sales	(15,202)	(13,080)
Gross profit	1,993	2,046
Other income (expense), net	36	(9)
Operating profit	2,029	2,037
Interest expense	(255)	(202)
Non-service FAS pension income	16	110
Other non-operating income, net	45	49
Earnings before income taxes	1,835	1,994
Income tax expense	(290)	(305)
Net earnings	\$ 1,545	\$ 1,689
Diluted earnings per common share	\$ 6.39	\$ 6.61

Certain amounts reported in other income (expense), net, including our share of earnings or losses from equity method investees, are included in the operating profit of our business segments. Accordingly, such amounts are included in the discussion of our business segment results of operations.

Net Sales

We generate sales from the delivery of products and services to our customers. Our consolidated net sales were as follows (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Products	\$ 14,196	\$ 12,526
% of total net sales	82.6 %	82.8 %
Services	2,999	2,600
% of total net sales	17.4 %	17.2 %
Total net sales	\$ 17,195	\$ 15,126

Substantially all of our contracts are accounted for using the percentage-of-completion cost-to-cost method. Under the percentage-of-completion cost-to-cost method, we record net sales on contracts over time based upon our progress towards completion on a particular contract, as well as our estimate of the profit to be earned at completion. The following discussion of material changes in our consolidated net sales should be read in tandem with the subsequent discussion of changes in our consolidated cost of sales and our business segment results of operations because changes in our sales are typically accompanied by a corresponding change in our cost of sales due to the nature of the percentage-of-completion cost-to-cost method.

Product Sales

Product sales increased \$1.7 billion, or 13%, during the quarter ended March 31, 2024, compared to the same period in 2023. The increase was primarily attributable to higher product sales of \$575 million at MFC, \$450 million at RMS, \$435 million at Aeronautics and \$210 million at Space. Higher product sales at MFC were due to production ramp up on Guided Multiple Launch Rocket Systems (GMLRS), High Mobility Artillery Rocket System (HIMARS), Joint Air-to-Surface Standoff Missile (JASSM) and Long Range Anti-Ship Missile (LRASM) programs. Higher product sales at RMS were due to new program ramp up within the laser systems portfolio and higher volume on various C6ISR (command, control, communications, computers, cyber, combat systems, intelligence, surveillance, and reconnaissance) and radar programs. Higher product sales at Aeronautics were due to higher volume on classified and F-35 production contracts. Higher product sales at Space were due to higher volume on Fleet Ballistic Missile (FBM) and transport layer programs and ramp up in the hypersonic development programs.

Service Sales

Service sales increased \$399 million, or 15%, during the quarter ended March 31, 2024, compared to the same period in 2023. The increase was primarily attributable to higher service sales of approximately \$140 million at Aeronautics, \$130 million at RMS and \$100 million at Space. Higher service sales at Aeronautics were due to higher volume on C-130 and F-35 sustainment contracts. Higher service sales at RMS were due to higher volume on various Training and Logistics Services and C6ISR programs. Higher service sales at Space were due to higher volume on national security space services.

Cost of Sales

Cost of sales, for both products and services, consist of materials, labor, subcontracting costs and an allocation of indirect costs (overhead and general and administrative), as well as the costs to fulfill our industrial cooperation agreements, sometimes referred to as offset agreements, required under certain contracts with international customers. For each of our contracts, we monitor the nature and amount of costs at the contract level, which form the basis for estimating our total costs to complete the contract. Our consolidated cost of sales were as follows (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Cost of sales – products	\$ (12,884)	\$ (11,151)
% of product sales	90.8 %	89.0 %
Cost of sales – services	(2,603)	(2,284)
% of service sales	86.8 %	87.8 %
Other unallocated, net	285	355
Total cost of sales	\$ (15,202)	\$ (13,080)

The following discussion of material changes in our consolidated cost of sales for products and services should be read in tandem with the preceding discussion of changes in our consolidated net sales and our business segment results of operations. Except for potential impacts to our programs resulting from supply chain disruptions and inflation, we have not identified any additional developing trends in cost of sales for products and services that would have a material impact on our future operations.

Product Costs

Product costs increased \$1.7 billion, or 16%, during the quarter ended March 31, 2024, compared to the same period in 2023. The increase was primarily attributable to higher product costs of approximately \$650 million at MFC, \$460 million at Aeronautics, \$400 million at RMS and \$220 million at Space due to higher volume and production ramp up as described above in “Product Sales”.

Service Costs

Service costs increased \$319 million, or 14%, during the quarter ended March 31, 2024, compared to the same period in 2023. The increase was primarily attributable to higher service costs of \$115 million at Aeronautics, \$95 million at RMS and \$80 million at Space due to higher volume as described above in "Service Sales".

Other Unallocated, Net

Other unallocated, net primarily includes the FAS/CAS pension operating adjustment (which represents the difference between total CAS pension cost recorded in our business segments' results of operations and the service cost component of Financial Accounting Standards (FAS) pension income (expense)), stock-based compensation expense, changes in the fair value of assets and liabilities for deferred compensation plans, intangible asset amortization expense and other corporate costs. These items are not allocated to the business segments and, therefore, are not allocated to cost of sales for products or services. Other unallocated, net reduced cost of sales by \$285 million during the quarter ended March 31, 2024, compared to \$355 million during the quarter ended March 26, 2023. The decrease in other unallocated, net was primarily due to lower gains from the changes in the fair value of assets and liabilities related to deferred compensation plans during the quarter ended March 31, 2024 compared to the same periods in 2023 and fluctuations in costs associated with various corporate items, none of which were individually significant.

Other Income (Expense), Net

Other income (expense), net, primarily includes earnings generated by equity method investees. Other income, net was \$36 million during the quarter ended March 31, 2024, compared to other expense, net of \$9 million during the quarter ended March 26, 2023. Other income (expense), net during the quarter ended March 31, 2024 includes higher earnings generated by our equity method investment in ULA due to higher launch volume.

Interest Expense

Interest expense was \$255 million and \$202 million during the quarters ended March 31, 2024 and March 26, 2023. The increase in interest expense in 2024 resulted primarily from the issuance of senior unsecured notes in January 2024 and May 2023.

Non-Service FAS Pension Income

Non-service FAS pension income was \$16 million and \$110 million during the quarters ended March 31, 2024 and March 26, 2023. The decrease was primarily due to a lower prior service credit amortization and a reduced asset base as detailed in "Note 6 - Postretirement Benefit Plans" included in our Notes to Consolidated Financial Statements.

Other Non-operating Income, Net

Other non-operating income, net primarily includes gains or losses related to changes in the fair value of early-stage company investments or gains or losses upon sale of these investments. Other non-operating income, net was \$45 million and \$49 million during the quarters ended March 31, 2024 and March 26, 2023. See "Note 10 - Other" included in our Notes to Consolidated Financial Statements for additional information.

Income Tax Expense

Our effective income tax rates were 15.8% and 15.3% for the quarters ended March 31, 2024 and March 26, 2023. The rates for all periods benefited from research and development tax credits, tax deductions for foreign derived intangible income, dividends paid to our defined contribution plans with an employee stock ownership plan feature and employee equity awards.

Changes in U.S. (federal or state) or foreign tax laws and regulations, or their interpretation and application (including those with retroactive effect), such as the amortization for research or experimental expenditures, could significantly impact our provision for income taxes, the amount of taxes payable, our deferred tax asset and liability balances, and stockholders' equity. In addition to future changes in tax laws, the amount of net deferred tax assets will change periodically based on several factors, including the measurement of our postretirement benefit plan obligations, actual cash contributions to our postretirement benefit plans and the change in the amount or reevaluation of uncertain tax positions.

Beginning in 2022, The Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenditures immediately in the year incurred and requires taxpayers to amortize such expenditures over five years for tax purposes. This provision is expected to increase our 2024 cash tax liability by approximately \$350 million and our net deferred tax assets will increase by a similar amount. The actual impact on 2024 cash tax liability will depend on the amount of research and development expenses paid or incurred in 2024 among other factors. The cash tax impact will continue over the five-year amortization period but will decrease over the period and be immaterial by 2027.

We are regularly under audit or examination by tax authorities, including foreign tax authorities (including in, amongst others, Australia, Canada, India, Italy, Japan, Poland, and the United Kingdom). The final determination of tax audits and any related litigation could similarly result in unanticipated increases in our tax expense and affect profitability and cash flows.

The Organisation for Economic Co-operation and Development (OECD) has a framework to implement a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds (referred to as Pillar 2), with certain aspects of Pillar 2 effective January 1, 2024 and other aspects effective January 1, 2025. While it is uncertain whether the U.S. will enact legislation to adopt Pillar 2, certain countries in which we operate have adopted legislation, and other countries are in the process of introducing legislation to implement Pillar 2. We do not expect Pillar 2 to have a material impact on our effective tax rate or our consolidated results of operation, financial position, and cash flows.

Net Earnings

We reported net earnings of \$1.5 billion (\$6.39 per share) during the quarter ended March 31, 2024, compared to \$1.7 billion (\$6.61 per share) during the quarter ended March 26, 2023. Net earnings and earnings per share for the quarter ended March 31, 2024 were affected by the factors mentioned above. Earnings per share also benefited from a net decrease of approximately 14.1 million weighted average common shares outstanding during the quarter ended March 31, 2024, compared to the same period in 2023. The reduction in weighted average common shares was a result of share repurchases, partially offset by share issuance under our stock-based awards and certain defined contribution plans.

BUSINESS SEGMENT RESULTS OF OPERATIONS

We operate in four business segments: Aeronautics, MFC, RMS and Space. We organize our business segments based on the nature of products and services offered.

Net sales and operating profit of our business segments exclude intersegment sales, cost of sales and profit as these activities are eliminated in consolidation and thus are not included in management's evaluation of performance of each segment. Business segment operating profit includes our share of earnings or losses from equity method investees as the operating activities of the equity method investees are closely aligned with the operations of our business segments.

Business segment operating profit excludes the FAS/CAS pension operating adjustment described below, a portion of corporate costs not considered allowable or allocable to contracts with the U.S. Government under the applicable U.S. Government cost accounting standards (CAS) or federal acquisition regulations (FAR), and other items not considered part of management's evaluation of segment operating performance. See "Note 3 - Information on Business Segments – unallocated items".

Sales and operating profit for each of our business segments were as follows (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Net sales		
Aeronautics	\$ 6,845	\$ 6,269
Missiles and Fire Control	2,993	2,388
Rotary and Mission Systems	4,088	3,510
Space	3,269	2,959
Total net sales	\$ 17,195	\$ 15,126
Operating profit		
Aeronautics	\$ 679	\$ 675
Missiles and Fire Control	311	377
Rotary and Mission Systems	430	350
Space	325	280
Total business segment operating profit	1,745	1,682
Unallocated items		
FAS/CAS pension operating adjustment	406	415
Intangible asset amortization expense	(61)	(62)
Other, net	(61)	2
Total unallocated items	284	355
Total consolidated operating profit	\$ 2,029	\$ 2,037

Our business segments' results of operations include pension expense only as calculated under U.S. Government Cost Accounting Standards (CAS), which we refer to as CAS pension cost. We recover CAS pension and other postretirement benefit plan cost through the pricing of our products and services on U.S. Government contracts and, therefore, recognize CAS pension cost in each of our business segment's net sales and cost of sales. Our consolidated financial statements must present pension and other postretirement benefit plan income calculated in accordance with Financial Accounting Standards (FAS) requirements under U.S. GAAP. The operating portion of the total FAS/CAS pension adjustment represents the difference between the service cost component of FAS pension income (expense) and total CAS pension cost. The non-service FAS pension income (expense) components are included in non-service FAS pension income (expense) in our consolidated statements of earnings. As a result, to the extent that CAS pension cost exceeds the service cost component of FAS pension income (expense) we have a favorable FAS/CAS pension operating adjustment.

The total FAS/CAS pension adjustments, including the service and non-service cost components of FAS pension income for our qualified defined benefit pension plans, were as follows (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Total FAS income and CAS cost		
FAS pension income	\$ 1	\$ 94
Less: CAS pension cost	421	431
Total FAS/CAS pension adjustment	\$ 422	\$ 525
Service and non-service cost reconciliation		
FAS pension service cost	\$ (15)	\$ (16)
Less: CAS pension cost	421	431
Total FAS/CAS pension operating adjustment	406	415
Non-service FAS pension income	16	110
Total FAS/CAS pension adjustment	\$ 422	\$ 525

Management evaluates performance on our contracts by focusing on net sales and operating profit and not by type or amount of operating expense. Consequently, our discussion of business segment performance focuses on net sales and operating profit, consistent with our approach for managing the business. This approach is consistent throughout the life cycle of our contracts, as management assesses the bidding of each contract by focusing on net sales and operating profit and monitors performance on our contracts in a similar manner through their completion.

We regularly provide customers with reports of our costs as the contract progresses. The cost information in the reports is accumulated in a manner specified by the requirements of each contract. For example, cost data provided to a customer for a product would typically align to the subcomponents of that product (such as a wing-box on an aircraft) and for services would align to the type of work being performed (such as aircraft sustainment). Our contracts generally allow for the recovery of costs in the pricing of our products and services. Most of our contracts are bid and negotiated with our customers under circumstances in which we are required to disclose our estimated total costs to provide the product or service. This approach for negotiating contracts with our U.S. Government customers generally allows for recovery of our actual costs plus a reasonable profit margin. We also may enter into long-term supply contracts for certain materials or components to coincide with the production schedule of certain products and to ensure their availability at known unit prices.

We have a number of programs that are designated as classified by the U.S. Government which cannot be specifically described. The operating results of these classified programs are included in our consolidated and business segment results and are subjected to the same oversight and internal controls as our other programs.

Our net sales are primarily derived from long-term contracts for products and services provided to the U.S. Government as well as FMS contracted through the U.S. Government. We recognize revenue as performance obligations are satisfied and the customer obtains control of the products and services. For performance obligations to deliver products with continuous transfer of control to the customer, revenue is recognized based on the extent of progress towards completion of the performance obligation, generally using the percentage-of-completion cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer as we incur costs on our contracts. For performance obligations in which control does not continuously transfer to the customer, we recognize revenue at the point in time in which each performance obligation is fully satisfied.

Many of our contracts span several years and include highly complex technical requirements. At the outset of a contract accounted for under the percentage-of-completion cost-to-cost method, we identify and monitor risks to the achievement of the technical, schedule and cost aspects of the contract and assess the effects of those risks on our estimates of sales and total costs to complete the contract, as well as our ability to earn variable consideration. The estimates consider the technical requirements (e.g., a newly-developed product versus a mature product), the schedule and associated tasks (e.g., the number and type of milestone events) and costs (e.g., material, labor, subcontractor, overhead and the estimated costs to fulfill our industrial cooperation agreements, sometimes referred to as offset or localization agreements, required under certain contracts with international customers). The initial profit booking rate of each contract considers risks surrounding the ability to achieve the technical requirements, schedule and costs in the initial estimated total costs to complete the contract and variable considerations. Profit booking rates may increase during

the performance of the contract if we successfully retire risks related to the technical, schedule and cost aspects of the contract, which decreases the estimated total costs to complete the contract or may increase the variable consideration we expect to receive on the contract. Conversely, our profit booking rates may decrease if the estimated total costs to complete the contract increase or our estimates of variable consideration we expect to receive decrease. The profit booking rate may also be adjusted if the total estimated value of the contract changes or there is a contract modification. All of the estimates are subject to change during the performance of the contract and may affect the profit booking rate. For further discussion on fixed-price contracts, see “Note 10 - Other” included in our Notes to Consolidated Financial Statements.

Changes in net sales and operating profit generally are expressed in terms of volume, contract mix, and/or performance (referred to as profit booking rate adjustments). Changes in volume refer to increases or decreases in sales or operating profit resulting from varying production activity levels, deliveries or service levels on individual contracts. Volume changes in segment operating profit are typically based on the current profit booking rate for a particular contract. Contract mix refers to changes in the ratio of contract type or life cycle (e.g., cost-type, fixed-price, development, production and/or sustainment).

Comparability of our segment sales, operating profit and operating margin may be impacted favorably or unfavorably by changes in profit booking rates on our contracts. Increases in the profit booking rates, typically referred to as favorable profit booking rate adjustments, usually relate to revisions in the estimated total costs to fulfill the performance obligations that reflect improved conditions on a particular contract. Conversely, conditions on a particular contract may deteriorate, resulting in an increase in the estimated total costs to fulfill the performance obligations and a reduction in the profit booking rate and are typically referred to as unfavorable profit booking rate adjustments. Increases or decreases in profit booking rates are recognized in the current period they are determined and reflect the inception-to-date effect of such changes. Segment operating profit and margin can be impacted favorably or unfavorably by, for example, certain items listed below, which may or may not impact sales. Favorable items include the positive resolution of contractual matters, cost recoveries on severance and restructuring, insurance recoveries and gains on sales of assets. Unfavorable items include the adverse resolution of contractual matters; supply chain disruptions; restructuring charges (except for significant severance actions, which are excluded from segment operating results); reserves for disputes; certain asset impairments; and losses on sales of certain assets. Our consolidated net profit booking rate adjustments increased segment operating profit by approximately \$195 million during the quarter ended March 31, 2024 and \$415 million during the quarter ended March 26, 2023. The impact to 2024 segment operating profit includes a reach-forward loss of \$100 million recognized on a classified program at our MFC business segment (as further described on page 22, see the discussion under “Contract Estimates” in Note 10 - Other included in our Notes to Consolidated Financial Statements).

We periodically experience performance issues and record losses for certain programs. For further discussion on programs, see “Note 10 - Other” included in our Notes to Consolidated Financial Statements.

Aeronautics

Summary operating results for our Aeronautics business segment were as follows (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Net sales	\$ 6,845	\$ 6,269
Operating profit	679	675
Operating margin	9.9 %	10.8 %

Aeronautics’ net sales during the quarter ended March 31, 2024 increased \$576 million, or 9%, compared to the same period in 2023. The increase was primarily attributable to higher net sales of \$305 million on the F-35 program due to higher volume on production, development and sustainment contracts; \$155 million on classified programs driven by higher volume; and \$60 million on the F-16 program due to the ramp up on production.

Aeronautics' operating profit during the quarter ended March 31, 2024 was comparable to the same period in 2023. Operating profit increased \$50 million on the F-16 program as operating profit for the first quarter of 2023 reflects the impact of unfavorable profit adjustments on a production contract and sustainment contracts as a result of schedule delays related to software and technical specification risks that did not recur in the first quarter of 2024. This increase was partially offset by lower operating profit of \$30 million on the F-35 program primarily due to lower net profit adjustments on production contracts as a result of higher than anticipated material costs, partially offset by higher volume described above. Total net profit booking rate adjustments were \$40 million lower in the first quarter of 2024 compared to the same period in 2023.

Missiles and Fire Control

Summary operating results for our MFC business segment were as follows (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Net sales	\$ 2,993	\$ 2,388
Operating profit	311	377
Operating margin	10.4 %	15.8 %

MFC's net sales during the quarter ended March 31, 2024 increased \$605 million, or 25%, compared to the same period in 2023. The increase was primarily attributable to higher net sales of \$460 million for tactical and strike missile programs due to production ramp up on GMLRS, HIMARS, JASSM and LRASM programs; and \$100 million for integrated air and missile defense programs primarily due to higher volume on PAC-3 and Terminal High Altitude Area Defense (THAAD).

MFC's operating profit during the quarter ended March 31, 2024 decreased \$66 million, or 18%, compared to the same period in 2023. The decrease was primarily attributable to lower operating profit for tactical and strike missile programs due to a \$100 million reach-forward loss recognized for an option on a classified program and an unfavorable profit adjustment on HELLFIRE as a result of additional costs expected to be incurred associated with a contract claim, partially offset by the production ramp up described above. Total net profit booking rate adjustments, inclusive of the \$100 million loss described above, were \$120 million lower in the first quarter of 2024 compared to the same period in 2023.

Rotary and Mission Systems

In February 2024, the U.S. Army announced it is cancelling the Future Attack Reconnaissance Aircraft (FARA) program at the conclusion of fiscal year 2024, for which our Sikorsky business was competing. We are currently evaluating the potential effect of this decision on our Sikorsky business operations including assessing the recoverability of certain assets.

Summary operating results for our RMS business segment were as follows (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Net sales	\$ 4,088	\$ 3,510
Operating profit	430	350
Operating margin	10.5 %	10.0 %

RMS' net sales during the quarter ended March 31, 2024 increased \$578 million, or 16%, compared to the same period in 2023. The increase was primarily attributable to higher net sales of \$295 million on integrated warfare systems and sensors (IWSS) programs due to new program ramp up within the laser systems portfolio and higher volume on the Aegis and radar programs; \$150 million for various C6ISR programs due to higher volume; and \$100 million for Sikorsky helicopter programs due to higher volume on Seahawk and CH-53K programs.

RMS' operating profit during the quarter ended March 31, 2024 increased \$80 million, or 23%, compared to the same period in 2023. The increase was primarily attributable to higher operating profit of \$40 million on IWSS programs due to higher volume described above and a favorable profit rate adjustment as a result of the delivery of a ground-based radar which retired the technical risk; and \$25 million on Sikorsky helicopter programs due to higher volume described above and higher margins due to contract mix, partially offset by unfavorable profit adjustments on Seahawk programs. Total net

profit booking rate adjustments were \$30 million lower in the first quarter of 2024 compared to the same period in 2023.

Space

Summary operating results for our Space business segment were as follows (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Net sales	\$ 3,269	\$ 2,959
Operating profit	325	280
Operating margin	9.9 %	9.5 %

Space's net sales during the quarter ended March 31, 2024 increased \$310 million, or 10%, compared to the same period in 2023. The increase was primarily attributable to higher net sales of \$140 million for strategic and missile defense programs due to higher volume on FBM and ramp up in the hypersonic and Next Generation Interceptor (NGI) development programs; and higher net sales of \$115 million for national security space programs due to higher volume on Transport Layer and GPS III programs and ramp up on the Tracking Layer program.

Space's operating profit during the quarter ended March 31, 2024 increased \$45 million, or 16%, compared to the same period in 2023. The increase was primarily attributable to \$30 million of higher equity earnings from our investment in United Launch Alliance (ULA) due to higher launch volume, and higher operating profit of \$20 million on strategic and missile defense programs due to the higher volume described above. These increases were partially offset by lower operating profit of \$25 million for national security space programs due to the impact of lower net favorable profit adjustments on Next Gen OPIR as a result of the timing of the award and incentive fee assessments. Total net profit booking rate adjustments were \$30 million lower in the first quarter of 2024 compared to the same period in 2023.

Total equity earnings/(losses) (primarily ULA) represented approximately \$15 million or 5% in the first quarter of 2024, compared to approximately \$(15) million, or (5)% for the same period in 2023.

FINANCIAL CONDITION

Liquidity and Capital Resources

At March 31, 2024, we had cash and cash equivalents of \$2.8 billion that was generally available to fund ordinary business operations without significant legal, regulatory or other restrictions. Our principal source of liquidity is our cash from operations. However, we also have access to credit markets, if needed, for liquidity or general corporate purposes, including share repurchases. This access includes our \$3.0 billion revolving credit facility or the ability to issue commercial paper and letters of credit to support customer advance payments and for other trade finance purposes such as guaranteeing our performance on particular contracts. There were no borrowings outstanding under the revolving credit facility and commercial paper at both March 31, 2024 and December 31, 2023. As of March 31, 2024, we were in compliance with all covenants contained in our debt and credit agreements.

We believe our cash and cash equivalents, our expected cash flow generated from operations and our access to credit markets will be sufficient to meet our cash requirements and cash deployment plans over the next twelve months and beyond based on our current business plans.

Cash received from customers is our primary source of cash from operations. We generally do not begin work on contracts until funding is appropriated by the customer. However, from time to time, we fund customer programs ourselves pending government appropriations. If we incur costs in excess of funds obligated on the contract or in advance of a contract award, this negatively affects our cash flows and we may be at risk for reimbursement of the excess costs.

Billing timetables and payment terms on our contracts vary based on a number of factors, including the contract type. We generally bill and collect cash more frequently under cost-reimbursable contracts, which represented approximately 42% of the sales we recorded during the quarter ended March 31, 2024, as we are authorized to bill as the costs are incurred. A number of our fixed-price contracts may provide for performance-based payments, which allow us to bill and collect cash as we perform on the contract. The amount of performance-based payments and the related milestones are

encompassed in the negotiation of each contract. The timing of such payments may differ from the timing of the costs incurred related to our contract performance, thereby affecting our cash flows.

The U.S. Government has indicated that it would consider progress payments as the baseline for negotiating payment terms on fixed-price contracts, rather than performance-based payments. In contrast to negotiated performance-based payment terms, progress payment provisions correspond to a percentage of the amount of costs incurred during the performance of the contract and are invoiced regularly as costs are incurred. Our cash flows may be affected if the U.S. Government changes its payment policies. The U.S. Government from time to time withholds payments on certain of our billings based on contract terms or regulatory provisions. Ultimately, the impact of policy changes or withholding payments may delay the receipt of cash, but the cumulative amount of cash collected during the life of the contract should not vary.

We have a disciplined and dynamic cash deployment strategy to invest in our business and key technologies to provide our customers with enhanced capabilities, enhance stockholder value, and position ourselves to take advantage of new business opportunities when they arise. Consistent with that strategy, we have continued to invest in our business and technologies through capital expenditures, independent research and development, and selective business acquisitions and investments.

We continue to return cash to stockholders through dividends and share repurchases. As of March 31, 2024, the total remaining authorization for future common share repurchases under our program was \$9.0 billion. The stock repurchase program does not have an expiration date and may be amended or terminated by the Board of Directors at any time. The amount of shares ultimately purchased and the timing of purchases are at the discretion of management and subject to compliance with applicable law and regulation.

We continue to actively manage our debt levels, including maturities and interest rates. We actively seek to finance our business in a manner that preserves financial flexibility while minimizing borrowing costs to the extent practicable. We review changes in financial market and economic conditions to manage the types, amounts and maturities of our indebtedness. We may at times refinance existing indebtedness, vary our mix of variable-rate and fixed-rate debt or seek alternative financing sources for our cash and operational needs.

We also actively manage our pension obligations and expect to continue to opportunistically manage our pension liabilities through the purchase of group annuity contracts or other actions for portions of our outstanding defined benefit pension obligations using assets from the pension trust. Future pension risk transfer transactions could be significant and result in us making additional contributions to the pension trust. The required funding of our qualified defined benefit pension plans is determined in accordance with the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and Cost Accounting Standards (CAS). We could be required to make pension contributions earlier and/or in excess than planned if our return on pension assets is less than our assumptions, which would reduce our free cash flow. We may also make additional contributions on an ad hoc basis at our discretion.

There were no material changes during the quarter ended March 31, 2024 to our contractual commitments as presented in "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2023 Form 10-K that were outside the ordinary course of our business.

The following table provides a summary of our cash flow information followed by a discussion of the key elements (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Cash and cash equivalents at beginning of year	\$ 1,442	\$ 2,547
Operating activities		
Net earnings	1,545	1,689
Noncash adjustments	335	265
Changes in working capital	(282)	(267)
Other, net	37	(123)
Net cash provided by operating activities	1,635	1,564
Net cash used for investing activities	(372)	(259)
Net cash provided by (used for) financing activities	85	(1,412)
Net change in cash and cash equivalents	1,348	(107)
Cash and cash equivalents at end of period	\$ 2,790	\$ 2,440

Operating Activities

Net cash provided by operating activities during the quarter ended March 31, 2024 was comparable to the same period in 2023.

Non-GAAP Financial Measure - Free Cash Flow

Free cash flow is a non-GAAP financial measure that we define as cash from operations less capital expenditures. Our capital expenditures are comprised of equipment and facilities infrastructure and information technology (inclusive of costs for the development or purchase of internal-use software that are capitalized). We use free cash flow to evaluate our business performance and overall liquidity, as well as a performance goal in our annual and long-term incentive plans. We believe free cash flow is a useful measure for investors because it represents the amount of cash generated from operations after reinvesting in the business and that may be available to return to stockholders and creditors (through dividends, stock repurchases and debt repayments) or available to fund acquisitions and other investments. The entire amount of free cash flow is not necessarily available for discretionary expenditures, however, because it does not account for certain mandatory expenditures, such as the repayment of maturing debt and pension contributions. While management believes that free cash flow as a non-GAAP financial measure may be useful in evaluating our financial performance, it should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP and may not be comparable to similarly titled measures used by other companies.

The following table reconciles net cash provided by operating activities to free cash flow (in millions):

	Quarters Ended	
	March 31, 2024	March 26, 2023
Cash from operations	\$ 1,635	\$ 1,564
Capital expenditures	(378)	(294)
Free cash flow	\$ 1,257	\$ 1,270

Investing Activities

Net cash used for investing activities during the quarter ended March 31, 2024 increased \$113 million compared to the same period in 2023. Capital expenditures totaled \$378 million and \$294 million during the quarters ended March 31, 2024 and March 26, 2023. The majority of our capital expenditures are for equipment and facilities infrastructure that generally are incurred to support new and existing programs across all of our business segments. We also incur capital expenditures for information technology to support programs and general enterprise information technology infrastructure, inclusive of costs for the development or purchase of internal-use software.

Financing Activities

Net cash provided by financing activities during the quarter ended March 31, 2024 increased \$1.5 billion compared to the same period in 2023.

During the quarter ended March 31, 2024 and March 26, 2023, we paid dividends totaling \$780 million (\$3.15 per share) and \$784 million (\$3.00 per share).

During the quarter ended March 31, 2024, we paid \$1.0 billion to repurchase 2.3 million shares of our common stock. See “Note 9 - Stockholders’ Equity” included in our Notes to Consolidated Financial Statements for additional information. During the quarter ended March 26, 2023, we paid \$500 million to repurchase 1.1 million shares of our common stock.

During the quarter ended March 31, 2024, we received net proceeds of \$2.0 billion from issuance of senior unsecured notes. See “Note 10 - Other” included in our Notes to Consolidated Financial Statements for additional information.

OTHER MATTERS

Status of the F-35 Program

The F-35 program primarily consists of production contracts, sustainment activities, and new development efforts. Production of the aircraft is expected to continue for many years given the U.S. Government’s objective of 2,456 aircraft for the U.S. Air Force, U.S. Marine Corps, and U.S. Navy; commitments from our seven international partner countries and ten Foreign Military Sales (FMS) customers; as well as interest from other countries.

We continue to see strong international demand for the F-35. In December 2023, the Republic of Korea announced it signed a follow-on Letter of offer and acceptance (LOA) for 20 additional F-35s, increasing its program of record from 40 to 60. In January 2024, the Czech Republic signed a LOA to procure 24 F-35s and the U.S. Department of State approved a potential Foreign Military Sale to Greece for up to 40 F-35s. In February 2024, Singapore announced its intent to purchase eight F-35As to complement the 12 F-35Bs to which it has previously committed.

Since program inception through March 31, 2024, we have delivered 992 production F-35 aircraft, including 710 F-35A variants, 197 F-35B variants and 85 F-35C variants, demonstrating the F-35 program’s continued progress and longevity. Our backlog as of March 31, 2024 was 373 aircraft and our aircraft production rate remains at approximately 156 per year; however, we had no customer deliveries of aircraft in the first quarter of 2024. Deliveries of aircraft with Technology Refresh-3 (TR-3) capability remain on hold as the software is finalized. We continue to target a second quarter 2024 customer acceptance of a specific software configuration permitting deliveries of TR-3 aircraft and expect deliveries to begin in the third quarter 2024. Additionally, we remain focused on receiving the necessary hardware from our suppliers to deliver this critical combat capability for the F-35.

Given the size and complexity of the F-35 program, we anticipate continual reviews on aircraft performance, program and delivery schedule, cost and requirements as part of the DoD, Congressional and international countries’ oversight and budgeting processes. Areas of focus include Lockheed Martin’s and our suppliers’ performance, software development (including, in particular, software maturation related to TR-3 capability), and flight test execution and related findings. Additional areas of focus include the level of cost associated with life cycle operations, sustainment and potential contractual obligations, inflation-related cost pressures, and the ability to increase affordability.

Contingencies

See “Note 7 - Legal Proceedings and Contingencies” included in our Notes to Consolidated Financial Statements for information regarding our contingent obligations, including off-balance sheet arrangements.

Critical Accounting Policies

There have been no significant changes to the critical accounting policies disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2023 Form 10-K.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

As disclosed in “Item 7A, Quantitative and Qualitative Disclosures About Market Risk” of our 2023 Form 10-K, we transact business globally and are subject to risks associated with changing foreign currency exchange rates. We enter into foreign currency hedges such as forward and option contracts that change in value as foreign currency exchange rates change. Our exposures to market risk have not changed materially since December 31, 2023. See “Note 8 - Fair Value Measurements” included in our Notes to Consolidated Financial Statements for additional discussion.

ITEM 4. Controls and Procedures

We performed an evaluation of the effectiveness of our disclosure controls and procedures as of March 31, 2024. The evaluation was performed with the participation of senior management of each business segment and key corporate functions, under the supervision of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Based on this evaluation, the CEO and CFO concluded that our disclosure controls and procedures were operating and effective as of March 31, 2024.

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Forward-Looking Statements

This Form 10-Q contains statements that, to the extent they are not recitations of historical fact, constitute forward-looking statements within the meaning of the federal securities laws, and are based on our current expectations and assumptions. The words “believe,” “estimate,” “anticipate,” “project,” “intend,” “expect,” “plan,” “outlook,” “scheduled,” “forecast” and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks and uncertainties. Actual results may differ materially due to factors such as:

- our reliance on contracts with the U.S. Government, which are dependent on U.S. Government funding and can be terminated for convenience, and our ability to negotiate favorable contract terms;
- budget uncertainty, the risk of future budget cuts, the impact of continuing resolution funding mechanisms and the debt ceiling and the potential for government shutdowns and changing funding and acquisition priorities;
- risks related to the development, production, sustainment, performance, schedule, cost and requirements of complex and technologically advanced programs, including the F-35 program;
- planned production rates and orders for significant programs, compliance with stringent performance and reliability standards, and materials availability, including government furnished equipment;
- the timing of contract awards or delays in contract definitization as well as the timing and customer acceptance of product deliveries and performance milestones;
- our ability to recover costs under U.S. Government contracts and the mix of fixed-price and cost-reimbursable contracts;
- customer procurement policies that shift risk to contractors, including competitively bid programs with fixed-price development work or follow-on production options or other financial risks; and the impact of investments, cost overruns or other cost pressures and performance issues on fixed price contracts;
- changes in procurement and other regulations and policies affecting our industry, export of our products, cost allowability or recovery, preferred contract type, and performance and progress payments policy;
- performance and financial viability of key suppliers, teammates, joint ventures (including United Launch Alliance), joint venture partners, subcontractors and customers;
- economic, industry, business and political conditions including their effects on governmental policy;
- the impact of inflation and other cost pressures;
- the impact of pandemics and epidemics on our business and financial results, including supply chain disruptions and delays, employee absences, and program delays;
- government actions that prevent the sale or delivery of our products (such as delays in approvals for exports requiring Congressional notification);
- trade policies or sanctions (including Chinese sanctions on us or our suppliers, teammates or partners, U.S. Government sanctions on Turkish entities and persons, and indirect effects of sanctions on Russia to our supply chain);
- our success expanding into and doing business in adjacent markets and internationally and the risks posed by international sales;

- changes in foreign national priorities and foreign government budgets and planned orders, including potential effects from fluctuations in currency exchange rates;
- the competitive environment for our products and services, including competition from startups and non-traditional defense contractors;
- our ability to develop and commercialize new technologies and products, including emerging digital and network technologies and capabilities;
- our ability to benefit fully from or adequately protect our intellectual property rights;
- our ability to attract and retain a highly skilled workforce, the impact of work stoppages or other labor disruptions;
- cyber or other security threats or other disruptions faced by us or our suppliers;
- our ability to implement and continue, and the timing and impact of, capitalization changes such as share repurchases, dividend payments and financing transactions;
- the accuracy of our estimates and projections;
- changes in pension plan assumptions and actual returns on pension assets; cash funding requirements and pension risk transfers and associated settlement charges;
- realizing the anticipated benefits of acquisitions or divestitures, investments, joint ventures, teaming arrangements or internal reorganizations, and market volatility affecting the fair value of investments that are marked to market;
- our efforts to increase the efficiency of our operations and improve the affordability of our products and services, including through digital transformation and cost reduction initiatives;
- the risk of an impairment of our assets, including the potential impairment of goodwill and intangibles;
- the availability and adequacy of our insurance and indemnities;
- impacts of climate change and compliance with laws, regulations, policies, and customer requirements in response to climate change concerns;
- changes in accounting, U.S. or foreign tax, export or other laws, regulations, and policies and their interpretation or application, and changes in the amount or reevaluation of uncertain tax positions; and
- the outcome of legal proceedings, bid protests, environmental remediation efforts, audits, government investigations or government allegations that we has failed to comply with law, other contingencies and U.S. Government identification of deficiencies in our business systems.

These are only some of the factors that may affect the forward-looking statements contained in this Form 10-Q. For a discussion identifying additional important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, see our filings with the U.S. Securities and Exchange Commission (SEC) including, but not limited to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 and subsequent Quarterly Reports on Form 10-Q. Our filings may be accessed through the Investor Relations page of our website, www.lockheedmartin.com/investor, or through the website maintained by the SEC at www.sec.gov.

Our actual financial results likely will be different from those projected due to the inherent nature of projections. Given these uncertainties, forward-looking statements should not be relied on in making investment decisions. The forward-looking statements contained in this Form 10-Q speak only as of the date of our filing. Except where required by applicable law, we expressly disclaim a duty to provide updates to forward-looking statements after the date of this Form 10-Q to reflect subsequent events, changed circumstances, changes in expectations, or the estimates and assumptions associated with them. The forward-looking statements in this Form 10-Q are intended to be subject to the safe harbor protection provided by the federal securities laws.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

We are a party to litigation and other proceedings that arise in the ordinary course of our business, including matters arising under provisions relating to the protection of the environment, and are subject to contingencies related to certain businesses we previously owned. These types of matters could result in fines, penalties, cost reimbursements or contributions, compensatory or treble damages or non-monetary sanctions or relief. We believe the probability is remote that the outcome of each of these matters will have a material adverse effect on the company as a whole, notwithstanding that the unfavorable resolution of any matter may have a material effect on our net earnings and cash flows in any particular interim reporting period. We cannot predict the outcome of legal or other proceedings with certainty.

We are subject to federal, state, local and foreign requirements for the protection of the environment, including those for discharge of hazardous materials and remediation of contaminated sites. Due in part to the complexity and

pervasiveness of these requirements, we are a party to or have property subject to various lawsuits, proceedings and remediation obligations. The extent of our financial exposure cannot in all cases be reasonably estimated at this time.

For information regarding the matters discussed above, including current estimates of the amounts that we believe are required for remediation or clean-up to the extent estimable, see “Note 7 - Legal Proceedings and Contingencies” included in our Notes to Consolidated Financial Statements in this Form 10-Q, which is hereby incorporated by reference. For additional information and a description of previously reported matters, see also “Critical Accounting Policies – Environmental Matters” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Note 14 – Legal Proceedings, Commitments and Contingencies,” in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission.

ITEM 1A. Risk Factors

There have been no material changes to the risk factors disclosed in “Item 1A, Risk Factors” of our 2023 Form 10-K. These risks and uncertainties described in our risk factors have the potential to materially affect our business, results of operations, financial condition, cash flows, projected results and future prospects. These risks are not exclusive and additional risks to which we are subject include the factors mentioned under “Forward-Looking Statements” and the risks described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report on Form 10-Q.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities during the quarter ended March 31, 2024.

The following table provides information about our repurchases of our common stock that is registered pursuant to Section 12 of the Securities Exchange Act of 1934 during the quarter ended March 31, 2024.

Period ^(a)	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ^(b)	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs ^(b)
				(in millions)
January 1, 2024 – January 28, 2024	—	\$ —	—	\$ 10,023
January 29, 2024 – February 25, 2024	1,183,474	\$ 426.33	1,180,861	\$ 9,520
February 26, 2024 – March 31, 2024 ^(c)	1,404,974	\$ 434.34	1,141,334	\$ 9,023
Total ^(c)	2,588,448	\$ 430.68	2,322,195	

^(a) We close our books and records on the last Sunday of each month to align our financial closing with our business processes, except for the month of December, as our fiscal year ends on December 31. As a result, our fiscal months often differ from the calendar months. For example, February 25, 2024 was the last day of our February 2024 fiscal month.

^(b) In 2010, our Board of Directors approved a share repurchase program pursuant to which we are authorized to repurchase our common stock in privately negotiated transactions or in the open market at prices per share not exceeding the then-current market prices. From time to time, our Board of Directors authorizes increases to our share repurchase program. The total remaining authorization for future common share repurchases under our share repurchase program was \$9.0 billion as of March 31, 2024. Under the program, management has discretion to determine the dollar amount of shares to be repurchased and the timing of any repurchases in compliance with applicable law and regulation. This includes purchases pursuant to Rule 10b5-1 plans, including accelerated share repurchases. The program does not have an expiration date.

^(c) During the quarter ended March 31, 2024, the total number of shares purchased included 266,253 shares that were transferred to us by employees in satisfaction of tax withholding obligations associated with the vesting of restricted stock units and performance stock units. These purchases were made pursuant to a separate authorization by our Board of Directors and are not included within the program.

ITEM 5. Other Information

None of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarter ended March 31, 2024.

ITEM 6. Exhibits

Exhibit No.	Description
10.1	Form of 2024 Annual Restricted Stock Unit Award Agreement under the Lockheed Martin Corporation 2020 Incentive Performance Award Plan
10.2	Form of Performance Stock Unit Award Agreement (2024 - 2026 Performance Period) under the Lockheed Martin Corporation 2020 Incentive Performance Award Plan
10.3	Form of Long Term Incentive Performance Award Agreement (2024 - 2026 Performance Period) under the Lockheed Martin Corporation 2020 Incentive Performance Award Plan
15	Acknowledgment of Independent Registered Public Accounting Firm
31.1	Certification of James D. Taiclet pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Jesus Malave pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of James D. Taiclet and Jesus Malave pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document contained in Exhibit 101

SIGNATURE

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

Lockheed Martin Corporation
(Registrant)

Date: April 23, 2024

By: /s/ H. Edward Paul III
H. Edward Paul III
Vice President and Controller
(Duly Authorized Officer and Chief Accounting Officer)

Award Date: February 22, 2024



**RESTRICTED STOCK UNIT AWARD AGREEMENT (ANNUAL)
GRANTED UNDER THE LOCKHEED MARTIN CORPORATION
2020 INCENTIVE PERFORMANCE AWARD PLAN**

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

This Award Agreement applies to the Restricted Stock Units (“RSUs”) granted by Lockheed Martin Corporation to you as of the Award Date (defined above) under the Lockheed Martin Corporation 2020 Incentive Performance Award Plan (“Plan”). The term Restricted Stock Unit or RSU as used in this Award Agreement refers only to the Restricted Stock Units awarded to you under this Award Agreement. References to the “Corporation” include Lockheed Martin Corporation and its Subsidiaries.

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

This Award Agreement sets forth some of the terms and conditions of your Award under the Plan, as determined by the Committee. Additional terms and conditions, including tax information, are contained in the Plan and in the Prospectus relating to the Plan of which the Plan and this Award Agreement are a part. In the event of a conflict between this Award Agreement and the Plan, the Plan document will control. The number of RSUs applicable to your Award are set forth in the electronic stock plan award recordkeeping system (“Stock Plan System”) maintained by the Corporation or its designee at <https://atwork.morganstanley.com>. The Prospectus is also available at this website.

Except as described in Section 9, your Award is not effective or enforceable until you properly acknowledge your acceptance of the Award by completing the electronic receipt on the Stock Plan System as soon as possible but in no event later than May 31, 2024 (“Acceptance Deadline”). **Except as described in Section 9, if you do not properly acknowledge your acceptance of this Award Agreement on or before the Acceptance Deadline, this Award will be forfeited.**

Assuming prompt and proper acknowledgement of your acceptance of this Award Agreement as described above and in Section 9, this Award will be effective as of the Award Date. Acceptance of this Award Agreement constitutes your consent to any action taken under the Plan consistent with its terms with respect to this Award and your agreement to be bound by the restrictions contained in Section 9 and Exhibit A, including any addenda thereto ("Post-Employment Conduct Agreement"), and Exhibit B ("Stock Ownership Requirements"), as amended from time to time.

1. CONSIDERATION FOR AWARD

The consideration for the RSUs is your continued service to the Corporation as an Employee during the Restricted Period set forth below. If you do not continue to perform services for the Corporation as an Employee during the entire Restricted Period as set forth below under "RESTRICTED PERIOD, FORFEITURE," your Award will be forfeited in whole or in part.

2. RIGHTS OF OWNERSHIP, RESTRICTIONS ON TRANSFER

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

Upon expiration or termination of the Restricted Period with respect to your RSUs, and subject to the forfeiture provisions set forth below, each RSU for which the restrictions have lapsed will be exchanged for a certificate (either in paper or book entry form) evidencing one (1) share of Stock issued in your name and a cash amount equal to the dividends that would have been paid to you had you owned such share from the Award Date until the expiration or termination of the Restricted Period ("Deferred Dividend Equivalents" or "DDEs"). Your shares and the cash payment for the DDEs will be delivered to you as soon as practicable, but not later than sixty (60) days after the expiration or termination of the Restricted Period, and in no event later than the March 15 following the expiration or termination of such Restricted Period (or, for taxpayers in Canada or as otherwise required by local country law, in no event later than the December 31 following the expiration or termination of such Restricted Period).

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

You are responsible for payment of all Taxes imposed on you as a result of the Award. The Corporation will comply with all applicable U.S. Tax withholding requirements applicable to the RSUs, the DDEs, and associated Stock. Please see the Prospectus for the Plan for a discussion of certain material U.S. Tax consequences of the Award. Any withholding Tax on shares of Stock (and associated DDEs) deliverable to you will be satisfied by means of the Corporation's reducing the number of shares of Stock (and associated DDEs) deliverable to you in respect of a vested Award. If you are an Insider at the time of income tax withholding, the Corporation will base withholding on the highest individual tax rate. If you are not an Insider at

the time of income tax withholding, the Corporation will base withholding on the highest individual tax rate, unless you elect otherwise in accordance with procedures established by the Corporation during an election window that may be offered by the Corporation. If you elect a lower tax rate for withholding, then you may owe additional taxes as a result of the payment of the Award.

If any Tax withholding is required with respect to any Award (including with respect to associated DDEs) during the Restricted Period, the Corporation generally shall reduce the Award by the number of shares of Stock and/or the amount of associated DDEs with a value equal to the Tax withholding obligation and such shares of Stock and/or DDEs will be used to satisfy the Tax withholding obligation.

The Corporation shall also have the right to (i) offset any other obligation of the Corporation to you (including but not limited to by withholding from your salary) by an amount sufficient to satisfy the Tax withholding obligation, or (ii) require you (or your estate) to pay the Corporation an amount equal to the Tax withholding obligation.

If you are a taxpayer in a country other than the U.S., you agree to make appropriate arrangements with the Corporation or its subsidiaries for the satisfaction of all income and employment tax withholding requirements, as well as social insurance contributions applicable to the RSUs, the DDEs, and associated Stock. Please see the tax summary for your country on the Stock Plan System at <https://atwork.morganstanley.com>. If you are a taxpayer in a country other than the U.S., you represent that you will consult with your own tax advisors in connection with this Award and that you are not relying on the Corporation for any tax advice. If you are a taxpayer in Australia, any cash payment pursuant this Award Agreement will be inclusive of superannuation.

If a payment under this Award constitutes nonqualified deferred compensation under Section 409A of the Code, no payment due upon termination of employment shall be made unless the termination of employment is a "separation from service" as defined in Section 409A of the Code and accompanying regulations. In the event Code section 409A(a)(2)(B)(i) applies because you are a specified employee receiving a distribution on account of a termination of employment, delivery of Stock and the DDEs may be delayed for six months from such date. Similarly, if you are an Insider subject to the reporting provisions of Section 16(a) of the Securities Exchange Act of 1934 ("Exchange Act"), delivery of Stock following the expiration of the Restricted Period for any reason may be delayed for six months. For example, if the delivery of the Stock would result in a nonexempt short-swing transaction under Section 16(b) of the Exchange Act, delivery will be delayed until the earliest date upon which the delivery either would not result in a nonexempt short-swing transaction or would otherwise not result in liability under Section 16(b) of the Exchange Act.

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

In the event of your death, the Stock and cash payment for the DDEs in respect of your RSUs will be transferred to your Beneficiary (as defined in the Plan).

3. RESTRICTED PERIOD, FORFEITURE

Except as otherwise provided in Section 4 below or as required to satisfy a Tax withholding obligation as provided in Section 2 above, all of your RSUs will be forfeited and all of your rights to the RSUs and to receive Stock for your RSUs and to receive cash payment for the DDEs will cease without further obligation on the part of the Corporation unless (i) except as described in Section 9, you personally accept this Award Agreement as provided in Section 9 by the Acceptance Deadline, and (ii) you provide services to the Corporation as an Employee of the Corporation throughout the entire Restricted Period. The Restricted Period begins on the Award Date and terminates on February 22, 2027 (the "Vesting Date"), subject only to the specific exceptions provided below.

4. DEATH, DISABILITY, LAYOFF, RETIREMENT

(a) Death and Disability

Your RSUs and the DDEs will immediately vest and no longer be subject to the continuing employment requirement if:

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

The vested RSUs will be exchanged for shares of Stock, and the DDEs will be paid in cash as soon as practicable, but no later than sixty (60) days after the date of your termination of employment, on account of death or total disability, and in no event later than the March 15 next following the year in which such termination occurs (or, for taxpayers in Canada or as otherwise required by local country law, in no event later than the December 31 following such termination).

Except as otherwise determined by the Corporation in its discretion in accordance with Section 9, in the event that you die and have not properly acknowledged acceptance of the Award prior to your death (or by the Acceptance Deadline, whichever comes first), you will forfeit all of your RSUs granted hereunder and all of your rights to the RSUs and to receive Stock for your RSUs and the DDEs will cease without further obligation on the part of the Corporation.

(b) Retirement

If you retire from the Corporation and the effective date of your retirement is after August 22, 2024 (the “Minimum Service Date”), but before the Vesting Date, you will continue to vest in your RSUs and the DDEs as if you had remained employed by the Corporation until the Vesting Date. The effective date of your retirement is the first day following the date you terminate service with the Corporation.

The vested RSUs will be exchanged for shares of Stock, and the related DDEs associated with the vested portion of your RSUs will be paid in cash, on or as soon as practicable after the Vesting Date, but in no event later than the March 15 following the end of the Restricted Period (or, for taxpayers in Canada or as otherwise required by local country law, in no event later than the December 31 following the end of the Restricted Period).

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

(c) Layoff

If you are laid off by the Corporation (including through a voluntary separation program that constitutes a window program under Section 409A of the Code) and the effective date of your layoff is after the Minimum Service Date, but before the Vesting Date, you will be eligible to receive a fraction of your RSUs and the associated DDEs on such fraction, with the numerator of such fraction being the number of days in the Restricted Period before your employment as an Employee terminated due to layoff, and the denominator being the total number of days in the Restricted Period. Fractional shares shall be rounded up to the next whole share. Notwithstanding the foregoing, if you are an employee who has been identified by the Corporation as subject to Divestiture (as defined in Section 6 below), and the effective date of your layoff is after the Award Date but before the Minimum Service Date, you will be eligible for pro-rata vesting as described in this Section 4(c).

As a condition to the vesting of any RSUs (and associated DDEs) upon your layoff in accordance with this Section, you will be required to execute and deliver to the Corporation a general release of claims against the Corporation in a form acceptable to the Corporation within the time period specified by the Corporation in such release and not revoke such release within any revocation period provided for therein. Except as otherwise expressly provided by the Corporation in writing, a failure to satisfy this condition will result in forfeiture of such RSUs (and associated DDEs) upon your layoff during the Restricted Period.

The vested portion of your RSUs will be exchanged for shares of Stock, and the related DDEs associated with the vested portion of your RSUs will be paid in cash, on or as soon as practicable after the Vesting Date, but in no event later than the March 15 following the end of the Restricted Period (or, for taxpayers in Canada or as otherwise required by local country law, in no event later than the December 31 following the end of the Restricted Period).

If you are employed in Canada, for purposes of the Award Agreement, the date of termination of employment will be the last day of actual and active employment. For the avoidance of doubt, except as may be required by applicable minimum standards legislation, no

period of notice or payment in lieu of notice that is given or that ought to have been given under any applicable law or contract in respect of such termination of employment that follows or is in respect of a period after your last day of actual and active employment, if any, will be considered as extending your period of employment for purposes of determining your entitlement under this Award Agreement.

5. RESIGNATION OR TERMINATION BEFORE THE VESTING DATE

Except where prohibited by law, if you resign or your employment otherwise terminates before the Vesting Date, other than on account of death, total disability, layoff, or retirement (as described above), or Divestiture or Change in Control (as described below), you will forfeit your RSUs and the related DDEs on the date of your termination.

Except where prohibited by law, if your employment terminates for any reason before the Vesting Date, by action of the Corporation due to your misconduct, then you will forfeit your RSUs and the associated DDEs on the date of your termination. If your employment terminates due to your misconduct after the Minimum Service Date, but before the Vesting Date, then you will not be eligible for continued vesting under Section 4(b) of the Award Agreement, even if at the time of your termination due to misconduct you have attained (i) age 55 and ten years of service, or (ii) age 65. The business area or Enterprise Operations review committee responsible for determinations of misconduct, or the Committee if you are an Elected Officer, will determine if your employment terminates due to misconduct.

6. DIVESTITURE

In the event of a Divestiture (as defined below) of all or substantially all of a business operation of the Corporation and such Divestiture results in the termination of your employment with the Corporation or its subsidiaries and the transfer of such employment to the other party to the Divestiture or the entity resulting from the Divestiture (or its affiliate), then the Committee may arrange for such other party or entity to assume or continue your RSUs or substitute equivalent restricted securities for your RSUs, with the same terms and conditions that apply to your RSUs pursuant to this Award Agreement, and the remainder of this Section 6 shall not apply.

If (i) such assumption, continuance or substitution of your RSUs does not occur, (ii) the Divestiture results in the termination of your employment with the Corporation or its subsidiaries, and (iii) your employment transfers to the other party to the Divestiture or the entity resulting from the Divestiture (or its affiliate), then the following rules will apply:

(a) Pro-rata Vesting. You shall be eligible to receive a fraction of your RSUs and the associated DDEs with respect to such fraction. The numerator of such fraction shall equal the number of days in the Restricted Period before your employment as an Employee terminated due to the Divestiture, and the denominator shall equal the total number of days in the Restricted Period. Fractional shares shall be rounded up to the next whole share.

(b) Special Rule if Retirement Eligible. Notwithstanding Section 6(a) immediately above, if at the time your employment with the Corporation or its subsidiaries terminates due to Divestiture and transfers to the other party to the Divestiture or the resulting entity to the Divestiture (or its affiliate), you are eligible for retirement treatment under Section 4(b) above (without regard to whether your termination occurs after the Minimum Service Date), then the

Corporation will treat you as having retired and apply the vesting provision in Section 4(b) above to your RSUs.

(c) No Further Rights. The Committee shall have complete and absolute discretion to make the determinations called for under this Section 6, and all such determinations shall be binding on you and on any person who claims all or any part of your RSUs and associated DDEs on your behalf as well as on the Corporation. If you terminate employment during the Restricted Period due to Divestiture but are eligible to receive a portion of your RSUs and associated DDEs as a result of this Section 6, payment of such portion of your RSUs and associated DDEs shall be in full satisfaction of all rights you have under this Award Agreement and you will receive shares of Stock in exchange for RSUs and the cash payment for the DDEs as soon as practicable, but no later than sixty (60) days after your termination of employment with the Corporation.

For the purposes of this Section 6, the term "Divestiture" shall mean a transaction that results in the transfer of control of the business operation divested to any person, corporation, association, partnership, joint venture, limited liability company or other business entity of which less than 50% of the voting stock or other equity interests (in the case of entities other than corporations), is owned or controlled directly or indirectly by the Corporation, by one or more of the Corporation's subsidiaries or by a combination thereof.

7. CHANGE IN CONTROL DURING THE RESTRICTED PERIOD

In the event of a consummation of a Change in Control during the Restricted Period, the number of RSUs subject to this Award and associated DDEs will become vested (i) on the effective date of the Change in Control if the RSUs are not assumed, continued, or equivalent restricted securities are not substituted for the RSUs by the Corporation or its successor, or (ii) if the RSUs are assumed, continued or substituted by the Corporation or its successor, on the effective date of your involuntary termination by the Corporation or its successor other than for Cause (as defined herein, not including death or total disability) or your voluntary termination with Good Reason (as defined herein), in either case, within the 24-month period following the consummation of the Change in Control.

In the event the RSUs and associated DDEs vest in accordance with this Section 7 (whether immediately following the Change in Control or following your termination), the shares of Stock or equivalent substituted securities in which you have become vested and the associated DDEs (less any Tax withholding) shall be delivered to you within 14 days of the date on which you become vested.

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

- (i) Conviction for an act of fraud, embezzlement, theft or other act constituting a felony (other than traffic-related offenses or as a result of vicarious liability); or
- (ii) Willful misconduct that is materially injurious to the Corporation's financial position, operating results or reputation; provided, however that no act or failure to act shall be considered "willful" unless done, or omitted to be done, by you (a) in bad faith; (b) for the purpose of

receiving an actual improper personal benefit in the form of money, property or services; or (c) in circumstances where you had reasonable cause to believe that the act or failure to act was unlawful.

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

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

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

8. AMENDMENT AND TERMINATION OF PLAN OR AWARDS

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

9. ACCEPTANCE OF AWARD AGREEMENT; ELECTRONIC DELIVERY

No Award is enforceable until you properly acknowledge your acceptance of this Award Agreement by completing the electronic receipt on the Stock Plan System as soon as possible but in no event later than the Acceptance Deadline. Acceptance of this Award Agreement must be made only by you personally or by a person acting pursuant to a power of attorney in the event of your inability to acknowledge your acceptance (and not by your estate, your spouse or any other person) and constitutes your consent to any action taken under the Plan consistent with its terms with respect to this Award. Notwithstanding the foregoing, this Award will be enforceable and deemed accepted, and will not be forfeited, if you are unable to accept this Award Agreement personally by the Acceptance Deadline, due to your death, disability, incapacity, deployment in the Armed Forces, or similar unforeseen circumstance as determined by the Corporation in its discretion. If you desire to accept this Award, you must acknowledge your acceptance and receipt of this Award Agreement electronically on or before the Acceptance Deadline, by going to the Stock Plan System at <https://atwork.morganstanley.com>.

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

By accepting this Award Agreement, you consent to receive copies of the Prospectus applicable to this Award from the Stock Plan System (<https://atwork.morganstanley.com>) as well as to electronic delivery of the Corporation's annual report on Form 10-K, proxy statement and quarterly reports on Form 10-Q. This consent can only be withdrawn by written notice to the Vice President of Total Rewards at Lockheed Martin Corporation, Mail Point 126, 6801 Rockledge Drive, Bethesda, MD 20817.

The Corporation will deliver any documents related to RSUs awarded under the Plan or future RSUs that may be awarded under the Plan through the Stock Plan System. The Corporation will request your consent to participate in the Plan through the Stock Plan System. You hereby consent to receive such documents and agree to participate in the Plan through the Stock Plan System.

Except as described above, if you do not personally acknowledge your acceptance of this Award Agreement on or before the Acceptance Deadline, this Award will be forfeited as noted above.

10. POST-EMPLOYMENT COVENANTS

Except where prohibited by law, by accepting this Award Agreement as described in Section 9, you agree to the terms of the Post-Employment Conduct Agreement contained in Exhibit A to this Award Agreement.

11. STOCK OWNERSHIP REQUIREMENTS

Except where prohibited by law, by accepting this Award Agreement through the procedure described in Section 9, you acknowledge receipt of the Stock Ownership Requirements ("Ownership Requirements") attached as Exhibit B and agree to comply with such Ownership Requirements as amended from time to time. If you are not a Vice President (or above) on the Award Date, but you are promoted to Vice President (or above) prior to the Vesting Date, the Ownership Requirements as in effect at that time shall become applicable to you on the date of your promotion to Vice President (or above).

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

To the extent recognized under applicable law, if you are located outside of the United States, then by accepting this Award Agreement as described in Section 9, you hereby explicitly and unambiguously consent to, and acknowledge the need for, the collection, use and transfer, in electronic or other form, of your Personal Data (defined below) as described in this Award Agreement by and among the Corporation for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Corporation collects, holds, uses, and processes certain information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Corporation, details of all awards or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan ("Personal Data"). The Corporation acts as the controller/owner of this Personal Data, and processes this Personal Data for purposes of implementing, administering, and managing the Plan. The Corporation protects the Personal Data that it receives in the United States from the European Union ("EU"), or any other location outside the United States, in accordance with data transfer agreements based on EU-approved Standard Contractual Clauses.

You understand that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere, and that the recipient's country may have different, including less stringent, data privacy laws and protections than your country. You may request a list with the names and addresses of any third-party recipients of the Personal Data at any time by contacting your local human resources representative. When disclosing Personal Data to these third parties, the Corporation provides appropriate safeguards for protecting the transfer of your Personal Data, such as establishing standard data protection clauses with the third parties as adopted by the European Commission. You may request a copy of, or information about, such safeguards by contacting your local human resources representative. You recognize that the Corporation and any other possible recipients including any present or future third-party recipients must receive, possess, use, retain and transfer your Personal Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Personal Data as may be required to a broker or other third party with whom the Corporation may elect to administer the settlement of any award. You understand that Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan and comply with applicable legal requirements.

To the extent provided by your local law, you may, at any time, have the right to request: access to your Personal Data, rectification of your Personal Data, erasure of your Personal Data, restriction of processing of your Personal Data, portability of your Personal Data and information about the storage and processing of your Personal Data. You may also have the right to object, on grounds related to a particular situation, to the processing of your Personal Data, as well as to refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that

refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

13. EMPLOYEE ACKNOWLEDGEMENT

You acknowledge and agree that:

- (a) the Plan is discretionary in nature and the Committee may amend, suspend, or terminate it at any time;
- (b) the grant of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of any RSUs, or benefits in lieu of any RSUs even if RSUs have been granted repeatedly in the past;
- (c) all determinations with respect to such future RSUs, if any, including but not limited to the times when RSUs shall be granted or when RSUs shall vest, will be at the sole discretion of the Committee or its delegate;
- (d) your participation in the Plan is voluntary;
- (e) the value of the RSUs is an extraordinary item of compensation, which is outside the scope of your employment contract (if any), except as may otherwise be explicitly provided in your employment contract;
- (f) the RSUs are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating termination, severance, resignation, redundancy, end of service, or similar payments, or bonuses, long-service awards, pension or retirement benefits;
- (g) the RSUs shall expire upon termination of your employment for any reason except as may otherwise be explicitly provided in the Plan and this Award Agreement;
- (h) the future value of the shares is unknown and cannot be predicted with certainty;
- (i) no claim or entitlement to compensation or damages arises from the termination of the RSUs in accordance with the Plan and this Award Agreement or diminution in value of the RSUs or Stock and you irrevocably release the Corporation and your employer from any such claim that may arise;
- (j) if you are a resident of Australia, the Award is offered pursuant to Part 7.12 Division 1A of the Corporations Act 2001 (Cth) (Note that you may be restricted from selling the Stock within 12 months of acquiring the Stock. You should consult with your personal legal advisor to confirm the requirements for selling the Stock);
- (k) if you are a resident of Türkiye, that the offer of this Award is a private offering which shall in no way be considered as a public offering within the meaning of the rules of the Capital Markets Board of Turkey and has been made by the Corporation to you personally in connection with your existing relationship with the Corporation or one or more of its affiliates,

subsidiaries and/or related companies, and further, that the Award, the related shares of the Stock and the related offer thereof are not subject to regulation by any securities regulator in Türkiye, or otherwise outside of the U.S.;

(l) if you are a resident of Hong Kong, the Award and any Stock issued thereunder do not constitute a public offer of securities under Hong Kong law;

(m) if you are a resident of Israel, you will hold any Stock issued to you upon the vesting of the Award with the Corporation's designated broker, and you may not transfer such Stock to an account with another broker or request that share certificates be issued to you, until such time as you sell the Stock; and

(n) if you are a resident of Switzerland, neither this document nor any other material relating to the Award (i) constitutes a prospectus according to applicable Swiss law, (ii) may be publicly distributed or otherwise made publicly available in Switzerland to any person other than an employee of the Corporation or its subsidiaries or, (iii) has been or will be filed with, approved or supervised by any Swiss reviewing body.

14. ENGLISH LANGUAGE

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

Quebec Residents Only: The Parties have agreed that this Award Agreement, the Plan as well as any notice, document or instrument relating to them be drawn up in English only. You acknowledge that, upon your reasonable request, the Corporation will provide a French translation of such documents to you. Les parties aux présentes ont convenu que la présente accord, le "Plan," ainsi que tous autres avis, actes ou documents s'y rattachant soient rédigés en anglais seulement. Vous reconnaissez que, à votre demande raisonnable, "the Corporation" fournit une traduction française de ces documents à vous.

15. CURRENCY EXCHANGE RISK

If your functional currency is not the U.S. dollar, you agree and acknowledge that you will bear any and all risk associated with the exchange or fluctuation of currency associated with the RSUs, including without limitation sale of the Stock and payment of DDEs (the "Currency Exchange Risk"). Any cash payments due to you under this Award Agreement will be converted to your functional currency at the rate determined by the Corporation, in its discretion, on the last day of the Restricted Period. You waive and release the Corporation and its subsidiaries from any potential claims arising out of the Currency Exchange Risk.

16. EXCHANGE CONTROL REQUIREMENTS

You agree and acknowledge that you will comply with any and all exchange control requirements applicable to the RSUs and the sale of Stock and any resulting funds including, without limitation, reporting or repatriation requirements. You further agree and acknowledge that you will determine whether any such requirements are applicable to the Award and any resulting funds, and that you are not relying on the Corporation for any advice in this regard.

17. MISCELLANEOUS

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

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

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

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

Exhibit A
Post-Employment Conduct Agreement
(Annual RSU Grant)

This Post-Employment Conduct Agreement (this "PECA") attached as Exhibit A to the Award Agreement with an Award Date of February 22, 2024 (the "Award Agreement"), is entered into in consideration of, among other things, the grant of restricted stock units to me under the Award Agreement (the "RSUs") pursuant to the Lockheed Martin Corporation 2020 Incentive Performance Award Plan (the "Plan") and the consideration set forth in Section 2 below. References to the "Corporation" shall include Lockheed Martin Corporation and its Subsidiaries. By accepting the RSUs, I agree as follows:

1. Restrictions Following Termination of Employment.

(a) Covenant Not To Compete – Without the express written consent of the "Required Approver" (as defined in Section 6), during the "Restricted Period" (as defined in Section 6) I will not, directly or indirectly, be employed by, provide services to, or advise a "Restricted Company" (as defined in Section 6), whether as an employee, advisor, director, officer, partner or consultant, or in any other position, function or role that, in any such case,

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

I acknowledge and agree that: (A) the enforcement of this PECA pursuant to Section 1(a) is necessary to protect, among other interests, the Corporation's trade secrets and other Confidential or Proprietary Information, as defined by Section 1(c), and goodwill in its customers and employees, and (B) Section 1(a) shall not apply to me if I am covered under an applicable state statute or local ordinance or rule prohibiting non-competition restrictions, including on the basis of my income or profession. In addition, if I primarily work or reside in California, Section 1(a) shall only apply while I am employed by or otherwise working for the Corporation.

To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct (such as the ABA Model Rules of Professional Conduct and state versions thereof), Sections 1(a)(i) and (ii) and Section 1(b) relating to non-solicitation, shall apply to individuals who are employed by the Corporation in an attorney position and whose occupation during the Restricted Period does not include practicing law.

In lieu of Section 1(a)(i) and (ii), as well as Section 1(b) relating to non-solicitation, the following Section 1(a)(iii) shall apply to individuals who are employed by the Corporation in an attorney position, and whose occupation during the Restricted Period includes practicing law.

- (iii) **Post-Employment Activity As a Lawyer** – I acknowledge that as counsel to the Corporation, I owe ethical and fiduciary obligations to the Corporation and that at least some of these obligations will continue even after the “Termination Date” (as defined in Section 6). I agree that after my Termination Date I will comply fully with all applicable ethical and fiduciary obligations that I owe to the Corporation. To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct, I agree that I will not:
- a. Represent any client in the same or a substantially related matter in which I represented the Corporation where the client’s interests are materially adverse to the Corporation; or
 - b. Disclose confidential information relating to my representation of the Corporation, including the disclosure of information that is to the disadvantage of the Corporation, except for information that is or becomes generally known.

The Corporation’s Senior Vice President, General Counsel, and Corporate Secretary or the General Tax Counsel, as applicable, will determine in their discretion whether an individual is employed by the Corporation in an attorney position.

(b) **Non-Solicit** – Without the express written consent of the Required Approver, during the two-year period following the Termination Date, I will not (i) cause or attempt to cause, directly or indirectly, the complete or partial loss of any contract in effect before the Termination Date between the Corporation and any customer, supplier, distributor or manufacturer of or to the Corporation with which I was responsible, in whole or in part, for soliciting, negotiating, implementing, managing, or overseeing or (ii) induce or attempt to induce, directly or indirectly, any person who is an employee of the Corporation with whom I worked or interacted with within two years prior to the Termination Date to cease employment with the Corporation in order to perform work or services for any entity other than the Corporation.

I acknowledge and agree that: (A) the enforcement of this PECA pursuant to Section 1(b)(i) is necessary to protect, among other interests, the Corporation’s trade secrets and other Confidential or Proprietary Information, as defined by Section 1(c), and goodwill in its customers and employees, and (B) Section 1(b)(i) shall not apply to me if I am covered under an applicable state statute or local ordinance or rule prohibiting non-solicitation restrictions, including on the basis of my income or profession. In addition, if I primarily reside or work in California, Section 1(b) shall apply only while I am employed by or otherwise working for the Corporation.

(c) **Protection of Proprietary Information** – Except to the extent required by law, following my Termination Date, I will have a continuing obligation to comply with the terms of any non-disclosure or similar agreements that I signed while employed by the Corporation committing to hold confidential the “Confidential or Proprietary Information” (as defined below) of the Corporation or any of its affiliates, subsidiaries, related companies, joint ventures,

partnerships, customers, suppliers, partners, contractors or agents, in each case in accordance with the terms of such agreements. I will not use or disclose or allow the use or disclosure by others to any person or entity of Confidential or Proprietary Information of the Corporation or others to which I had access or that I was responsible for creating or overseeing during my employment with the Corporation. In the event I become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or otherwise) to disclose any proprietary or confidential information, I will immediately notify the Corporation's Senior Vice President, General Counsel and Corporate Secretary as to the existence of the obligation and will cooperate with any reasonable request by the Corporation for assistance in seeking to protect the information. All materials to which I have had access, or which were furnished or otherwise made available to me in connection with my employment with the Corporation shall be and remain the property of the Corporation. For purposes of this PECA, "Confidential or Proprietary Information" means trade secrets, as defined by the federal Defend Trade Secrets Act of 2016 and/or applicable state trade secret law, and Sensitive Information within the meaning of CRX-015 (a copy of which has been made available to me), including but not limited to information that a person or entity desires to protect from unauthorized disclosure to third parties that can provide the person or entity with a business, technological, or economic advantage over its competitors, or which, if known or used by third parties or if used by the person's or entity's employees or agents in an unauthorized manner, might be detrimental to the person's or entity's interests. Confidential or Proprietary Information may include, but is not limited to:

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

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

(e) Cooperation in Litigation and Investigations – Following the Termination Date, I will, to the extent reasonably requested, cooperate with the Corporation in any pending or future litigation (including alternative dispute resolution proceedings) or investigations in which the Corporation or any of its subsidiaries or affiliates is a party or is required or requested to provide

testimony and regarding which, as a result of my employment with the Corporation, I reasonably could be expected to have knowledge or information relevant to the litigation or investigation. Notwithstanding any other provision of this PECA, nothing in this PECA shall affect my obligation to cooperate with any governmental inquiry or investigation or to give truthful testimony in court.

(f) Communications with Regulatory Authorities – Nothing in this PECA prohibits or restricts me (or my attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission, Equal Employment Opportunity Commission, or any other federal or state regulatory authority.

(g) Notices (including under the Defend Trade Secrets Act and National Labor Relations Act) – Notwithstanding anything in this PECA to the contrary:

- (i) I will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document that is filed under seal in a lawsuit or other proceeding.
- (ii) If I file a lawsuit for retaliation by the Corporation for reporting a suspected violation of law, I may disclose the Corporation's trade secrets to my attorney and use the trade secret information in the court proceeding if I (1) file any document containing the trade secret under seal; and (2) do not disclose the trade secret, except pursuant to court order.
- (iii) Nothing in this PECA in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding, me from (1) for non-supervisory employees only, exercising my rights under Section 7 of the National Labor Relations Act (NLRA) (including with respect to engaging in concerted activities for the purpose of collective bargaining or other mutual aid or protection, discussing terms and conditions of employment, or otherwise engaging in protected conduct); or (2) otherwise disclosing or discussing truthful information about unlawful employment practices (including unlawful discrimination, harassment, retaliation, or sexual assault).

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

reasonably required for the protection of the Corporation's legitimate business interests, including, but not limited to, the Corporation's Confidential or Proprietary Information, (ii) the area, duration and scope of the restrictions are reasonable and necessary to protect the Corporation, (iii) the restrictions do not unduly oppress or restrict my ability to earn a livelihood in my profession, and (iv) the restrictions are not an undue restraint on my trade or any of the public interests that may be involved.

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

(a) I agree, upon demand by the Corporation, to forfeit, return or repay to the Corporation the "Benefits and Proceeds" (as defined below) in the event any of the following occur:

- (i) I breach any of the covenants or agreements in Section 1;
- (ii) The Corporation determines that either (a) my intentional misconduct or gross negligence, or (b) my failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Corporation, contributed to the Corporation having to restate all or a portion of its financial statements filed for any period with the Securities and Exchange Commission;
- (iii) The Corporation determines that I engaged in fraud, bribery, or any other illegal act, or that my intentional misconduct or gross negligence (including the failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Corporation) contributed to another person's fraud, bribery, or other illegal act, which in any such case adversely affected the Corporation's financial position or reputation;
- (iv) The Corporation determines that my intentional misconduct or gross negligence caused severe reputational or financial harm to the Corporation;
- (v) The Corporation determines that I misappropriated Confidential or Proprietary Information, as defined in Section 1(c), and I (A) intended to use the misappropriated Confidential or Proprietary Information to cause severe reputational or financial harm to the Corporation or (B) used the misappropriated Confidential or Proprietary Information in a manner that caused severe reputational or financial harm to the Corporation; or
- (vi) Under such other circumstances specified in a written recovery policy adopted by the Corporation to comply with Rule 10D-1 under the Securities Exchange Act and New York Stock Exchange listing standards requiring the Corporation to recover from executive officers erroneously awarded compensation or other applicable law.

(b) The remedy provided in Section 3(a) shall not be the exclusive remedy available to the Corporation for any of the conduct described in Section 3(a) and shall not limit the

Corporation from seeking damages or injunctive relief. For purposes of Section 3(a), a determination by the Corporation means, with respect to an Elected Officer, a determination by the Management Development and Compensation Committee of the Board of Directors of the Corporation (the "Committee") and, with respect to any other employee, a determination by a review committee consisting of the Senior Vice President, Chief Human Resources Officer, the Senior Vice President, Ethics and Enterprise Assurance, and the Senior Vice President, General Counsel and Corporate Secretary (the "Review Committee").

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

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

5. Invalidity; Unenforceability. It is the desire and intent of the parties that the provisions of this PECA shall be enforced to the fullest extent permissible. The covenants in each section of this PECA are independent of any other provisions of this PECA. Each term in this PECA constitutes a separate covenant between the parties, and each term is fully severable from any other term. The parties agree if any particular paragraphs, subparagraphs, phrases, words, or other portions of this PECA are determined by an appropriate court to be invalid or unenforceable as written, they shall be modified as necessary to comport with the reasonable intent and expectations of the parties and in favor of providing reasonable protection to all of the Corporation's legitimate business interests, and such modification shall not affect the remaining provisions of this PECA, or if they cannot be modified to be made valid or enforceable, then they shall be severed from this PECA, and all remaining terms and provisions shall remain enforceable.

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

(a) "Competitive Products or Services" means products or services that compete with, or are an alternative or potential alternative to, products sold or services provided by a subsidiary, business area, division or operating unit or business of the Corporation as of the Termination Date and at any time within the two-year period ending on the Termination Date; provided, that, (i) if I had direct responsibility for the business of, or function with respect to, a subsidiary, or for a business area, division or operating unit or business of the Corporation at

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

(b) "Elected Officer" means an officer of the Corporation who was elected to their position by the Corporation's Board of Directors.

(c) "Required Approver" means:

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

(d) "Restricted Company" means The Boeing Company, General Dynamics Corporation, Northrop Grumman Corporation, Raytheon Technologies Corporation, Honeywell International Inc., BAE Systems Inc., L3Harris Technologies, Inc., Thales, Airbus Group, Inc., Textron Inc., Leonardo S.p.A., Leidos Holdings, Inc., Space Exploration Technologies Corp. and (i) any entity directly or indirectly controlling, controlled by, or under common control with any of the foregoing, and (ii) any successor to all or part of the business of any of the foregoing as a result of a merger, reorganization, consolidation, spin-off, split-up, acquisition, divestiture, or similar transaction, or as a result of a name change.

(e) "Restricted Period" means:

- (i) with respect to an employee who is an Elected Officer at any time during the six-month period prior to their Termination Date, the two-year period following the Termination Date; or
- (ii) with respect to all other employees, the one-year period following the Termination Date.

(f) "Termination Date" means my last day of employment with the Corporation.

7. Miscellaneous.

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

(b) This PECA shall be governed by Maryland law, without regard to its provisions governing conflicts of law. Any enforcement of, or challenge to, this PECA may only be brought in the United States District Court for the District of Maryland, unless it is determined that such court does not have subject matter jurisdiction, in which case any such enforcement or challenge must be brought in the Circuit Court of Montgomery County in the State of Maryland. Both parties consent to the proper jurisdiction and venue of such court, as applicable, for the purpose of enforcing or challenging this PECA. For residents of California, Massachusetts (Section 1(a) only), Minnesota (Section 1(a) only), Washington and Wisconsin, or if otherwise provided in an applicable Addenda, this Section 7(b) shall not apply; instead, the parties agree that the law of the state in which I am domiciled at the time of acceptance shall govern the interpretation, application, and enforcement of this PECA, without regard to any choice of law rules of that or any other state, and that the exclusive venue shall be the state or federal courts sitting in or covering the county where I am domiciled at the time of acceptance.

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

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

(e) The restrictive covenants and other terms in this PECA are to be read consistent with the terms of any other restrictive covenants or other agreements that I have executed with the Corporation; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be construed as providing the broadest possible protections to the Corporation, even if such construction would require provisions of more than one such agreement to be given effect.

(f) The obligations I have undertaken in this PECA shall survive the Termination Date and no dispute regarding any other provisions of this PECA or regarding my employment or the termination of my employment shall prevent the operation and enforcement of these obligations.

(g) I acknowledge and agree that different provisions than those set forth in this PECA, including with respect to the restrictive covenant obligations, may apply to me if I primarily reside or work in certain jurisdictions. While I primarily reside or work in such a jurisdiction, including on the Termination Date, I agree that the provisions within this PECA shall be superseded only as set forth in the applicable Addendum attached hereto or as explicitly noted within the PECA.

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

COLORADO ADDENDUM TO POST-EMPLOYMENT CONDUCT AGREEMENT

Notice of Restrictive Covenant to Colorado Employees

This notice is to advise you that the Corporation is, contemporaneously with this notice, providing you with a Post-Employment Conduct Agreement (the "PECA") containing covenants that could restrict your options for subsequent employment following separation from the Corporation, in that you will be prohibited from certain competition and solicitation of customers, employees, etc., as described in Section 1 of the PECA (and as modified by this Colorado Addendum) and from disclosing or using Confidential Information as described in Section 1 of the PECA (and as modified by this Colorado Addendum).

You acknowledge that this notice was provided to you at least fourteen (14) days before the earlier of your Termination Date, as defined in the PECA, or the effective date of the consideration provided to you for such covenant. By electronically signing the Award Agreement, you expressly acknowledge and agree that you are deemed to have separately signed this notice.

The provisions of this Colorado Addendum apply only to those employees of the Corporation who primarily work or reside in the State of Colorado.

1. The following is added to the end of Section 1(a) of the PECA "**Covenant Not to Compete**":

The restrictions described in Section 1(a) are intended to cover geographic territory where your knowledge of the Corporation's trade secrets could be used by a Restricted Company to unfairly compete with or undermine the Corporation's legitimate business interests.

2. The language in Section 1 of the PECA "**Restrictions Following Termination of Employment**" is modified by adding the following:

The restrictions related to competitive activities in Section 1(a) only apply to the extent I earn, both at the time this PECA is entered into and at the time the Corporation enforces it, an amount of annualized cash compensation equivalent to or greater than the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this PECA is entered into, and such activities will involve the inevitable use of, or near-certain influence by my knowledge of, trade secrets disclosed to me during the course of employment with the Corporation.

The restrictions related to solicitation activities in Section 1(b)(i) only apply to the extent I earn, both at the time this PECA is entered into and at the time the Corporation enforces it, an amount of annualized cash compensation equivalent to or greater than 60% of the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this PECA is entered into, and such activities will involve the inevitable use of, or near-certain influence by my knowledge of, trade secrets disclosed to me during the course of employment with the Corporation.

3. The language in Section 2 of the PECA "**Consideration and Acknowledgement**" is modified by adding the following:

I acknowledge and agree that the restrictions in this PECA are reasonable and shall not prohibit the disclosure of information arising from my general training, knowledge, skill, or experience, whether gained on the job or otherwise, information readily ascertainable to the public, and/or information an employee has a right to disclose as legally protected conduct.

4. The language in Section 7(b) of the PECA is modified by adding the following:

I understand that if I primarily reside or work in the State of Colorado at the time my employment with the Corporation is terminated, the PECA will be subject to the laws and courts of the State of Colorado. During this period, venue shall be the State and Federal courts sitting in Colorado and the parties waive any defense, whether asserted by motion or pleading, that the venue specified by this Addendum is an improper or inconvenient venue.

DISTRICT OF COLUMBIA Addendum TO POST-EMPLOYMENT CONDUCT AGREEMENT

The District of Columbia's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Corporation has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

The Corporation is, contemporaneously with this notice, providing you with a Post-Employment Conduct Agreement (the "PECA") containing covenants that could restrict your options for subsequent employment following separation from the Corporation, in that you will be prohibited from certain competition and solicitation of customers, employees, etc., as described in Section 1 of the PECA. The provisions of this District of Columbia Addendum apply only to those employees of the Corporation who primarily work in the District of Columbia and are as follows.

1. For Elected Officers, and regarding the non-competition obligation in Section 1(a) of the PECA only, the definition of "**Restricted Period**" is modified by reducing the period from two-years after the Termination Date to one year after the Termination Date.

2. The following is added to the end of Section 1(a) of the PECA "**Covenant Not to Compete**":

I understand that the non-competition obligations under Section 1(a) shall apply to me if I am a "highly compensated employee." A "highly compensated employee" for this purpose is someone who is reasonably expected to earn at least \$150,000 during a consecutive 12-month period or whose compensation earned from the Corporation in the consecutive 12-month period preceding the date the proposed non-competition is to begin is at least \$150,000. Beginning on January 1, 2024, and each calendar year thereafter, the dollar threshold for highly compensated employee status will be adjusted based on increases in the Consumer Price Index. Compensation includes the individual's hourly wages, salary, bonuses or cash incentives, commissions, overtime premiums, vested stock (including restricted stock units), and other payments provided on a regular or irregular basis.

The restrictions described in Section 1(a) are intended to cover geographic territory where my knowledge of the Corporation's trade secrets could be used by a Restricted Company to unfairly compete with or undermine the Corporation's legitimate business interests.

3. A new Section "**Notice**" is added to the end of the PECA, reading as follows:

I agree that before being required to sign this PECA, the Corporation provided written notice to me that I had at least fourteen (14) calendar days to review the non-competition provision in the PECA before I must execute the PECA.

Exhibit B

Stock Ownership Requirements

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

Stock Ownership Requirements

Title	Annual Base Pay Multiple
Chairman, President and Chief Executive Officer	6 times
Chief Operating Officer; Chief Financial Officer	4 times
Business Area Presidents	3 times
Senior Vice Presidents	2 times
Other Elected Officers	2 times
Other Vice Presidents	1 times

Satisfaction of Requirements

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

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

Key employees will be required to achieve the appropriate ownership level within five years and are expected to make continuous progress toward their target. Appointment to a new level will reset the five year requirement. Unvested Performance Share Units are not counted toward meeting the guidelines.

Holding Period

Covered employees must retain net vested Restricted Stock Units and Performance Stock Units if the ownership requirements are not yet satisfied.

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

Award Date: February 22, 2024



**PERFORMANCE STOCK UNIT AWARD AGREEMENT GRANTED
UNDER THE LOCKHEED MARTIN CORPORATION
2020 INCENTIVE PERFORMANCE AWARD PLAN FOR
THE 2024 – 2026 PERFORMANCE PERIOD**

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

This Award Agreement applies to the Performance Stock Unit (“PSUs”) Award granted by Lockheed Martin Corporation to you as of the Award Date (defined above) under the Lockheed Martin Corporation 2020 Incentive Performance Award Plan (“Plan”). The term “Target Award” as used in this Award Agreement refers only to the Target Award awarded to you under this Award Agreement and the term “Award” refers only to PSUs set forth in this Award Agreement. References to the “Corporation” include Lockheed Martin Corporation and its Subsidiaries.

This Award Agreement sets forth your Target Award as well as some of the terms and conditions of your Award under the Plan, as determined by the Management Development and Compensation Committee (“Committee”) of the Board of Directors. Additional terms and conditions, including tax information, are contained in the Plan and in the Prospectus relating to the Plan of which the Plan and this Award Agreement are a part. Your Target Award is identified in the electronic stock plan award recordkeeping system (“Stock Plan System”) maintained by the Corporation or its designee at <https://atwork.morganstanley.com>. The Prospectus is also available at this website.

Except as described in Section 18, your Award is not effective or enforceable until you properly acknowledge your acceptance of the Award by completing the electronic receipt on the Stock Plan System as soon as possible but in no event later than May 31, 2024 (the “Acceptance Deadline”). **Except as described in Section 18, if you do not properly acknowledge your acceptance of this Award Agreement on or before the Acceptance Deadline, this Award will be forfeited.**

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

You are responsible for payment of all Taxes imposed on you as a result of the Award. The Corporation will comply with all applicable U.S. Tax withholding requirements applicable to the PSUs, the DDEs, and associated Stock. **Please see the Prospectus for the Plan for a discussion of certain material U.S. Tax consequences of the Award.**

Any withholding Tax on your Award will be satisfied by means of the Corporation reducing the number of shares of Stock (and associated DDEs) deliverable to you in respect of a vested Award. If you are an Insider at the time of income tax withholding, the Corporation will base withholding on the highest individual tax rate. If you are not an Insider at the time of income tax withholding, the Corporation will base withholding on the highest individual tax rate, unless you elect otherwise in accordance with procedures established by the Corporation during an election window that may be offered by the Corporation. If you elect a lower tax rate for withholding, then you may owe additional taxes as a result of the payment of the Award. The Corporation shall also have the right to (i) offset any other obligation of the Corporation to you (including but not limited to, by withholding from your salary) by an amount sufficient to satisfy the Tax withholding obligation, or (ii) require you (or your estate) to pay the Corporation an amount equal to the Tax withholding obligation.

If you are a taxpayer in a country other than the U.S., you agree to make appropriate arrangements with the Corporation or its subsidiaries for the satisfaction of all income and employment tax withholding requirements, as well as social insurance contributions applicable to the PSUs, the DDEs, and associated Stock. Please see the tax summary for your country available on the Stock Plan System at <https://atwork.morganstanley.com>. If you are a taxpayer in a country other than the U.S., you represent that you will consult with your own tax advisors in connection with this Award and that you are not relying on the Corporation for any tax advice. If you are a taxpayer in Australia, any cash payment pursuant to this Award Agreement will be inclusive of superannuation.

Notwithstanding any other provision of this Award Agreement to the contrary, no Stock will be issued to you pursuant to this Award Agreement within six months from the Award Date. You have no rights as a stockholder to any securities covered by this Award Agreement until the date on which you become the holder of record of such securities.

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

Capitalized terms used in this Award Agreement shall be defined in this Award Agreement or if not defined in this Award Agreement shall have the meaning given to the term in the Plan. Appendix I contains an index of all capitalized terms used in this Award Agreement.

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

1.1 Shares Awarded.

(a) Target Award. Your Target Award for the Performance Period under this Award Agreement shall be the number of whole shares of Stock identified as your Performance Stock Unit ("PSU") Target Award in your account in the Stock Plan System at <https://atwork.morganstanley.com>.

The Award paid to you shall be calculated in accordance with Section 2.1.

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

(c) Deferred Dividend Equivalents ("DDEs"). Your Award shall include a cash amount equal to the cash that would have been paid to you had you owned the number of whole shares of Stock equal to your final Award as determined under Section 2.1(d), from the Award Date until the end of the Performance Period.

1.2 Performance Period. The "Performance Period" under this Award Agreement is the three-year performance period that runs from January 1, 2024, until December 31, 2026.

1.3 Vesting Period. The "Vesting Period" under this Award Agreement is the period that runs from February 22, 2024 until February 22, 2027.

1.4 Payment of Award. Your Award will be paid to you in whole shares of Stock (either in book entry or paper form) pursuant to Section 5. The final number of whole shares, if any, payable to you under your Award is dependent upon the Corporation's performance with respect to each of the metrics described in Section 3 and Section 4, the limits described in Sections 1.1(b) and 2 and your continued employment with the Corporation in accordance with Section 5. As a result of these requirements, the number of whole shares of Stock you receive at the end of the Vesting Period will be between 0% and 200% of your Target Award (as described in Section 2.1 below) and may be smaller than your Maximum Award (e.g., the performance factors could result in no payment in respect of your Award). Any certificates delivered to you may contain any legend the Corporation determines is appropriate under the securities laws. If you are an Insider subject to the reporting provisions of Section 16(a) of the Exchange Act, delivery of Stock in payment of your Award for any reason may be delayed for six months. For example, if the delivery of the Stock would result in a nonexempt short-swing transaction under Section 16(b) of the Exchange Act, delivery will be delayed until the earliest date upon which the delivery either would not result in a nonexempt short-swing transaction or would otherwise not result in liability under Section 16(b) of the Exchange Act.

Section 2. Calculation of Award Payments.

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

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

(b) The Committee will calculate the ROIC Performance Factor based on the Corporation's ROIC during the Performance Period as compared to the projected ROIC for the Performance Period as set forth in the February 21, 2024 Committee resolution ("ROIC Target").

(c) The Committee will calculate the Free Cash Flow Performance Factor based on the Corporation's cumulative Free Cash Flow during the Performance Period as compared to the projected cumulative Free Cash Flow for the Performance Period as set forth in the February 21, 2024 Committee resolution ("Free Cash Flow Target").

(d) Your "Earned Award" shall be calculated by multiplying the weighted average of the Total Stockholder Return Performance Factor, the ROIC Performance Factor, and the Free Cash Flow Performance Factor by your Target Award. Any resulting fractional share shall be rounded up to the nearest whole share. The Total Stockholder Return Performance Factor, the ROIC Performance Factor, and the Free Cash Flow Performance Factor shall be weighted as follows in determining the weighted average of the three performance factors:

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

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

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

2.2 Adjustments of ROIC and Free Cash Flow.

(a) The Committee will adjust the ROIC Target and Free Cash Flow Target established as described in Section 2.1(b) and Section 2.1(c), respectively, to account for the impact of any purchase, acquisition, investment, disposition, or divestiture during the Performance Period with a transaction value (including the assumption of liabilities) in excess of \$1 billion at the time of the closing of the transaction. In adjusting any ROIC Target and Free Cash Flow Target to account for the impact of any transaction described above, the Committee shall also adjust the ROIC Target and Free Cash Flow Target for any related disposition(s) or divestiture(s) that may be required by any regulatory authorities in connection with or as a condition to approval or completion of such transaction (notwithstanding that any such disposition or divestiture may have a transaction value of less than \$1 billion). For the avoidance of doubt, in the case of any transaction where the Corporation's financial or ownership interest is less than one hundred percent, the determination of the transaction value for purposes of the \$1 billion threshold shall only take into account the value of the Corporation's interest.

(b) For any year in which the Committee determines that ROIC or Free Cash Flow is impacted by unusual or non-recurring events affecting the Corporation, any Subsidiary or the financial statements of the Corporation or any Subsidiary, by items of gain, loss or expense that is extraordinary or unusual in nature or infrequent in occurrence, including but not limited to (i) the timing or recognition of a loss on a program, (ii) events or circumstances impacting a program that are outside of the Corporation's control, or (iii) changes in applicable law or regulations, the Committee will adjust the Long Range Plan, actual financial results, or both, as appropriate, for the current and future periods to neutralize such impacts.

(c) All references in this Award Agreement to the 2024 Long Range Plan shall be to the 2024 Long Range Plan as was in effect on February 20, 2024.

Section 3. Total Stockholder Return Performance Factor.

3.1. Peer Performance Group. The Total Stockholder Return Performance Factor will be based upon the relative ranking of the Corporation's TSR (as defined in Section 3.2) for the Performance Period to the TSR for the Performance Period for each company in the "Peer Performance Group." The "Peer Performance Group" shall consist of the following companies (each a "Peer Company"):

Company	Ticker	Company	Ticker
AECOM	ACM	Illinois Tool Works Inc.	ITW
AGCO Corporation	AGCO	Johnson Controls International plc	JCI
Builders FirstSource, Inc.	BLDR	L3Harris Technologies, Inc.	LHX
Carrier Global Corporation	CARR	MasTec, Inc.	MTZ
Caterpillar Inc.	CAT	Northrop Grumman Corporation	NOC
Cummins Inc.	CMI	Otis Worldwide Corporation	OTIS
Deere & Company	DE	PACCAR Inc.	PCAR
Eaton Corporation plc	ETN	Parker-Hannifin Corporation	PH
EMCOR Group, Inc.	EME	Quanta Services, Inc.	PWR
Emerson Electric Co.	EMR	RTX Corporation	RTX
Fluor Corporation	FLR	Stanley Black & Decker, Inc.	SWK
General Dynamics Corporation	GD	Textron Inc.	TXT
General Electric Company	GE	The Boeing Company	BA
Honeywell International Inc.	HON	3M Company	MMM
Huntington Ingalls Industries, Inc.	HII	Trane Technologies plc	TT

The following rules apply to the composition and relative ranking of the Peer Performance Group during the Performance Period:

(a) If, on or before the last trading day of the twenty-fourth month of the Performance Period (i.e., on or before December 31, 2025), a Peer Company publicly announces that it has entered into a definitive agreement to be acquired (including, without limitation, a merger or other business combination of a Peer Company with another entity in which the Peer Company is not the survivor or the sale of all or substantially all of a Peer Company's assets), then that Peer Company will be immediately removed from the Peer

Performance Group as of the beginning of the Performance Period. In the case of the public announcement of a merger or other business combination involving two Peer Companies in which following the closing of such transaction neither Peer Company will survive, both Peer Companies will be immediately removed from the Peer Performance Group as of the beginning of the Performance Period.

(b) If, after the last trading day of the twenty-fourth month of the Performance Period (i.e., after December 31, 2025), a Peer Company publicly announces that it has entered into a definitive agreement to be acquired (including, without limitation, a merger or other business combination of a Peer Company with another entity in which the Peer Company is not the survivor or the sale of all or substantially all of a Peer Company's assets), then that Peer Company's TSR ranking will be fixed at its ranking relative to the Corporation's TSR (i.e., ranking either above or below the Corporation) as of the date of the announcement. In the case of the public announcement of a merger or other business combination involving two Peer Companies in which following the closing of such transaction neither Peer Company will survive, both Peer Companies' TSR ranking will be fixed at its ranking relative to the Corporation's TSR as of the date of the announcement. For purposes of this Section 3.1(b), TSR will be calculated in accordance with Section 3.2, with the "Ending Price" determined using the average closing price of a share of common stock (as quoted in the principal market on which it is traded as of the beginning and the ending of the Performance Period) during the twenty (20) day trading period ending on the day before the announcement.

(c) If as a result of a public announcement of a transaction involving a Peer Company, a Peer Company is removed from the Peer Performance Group pursuant to Section 3.1(a) above or its TSR is fixed pursuant to Section 3.1(b) above and such transaction closes during the Performance Period and following the closing of such transaction the survivor is publicly traded on a securities exchange under the Peer Company's pre-transaction ticker symbol or under another ticker symbol that includes the Peer Company's pre-transaction trading history, as determined by the Corporation using the tool the Corporation has designated in its discretion for computing Total Stockholder Return, then subsequent to the closing the Peer Company will be added back to the Peer Performance Group for the entire Performance Period. If both parties to the transaction are Peer Companies, then Section 3.1(a) or 3.1(b) will apply to one Peer Company and Section 3.1(a), 3.1(b), or 3.1(c) will apply to the other Peer Company. For example, if two Peer Companies announce a merger in which neither Peer Company is the survivor before the last trading day of the twenty-fourth month of the Performance Period, then (i) both Peer Companies will be removed immediately from the Peer Performance Group under Section 3.1(a), and (ii) one Peer Company will be added back into the Peer Performance Group only if the merger closes during the Performance Period and the post-merger entity continues to trade under the Peer Company's pre-merger ticker symbol or a new ticker symbol that includes the Peer Company's pre-transaction trading history.

(d) If during the Performance Period a transaction involving one Peer Company that was announced prior to the start of the Performance Period closes, and the survivor is publicly traded on a securities exchange under the Peer Company's pre-transaction ticker symbol or under another ticker symbol that includes the Peer Company's pre-transaction trading history, as determined by the Corporation using the tool the Corporation has designated in its discretion for computing Total Stockholder Return, then the Peer Company will remain in the Peer Performance Group. If, on or before the last trading day of the twenty-fourth month of the Performance Period (i.e., on or before December 31, 2025), a transaction involving one Peer Company that was announced prior to the start of the Performance Period closes, and the survivor is not publicly traded on a securities exchange under the Peer Company's pre-transaction ticker symbol or under another ticker symbol that includes the Peer Company's pre-transaction trading history, as determined by the Corporation using the tool the Corporation has designated in its discretion for computing Total Stockholder Return, then the Peer Company will be

immediately removed from the Peer Performance Group as of the beginning of the Performance Period. If, after the last trading day of the twenty-fourth month of the Performance Period (i.e., after December 31, 2025), a transaction involving one Peer Company that was announced prior to the start of the Performance Period closes and the survivor is not publicly traded on a securities exchange under the Peer Company's pre-transaction ticker symbol or under another ticker symbol that includes the Peer Company's pre-transaction trading history, as determined by the Corporation using the tool the Corporation has designated in its discretion for computing Total Stockholder Return, then that Peer Company's TSR ranking will be fixed at its ranking relative to the Corporation's TSR (i.e., ranking either above or below the Corporation) as of the closing of the transaction. For purposes of the previous sentence of this Section 3.1(d), TSR will be calculated in accordance with Section 3.2, with the "Ending Price" determined using the average closing price of a share of common stock (as quoted in the principal market on which it is traded as of the beginning and the ending of the Performance Period) during the twenty (20) day trading period ending on the day before the closing of the transaction.

(e) If a Peer Company files for bankruptcy under the US Bankruptcy Code (Title 11 of the United States Code) at any time during the Performance Period, then that Peer Company will be ranked last for purposes of the end of Performance Period calculation described in Section 3.2.

3.2. Calculation of Total Stockholder Return Performance Factor.

Your Total Stockholder Return Performance Factor, expressed as a percentage, will be determined in accordance with the table below based on the Corporation's Percentile Ranking of TSR against the Peer Performance Group for the Performance Period; provided, however, that, notwithstanding anything in this Award Agreement to the contrary, if the Corporation's TSR for the three-year Performance Period is negative, the maximum Total Stockholder Return Performance Factor shall not exceed 100%. At the end of the Performance Period, each company's TSR shall be ranked among the TSRs for each other company in the Peer Performance Group on a percentile basis (using the Excel PERCENTRANK function), taking into account any changes to the Peer Performance Group or ranking changes made during the Performance Period in accordance with Section 3.1(a) – (e) (the "Percentile Ranking").

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

If the Corporation's TSR puts the Corporation over the listed Percentile Ranking for the applicable Band (other than Band One) in the above table, your Total Stockholder Return Performance Factor shall be interpolated on a linear basis.

For purposes of this Award Agreement, "Total Shareholder Return" or "TSR" means on a percentage basis, with respect to the Corporation or any Peer Company, the price appreciation of such company's common stock plus the value of reinvested dividends, calculated using the Beginning Price and the Ending Price, where

“Ending Price” means the average closing price of a share of common stock during the twenty (20) day trading period ending December 31, 2026 (or another ending date specified in Section 3.1); and

“Beginning Price” means the average closing price of a share of common stock during the twenty (20) day trading period ending December 31, 2023.

The Committee, in its sole discretion, may adjust TSR as necessary for any changes in equity structure, including but not limited to stock splits or other stock dividends. The Total Stockholder Return for the Corporation and each Peer Company shall be computed from data available to the public using the tool the Corporation has designated in its discretion for computing Total Stockholder Return. The Corporation’s Total Stockholder Return will be based on the performance of the Stock. With respect to the Peer Companies, the Total Stockholder Return of each company that is taken into account in computing each Peer Company’s Total Stockholder Return will be based on the equity security of the relevant company that is traded using the ticker symbol indicated in the chart in Section 3.1 to the right of the Peer Company’s name, or a successor ticker symbol determined as described in Section 3.1(c) or Section 3.1(d).

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

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

<u>ROIC Band</u>	<u>ROIC Performance Factor</u>
112% of Target	200% (Maximum)
ROIC Target	100%
90% of Target	25% (Threshold)

(a) ROIC Definition. For purposes of this Award Agreement, “ROIC” means return on invested capital for the Performance Period calculated as (A) average annual (i) net income (excluding any charge or addition to net income resulting solely from adjustment of deferred tax assets and liabilities for the effect of enactment of corporate tax reform and related legislation and regulations that change the top United States federal corporate income tax rate by two or more percentage points after the Award Date (“Tax Reform”)), plus (ii) interest expense times one minus the weighted average of the highest marginal federal corporate income tax rates over the three year Performance Period, adjusted to reflect any applicable limitations on deductibility of the Corporation’s interest expense, divided by (B) the average thirteen quarter-end investment balances (beginning with the quarter-end immediately preceding the beginning of the Performance Period) consisting of (i) debt (including current maturities of long-term debt) plus (ii) stockholders’ equity plus the postretirement plans amounts determined quarterly as included in the Corporation’s Statement of Stockholders’ Equity. For any year in which net income would otherwise be affected by Tax Reform, net income shall be adjusted by substituting the effective tax rate assumed in the 2024 Long Range Plan for the actual effective tax rate (and ignoring the adjustment under clause (A)(i) above, if any, to the extent necessary to avoid double counting of tax impacts); for any other year in which

net income would otherwise be affected by a change in law or interpretation of law related to the amortization of research or experimental expenditures under Section 174 of the Code, as amended from time to time, as reflected in any future Long Range Plan, financial statement or tax return, net income shall be adjusted to neutralize the impact of such change in law or interpretation of law. Net income also shall be adjusted to exclude any non-cash settlement charge to earnings resulting solely from a plan termination or one or more risk transfer transactions to manage the Corporation's pension liabilities that were not included in the 2024 Long Range Plan, including any transactions involving the purchase or conversion of a group annuity contract for a portion of the Corporation's outstanding defined benefit pension obligations that are treated as a settlement for accounting purposes.

(b) ROIC Determination. Each component of ROIC and the calculation of any postretirement plans amounts recorded in the Corporation's Statement of Stockholders' Equity shall be determined by the Committee in accordance with generally accepted accounting principles in the United States and be based upon the comparable numbers reported on the Corporation's audited consolidated financial statements or, if audited financial statements are not available for the date or period on which ROIC is being determined, the Committee shall make its determination in a manner consistent with the historical practices used by the Corporation in determining the components of ROIC and postretirement plans amounts recorded in the Corporation's Statement of Stockholders' Equity for purposes of reporting those items on its audited financial statements, as modified by this paragraph. Notwithstanding the foregoing, ROIC will be adjusted to exclude the impact of any change in accounting standards or adoption of any new accounting standard that was not included in the 2024 Long Range Plan that is required under generally accepted accounting principles in the United States and that is reported in the Corporation's filings with the Securities and Exchange Commission as having a material effect on the Corporation's consolidated financial statements. ROIC, as included in the 2024 Long Range Plan, and the change in ROIC for purposes of the ROIC Performance Factor, will be determined in accordance with this Section 4.1(b).

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

<u>Free Cash Flow Band</u>	<u>Free Cash Flow Performance Factor</u>
130% of Target	200% (Maximum)
Free Cash Flow Target	100%
85% of Target	25% (Threshold)

(a) Free Cash Flow Definition. For purposes of this Award Agreement, "Free Cash Flow" means net cash flow from operations less capital expenditures, adjusted to exclude the impact of: (i) the aggregate after tax difference between the amount forecasted in the Corporation's 2024 Long Range Plan to be contributed by the Corporation to the Corporation's defined benefit pension plans during the Performance Period and the actual amounts contributed by the Corporation during the Performance

Period; (ii) any tax payments or tax benefits during the Performance Period associated with the divestiture of business units, other than tax payments or tax benefits that were included in the Corporation's 2024 Long Range Plan; and (iii) for any year in which Free Cash Flow would otherwise be affected by (I) Tax Reform; or (II) an annual net change in cash tax liability resulting from a change in law or interpretation of law related to the amortization of research or experimental expenditures under Section 174 of the Code, as amended from time to time, as reflected in any future Long Range Plan, financial statement or tax return, the aggregate difference between the tax payments forecasted in the 2024 Long Range Plan and the actual tax payments (and adjusting the amount under clause (i) above, if any, to the extent necessary to avoid double counting of tax impacts).

(b) Free Cash Flow Determination. Free Cash Flow shall be determined by the Committee using amounts reported on the Corporation's audited consolidated financial statements or, if audited financial statements are not available for the period for which Free Cash Flow is being determined, the Committee shall determine Free Cash Flow in a manner consistent with the historical practices used by the Corporation in determining net cash provided by operating activities and capital expenditures as reported in its audited consolidated statement of cash flows, in either case as modified by this paragraph. Notwithstanding the foregoing, Free Cash Flow will be adjusted to exclude the impact of any change in accounting standards or adoption of any new accounting standard that was not included in the 2024 Long Range Plan that is required under generally accepted accounting principles in the United States and that is reported in the Corporation's filings with the Securities and Exchange Commission as having a material effect on the Corporation's consolidated financial statements.

4.3 Interpolation of ROIC and Free Cash Flow Metrics. If the Corporation's ROIC or Free Cash Flow falls above or below Target and between the two percentages of Target listed in the applicable table in Section 4.1 or 4.2, the appropriate performance factor will be interpolated on a linear basis. Notwithstanding the foregoing, the ROIC Performance Factor will always be zero if the ROIC for the Performance Period is less than 90% of the ROIC Target and the Free Cash Flow Performance Factor will always be zero if the aggregate Free Cash Flow for the Performance Period is less than 85% of the Free Cash Flow Target.

Section 5. Payment of Award.

5.1. Employment Requirement.

(a) General Rule. In order to be eligible to receive payment of your final Award as determined under Section 2.1(d), you must accept this Award Agreement as described in Section 18 and remain employed by the Corporation through the last day of the Vesting Period. Except as provided below or where prohibited by law, if your employment as an Employee terminates during the Vesting Period, you shall forfeit your right to receive all or any part of your Award. If you are on Corporation-approved leave of absence at any point during the Vesting Period, for purposes of this Award Agreement, you will be considered to still be in the employ of the Corporation, unless otherwise provided in an agreement between you and the Corporation.

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

- (i) that your employment as an Employee terminated, as a result of your death, Total Disability or Retirement, or a Divestiture, or
- (ii) that the Corporation terminated your employment involuntarily after August 22, 2024 (the "Minimum Service Date"), (except that, if you are an employee who has been identified by the Corporation as subject to Divestiture, "after the Minimum Service Date," does not apply to you) as a result of a layoff, including through a voluntary layoff program that constitutes a window program under Section 409A of the Code,

you shall be eligible to receive a fraction of your Award and the DDEs with respect to such fraction. The numerator of such fraction shall equal the number of days from the Award Date to the date your employment as an Employee terminated, and the denominator shall equal the total number of days from the Award Date to the end of the Vesting Period.

As a condition to being eligible to receive a portion of your Award and the DDEs with respect to such portion as a result of your layoff in accordance with Section 5.1(b)(2), you will be required to execute and deliver to the Corporation a general release of claims against the Corporation in a form acceptable to the Corporation within the time period specified by the Corporation in such release and not revoke such release within any revocation period provided for therein. Except as otherwise expressly provided by the Corporation in writing, a failure to satisfy this condition will result in forfeiture of your right to receive all or any part of your Award on the date of your layoff.

The Committee shall have complete and absolute discretion to make the determinations called for under this Section 5.1(b), and all such determinations shall be binding on you and on any person who claims all or any part of your Award on your behalf as well as on the Corporation.

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

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

interests are directly or indirectly owned or controlled by the Corporation, by one or more of the Corporation's Subsidiaries or by any combination thereof; and

(iii) Your employment as an Employee shall be treated as terminating because of "Retirement" if the effective date of your termination of employment is after the Minimum Service Date, and (1) after you reach age 65, or (2) after you reach age 55 and have (at the time of your termination) completed at least ten years of service with the Corporation. For this purpose, the effective date of your termination of employment is the day next following your last day worked.

(d) Resignation or Termination before the Last Day of the Vesting Period.

(i) Except where prohibited by law, if you resign or your employment otherwise terminates before the last day of the Vesting Period, other than on account of death, Total Disability, layoff, Retirement or Divestiture (as described above) or Change in Control (as described below), you will forfeit your right to receive all or any part of your Award on the date of your termination.

(ii) Except where prohibited by law, if your employment terminates for any reason before the last day of the Vesting Period, by action of the Corporation due to your misconduct, then you will forfeit your right to receive all or any part of your Award on the date of your termination, even if at the time of your termination due to misconduct you have attained (i) age 55 and ten years of service, or (ii) age 65. The business area or Enterprise Operations review committee responsible for determinations of misconduct, or the Committee if you are an Elected Officer, will determine if your employment terminates due to misconduct.

5.2. Payment Rules.

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

(b) Method of Payment. Your Award shall be paid in whole shares of Stock. DDEs on the shares underlying your Award, if any, shall be paid in cash. In the event of your death, your payment will be made to your Beneficiary.

(c) Timing of Payment. You shall have the right to receive your Award plus DDEs as soon as administratively practicable following the Vesting Period, but no later than the March 15 following the last day of the Vesting Period (for taxpayers in Canada or as otherwise required by local country law, no later than December 31st following the last day of the Vesting Period).

(d) Special Rules for Certain Employees Terminated During Performance Period. If you terminate employment during the Vesting Period but are eligible to receive a portion of your Award as a result of an exception under Section 5.1(b), payment of such portion of your Award and DDEs shall be in full satisfaction of all rights you have under this Award Agreement. The portion of your Award and DDEs payable to you following a termination of employment during the Vesting Period under circumstances described in

Section 5.1(b) shall be paid to you or, in the event of your death, to your Beneficiary, at the time specified in Section 5.2(c).

(e) Payment Rules Applicable to Canadian Employees. If you are employed in Canada, for purposes of the Award Agreement, the date of termination of employment will be the last day of actual and active employment. For the avoidance of doubt, except as may be required by applicable minimum standards legislation, no period of notice or payment in lieu of notice that is given or that ought to have been given under any applicable law or contract in respect of such termination of employment that follows or is in respect of a period after your last day of actual and active employment, if any, will be considered as extending your period of employment for the purposes of determining your entitlement under this Agreement.

5.3. Cutback. Any payment called for under Section 5.2 will be reduced to the extent that such payment together with payments attributable to any other Share-Based Awards that are granted during 2024 as Performance-Based Awards exceeds 1,000,000 shares of Stock. Amounts in excess of 1,000,000 shares shall be forfeited. Any DDEs on forfeited shares shall also be forfeited.

Section 6. No Assignment – General Creditor Status.

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

Section 7. Plan.

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

Section 8. Change in Control.

8.1. Change in Control during the Performance Period.

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

provided that any such termination is also a “separation from service” under Section 409A of the Code.

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

8.2. Change in Control after the End of the Performance Period and before the End of the Vesting Period.

(a) In the event of a consummation of a Change in Control after the end of the Performance Period but during the Vesting Period, you will vest in your Target Award (and DDEs) (i) on the effective date of the Change in Control, if the PSUs are not assumed or continued or equivalent restricted securities are not substituted for your PSUs by the Corporation or its successor, or (ii) on the earlier of the end of the Vesting Period or the effective date of your involuntary termination other than for Cause (not including death or Total Disability) or your voluntary termination with Good Reason, in either case, prior to the end of the Vesting Period, if the PSUs are assumed, continued or substituted.

(b) In the event the PSUs vest in accordance with this Section 8.2 (whether immediately following the Change in Control or following your termination), the shares of Stock or equivalent substituted securities in which you have become vested and DDEs shall be delivered to you within 14 days of the date on which you become vested.

8.3 Special Definitions. For purposes of this Award Agreement:

(a) “Cause” shall mean either of the following:

(i) Conviction for an act of fraud, embezzlement, theft or other act constituting a felony (other than traffic-related offenses or as a result of vicarious liability); or

(ii) Willful misconduct that is materially injurious to the Corporation’s financial position, operating results or reputation; provided, however that no act or failure to act shall be considered “willful” unless done, or omitted to be done, by you (a) in bad faith; (b) for the purpose of receiving an actual improper personal benefit in the form of money, property or services; or (c) in circumstances where you had reasonable cause to believe that the act or failure to act was unlawful.

(b) “Good Reason” shall mean, without your express written consent, the occurrence of any one or more of the following after the Change in Control:

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

(ii) A material reduction in your annualized rate of base salary;

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

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

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

Section 9. Amendment and Termination.

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

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

To the extent recognized under applicable law, if you are located outside of the United States, then by accepting this Award Agreement as described in Section 18, you hereby explicitly and unambiguously consent to, and acknowledge the need for, the collection, use and transfer, in electronic or other form, of your Personal Data (defined below) as described in this Award Agreement by and among the Corporation for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Corporation collects, holds, uses and processes certain information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Corporation, details of all awards or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan ("Personal Data"). The Corporation acts as the controller/owner of this Personal Data, and processes this Personal Data for purposes of implementing, administering, and managing the Plan. The Corporation protects the Personal Data that it receives in the United States from the European Union ("EU"), or any other location outside the United States, in accordance with data transfer agreements based on EU-approved Standard Contractual Clauses.

You understand that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere, and that the recipient's country may have different, including less stringent, data privacy laws and protections than your country. You may request a list with the names and addresses of any third-party recipients of the Personal Data at any time by contacting your local human resources representative. When disclosing Personal Data to these third parties, the Corporation provides appropriate safeguards for protecting the transfer of your Personal Data, such as establishing standard data protection clauses with the third parties as adopted by the European Commission. You may request a copy of, or information about, such safeguards by contacting your local human resources representative. You recognize that the Corporation and any other possible recipients including any present or future third-party recipients must receive, possess, use, retain and transfer your Personal Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Personal Data as may be required to a broker or other third party with whom the Corporation may elect to administer the settlement of any award. You understand that Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan and comply with applicable legal requirements.

To the extent provided by your local law, you may, at any time, have the right to request: access to your Personal Data, rectification of your Personal Data, erasure of your Personal Data, restriction of processing of your Personal Data, portability of your Personal Data and information about the storage and processing of your Personal Data. You may also have the right to object, on grounds related to a particular situation, to the processing of your Personal Data, as well as to refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more

information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

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

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

- (a) the Plan is discretionary in nature and the Board of Directors may amend, suspend, or terminate it at any time;
- (b) the grant of the PSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of any PSUs, or benefits in lieu of any PSUs even if PSUs have been granted repeatedly in the past;
- (c) all determinations with respect to such future PSUs, if any, including but not limited to the times when PSUs shall be granted or when PSUs shall vest, will be at the sole discretion of the Committee or its delegate;
- (d) your participation in the Plan is voluntary;
- (e) the value of the PSUs is an extraordinary item of compensation, which is outside the scope of your employment contract (if any), except as may otherwise be explicitly provided in your employment contract;
- (f) the PSUs are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating termination, severance, resignation, redundancy, end of service, or similar payments, or bonuses, long-service awards, pension or retirement benefits;
- (g) the PSUs shall expire upon termination of your employment for any reason except as may otherwise be explicitly provided in the Plan and this Award Agreement;
- (h) the future value of the shares is unknown and cannot be predicted with certainty;
- (i) no claim or entitlement to compensation or damages arises from the termination of the PSUs in accordance with the Plan and this Award Agreement or diminution in value of the PSUs or Stock and you irrevocably release the Corporation from any such claim that may arise;
- (j) if you are a resident of Australia, the Award is offered pursuant to Part 7.12 Division 1A of the Corporations Act 2001 (Cth) (Note that you may be restricted from selling the Stock within 12 months of acquiring the Stock. You should consult with your personal legal advisor to confirm the requirements for selling the Stock);

(k) if you are a resident of Türkiye, that the offer of this Award is a private offering which shall in no way be considered as a public offering within the meaning of the rules of the Capital Markets Board of Turkey and has been made by the Corporation to you personally in connection with your existing relationship with the Corporation or one or more of its affiliates, subsidiaries and/or related companies, and further, that the Award, the related shares of the Stock and the related offer thereof are not subject to regulation by any securities regulator in Türkiye, or otherwise outside of the U.S.;

(l) if you are a resident of Hong Kong, that the Award and any Stock issued thereunder do not constitute a public offer of securities under Hong Kong law;

(m) if you are a resident of Israel, you will hold any Stock issued to you upon the vesting of the Award with the Corporation's designated broker, and you may not transfer such Stock to an account with another broker or request that share certificates be issued to you until such time as you sell the Stock; and

(n) if you are a resident of Switzerland, neither this document nor any other material relating to the Award (i) constitutes a prospectus according to applicable Swiss law, (ii) may be publicly distributed or otherwise made publicly available in Switzerland to any person other than an employee of the Corporation or its subsidiaries or, (iii) has been or will be filed with, approved or supervised by any Swiss reviewing body.

Section 12. Conflict.

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

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

It is the intent of the Corporation that your Award not be subject to taxation under Section 409A(a)(1) of the Code. Nevertheless, in the event that your Award is subject to Section 409A of the Code, as determined by the Senior Vice President, Chief Human Resources Officer or delegate, in consultation with the General Tax Counsel or delegate, the following rules apply: (i) the Award will be interpreted and administered to meet the requirements of Sections 409A(a)(2), (3) and (4) of the Code and thus to be exempt from taxation under Section 409A(a)(1) of the Code; (ii) no Award payment will be made on account of your termination of employment unless the termination of employment constitutes a "separation from service" under Section 409A(a)(2)(a)(i) of the Code; and (iii) if you are a "specified employee" within the meaning of Section 409A of the Code, any payment in respect of this Award made on account of a termination of employment will be delayed for six (6) months following such termination of employment, and then made at the earliest date permitted by Section 409A of the Code.

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

Except where prohibited by law, by accepting this Award Agreement as described in Section 18, you agree to the terms of the Post-Employment Conduct Agreement contained in Exhibit A to this Award Agreement and you acknowledge receipt of the Stock Ownership Requirements attached as Exhibit B to this Award Agreement and agree to comply with such Stock Ownership Requirements as amended from time to time. If you are not a Vice President

(or above) on the Award Date, but you are promoted to Vice President (or above) prior to the last day of the Vesting Period, the Stock Ownership Requirements as in effect at that time shall become applicable to you on the date of your promotion to Vice President (or above).

Section 15. English Language.

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

Quebec Residents Only: The Parties have agreed that this Award Agreement, the Plan as well as any notice, document or instrument relating to them be drawn up in English only. You acknowledge that, upon your reasonable request, the Corporation will provide a French translation of such documents to you. Les parties aux présentes ont convenu que la présente accord, le "Plan," ainsi que tous autres avis, actes ou documents s'y rattachant soient rédigés en anglais seulement. Vous reconnaissez que, à votre demande raisonnable, "the Corporation" fournit une traduction française de ces documents à vous.

Section 16. Currency Exchange Risk.

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

Section 17. Exchange Control Requirements.

You agree and acknowledge that you will comply with any and all exchange control requirements applicable to the Award and any resulting funds including, without limitation, reporting or repatriation requirements. You further agree and acknowledge that you will determine whether any such requirements are applicable to the Award and any resulting funds, and that you are not relying on the Corporation for any advice in this regard.

Section 18. Acceptance of Award Agreement; Electronic Delivery.

By accepting this Award Agreement, you consent to receive copies of the Prospectus applicable to this Award through the Stock Plan System at <https://atwork.morganstanley.com> as well as to electronic delivery of the Corporation's annual report on Form 10-K, proxy statement and quarterly reports on Form 10-Q. This consent can only be withdrawn by written notice to the Vice President of Total Rewards at Lockheed Martin Corporation, Mail Point 126, 6801 Rockledge Drive, Bethesda, MD 20817. The Corporation will deliver any documents related to the Award under the Plan or future Awards that may be awarded under the Plan through the Stock Plan System. The Corporation will request your consent to participate in the Plan through the Stock Plan System. You hereby consent to receive such documents and agree to participate in the Plan through the Stock Plan System.

No Award is enforceable until you properly acknowledge your acceptance of this Award Agreement by completing the electronic receipt on the Stock Plan System as soon as possible but in no event later than the Acceptance Deadline. Acceptance of this Award Agreement must be made only by you personally or by a person acting pursuant to a power of attorney in the event of your inability to acknowledge your acceptance (and not by your estate, your spouse or any other person) and constitutes your consent to any action taken under the Plan consistent with its terms with respect to this Award. Notwithstanding the foregoing, this Award will be enforceable and deemed accepted, and will not be forfeited, if you are unable to accept this Award Agreement personally by the Acceptance Deadline, due to your death, disability, incapacity, deployment in the Armed Forces, or similar unforeseen circumstance as determined by the Corporation in its discretion. If you desire to accept this Award, you must acknowledge your acceptance and receipt of this Award Agreement electronically on or before the Acceptance Deadline, by going to the Stock Plan System at <https://atwork.morganstanley.com>.

Assuming prompt and proper acknowledgment of this Award Agreement as described in this Section 18, this Award will be effective as of the Award Date.

Appendix I - Capitalized Terms

Acceptance Deadline	3rd ¶
Award	1st ¶
Award Date	Header
Beneficiary	Plan
Free Cash Flow	§ 4.2(a)
Free Cash Flow Performance Factor	§ 4.2
Free Cash Flow Target	§ 2.1(c)
Cause	§ 8.3(a)
Change in Control	Plan
Code	Plan
Committee	2nd ¶
Corporation	1st ¶
Currency Exchange Risk	§ 16
DDE	§ 1.1(c)
Divestiture	§ 5.1(c)(ii)
Earned Award	§ 2.1(d)
Employee	Plan
Exchange Act	Plan
Fair Market Value	Plan
Good Reason	§ 8.3(b)
Insider	Plan
Maximum Award	§ 1.1(b)
Minimum Service Date	§ 5.1(b)(ii)
Peer Company	§ 3.1
Peer Performance Group	§ 3.1
Performance-Based Award	Plan
Percentile Ranking	§ 3.2
Performance Period	§ 1.2
Personal Data	§ 10
Plan	1st ¶
Post-Employment Conduct Agreement	4th ¶
PSU	1st ¶, § 1.1(a)
Retirement	§ 5.1(c)(iii)
ROIC	§ 4.1(a)
ROIC Performance Factor	§ 4.1
ROIC Target	§ 2.1(b)
Share-Based Awards	Plan
Stock	Plan
Stock Ownership Requirements	4th ¶
Stock Plan System	2nd ¶
Subsidiary	Plan
Target Award	1st ¶; § 1.1(a)
Tax or Taxes	Plan
Tax Reform	§ 4.1(a)
Total Disability	§ 5.1(c)(i)
Total Stockholder Return or TSR	§ 3.2
Total Stockholder Return Performance Factor	§ 3.1; § 3.2
2024 Long Range Plan	§ 2.2(c)
Vesting Period	§ 1.3

Exhibit A
Post-Employment Conduct Agreement
(PSU Grant)

This Post-Employment Conduct Agreement (this "PECA") attached as Exhibit A to the Award Agreement with an Award Date of February 22, 2024, (the "Award Agreement") is entered into in consideration of, among other things, the grant of performance restricted stock units to me under the Award Agreement (the "PSUs") pursuant to the Lockheed Martin Corporation 2020 Incentive Performance Award Plan (the "Plan") and the consideration set forth in Section 2 below. References to the "Corporation" shall include Lockheed Martin Corporation and its Subsidiaries. By accepting the PSUs, I agree as follows:

1. Restrictions Following Termination of Employment.

(a) Covenant Not To Compete - Without the express written consent of the "Required Approver" (as defined in Section 6), during the "Restricted Period" (as defined in Section 6), I will not, directly or indirectly, be employed by, provide services to, or advise a "Restricted Company" (as defined in Section 6), whether as an employee, advisor, director, officer, partner or consultant, or in any other position, function or role that, in any such case,

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

I acknowledge and agree that: (A) the enforcement of this PECA pursuant to Section 1(a) is necessary to protect, among other interests, the Corporation's trade secrets and other Confidential or Proprietary Information, as defined by Section 1(c), and goodwill in its customers and employees, and (B) Section 1(a) shall not apply to me if I am covered under an applicable state statute or local ordinance or rule prohibiting non-competition restrictions, including on the basis of my income or profession. In addition, if I primarily work or reside in California, Section 1(a) shall only apply while I am employed by or otherwise working for the Corporation.

To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct (such as the ABA Model Rules of Professional Conduct and state versions thereof), Sections 1(a)(i) and (ii) and Section 1(b) relating to non-solicitation, shall apply to individuals who are employed by the Corporation in an attorney position and whose occupation during the Restricted Period does not include practicing law.

In lieu of Section 1(a)(i) and (ii), as well as Section 1(b) relating to non-solicitation, the following Section 1(a)(iii) shall apply to individuals who are employed by the Corporation in an attorney position, and whose occupation during the Restricted Period includes practicing law.

(iii) **Post-Employment Activity As a Lawyer** – I acknowledge that as counsel to the Corporation, I owe ethical and fiduciary obligations to the Corporation and that at least some of these obligations will continue even after my Termination Date (as defined in Section 6) with the Corporation. I agree that after my Termination Date I will comply fully with all applicable ethical and fiduciary obligations that I owe to the Corporation. To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct, I agree that I will not:

- (a) Represent any client in the same or a substantially related matter in which I represented the Corporation where the client's interests are materially adverse to the Corporation; or
- (b) Disclose confidential information relating to my representation of the Corporation, including the disclosure of information that is to the disadvantage of the Corporation, except for information that is or becomes generally known.

The Corporation's Senior Vice President, General Counsel, and Corporate Secretary or the General Tax Counsel, as applicable, will determine in their discretion whether an individual is employed by the Corporation in an attorney position.

(b) **Non-Solicit** – Without the express written consent of the Required Approver, during the two-year period following the Termination Date, I will not (i) cause or attempt to cause, directly or indirectly, the complete or partial loss of any contract in effect before the Termination Date between the Corporation and any customer, supplier, distributor or manufacturer of or to the Corporation with which I was responsible, in whole or in part, for soliciting, negotiating, implementing, managing, or overseeing or (ii) induce or attempt to induce, directly or indirectly, any person who is an employee of the Corporation with whom I worked or interacted with within two years prior to the Termination Date to cease employment with the Corporation in order to perform work or services for any entity other than the Corporation.

I acknowledge and agree that: (A) the enforcement of this PECA pursuant to Section 1(b)(i) is necessary to protect, among other interests, the Corporation's trade secrets and other Confidential or Proprietary Information, as defined by Section 1(c), and goodwill in its customers and employees, and (B) Section 1(b)(i) shall not apply to me if I am covered under an applicable state statute or local ordinance or rule prohibiting non-solicitation restrictions, including on the basis of my income or profession. In addition, if I primarily reside or work in California, Section 1(b) shall apply only while I am employed by or otherwise working for the Corporation.

(c) **Protection of Proprietary Information** – Except to the extent required by law, following my Termination Date, I will have a continuing obligation to comply with the terms of any non-disclosure or similar agreements that I signed while employed by the Corporation committing to hold confidential the "Confidential or Proprietary Information" (as defined below) of the Corporation or any of its affiliates, subsidiaries, related companies, joint ventures,

partnerships, customers, suppliers, partners, contractors or agents, in each case in accordance with the terms of such agreements. I will not use or disclose or allow the use or disclosure by others to any person or entity of Confidential or Proprietary Information of the Corporation or others to which I had access or that I was responsible for creating or overseeing during my employment with the Corporation. In the event I become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or otherwise) to disclose any proprietary or confidential information, I will immediately notify the Corporation's Senior Vice President, General Counsel and Corporate Secretary as to the existence of the obligation and will cooperate with any reasonable request by the Corporation for assistance in seeking to protect the information. All materials to which I have had access, or which were furnished or otherwise made available to me in connection with my employment with the Corporation shall be and remain the property of the Corporation. For purposes of this PECA, "Confidential or Proprietary Information" means trade secrets, as defined by the federal Defend Trade Secrets Act of 2016 and/or applicable state trade secret law, and Sensitive Information within the meaning of CRX-015 (a copy of which has been made available to me), including but not limited to information that a person or entity desires to protect from unauthorized disclosure to third parties that can provide the person or entity with a business, technological, or economic advantage over its competitors, or which, if known or used by third parties or if used by the person's or entity's employees or agents in an unauthorized manner, might be detrimental to the person's or entity's interests. Confidential or Proprietary Information may include, but is not limited to:

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

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

(e) Cooperation in Litigation and Investigations – Following the Termination Date, I will, to the extent reasonably requested, cooperate with the Corporation in any pending or future litigation (including alternative dispute resolution proceedings) or investigations in which the Corporation or any of its subsidiaries or affiliates is a party or is required or requested to provide

testimony and regarding which, as a result of my employment with the Corporation, I reasonably could be expected to have knowledge or information relevant to the litigation or investigation. Notwithstanding any other provision of this PECA, nothing in this PECA shall affect my obligation to cooperate with any governmental inquiry or investigation or to give truthful testimony in court.

(f) Communications with Regulatory Authorities – Nothing in this PECA prohibits or restricts me (or my attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission, Equal Employment Opportunity Commission, or any other federal or state regulatory authority.

(g) Notices (including under the Defend Trade Secrets Act and National Labor Relations Act) – Notwithstanding anything in this PECA to the contrary:

- (i) I will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document that is filed under seal in a lawsuit or other proceeding.
- (ii) If I file a lawsuit for retaliation by the Corporation for reporting a suspected violation of law, I may disclose the Corporation's trade secrets to my attorney and use the trade secret information in the court proceeding if I (1) file any document containing the trade secret under seal; and (2) do not disclose the trade secret, except pursuant to court order.
- (iii) Nothing in this PECA in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding, me from (1) for non-supervisory employees only, exercising my rights under Section 7 of the National Labor Relations Act (NLRA) (including with respect to engaging in concerted activities for the purpose of collective bargaining or other mutual aid or protection, discussing terms and conditions of employment, or otherwise engaging in protected conduct); or (2) otherwise disclosing or discussing truthful information about unlawful employment practices (including unlawful discrimination, harassment, retaliation, or sexual assault).

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

reasonably required for the protection of the Corporation's legitimate business interests, including, but not limited to, the Corporation's Confidential or Proprietary Information, (ii) the area, duration and scope of the restrictions are reasonable and necessary to protect the Corporation, (iii) the restrictions do not unduly oppress or restrict my ability to earn a livelihood in my profession, and (iv) the restrictions are not an undue restraint on my trade or any of the public interests that may be involved.

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

(a) I agree, upon demand by the Corporation, to forfeit, return or repay to the Corporation the "Benefits and Proceeds" (as defined below) in the event any of the following occur:

- (i) I breach any of the covenants or agreements in Section 1;
- (ii) The Corporation determines that either (a) my intentional misconduct or gross negligence, or (b) my failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Corporation, contributed to the Corporation having to restate all or a portion of its financial statements filed for any period with the Securities and Exchange Commission;
- (iii) The Corporation determines that I engaged in fraud, bribery or any other illegal act or that my intentional misconduct or gross negligence (including the failure to report the acts of another person of which I had knowledge during the period I was employed by the Corporation) contributed to another person's fraud, bribery or other illegal act, which in any such case adversely affected the Corporation's financial position or reputation;
- (iv) The Corporation determines that my intentional misconduct or gross negligence caused severe reputational or financial harm to the Corporation;
- (v) The Corporation determines that I misappropriated Confidential or Proprietary Information, as defined in Section 1(c), and I (A) intended to use the misappropriated Confidential or Proprietary Information to cause severe reputational or financial harm to the Corporation or (B) used the misappropriated Confidential or Proprietary Information in a manner that caused severe reputational or financial harm to the Corporation; or
- (vi) Under such other circumstances specified in a written recovery policy adopted by the Corporation to comply with Rule 10D-1 under the Securities Exchange Act and New York Stock Exchange listing standards requiring the Corporation to recover from executive officers erroneously awarded compensation or other applicable law.

(b) The remedy provided in Section 3(a) shall not be the exclusive remedy available to the Corporation for any of the conduct described in Section 3(a) and shall not limit the

Corporation from seeking damages or injunctive relief. For purposes of Section 3(a), a determination by the Corporation means, with respect to an Elected Officer, a determination by the Management Development and Compensation Committee of the Board of Directors of the Corporation (the "Committee") and, with respect to any other employee, a determination by a review committee consisting of the Senior Vice President, Chief Human Resources Officer, the Senior Vice President, Ethics and Enterprise Assurance, and the Senior Vice President, General Counsel and Corporate Secretary (the "Review Committee").

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

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

5. Invalidity; Unenforceability. It is the desire and intent of the parties that the provisions of this PECA shall be enforced to the fullest extent permissible. The covenants in each section of this PECA are independent of any other provisions of this PECA. Each term in this PECA constitutes a separate covenant between the parties, and each term is fully severable from any other term. The parties agree if any particular paragraphs, subparagraphs, phrases, words, or other portions of this PECA are determined by an appropriate court to be invalid or unenforceable as written, they shall be modified as necessary to comport with the reasonable intent and expectations of the parties and in favor of providing reasonable protection to all of the Corporation's legitimate business interests, and such modification shall not affect the remaining provisions of this PECA, or if they cannot be modified to be made valid or enforceable, then they shall be severed from this PECA, and all remaining terms and provisions shall remain enforceable.

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

(a) "Competitive Products or Services" means products or services that compete with, or are an alternative or potential alternative to, products sold or services provided by a subsidiary, business area, division or operating unit or business of the Corporation as of the Termination Date and at any time within the two-year period ending on the Termination Date; provided, that, (i) if I had direct responsibility for the business of, or function with respect to, a subsidiary, or for a business area, division or operating unit or

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

(b) "Elected Officer" means an officer of the Corporation who was elected to their position by the Corporation's Board of Directors.

(c) "Required Approver" means:

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

(d) "Restricted Company" means The Boeing Company, General Dynamics Corporation, Northrop Grumman Corporation, Raytheon Technologies Corporation, Honeywell International Inc., BAE Systems Inc., L3Harris Technologies, Inc., Thales S.A., Airbus Group, Inc., Textron Inc., Leonardo S.p.A., Leidos Holdings, Inc., Space Exploration Technologies Corp. and (i) any entity directly or indirectly controlling, controlled by, or under common control with any of the foregoing, and (ii) any successor to all or part of the business of any of the foregoing as a result of a merger, reorganization, consolidation, spin-off, split-up, acquisition, divestiture, or similar transaction, or as a result of a name change.

(e) "Restricted Period" means:

- (i) with respect to an employee who is an Elected Officer at any time during the six-month period prior to their Termination Date, the two-year period following the Termination Date; or
- (ii) with respect to all other employees, the one-year period following the Termination Date.

(f) "Termination Date" means my last day of employment with the Corporation.

7. Miscellaneous.

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

(b) This PECA shall be governed by Maryland law, without regard to its provisions governing conflicts of law. Any enforcement of, or challenge to, this PECA may only be brought in the United States District Court for the District of Maryland, unless it is determined that such court does not have subject matter jurisdiction, in which case any such enforcement or challenge must be brought in the Circuit Court of Montgomery County in the State of Maryland. Both parties consent to the proper jurisdiction and venue of such court, as applicable, for the purpose of enforcing or challenging this PECA. For residents of California, Massachusetts (Section 1(a) only), Minnesota (Section 1(a) only), Washington and Wisconsin, or if otherwise provided in an applicable Addenda, this Section 7(b) shall not apply; instead, the parties agree that the law of the state in which I am domiciled at the time of acceptance shall govern the interpretation, application, and enforcement of this PECA, without regard to any choice of law rules of that or any other state, and that the exclusive venue shall be the state or federal courts sitting in or covering the county where I am domiciled at the time of acceptance.

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

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

(e) The restrictive covenants and other terms in this PECA are to be read consistent with the terms of any other restrictive covenants or other agreements that I have executed with the Corporation; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be construed as providing the broadest possible protections to the Corporation, even if such construction would require provisions of more than one such agreement to be given effect.

(f) The obligations I have undertaken in this PECA shall survive the Termination Date and no dispute regarding any other provisions of this PECA or regarding my employment or the termination of my employment shall prevent the operation and enforcement of these obligations.

(g) I acknowledge and agree that different provisions than those set forth in this PECA, including with respect to the restrictive covenant obligations, may apply to me if I primarily reside or work in certain jurisdictions. While I primarily reside or work in such a jurisdiction, including on the Termination Date, I agree that the provisions within this PECA shall be superseded only as set forth in the applicable Addendum attached hereto or as explicitly noted within the PECA.

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

COLORADO ADDENDUM TO POST-EMPLOYMENT CONDUCT AGREEMENT

Notice of Restrictive Covenant to Colorado Employees

This notice is to advise you that the Corporation is, contemporaneously with this notice, providing you with a Post-Employment Conduct Agreement (the "PECA") containing covenants that could restrict your options for subsequent employment following separation from the Corporation, in that you will be prohibited from certain competition and solicitation of customers, employees, etc., as described in Section 1 of the PECA (and as modified by this Colorado Addendum) and from disclosing or using Confidential Information as described in Section 1 of the PECA (and as modified by this Colorado Addendum).

You acknowledge that this notice was provided to you at least fourteen (14) days before the earlier of your Termination Date, as defined in the PECA, or the effective date of the consideration provided to you for such covenant. By electronically signing the Award Agreement, you expressly acknowledge and agree that you are deemed to have separately signed this notice.

The provisions of this Colorado Addendum apply only to those employees of the Corporation who primarily work or reside in the State of Colorado.

1. The following is added to the end of Section 1(a) of the PECA "**Covenant Not to Compete**":

The restrictions described in Section 1(a) are intended to cover geographic territory where your knowledge of the Corporation's trade secrets could be used by a Restricted Company to unfairly compete with or undermine the Corporation's legitimate business interests.

2. The language in Section 1 of the PECA "**Restrictions Following Termination of Employment**" is modified by adding the following:

The restrictions related to competitive activities in Section 1(a) only apply to the extent I earn, both at the time this PECA is entered into and at the time the Corporation enforces it, an amount of annualized cash compensation equivalent to or greater than the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this PECA is entered into, and such activities will involve the inevitable use of, or near-certain influence by my knowledge of, trade secrets disclosed to me during the course of employment with the Corporation.

The restrictions related to solicitation activities in Section 1(b)(i) only apply to the extent I earn, both at the time this PECA is entered into and at the time the Corporation enforces it, an amount of annualized cash compensation equivalent to or greater than 60% of the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this PECA is entered into, and such activities will involve the inevitable use of, or near-certain influence by my knowledge of, trade secrets disclosed to me during the course of employment with the Corporation.

3. The language in Section 2 of the PECA "**Consideration and Acknowledgement**" is modified by adding the following:

I acknowledge and agree that the restrictions in this PECA are reasonable and shall not prohibit the disclosure of information arising from my general training, knowledge, skill, or experience, whether gained on the job or otherwise, information readily ascertainable to the public, and/or information an employee has a right to disclose as legally protected conduct.

4. The language in Section 7(b) of the PECA is modified by adding the following:

I understand that if I primarily reside or work in the State of Colorado at the time my employment with the Corporation is terminated, the PECA will be subject to the laws and courts of the State of Colorado. During this period, venue shall be the State and Federal courts sitting in Colorado and the parties waive any defense, whether asserted by motion or pleading, that the venue specified by this Addendum is an improper or inconvenient venue.

DISTRICT OF COLUMBIA Addendum TO POST-EMPLOYMENT CONDUCT AGREEMENT

The District of Columbia's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Corporation has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

The Corporation is, contemporaneously with this notice, providing you with a Post-Employment Conduct Agreement (the "PECA") containing covenants that could restrict your options for subsequent employment following separation from the Corporation, in that you will be prohibited from certain competition and solicitation of customers, employees, etc., as described in Section 1 of the PECA. The provisions of this District of Columbia Addendum apply only to those employees of the Corporation who primarily work in the District of Columbia and are as follows.

1. For Elected Officers, and regarding the non-competition obligation in Section 1(a) of the PECA only, the definition of "**Restricted Period**" is modified by reducing the period from two-years after the Termination Date to one year after the Termination Date.

2. The following is added to the end of Section 1(a) of the PECA "**Covenant Not to Compete**":

I understand that the non-competition obligations under Section 1(a) shall apply to me if I am a "highly compensated employee." A "highly compensated employee" for this purpose is someone who is reasonably expected to earn at least \$150,000 during a consecutive 12-month period or whose compensation earned from the Corporation in the consecutive 12-month period preceding the date the proposed non-competition is to begin is at least \$150,000. Beginning on January 1, 2024, and each calendar year thereafter, the dollar threshold for highly compensated employee status will be adjusted based on increases in the Consumer Price Index. Compensation includes the individual's hourly wages, salary, bonuses or cash incentives, commissions, overtime premiums, vested stocked (including restricted stock units), and other payments provided on a regular or irregular basis.

The restrictions described in Section 1(a) are intended to cover geographic territory where my knowledge of the Corporation's trade secrets could be used by a Restricted Company to unfairly compete with or undermine the Corporation's legitimate business interests.

3. A new Section "**Notice**" is added to the end of the PECA, reading as follows:

I agree that before being required to sign this PECA, the Corporation provided written notice to me that I had at least fourteen (14) calendar days to review the non-competition provision in the PECA before I must execute the PECA.

Exhibit B

Stock Ownership Requirements

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

Stock Ownership Requirements

Title	Annual Base Pay Multiple
Chairman, President and Chief Executive Officer	6 times
Chief Operating Officer; Chief Financial Officer	4 times
Business Area Presidents	3 times
Senior Vice Presidents	2 times
Other Elected Officers	2 times
Other Vice Presidents	1 times

Satisfaction of Requirements

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

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

Key employees will be required to achieve the appropriate ownership level within five years and are expected to make continuous progress toward their target. Appointment to a new level will reset the five year requirement. Unvested Performance Share Units are not counted toward meeting the guidelines.

Holding Period

Covered employees must retain net vested Restricted Stock Units and Performance Stock Units if the ownership requirements are not yet satisfied.

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

Award Date: February 22, 2024



**LONG-TERM INCENTIVE PERFORMANCE AWARD AGREEMENT
GRANTED UNDER THE LOCKHEED MARTIN CORPORATION
2020 INCENTIVE PERFORMANCE AWARD PLAN FOR
THE 2024 – 2026 PERFORMANCE PERIOD**

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

This Award Agreement applies to the Long-Term Incentive Performance (“LTIP”) Award granted by Lockheed Martin Corporation to you as of the Award Date (defined above) under the Lockheed Martin Corporation 2020 Incentive Performance Award Plan (“Plan”). The term “Target Award” as used in this Award Agreement refers only to the Target Award awarded to you under this Award Agreement and the term “Award” refers only to the LTIP Award set forth in this Award Agreement. References to the “Corporation” include Lockheed Martin Corporation and its Subsidiaries.

This Award Agreement sets forth your Target Award as well as some of the terms and conditions of your Award under the Plan, as determined by the Management Development and Compensation Committee (“Committee”) of the Board of Directors. Additional terms and conditions, including tax information, are contained in the Plan and in the Prospectus relating to the Plan of which the Plan and this Award Agreement are a part. Your Target Award is identified in the electronic stock plan award recordkeeping system (“Stock Plan System”) maintained by the Corporation or its designee at <https://atwork.morganstanley.com>. The Prospectus is also available at this website.

Except as described in Section 18, your Award is not effective or enforceable until you properly acknowledge your acceptance of the Award by completing the electronic receipt on the Stock Plan System as soon as possible but in no event later than May 31, 2024 (the “Acceptance Deadline”). **Except as described in Section 18, if you do not properly acknowledge your acceptance of this Award Agreement on or before the Acceptance Deadline, this Award will be forfeited.**

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

You are responsible for payment of all Taxes imposed on you as a result of the Award. The Corporation will comply with all applicable U.S. Tax withholding requirements applicable to the Award. **Please see the Prospectus for the Plan for a discussion of certain material U.S. Tax consequences of the Award.**

In general, the Corporation will reduce the amount paid to you under this Award Agreement by an amount sufficient to satisfy any applicable Tax withholding obligation, generally at the highest individual tax rate, unless you elect otherwise in accordance with procedures established by the Corporation during an election window that may be offered by the Corporation. If you elect a lower tax rate for withholding, then you may owe additional taxes as a result of the payment of the Award. The Corporation shall also have the right to (i) offset any other obligation of the Corporation to you (including but not limited to, by withholding from your salary) by an amount sufficient to satisfy the Tax withholding obligation, or (ii) require you (or your estate) to pay the Corporation an amount equal to the Tax withholding obligation.

If you are a taxpayer in a country other than the U.S., you agree to make appropriate arrangements with the Corporation or its subsidiaries for the satisfaction of all income and employment tax withholding requirements, as well as social insurance contributions applicable to the Award. Please see the tax summary for your country available on the Stock Plan System at <https://atwork.morganstanley.com>. If you are a taxpayer in a country other than the U.S., you represent that you will consult with your own tax advisors in connection with this Award and that you are not relying on the Corporation for any tax advice. If you are a taxpayer in Australia, any payment under this Award Agreement will be inclusive of superannuation.

Capitalized terms used in this Award Agreement shall be defined in this Award Agreement or if not defined in this Award Agreement shall have the meaning given to the term in the Plan. Appendix I contains an index of all capitalized terms used in this Award Agreement.

Section 1. Target Award; Performance Period.

1.1 Target Award. Your Target Award for the Performance Period under this Award Agreement shall be the U.S. dollar amount identified as your Target Award in your account in the Stock Plan System at <https://atwork.morganstanley.com>.

1.2 Performance Period. The Performance Period under this Award Agreement is the three-year performance period that runs from January 1, 2024, until December 31, 2026.

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

Section 2. Calculation of Award Payments.

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

- (a) The Committee will calculate the Total Stockholder Return Performance Factor based on the Corporation's performance during the Performance Period relative to the performance of other corporations which compose the Peer Performance Group.
- (b) The Committee will calculate the ROIC Performance Factor based on the Corporation's ROIC during the Performance Period as compared to the projected ROIC for the Performance Period as set forth in the February 21, 2024 Committee resolution ("ROIC Target").
- (c) The Committee will calculate the Free Cash Flow Performance Factor based on the Corporation's cumulative Free Cash Flow during the Performance Period as compared to the projected cumulative Free Cash Flow for the Performance Period as set forth in the February 21, 2024 Committee resolution ("Free Cash Flow Target").
- (d) Your "Potential Award" shall be calculated by multiplying the weighted average of the Total Stockholder Return Performance Factor, the ROIC Performance Factor, and the Free Cash Flow Performance Factor by your Target Award. The Total Stockholder Return Performance Factor, the ROIC Performance Factor, and the Free Cash Flow Performance Factor shall be weighted as follows in determining the weighted average of the three performance factors:

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

You must (except as specified in Section 5) remain employed by the Corporation through the last day of the Performance Period to receive your Potential Award.

2.2 Adjustments of ROIC and Free Cash Flow.

- (a) The Committee will adjust the ROIC Target and Free Cash Flow Target established as described in Section 2.1(b) and Section 2.1(c), respectively, to account for the impact of any purchase, acquisition, investment, disposition, or divestiture during the Performance Period with a transaction value (including the assumption of liabilities) in excess of \$1 billion at the time of the closing of the transaction. In adjusting any ROIC Target and Free Cash Flow Target to account for the impact of any transaction described above, the Committee shall also adjust the ROIC Target and Free Cash Flow Target for any related disposition(s) or divestiture(s) that may be required by any regulatory authorities in connection with or as a condition to approval or completion of such transaction (notwithstanding that any such disposition or divestiture may have a transaction value of less than \$1 billion). For the avoidance of doubt, in the case of any transaction where the Corporation's financial or ownership interest is less than one hundred percent, the determination of the transaction value for purposes of the \$1 billion threshold shall only take into account the value of the Corporation's interest.

(b) For any year in which the Committee determines that ROIC or Free Cash Flow is impacted by unusual or non-recurring events affecting the Corporation, any Subsidiary or the financial statements of the Corporation or any Subsidiary, by items of gain, loss or expense that is extraordinary or unusual in nature or infrequent in occurrence, including but not limited to (i) the timing or recognition of a loss on a program, (ii) events or circumstances impacting a program that are outside of the Corporation's control, or (iii) changes in applicable law or regulations, the Committee will adjust the Long Range Plan, actual financial results, or both, as appropriate, for the current and future periods to neutralize such impacts.

(c) All references in this Award Agreement to the 2024 Long Range Plan shall be to the 2024 Long Range Plan as was in effect on February 20, 2024.

Section 3. Total Stockholder Return Performance Factor.

3.1. Peer Performance Group. The Total Stockholder Return Performance Factor will be based upon the relative ranking of the Corporation's TSR (as defined in Section 3.2) for the Performance Period to the TSR for the Performance Period for each company in the "Peer Performance Group." The "Peer Performance Group" shall consist of the following companies (each a "Peer Company"):

Company	Ticker	Company	Ticker
AECOM	ACM	Illinois Tool Works Inc.	ITW
AGCO Corporation	AGCO	Johnson Controls International plc	JCI
Builders FirstSource, Inc.	BLDR	L3Harris Technologies, Inc.	LHX
Carrier Global Corporation	CARR	MasTec, Inc.	MTZ
Caterpillar Inc.	CAT	Northrop Grumman Corporation	NOC
Cummins Inc.	CMI	Otis Worldwide Corporation	OTIS
Deere & Company	DE	PACCAR Inc.	PCAR
Eaton Corporation plc	ETN	Parker-Hannifin Corporation	PH
EMCOR Group, Inc.	EME	Quanta Services, Inc.	PWR
Emerson Electric Co.	EMR	RTX Corporation	RTX
Fluor Corporation	FLR	Stanley Black & Decker, Inc.	SWK
General Dynamics Corporation	GD	Textron Inc.	TXT
General Electric Company	GE	The Boeing Company	BA
Honeywell International Inc.	HON	3M Company	MMM
Huntington Ingalls Industries, Inc.	HII	Trane Technologies plc	TT

The following rules apply to the composition and relative ranking of the Peer Performance Group during the Performance Period:

(a) If, on or before the last trading day of the twenty-fourth month of the Performance Period (i.e., on or before December 31, 2025), a Peer Company publicly announces that it has entered into a definitive agreement to be acquired (including, without limitation, a merger or other business combination of a Peer Company with another entity in which

the Peer Company is not the survivor or the sale of all or substantially all of a Peer Company's assets), then that Peer Company will be immediately removed from the Peer Performance Group as of the beginning of the Performance Period. In the case of the public announcement of a merger or other business combination involving two Peer Companies in which following the closing of such transaction neither Peer Company will survive, both Peer Companies will be immediately removed from the Peer Performance Group as of the beginning of the Performance Period.

(b) If, after the last trading day of the twenty-fourth month of the Performance Period (i.e., after December 31, 2025), a Peer Company publicly announces that it has entered into a definitive agreement to be acquired (including, without limitation, a merger or other business combination of a Peer Company with another entity in which the Peer Company is not the survivor or the sale of all or substantially all of a Peer Company's assets), then that Peer Company's TSR ranking will be fixed at its ranking relative to the Corporation's TSR (i.e., ranking either above or below the Corporation) as of the date of the announcement. In the case of the public announcement of a merger or other business combination involving two Peer Companies in which following the closing of such transaction neither Peer Company will survive, both Peer Companies' TSR ranking will be fixed at its ranking relative to the Corporation's TSR as of the date of the announcement. For purposes of this Section 3.1(b), TSR will be calculated in accordance with Section 3.2, with the "Ending Price" determined using the average closing price of a share of common stock (as quoted in the principal market on which it is traded as of the beginning and the ending of the Performance Period) during the twenty (20) day trading period ending on the day before the announcement.

(c) If as a result of a public announcement of a transaction involving a Peer Company, a Peer Company is removed from the Peer Performance Group pursuant to Section 3.1(a) above or its TSR is fixed pursuant to Section 3.1(b) above and such transaction closes during the Performance Period and following the closing of such transaction the survivor is publicly traded on a securities exchange under the Peer Company's pre-transaction ticker symbol or under another ticker symbol that includes the Peer Company's pre-transaction trading history, as determined by the Corporation using the tool the Corporation has designated in its discretion for computing Total Stockholder Return, then subsequent to the closing the Peer Company will be added back to the Peer Performance Group for the entire Performance Period. If both parties to the transaction are Peer Companies, then Section 3.1(a) or 3.1(b) will apply to one Peer Company and Section 3.1(a), 3.1(b), or 3.1(c) will apply to the other Peer Company. For example, if two Peer Companies announce a merger in which neither Peer Company is the survivor before the last trading day of the twenty-fourth month of the Performance Period, then (i) both Peer Companies will be removed immediately from the Peer Performance Group under Section 3.1(a), and (ii) one Peer Company will be added back into the Peer Performance Group only if the merger closes during the Performance Period and the post-merger entity continues to trade under the Peer Company's pre-merger ticker symbol or a new ticker symbol that includes the Peer Company's pre-transaction trading history.

(d) If during the Performance Period a transaction involving one Peer Company that was announced prior to the start of the Performance Period closes, and the survivor is publicly traded on a securities exchange under the Peer Company's pre-transaction

ticker symbol or under another ticker symbol that includes the Peer Company's pre-transaction trading history, as determined by the Corporation using the tool the Corporation has designated in its discretion for computing Total Stockholder Return, then the Peer Company will remain in the Peer Performance Group. If, on or before the last trading day of the twenty-fourth month of the Performance Period (i.e., on or before December 31, 2025), a transaction involving one Peer Company that was announced prior to the start of the Performance Period closes, and the survivor is not publicly traded on a securities exchange under the Peer Company's pre-transaction ticker symbol or under another ticker symbol that includes the Peer Company's pre-transaction trading history, as determined by the Corporation using the tool the Corporation has designated in its discretion for computing Total Stockholder Return, then the Peer Company will be immediately removed from the Peer Performance Group as of the beginning of the Performance Period. If, after the last trading day of the twenty-fourth month of the Performance Period (i.e., after December 31, 2025), a transaction involving one Peer Company that was announced prior to the start of the Performance Period closes and the survivor is not publicly traded on a securities exchange under the Peer Company's pre-transaction ticker symbol or under another ticker symbol that includes the Peer Company's pre-transaction trading history, as determined by the Corporation using the tool the Corporation has designated in its discretion for computing Total Stockholder Return, then that Peer Company's TSR ranking will be fixed at its ranking relative to the Corporation's TSR (i.e., ranking either above or below the Corporation) as of the closing of the transaction. For purposes of the previous sentence of this Section 3.1(d), TSR will be calculated in accordance with Section 3.2, with the "Ending Price" determined using the average closing price of a share of common stock (as quoted in the principal market on which it is traded as of the beginning and the ending of the Performance Period) during the twenty (20) day trading period ending on the day before the closing of the transaction.

(e) If a Peer Company files for bankruptcy under the US Bankruptcy Code (Title 11 of the United States Code) at any time during the Performance Period, then that Peer Company will be ranked last for purposes of the end of Performance Period calculation described in Section 3.2.

3.2. Calculation of Total Stockholder Return Performance Factor.

Your Total Stockholder Return Performance Factor, expressed as a percentage, will be determined in accordance with the table below based on the Corporation's Percentile Ranking of TSR against the Peer Performance Group for the Performance Period; provided, however, that, notwithstanding anything in this Award Agreement to the contrary, if the Corporation's TSR for the three-year Performance Period is negative, the maximum Total Stockholder Return Performance Factor shall not exceed 100%. At the end of the Performance Period, each company's TSR shall be ranked among the TSRs for each other company in the Peer Performance Group on a percentile basis (using the Excel PERCENTRANK function), taking into account any changes to the Peer Performance Group or ranking changes made during the Performance Period in accordance with Section 3.1(a) – (e) (the "Percentile Ranking").

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

If the Corporation's TSR puts the Corporation over the listed Percentile Ranking for the applicable Band (other than Band One) in the above table, your Total Stockholder Return Performance Factor shall be interpolated on a linear basis.

For purposes of this Award Agreement, "Total Shareholder Return" or "TSR" means on a percentage basis, with respect to the Corporation or any Peer Company, the price appreciation of such company's common stock plus the value of reinvested dividends, calculated using the Beginning Price and the Ending Price, where

"Ending Price" means the average closing price of a share of common stock during the twenty (20) day trading period ending December 31, 2026 (or another ending date specified in Section 3.1); and

"Beginning Price" means the average closing price of a share of common stock during the twenty (20) day trading period ending December 31, 2023.

The Committee, in its sole discretion, may adjust TSR as necessary for any changes in equity structure, including but not limited to stock splits or other stock dividends. The Total Stockholder Return for the Corporation and each Peer Company shall be computed from data available to the public using the tool the Corporation has designated in its discretion for computing Total Stockholder Return. The Corporation's Total Stockholder Return will be based on the performance of the Stock. With respect to the Peer Companies, the Total Stockholder Return of each company that is taken into account in computing each Peer Company's Total Stockholder Return will be based on the equity security of the relevant company that is traded using the ticker symbol indicated in the chart in Section 3.1 to the right of the Peer Company's name, or a successor ticker symbol determined as described in Section 3.1(c) or Section 3.1(d).

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

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

<u>ROIC Band</u>	<u>ROIC Performance Factor</u>
112% of Target	200% (Maximum)
ROIC Target	100%
90% of Target	25% (Threshold)

(a) ROIC Definition. For purposes of this Award Agreement, “ROIC” means return on invested capital for the Performance Period calculated as (A) average annual (i) net income (excluding any charge or addition to net income resulting solely from adjustment of deferred tax assets and liabilities for the effect of enactment of corporate tax reform and related legislation and regulations that change the top United States federal corporate income tax rate by two or more percentage points after the Award Date (“Tax Reform”)), plus (ii) interest expense times one minus the weighted average of the highest marginal federal corporate income tax rates over the three year Performance Period, adjusted to reflect any applicable limitations on deductibility of the Corporation’s interest expense, divided by (B) the average thirteen quarter-end investment balances (beginning with the quarter-end immediately preceding the beginning of the Performance Period) consisting of (i) debt (including current maturities of long-term debt) plus (ii) stockholders’ equity plus the postretirement plans amounts determined quarterly as included in the Corporation’s Statement of Stockholders’ Equity. For any year in which net income would otherwise be affected by Tax Reform, net income shall be adjusted by substituting the effective tax rate assumed in the 2024 Long Range Plan for the actual effective tax rate (and ignoring the adjustment under clause (A)(i) above, if any, to the extent necessary to avoid double counting of tax impacts); for any other year in which net income would otherwise be affected by a change in law or interpretation of law related to the amortization of research or experimental expenditures under Section 174 of the Code, as amended from time to time, as reflected in any future Long Range Plan, financial statement or tax return, net income shall be adjusted to neutralize the impact of such change in law or interpretation of law. Net income also shall be adjusted to exclude any non-cash settlement charge to earnings resulting solely from a plan termination or one or more risk transfer transactions to manage the Corporation’s pension liabilities that were not included in the 2024 Long Range Plan, including any transactions involving the purchase or conversion of a group annuity contract for a portion of the Corporation’s outstanding defined benefit pension obligations that are treated as a settlement for accounting purposes.

(b) ROIC Determination. Each component of ROIC and the calculation of any postretirement plans amounts recorded in the Corporation’s Statement of Stockholders’ Equity shall be determined by the Committee in accordance with generally accepted accounting principles in the United States and be based upon the comparable numbers reported on the Corporation’s audited consolidated financial statements or, if audited financial statements are not available for the date or period on which ROIC is being determined, the Committee shall make its determination in a manner consistent with the historical practices used by the Corporation in determining the components of ROIC and postretirement plans amounts recorded in the Corporation’s Statement of Stockholders’ Equity for purposes of reporting those items on its audited financial statements, as modified by this paragraph. Notwithstanding the foregoing, ROIC will be adjusted to exclude the impact of any change in accounting standards or adoption of any new accounting standard that was not included in the 2024 Long Range Plan that is required

under generally accepted accounting principles in the United States and that is reported in the Corporation's filings with the Securities and Exchange Commission as having a material effect on the Corporation's consolidated financial statements. ROIC, as included in the 2024 Long Range Plan, and the change in ROIC for purposes of the ROIC Performance Factor, will be determined in accordance with this Section 4.1(b).

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

<u>Free Cash Flow Band</u>	<u>Free Cash Flow Performance Factor</u>
130% of Target	200% (Maximum)
Free Cash Flow Target	100%
85% of Target	25% (Threshold)

(a) Free Cash Flow Definition. For purposes of this Award Agreement, "Free Cash Flow" means net cash flow from operations less capital expenditures, adjusted to exclude the impact of: (i) the aggregate after tax difference between the amount forecasted in the Corporation's 2024 Long Range Plan to be contributed by the Corporation to the Corporation's defined benefit pension plans during the Performance Period and the actual amounts contributed by the Corporation during the Performance Period; (ii) any tax payments or tax benefits during the Performance Period associated with the divestiture of business units, other than tax payments or tax benefits that were included in the Corporation's 2024 Long Range Plan; and (iii) for any year in which Free Cash Flow would otherwise be affected by (I) Tax Reform or (II) an annual net change in cash tax liability resulting from a change in law or interpretation of law related to the amortization of research or experimental expenditures under Section 174 of the Code, as amended from time to time, as reflected in any future Long Range Plan, financial statement or tax return, the aggregate difference between the tax payments forecasted in the 2024 Long Range Plan and the actual tax payments (and adjusting the amount under clause (i) above, if any, to the extent necessary to avoid double counting of tax impacts).

(b) Free Cash Flow Determination. Free Cash Flow shall be determined by the Committee using amounts reported on the Corporation's audited consolidated financial statements or, if audited financial statements are not available for the period for which Free Cash Flow is being determined, the Committee shall determine Free Cash Flow in a manner consistent with the historical practices used by the Corporation in determining net cash provided by operating activities and capital expenditures as reported in its audited consolidated statement of cash flows, in either case as modified by this paragraph. Notwithstanding the foregoing, Free Cash Flow will be adjusted to exclude the impact of any change in accounting standards or adoption of any new accounting standard that was not included in the 2024 Long Range Plan that is required under generally accepted accounting principles in the United States and that is reported in the Corporation's filings with the Securities and Exchange Commission as having a material effect on the Corporation's consolidated financial statements.

4.3 Interpolation of ROIC and Free Cash Flow Metrics. If the Corporation's ROIC or Free Cash Flow falls above or below Target and between the two percentages of Target listed in the applicable table in Section 4.1 or 4.2, the appropriate performance factor will be interpolated on a linear basis. Notwithstanding the foregoing, the ROIC Performance Factor will always be zero if the ROIC for the Performance Period is less than 90% of the ROIC Target and the Free Cash Flow Performance Factor will always be zero if the aggregate Free Cash Flow for the Performance Period is less than 85% of the Free Cash Flow Target.

Section 5. Payment of Award.

5.1. Employment Requirement.

(a) General Rule. In order to be eligible to receive payment of your Award as determined under Sections 2.1(d), 5.2 and 5.3, you must accept this Award Agreement as described in Section 18 and remain employed by the Corporation through the last day of the Performance Period. Except as provided below or where prohibited by law, if your employment as an Employee terminates during the Performance Period, you shall forfeit your right to receive all or any part of your Award. If you are on Corporation-approved leave of absence at any point during the Performance Period, for purposes of this Award Agreement, you will be considered to still be in the employ of the Corporation, unless otherwise provided in an agreement between you and the Corporation.

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

(1) that your employment as an Employee terminated as a result of your death, Total Disability or Retirement, or a Divestiture, or

(2) that the Corporation terminated your employment involuntarily after August 22, 2024 (the "Minimum Service Date"), (except that, if you are an employee who has been identified by the Corporation as subject to Divestiture, "after the Minimum Service Date," does not apply to you) as a result of a layoff, including through a voluntary layoff program that constitutes a window program under Section 409A of the Code,

you shall be eligible to receive a fraction of your Potential Award. The numerator of such fraction shall equal the number of days from the Award Date to the date your employment as an Employee terminated, and the denominator shall equal the total number of days from the Award Date to the end of the Performance Period.

As a condition to being eligible to receive a portion of your Potential Award as a result of your layoff in accordance with Section 5.1(b)(2), you will be required to execute and deliver to the Corporation a general release of claims against the Corporation in a form acceptable to the Corporation within the time period specified by the Corporation in such release and not revoke such release within any revocation period provided for therein. Except as otherwise expressly provided by the Corporation in writing, a failure to satisfy this condition will result in forfeiture of your right to receive all or any part of your Award on the date of your layoff.

The Committee shall have complete and absolute discretion to make the determinations called for under this Section 5.1(b), and all such determinations shall be binding on you and on any person who claims all or any part of your Award on your behalf as well as on the Corporation.

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

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

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

(3) Your employment as an Employee shall be treated as terminating because of "Retirement" if the effective date of your termination of employment is after the "Minimum Service Date, and (i) after you reach age 65, or (ii) after you reach age 55 and have (at the time of your termination) completed at least ten years of service with the Corporation. For this purpose, the effective date of your termination of employment is the day next following your last day worked.

(d) Resignation or Termination before the Last Day of the Performance Period.

(1) Except where prohibited by law, if you resign or your employment otherwise terminates before the last day of the Performance Period, other than on account of death, Total Disability, layoff, Retirement or Divestiture (as described above) or Change in Control (as described below), you will forfeit your right to receive all or any part of your Award on the date of your termination.

(2) Except where prohibited by law, if your employment terminates for any reason before the last day of the Performance Period by action of the Corporation due to your misconduct, then you will forfeit your right to receive all or any part of your Award on the date of your termination, even if at the time of your termination due to misconduct you have attained (i) age 55 and ten years of service, or (ii) age 65. The business area or Enterprise Operations review committee responsible for determinations of misconduct, or the Committee if you

are an Elected Officer, will determine if your employment terminates due to misconduct.

5.2. Payment Rules.

(a) General Rule: Vesting; Method of Payment; Timing of Payment. If you are eligible to receive all, or a portion of, your Potential Award under Section 5.1, up to \$10,000,000 of your Potential Award shall be fully vested on the date on which the Committee certifies in writing that your Target Award has become a Potential Award for the Performance Period. This portion of your award shall be known as the "Payable Portion" of your Potential Award. The Payable Portion of your Potential Award shall be (i) paid to you in cash as soon as administratively practicable after the certification date described above, but not later than March 15, 2027, or (ii) deferred in accordance with Section 5.2(c), if applicable. Subject to any deferral election under Section 5.2(c), in the event of your death, the Payable Portion of your Potential Award will be made to your Beneficiary.

(b) Special Rules for Certain Employees Terminated During Performance Period. If you terminate employment during the Performance Period but are eligible to receive a portion of your Potential Award as a result of an exception under Section 5.1(b), payment of such portion of your Potential Award shall be in full satisfaction of all rights you have under this Award Agreement. The portion of your Potential Award payable to you following a termination of employment during the Performance Period under circumstances described in Section 5.1(b) shall be paid to you or, in the event of your death, to your Beneficiary, at the time specified in Section 5.2(a) (subject to Section 5.2(c)).

(c) Deferral. You may be given an opportunity to elect to defer any amounts payable under Section 5.2 of this Award Agreement. In such event, such election shall be irrevocable, shall be made in accordance with the terms of the Lockheed Martin Corporation Deferred Management Incentive Compensation Plan ("DMICP") and the requirements of Section 409A of the Code, and shall be subject to such additional terms and conditions as are set by the Committee. A deferral election form and the terms and conditions for any deferral will be furnished to you in due course. The beneficiary designation for the DMICP shall govern any amounts deferred under the terms of the DMICP. This Section 5.2(c) shall not apply if you are a taxpayer in a country other than the United States or are not otherwise eligible to participate in the DMICP.

(d) Payment Rules Applicable to Canadian Employees. If you are employed in Canada, for purposes of the Award Agreement, the date of termination of employment will be the last day of actual and active employment. For the avoidance of doubt, except as may be required by applicable minimum standards legislation, no period of notice or payment in lieu of notice that is given or that ought to have been given under any applicable law or contract in respect of such termination of employment that follows or is in respect of a period after your last day of actual and active employment, if any, will be considered as extending your period of employment for the purposes of determining your entitlement under this Agreement.

5.3. Cutback. Any portion of your Potential Award in excess of the Payable Portion of your Potential Award will be forfeited to the extent that such portion, together with payments attributable to any other Cash-Based Awards that are granted during 2024 as Performance Based Awards, exceeds \$10,000,000. Amounts in excess of any Plan limits also shall be forfeited.

Section 6. No Assignment – General Creditor Status.

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

Section 7. Plan.

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

Section 8. Change in Control.

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

8.2 Special Definitions. For purposes of this Award Agreement:

(a) Cause shall mean either of the following:

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

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

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

Your continued employment following an event that would constitute a basis for voluntary termination with Good Reason shall not constitute Good Reason if you consent to, or waive your rights with respect to, any circumstances constituting Good Reason. In addition, the occurrence of an event described in 1) through 5) shall constitute the basis for voluntary termination for Good Reason only if you provide written notice of your intent to terminate employment within 90 days of the first occurrence of such event and the Corporation has had at least 30 days from the date on which such notice is provided to cure such occurrence. If you do not terminate employment for Good Reason within 180 days after the first occurrence of the applicable grounds, then you will be deemed to have waived your right to terminate for Good Reason with respect to such grounds.

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

Section 9. Amendment and Termination.

As provided in Section 9 of the Plan, the Board of Directors may at any time amend, suspend or discontinue the Plan and the Committee may at any time deviate from or amend this Award Agreement. Notwithstanding the foregoing, no such action by the Board of Directors or the Committee shall amend Sections 1, 2, 3, 4, or 5 in a manner adverse to you or reduce the amount payable hereunder in a material manner without your written consent. For this purpose, a change in the amount payable hereunder that occurs solely by reason of a change in the date or form of payment due to Section 409A of the Code or Section 16 of the Exchange Act shall in no case be treated as a reduction prohibited by this Section 9. Thus, for example, if an amount payable by reason of Section 8 is delayed by an amendment to this Award Agreement or other action undertaken to comply with Section 409A of the Code, such a change shall not be treated

as a reduction prohibited by this Section 9. This Section 9 shall be construed and applied so as to permit the Committee to amend this Award Agreement at any time in any manner reasonably necessary or appropriate in order to comply with the requirements of Section 16 of the Exchange Act and of Section 409A of the Code, including amendments regarding the timing and form of payments hereunder.

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

To the extent recognized under applicable law, if you are located outside of the United States, then by accepting this Award Agreement as described in Section 18, you hereby explicitly and unambiguously consent to, and acknowledge the need for, the collection, use and transfer, in electronic or other form, of your Personal Data (defined below) as described in this Award Agreement by and among the Corporation for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Corporation collects, holds, uses, and processes certain information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares or directorships held in the Corporation, details of all awards or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan ("Personal Data"). The Corporation acts as the controller/owner of this Personal Data, and processes this Personal Data for purposes of implementing, administering, and managing the Plan. The Corporation protects the Personal Data that it receives in the United States from the European Union ("EU"), or any other location outside the United States, in accordance with data transfer agreements based on EU-approved Standard Contractual Clauses.

You understand that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere, and that the recipient's country may have different, including less stringent, data privacy laws and protections than your country. You may request a list with the names and addresses of any third-party recipients of the Personal Data at any time by contacting your local human resources representative. When disclosing Personal Data to these third parties, the Corporation provides appropriate safeguards for protecting the transfer of your Personal Data, such as establishing standard data protection clauses with the third parties as adopted by the European Commission. You may request a copy of, or information about, such safeguards by contacting your local human resources representative. You recognize that the Corporation and any other possible recipients including any present or future third-party recipients must receive, possess, use, retain and transfer your Personal Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Personal Data as may be required to a broker or other third party with whom the Corporation may elect to administer the settlement of any award. You understand that Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan and comply with applicable legal requirements.

To the extent provided by your local law, you may, at any time, have the right to request: access to your Personal Data, rectification of your Personal Data, erasure of your Personal

Data, restriction of processing of your Personal Data, portability of your Personal Data and information about the storage and processing of your Personal Data. You may also have the right to object, on grounds related to a particular situation, to the processing of your Personal Data, as well as to refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

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

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

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

Section 12. Conflict.

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

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

It is the intent of the Corporation that your Award not be subject to taxation under Section 409A(a)(1) of the Code. Nevertheless, in the event that your Award is subject to Section 409A of the Code, as determined by the Senior Vice President, Chief Human Resources Officer or delegate, in consultation with the General Tax Counsel or delegate, the following rules apply: (i) the Award will be interpreted and administered to meet the requirements of Sections 409A(a)(2), (3) and (4) of the Code and thus to be exempt from taxation under Section 409A(a)(1) of the Code; (ii) no Award payment will be made on account of your termination of employment unless the termination of employment constitutes a "separation from service" under Section 409A(a)(2)(a)(i) of the Code; and (iii) if you are a "specified employee" within the meaning of Section 409A of the Code, any payment in respect of this Award made on account of a termination of employment will be delayed for six (6) months following such termination of employment, and then made at the earliest date permitted by Section 409A of the Code.

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

Except where prohibited by law, by accepting this Award Agreement as described in Section 18, you agree to the terms of the Post-Employment Conduct Agreement contained in Exhibit A to this Award Agreement and you acknowledge receipt of the Stock Ownership Requirements attached as Exhibit B to this Award Agreement and agree to comply with such Stock Ownership Requirements as amended from time to time. If you are not a Vice President (or above) on the Award Date, but you are promoted to Vice President (or above) prior to the last day of the Performance Period, the Stock Ownership Requirements as in effect at that time shall become applicable to you on the date of your promotion to Vice President (or above).

Section 15. English Language.

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

Quebec Residents Only: The Parties have agreed that this Award Agreement, the Plan as well as any notice, document or instrument relating to them be drawn up in English only. You acknowledge that, upon your reasonable request, the Corporation will provide a French translation of such documents to you. Les parties aux présentes ont convenu que la présente accord, le "Plan," ainsi que tous autres avis, actes ou documents s'y rattachant soient rédigés en anglais seulement. Vous reconnaissez que, à votre demande raisonnable, "the Corporation" fournit une traduction française de ces documents à vous.

Section 16. Currency Exchange Risk.

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

Section 17. Exchange Control Requirements.

You agree and acknowledge that you will comply with any and all exchange control requirements applicable to the Award and any resulting funds including, without limitation, reporting or repatriation requirements. You further agree and acknowledge that you will determine whether any such requirements are applicable to the Award and any resulting funds, and that you are not relying on the Corporation for any advice in this regard.

Section 18. Acceptance of Award Agreement; Electronic Delivery.

By accepting this Award Agreement, you consent to receive copies of the Prospectus applicable to this Award through the Stock Plan System at <https://atwork.morganstanley.com>) as well as to electronic delivery of the Corporation's annual report on Form 10-K, proxy statement and quarterly reports on Form 10-Q. This consent can only be withdrawn by written notice to the Vice President of Total Rewards at Lockheed Martin Corporation, Mail Point 126, 6801 Rockledge Drive, Bethesda, MD 20817. The Corporation will deliver any documents related to the Award under the Plan or future Awards that may be awarded under the Plan through the Stock Plan System. The Corporation will request your consent to participate in the Plan through the Stock Plan System. You hereby consent to receive such documents and agree to participate in the Plan through the Stock Plan System.

No Award is enforceable until you properly acknowledge your acceptance of this Award Agreement by completing the electronic receipt on the Stock Plan System as soon as possible but in no event later than the Acceptance Deadline. Acceptance of this Award Agreement must be made only by you personally or by a person acting pursuant to a power of attorney in the event of your inability to acknowledge your acceptance (and not by your estate, your spouse or any other person) and constitutes your consent to any action taken under the Plan consistent with its terms with respect to this Award. Notwithstanding the foregoing, this Award will be enforceable and deemed accepted, and will not be forfeited, if you are unable to accept this Award Agreement personally by the Acceptance Deadline, due to your death, disability, incapacity, deployment in the Armed Forces, or similar unforeseen circumstance as determined by the Corporation in its discretion. If you desire to accept this Award, you must acknowledge your acceptance and receipt of this Award Agreement electronically on or before the Acceptance Deadline, by going to the Stock Plan System at <https://atwork.morganstanley.com>.

Assuming prompt and proper acknowledgment of this Award Agreement as described in this Section 18, this Award will be effective as of the Award Date.

Appendix I
Capitalized Terms

Acceptance Deadline	3 rd ¶
Award	1 st ¶
Award Date	Header
Beneficiary	Plan
Cash-Based Award	Plan
Free Cash Flow	§ 4.2(a)
Free Cash Flow Performance Factor	§ 4.2
Free Cash Flow Target	§ 2.1(c)
Cause	§ 8.2(a)
Change in Control	Plan
Code	Plan
Committee	2 nd ¶
Corporation	1 st ¶
Currency Exchange Risk	§ 16
Divestiture	§ 5.1(c)(2)
DMICP	§ 5.2(c)
Employee	Plan
Exchange Act	Plan
Good Reason	§ 8.2(b)
Insider	Plan
LTIP	1 st ¶
Minimum Service Date	§ 5.1(b)(2)
Payable Portion	§ 5.2(a)
Peer Company	§ 3.1
Peer Performance Group	§ 3.1
Percentile Ranking	§ 3.2
Performance-Based Award	Plan
Performance Period	§ 1.2
Personal Data	§ 10
Plan	1 st ¶
Post-Employment Conduct Agreement	4 th ¶
Potential Award	§ 2.1(d)
Retirement	§ 5.1(c)(3)
ROIC	§ 4.1(a)
ROIC Performance Factor	§ 4.1
ROIC Target	§ 2.1(b)
Stock Ownership Requirements	4 th ¶
Stock Plan System	2 nd ¶
Subsidiary	Plan
Target Award	1 st ¶, § 1.1
Tax or Taxes	Plan
Tax Reform	§ 4.1(a)
Total Disability	§ 5.1(c)(1)
Total Stockholder Return or TSR	§ 3.2
Total Stockholder Return Performance Factor	§ 3.1; § 3.2
2024 Long Range Plan	§ 2.2(c)

Exhibit A
Post-Employment Conduct Agreement
(LTIP Grant)

This Post-Employment Conduct Agreement (this "PECA") attached as Exhibit A to the Award Agreement with an Award Date of February 22, 2024, (the "Award Agreement") is entered into in consideration of, among other things, the grant of a Long Term Incentive Performance Award to me under the Award Agreement (the "LTIP") pursuant to the Lockheed Martin Corporation 2020 Incentive Performance Award Plan (the "Plan") and the consideration set forth in Section 2 below. References to the "Corporation" shall include Lockheed Martin Corporation and its Subsidiaries. By accepting the LTIP, I agree as follows:

1. Restrictions Following Termination of Employment.

(a) Covenant Not To Compete – Without the express written consent of the "Required Approver" (as defined in Section 6), during the "Restricted Period" (as defined in Section 6), I will not, directly or indirectly, be employed by, provide services to, or advise a "Restricted Company" (as defined in Section 6), whether as an employee, advisor, director, officer, partner or consultant, or in any other position, function or role that, in any such case,

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

I acknowledge and agree that: (A) the enforcement of this PECA pursuant to Section 1(a) is necessary to protect, among other interests, the Corporation's trade secrets and other Confidential or Proprietary Information, as defined by Section 1(c), and goodwill in its customers and employees, and (B) Section 1(a) shall not apply to me if I am covered under an applicable state statute or local ordinance or rule prohibiting non-competition restrictions, including on the basis of my income or profession. In addition, if I primarily work or reside in California, Section 1(a) shall only apply while I am employed by or otherwise working for the Corporation.

To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct (such as the ABA Model Rules of Professional Conduct and state versions thereof), Sections 1(a)(i) and (ii) and Section 1(b) relating to non-solicitation, shall apply to individuals who are employed by the Corporation in an attorney position and whose occupation during the Restricted Period does not include practicing law.

In lieu of Section 1(a)(i) and (ii), as well as Section 1(b) relating to non-solicitation, the following Section 1(a)(iii) shall apply to individuals who are employed by the Corporation in an attorney position, and whose occupation during the Restricted Period includes practicing law.

- (iii) **Post-Employment Activity As a Lawyer** – I acknowledge that as counsel to the Corporation, I owe ethical and fiduciary obligations to the Corporation and that at least some of these obligations will continue even after my Termination Date (as defined in Section 6) with the Corporation. I agree that after my Termination Date I will comply fully with all applicable ethical and fiduciary obligations that I owe to the Corporation. To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct, I agree that I will not:
- (a) Represent any client in the same or a substantially related matter in which I represented the Corporation where the client's interests are materially adverse to the Corporation; or
 - (b) Disclose confidential information relating to my representation of the Corporation, including the disclosure of information that is to the disadvantage of the Corporation, except for information that is or becomes generally known.

The Corporation's Senior Vice President, General Counsel, and Corporate Secretary or the General Tax Counsel, as applicable, will determine in their discretion whether an individual is employed by the Corporation in an attorney position.

(b) **Non-Solicit** – Without the express written consent of the Required Approver, during the two-year period following the Termination Date, I will not (i) cause or attempt to cause, directly or indirectly, the complete or partial loss of any contract in effect before the Termination Date between the Corporation and any customer, supplier, distributor or manufacturer of or to the Corporation with which I was responsible, in whole or in part, for soliciting, negotiating, implementing, managing, or overseeing or (ii) induce or attempt to induce, directly or indirectly, any person who is an employee of the Corporation with whom I worked or interacted with within two years prior to the Termination Date to cease employment with the Corporation in order to perform work or services for any entity other than the Corporation.

I acknowledge and agree that: (A) the enforcement of this PECA pursuant to Section 1(b)(i) is necessary to protect, among other interests, the Corporation's trade secrets and other Confidential or Proprietary Information, as defined by Section 1(c), and goodwill in its customers and employees, and (B) Section 1(b)(i) shall not apply to me if I am covered under an applicable state statute or local ordinance or rule prohibiting non-solicitation restrictions, including on the basis of my income or profession. In addition, if I primarily reside or work in California, Section 1(b) shall apply only while I am employed by or otherwise working for the Corporation.

(c) **Protection of Proprietary Information** – Except to the extent required by law, following my Termination Date, I will have a continuing obligation to comply with the terms of any non-disclosure or similar agreements that I signed while employed by the Corporation committing to hold confidential the "Confidential or Proprietary Information" (as defined below) of the Corporation or any of its affiliates, subsidiaries, related companies, joint ventures, partnerships, customers, suppliers, partners, contractors or agents, in each case in accordance with the terms

of such agreements. I will not use or disclose or allow the use or disclosure by others to any person or entity of Confidential or Proprietary Information of the Corporation or others to which I had access or that I was responsible for creating or overseeing during my employment with the Corporation. In the event I become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or otherwise) to disclose any proprietary or confidential information, I will immediately notify the Corporation's Senior Vice President, General Counsel, and Corporate Secretary as to the existence of the obligation and will cooperate with any reasonable request by the Corporation for assistance in seeking to protect the information. All materials to which I have had access, or which were furnished or otherwise made available to me in connection with my employment with the Corporation shall be and remain the property of the Corporation. For purposes of this PECA, "Confidential or Proprietary Information" means trade secrets, as defined by the federal Defend Trade Secrets Act of 2016 and/or applicable state trade secret law, and Sensitive Information within the meaning of CRX-015 (a copy of which has been made available to me), including but not limited to information that a person or entity desires to protect from unauthorized disclosure to third parties that can provide the person or entity with a business, technological, or economic advantage over its competitors, or which, if known or used by third parties or if used by the person's or entity's employees or agents in an unauthorized manner, might be detrimental to the person's or entity's interests. Confidential or Proprietary Information may include, but is not limited to:

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

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

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

(f) Communications with Regulatory Authorities – Nothing in this PECA prohibits or restricts me (or my attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission, Equal Employment Opportunity Commission, or any other federal or state regulatory authority.

(g) Notices (including under the Defend Trade Secrets Act and National Labor Relations Act) – Notwithstanding anything in this PECA to the contrary:

- (i) I will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document that is filed under seal in a lawsuit or other proceeding.
- (ii) If I file a lawsuit for retaliation by the Corporation for reporting a suspected violation of law, I may disclose the Corporation's trade secrets to my attorney and use the trade secret information in the court proceeding if I (1) file any document containing the trade secret under seal; and (2) do not disclose the trade secret, except pursuant to court order.
- (iii) Nothing in this PECA in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding, me from (1) for non-supervisory employees only, exercising my rights under Section 7 of the National Labor Relations Act (NLRA) (including with respect to engaging in concerted activities for the purpose of collective bargaining or other mutual aid or protection, discussing terms and conditions of employment, or otherwise engaging in protected conduct); or (2) otherwise disclosing or discussing truthful information about unlawful employment practices (including unlawful discrimination, harassment, retaliation, or sexual assault).

2. Consideration and Acknowledgement. I acknowledge and agree that the benefits and compensation opportunities being made available to me under the Award Agreement are in addition to the benefits and compensation opportunities that otherwise are or would be available to me in connection with my employment by the Corporation and that the grant of the LTIP is expressly made contingent upon my agreements with the Corporation set forth in this PECA. I acknowledge that the scope and duration of the restrictions in Section 1 are necessary to be effective and are fair and reasonable in light of the value of the benefits and compensation opportunities being made available to me under the Award Agreement. I further acknowledge and agree that as a result of the high level executive and management positions I hold with the Corporation and the access to and extensive knowledge of the Corporation's Confidential or Proprietary Information, employees, suppliers and customers, (i) these restrictions are reasonably required for the protection of the Corporation's legitimate business interests, including, but not limited to, the Corporation's Confidential or Proprietary Information, (ii) the area, duration and scope of the restrictions are reasonable and necessary to protect the Corporation, (iii) the restrictions do not unduly oppress or restrict my ability to earn a livelihood in my profession, and (iv) the restrictions are not an undue restraint on my trade or any of the public interests that may be involved.

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

(a) I agree, upon demand by the Corporation, to forfeit, return or repay to the Corporation the "Benefits and Proceeds" (as defined below) in the event any of the following occur:

- (i) I breach any of the covenants or agreements in Section 1;
- (ii) The Corporation determines that either (a) my intentional misconduct or gross negligence, or (b) my failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Corporation, contributed to the Corporation having to restate all or a portion of its financial statements filed for any period with the Securities and Exchange Commission;
- (iii) The Corporation determines that I engaged in fraud, bribery or any other illegal act or that my intentional misconduct or gross negligence (including the failure to report the acts of another person of which I had knowledge during the period I was employed by the Corporation) contributed to another person's fraud, bribery or other illegal act, which in any such case adversely affected the Corporation's financial position or reputation;
- (iv) The Corporation determines that my intentional misconduct or gross negligence caused severe reputational or financial harm to the Corporation;
- (v) The Corporation determines that I misappropriated Confidential or Proprietary Information, as defined in Section 1(c), and I (A) intended to use the misappropriated Confidential or Proprietary Information to cause severe reputational or financial harm to the Corporation or (B) used the misappropriated Confidential or Proprietary Information in a manner that caused severe reputational or financial harm to the Corporation; or
- (vi) Under such other circumstances specified in a written recovery policy adopted by the Corporation to comply with Rule 10D-1 under the Securities Exchange Act and New York Stock Exchange listing standards requiring the Corporation to recover from executive officers erroneously awarded compensation or other applicable law.

(b) The remedy provided in Section 3(a) shall not be the exclusive remedy available to the Corporation for any of the conduct described in Section 3(a) and shall not limit the Corporation from seeking damages or injunctive relief. For purposes of Section 3(a), a determination by the Corporation means, with respect to an Elected Officer, a determination by the Management Development and Compensation Committee of the Board of Directors of the Corporation (the "Committee") and, with respect to any other employee, a determination by a review committee consisting of the Senior Vice President, Chief Human Resources Officer, the Senior Vice President, Ethics and Enterprise Assurance, and the Senior Vice President, General Counsel and Corporate Secretary.

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

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

5. Invalidity; Unenforceability. It is the desire and intent of the parties that the provisions of this PECA shall be enforced to the fullest extent permissible. The covenants in each section of this PECA are independent of any other provisions of this PECA. Each term in this PECA constitutes a separate covenant between the parties, and each term is fully severable from any other term. - The parties agree if any particular paragraphs, subparagraphs, phrases, words, or other portions of this PECA are determined by an appropriate court to be invalid or unenforceable as written, they shall be modified as necessary to comport with the reasonable intent and expectations of the parties and in favor of providing reasonable protection to all of the Corporation's legitimate business interests, and such modification shall not affect the remaining provisions of this PECA, or if they cannot be modified to be made valid or enforceable, then they shall be severed from this PECA, and all remaining terms and provisions shall remain enforceable.

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

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

(b) "Elected Officer" means an officer of the Corporation who was elected to their position by the Corporation's Board of Directors.

(c) "Required Approver" means:

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

(d) "Restricted Company" means The Boeing Company, General Dynamics Corporation, Northrop Grumman Corporation, Raytheon Technologies Corporation, Honeywell International Inc., BAE Systems Inc., L3Harris Technologies, Inc., Thales S.A., Airbus Group, Inc., Textron Inc., Leonardo S.p.A., Leidos Holdings, Inc., Space Exploration Technologies Corp. and (i) any entity directly or indirectly controlling, controlled by, or under common control with any of the foregoing, and (ii) any successor to all or part of the business of any of the foregoing as a result of a merger, reorganization, consolidation, spin-off, split-up, acquisition, divestiture, or similar transaction, or as a result of a name change.

(e) "Restricted Period" means:

- (i) with respect to an employee who is an Elected Officer at any time during the six-month period prior to their Termination Date, the two-year period following the Termination Date; or
- (ii) with respect to all other employees, the one-year period following the Termination Date

(f) "Termination Date" means my last day of employment with the Corporation.

7. Miscellaneous.

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

(b) This PECA shall be governed by Maryland law, without regard to its provisions governing conflicts of law. Any enforcement of, or challenge to, this PECA may only be brought in the United States District Court for the District of Maryland, unless it is determined that such court does not have subject matter jurisdiction, in which case any such enforcement or challenge must be brought in the Circuit Court of Montgomery County in the State of Maryland. Both parties consent to the proper jurisdiction and venue of such court, as applicable, for the purpose of enforcing or challenging this PECA. For residents of California, Massachusetts (Section 1(a) only), Minnesota (Section 1(a) only), Washington and Wisconsin, or if otherwise provided in an applicable Addendum, this Section 7(b) shall not apply; instead, the parties agree that the law of the state in which I am domiciled at the time of acceptance shall govern the interpretation,

application, and enforcement of this PECA, without regard to any choice of law rules of that or any other state, and that the exclusive venue shall be the state or federal courts sitting in or covering the county where I am domiciled at the time of acceptance.

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

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

(e) The restrictive covenants and other terms in this PECA are to be read consistent with the terms of any other restrictive covenants or other agreements that I have executed with the Corporation; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be construed as providing the broadest possible protections to the Corporation, even if such construction would require provisions of more than one such agreement to be given effect.

(f) The obligations I have undertaken in this PECA shall survive the Termination Date and no dispute regarding any other provisions of this PECA or regarding my employment or the termination of my employment shall prevent the operation and enforcement of these obligations.

(g) I acknowledge and agree that different provisions than those set forth in this PECA, including with respect to the restrictive covenant obligations, may apply to me if I primarily reside or work in certain jurisdictions. While I primarily reside or work in such a jurisdiction, including on the Termination Date, I agree that the provisions within this PECA shall be superseded only as set forth in the applicable Addendum attached hereto or as explicitly noted within the PECA.

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

COLORADO ADDENDUM TO POST-EMPLOYMENT CONDUCT AGREEMENT

Notice of Restrictive Covenant to Colorado Employees

This notice is to advise you that the Corporation is, contemporaneously with this notice, providing you with a Post-Employment Conduct Agreement (the "PECA") containing covenants that could restrict your options for subsequent employment following separation from the Corporation, in that you will be prohibited from certain competition and solicitation of customers, employees, etc., as described in Section 1 of the PECA (and as modified by this Colorado Addendum) and from disclosing or using Confidential Information as described in Section 1 of the PECA (and as modified by this Colorado Addendum).

You acknowledge that this notice was provided to you at least fourteen (14) days before the earlier of your Termination Date, as defined in the PECA, or the effective date of the consideration provided to you for such covenant. By electronically signing the Award Agreement, you expressly acknowledge and agree that you are deemed to have separately signed this notice.

The provisions of this Colorado Addendum apply only to those employees of the Corporation who primarily work or reside in the State of Colorado.

1. The following is added to the end of Section 1(a) of the PECA "**Covenant Not to Compete**":

The restrictions described in Section 1(a) are intended to cover geographic territory where your knowledge of the Corporation's trade secrets could be used by a Restricted Company to unfairly compete with or undermine the Corporation's legitimate business interests.

2. The language in Section 1 of the PECA "**Restrictions Following Termination of Employment**" is modified by adding the following:

The restrictions related to competitive activities in Section 1(a) only apply to the extent I earn, both at the time this PECA is entered into and at the time the Corporation enforces it, an amount of annualized cash compensation equivalent to or greater than the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this PECA is entered into, and such activities will involve the inevitable use of, or near-certain influence by my knowledge of, trade secrets disclosed to me during the course of employment with the Corporation.

The restrictions related to solicitation activities in Section 1(b)(i) only apply to the extent I earn, both at the time this PECA is entered into and at the time the Corporation enforces it, an amount of annualized cash compensation equivalent to or greater than 60% of the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this PECA is entered into, and such activities will involve the inevitable use of, or near-certain influence by my knowledge of, trade secrets disclosed to me during the course of employment with the Corporation.

3. The language in Section 2 of the PECA "**Consideration and Acknowledgement**" is modified by adding the following:

I acknowledge and agree that the restrictions in this PECA are reasonable and shall not prohibit the disclosure of information arising from my general training, knowledge, skill, or experience, whether gained on the job or otherwise, information readily ascertainable to the public, and/or information an employee has a right to disclose as legally protected conduct.

4. The language in Section 7(b) of the PECA is modified by adding the following:

I understand that if I primarily reside or work in the State of Colorado at the time my employment with the Corporation is terminated, the PECA will be subject to the laws and courts of the State of Colorado. During this period, venue shall be the State and Federal courts sitting in Colorado and the parties waive any defense, whether asserted by motion or pleading, that the venue specified by this Addendum is an improper or inconvenient venue.

DISTRICT OF COLUMBIA Addendum TO POST-EMPLOYMENT CONDUCT AGREEMENT

The District of Columbia's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Corporation has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

The Corporation is, contemporaneously with this notice, providing you with a Post-Employment Conduct Agreement (the "PECA") containing covenants that could restrict your options for subsequent employment following separation from the Corporation, in that you will be prohibited from certain competition and solicitation of customers, employees, etc., as described in Section 1 of the PECA. The provisions of this District of Columbia Addendum apply only to those employees of the Corporation who primarily work in the District of Columbia and are as follows.

1. For Elected Officers, and regarding the non-competition obligation in Section 1(a) of the PECA only, the definition of "**Restricted Period**" is modified by reducing the period from two-years after the Termination Date to one year after the Termination Date.

2. The following is added to the end of Section 1(a) of the PECA "**Covenant Not to Compete**":

I understand that the non-competition obligations under Section 1(a) shall apply to me if I am a "highly compensated employee." A "highly compensated employee" for this purpose is someone who is reasonably expected to earn at least \$150,000 during a consecutive 12-month period or whose compensation earned from the Corporation in the consecutive 12-month period preceding the date the proposed non-competition is to begin is at least \$150,000. Beginning on January 1, 2024, and each calendar year thereafter, the dollar threshold for highly compensated employee status will be adjusted based on increases in the Consumer Price Index. Compensation includes the individual's hourly wages, salary, bonuses or cash incentives, commissions, overtime premiums, vested stocked (including restricted stock units), and other payments provided on a regular or irregular basis.

The restrictions described in Section 1(a) are intended to cover geographic territory where my knowledge of the Corporation's trade secrets could be used by a Restricted Company to unfairly compete with or undermine the Corporation's legitimate business interests.

3. A new Section "**Notice**" is added to the end of the PECA, reading as follows:

I agree that before being required to sign this PECA, the Corporation provided written notice to me that I had at least fourteen (14) calendar days to review the non-competition provision in the PECA before I must execute the PECA.

Exhibit B

Stock Ownership Requirements

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

Stock Ownership Requirements

Title	Annual Base Pay Multiple
Chairman, President and Chief Executive Officer	6 times
Chief Operating Officer; Chief Financial Officer	4 times
Business Area Presidents	3 times
Senior Vice Presidents	2 times
Other Elected Officers	2 times
Other Vice Presidents	1 times

Satisfaction of Requirements

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

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

Key employees will be required to achieve the appropriate ownership level within five years and are expected to make continuous progress toward their target. Appointment to a new level will reset the five-year requirement. Unvested Performance Share Units are not counted toward meeting the guidelines.

Holding Period

Covered employees must retain net vested Restricted Stock Units and Performance Stock Units if the ownership requirements are not yet satisfied.

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

**Acknowledgment of
Independent Registered Public Accounting Firm**

Board of Directors and Stockholders
Lockheed Martin Corporation

We are aware of the incorporation by reference of our report dated April 23, 2024, relating to the unaudited consolidated interim financial statements of Lockheed Martin Corporation that is included in its Form 10-Q for the quarter ended March 31, 2024, in the following Registration Statements of Lockheed Martin Corporation:

- 333-92363 on Form S-8, dated December 8, 1999;
- 333-115357 on Form S-8, dated May 10, 2004;
- 333-155687 on Form S-8, dated November 25, 2008;
- 333-188118 on Form S-8, dated April 25, 2013;
- 333-195466 on Form S-8, dated April 24, 2014, July 23, 2014 (Post-Effective Amendment No.1) and April 24, 2020 (Post-Effective Amendment No. 2);
- 333-237829, 333-237831, and 333-237832 on Form S-8, each dated April 24, 2020;
- 333-271323 on Form S-8, dated April 18, 2023; and
- 333-271325 on Form S-3, dated April 18, 2023.

/s/ Ernst & Young LLP

Tysons, Virginia
April 23, 2024

**CERTIFICATION OF JAMES D. TAICLET PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James D. Taiclet, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lockheed Martin Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ James D. Taiclet _____

James D. Taiclet
Chief Executive Officer

Date: April 23, 2024

**CERTIFICATION OF JESUS MALAVE PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jesus Malave, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lockheed Martin Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jesus Malave

Jesus Malave
Chief Financial Officer

Date: April 23, 2024

CERTIFICATION OF JAMES D. TAICLET AND JESUS MALAVE PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Lockheed Martin Corporation (the "Corporation") on Form 10-Q for the period ended March 31, 2024, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, James D. Taiclet, Chief Executive Officer of the Corporation, and I, Jesus Malave, Chief Financial Officer of the Corporation, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ James D. Taiclet

James D. Taiclet
Chief Executive Officer

/s/ Jesus Malave

Jesus Malave
Chief Financial Officer

Date: April 23, 2024