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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of Earliest Event Reported) – January 27, 2011**

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**LOCKHEED MARTIN CORPORATION**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction  
of Incorporation)

**1-11437**  
(Commission  
File Number)

**52-1893632**  
(IRS Employer  
Identification No.)

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

**20817**  
(Zip Code)

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

**Not Applicable**  
(Former name or address, if changed since last report)

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

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

On January 27, 2011, the Board of Directors, acting upon the recommendation of its Management Development and Compensation Committee (the “Committee”), did not increase and approved a 2011 base salary rate of \$1,800,000 for Robert J. Stevens, Chairman and Chief Executive Officer of the Corporation. This action was at the request of Mr. Stevens, who again volunteered to freeze his base salary rate at the rate approved in 2008. This is the third consecutive year that Mr. Stevens will not receive a salary increase. This also is consistent with the decision to not award merit increases to most employees at the vice president level or above.

The Committee approved an amendment to the Management Incentive Compensation Plan (MICP), effective for 2011 bonuses payable in 2012, to provide for higher targets for executive vice presidents (raising the target, expressed as a percentage of base salary, from 75% to 90%), for senior vice presidents (raising the target from a range of 55% to 65% to a range of 55% to 75%), and for other elected officers (raising the target from a range of 40% to 55% to a range of 40% to 65%). A copy of the MICP, as amended, is attached as Exhibit 99.1 to this report and is incorporated herein by reference. In addition, the Committee approved a discretionary partial bonus for 2010 for James B. Comey, the Corporation’s former Senior Vice President and General Counsel, of \$441,800. Mr. Comey left the Corporation in September 2010.

The Committee also approved restricted stock unit (RSU) and stock option award agreements which differ from prior years in the following ways:

- Make the treatment of layoff and retirement more consistent between the option agreements and RSU agreements. Stock options vest in annual increments over three years. Under the 2011 agreements, upon layoff or retirement, holders of stock options will forfeit any non-vested stock options.
- Include post-employment non-compete, non-solicit, and confidentiality covenants applicable to recipients of executive grants.
- Provide that dividend equivalents on RSUs are not paid until vesting.

A copy of the forms of RSU and stock option award agreements are attached as Exhibits 99.2 and 99.3 to this report and are incorporated herein by reference.

**Item 9.01. Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	2006 Management Incentive Compensation Plan (Performance Based), as amended on January 27, 2011.
99.2	RSU award agreement form, as amended on January 27, 2011.
99.3	Stock option award agreement form, as amended on January 27, 2011.

**SIGNATURE**

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

LOCKHEED MARTIN CORPORATION

/s/ DAVID A. DEDMAN

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**David A. Dedman**  
**Vice President and Associate General Counsel**

February 2, 2011

LOCKHEED MARTIN CORPORATION2006 MANAGEMENT INCENTIVE COMPENSATION PLAN(Performance-Based)As Amended January 27, 2011ARTICLE IPURPOSE OF THE PLAN

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

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

ARTICLE IISTANDARD OF CONDUCT AND PERFORMANCE EXPECTATION

1. It is expected that the business and individual goals and objectives established for this Plan will be accomplished in accordance with the Company's policy on ethical conduct in business with the U.S. Government and all other customers. It is a prerequisite before any award can be considered that a Participant will have acted in accordance with the Lockheed Martin Corporation Code of Ethics and Business Conduct and fostered an atmosphere to encourage all employees acting under the Participants' supervision to perform their duties in accordance with the highest ethical standards. Ethical behavior is imperative. Thus, in achieving one's goals, the Participant's individual commitment and adherence to the Company's ethical standards will be considered paramount in determining awards under this Plan.
2. Plan Participants whose individual performance is determined to be unacceptable are not eligible to receive Incentive Compensation awards.

ARTICLE III

DEFINITIONS

1. ANNUAL SALARY – The regular base salary of a Participant during a fiscal year of the Company, determined by multiplying by 52 the Participant’s weekly base salary rate effective during the first full pay period in December preceding the year of payment, but excluding any Incentive Compensation, commissions, over-time payments, payments under work-week plan, indirect payments, retroactive payments not affecting the base salary or applicable to the current year, and any other payments of compensation of any kind.
2. BOARD OF DIRECTORS – The Board of Directors of the Company.
3. CODE – The Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.
4. COMMITTEE – The Management Development & Compensation Committee of the Board of Directors as from time to time appointed or constituted by the Board of Directors.
5. COMPANY or CORPORATION – Lockheed Martin Corporation and those subsidiaries of which it owns directly or indirectly 50% or more of the voting stock or other equity.
6. CORPORATE SALARY BOARD – as defined in CPS-504, the corporate Senior Vice President Human Resources and the Chairman, President & Chief Executive Officer.
7. DISABILITY – Termination of employment as a result of becoming totally disabled as evidenced by commencement of benefits under the Company’s long-term disability plan in which the Participant is enrolled (or, if not a participant in a Company-sponsored long-term disability plan, under circumstances which would result in the Participant becoming eligible for benefits using the standards set forth in the Company’s plan).
8. ELECTED OFFICER – An Employee who has been elected as an officer by the Board of Directors.
9. EMPLOYEE – Any person who is employed by the Company and who is paid a salary as distinguished from an hourly wage. The term “Employee” includes only those individuals that the Company classifies on its payroll records as Employees and does not include consultants, independent contractors, leased employees, co-op students, interns, temporary or casual employees, individuals paid by a third party or other individuals not classified as an Employee by the Company. Notwithstanding the foregoing, the term “Employee” shall not include any employee who, during any part of such year, was represented by a collective bargaining agent.
10. INCENTIVE COMPENSATION – A payment made pursuant to this Plan.
11. INDIVIDUAL PERFORMANCE FACTORS – The performance factor assigned to a Participant as set forth in Section C of Exhibit A.

12. ORGANIZATIONAL PERFORMANCE FACTOR – The performance factor assigned to the Company, a Business Area or a Business Unit as set forth in Section D of Exhibit A.
13. PARTICIPANT – Any Employee selected to participate in the Plan in accordance with its terms.
14. PLAN – This 2006 Lockheed Martin Corporation Management Incentive Compensation Plan (Performance Based).
15. PLAN YEAR – A calendar year.
16. REQUIRED APPROVER – (a) the Committee in the case of the Chief Executive Officer; (ii) the Corporate Salary Board in the case of a vice president (whether appointed or elected); (iii) the relevant business area Executive Vice President in the case of a director level or lower level Employee working in a business area; (iv) the Elected Officer serving as the head of a corporate function in the case of all director level or lower level Employees assigned to that corporate function.
17. RESTRICTED EMPLOYEE – An Employee who either (i) is an Elected Officer, or (ii) at the time of a payment under this Plan, is the recipient of a Long Term Incentive Performance Award under the Lockheed Martin Corporation Amended and Restated 2003 Incentive Performance Award Plan with a performance period yet to be completed.
18. RETIREMENT – Retirement under the terms of a Company-sponsored pension plan or for Employees who do not participate in a pension plan, termination from employment with the Company following the attainment of age 55 and five years of service.
19. SUBCOMMITTEE – A subcommittee of the Committee, composed solely of two or more outside directors of the Company (within the meaning of Section 162(m) (4) (C)) or the entire Committee if all members of the Committee are outside directors.
20. TARGET LEVEL – The target levels specified in Section B of Exhibit A.

#### ARTICLE IV

##### ELIGIBILITY FOR PARTICIPATION

Those Employees who through their efforts are able to contribute significantly to the success of the Company in any given Plan Year will be considered eligible for selection for participation in the Plan with respect to that Plan Year. Participants are selected each Plan Year based on recommendations by the Required Approver, subject to the approval of the Chief Executive Officer. Those eligible shall include only those Employees considered by the Committee to be key Employees of the Company. No member of the Committee shall be eligible for participation in the Plan.

ARTICLE V

INCENTIVE COMPENSATION PAYMENTS

1. **CALCULATION OF PAYMENTS** — Incentive Compensation payments to Participants shall be calculated in accordance with the formula and procedures set forth in Exhibits A and B hereto. All such payments shall be in cash.
2. **TARGETS** – At the beginning of each Plan Year or in connection with an internal promotion or an employment offer made later in a Plan Year, the Required Approver, subject to review by the Chief Executive Officer, shall identify the Employees eligible for participation in the Plan for that Plan Year and designate a Target Level for each Employee so designated. Changes to previously approved target levels for Vice Presidents (whether elected or appointed) must be approved by the Corporate Salary Board, subject to approval by the Committee in the case of an elected vice president.
3. **INDIVIDUAL PERFORMANCE FACTORS** – Each Employee designated as eligible for participation for a particular Plan Year shall identify individual performance goals for that Plan Year on or before March 30 of that Plan Year (or within 30 days of designation as a Participant by the Required Approver or assumption of a new position with eligibility for participation in the Plan, whichever is later). As soon as practicable following the end of the Plan Year, the performance of each Participant is evaluated in the respective Business Area or corporate functional area in light of the individual's performance goals and assigned an Individual Performance Factor as provided for in Exhibit A, subject to approval by the Chief Executive Officer. The Individual Performance Factors for elected corporate officers, other than the Chief Executive Officer, shall be determined by the Chief Executive Officer as provided in Exhibit A, subject to approval by the Committee. The Individual Performance Factor(s) of the Chief Executive Officer of Lockheed Martin Corporation shall be determined by the Board of Directors. The Committee may, at the request of any member of the Committee, review the Individual Performance Factors of any other Participant or groups of Participants. The Committee may make adjustments to any such performance factors as it considers appropriate.
4. **ORGANIZATIONAL PERFORMANCE FACTORS** – The Chief Executive Officer (for the Company) and each Business Area Executive Vice President (for each Business Area and business unit) shall identify organizational performance goals for that Plan Year on or before March 30 of that Plan Year. The Chief Executive Officer shall review the Company and Business Area organizational performance goals with the Committee. Beginning at the end of the Plan Year, the Chief Executive Officer shall evaluate the performance of the Company and each Business Area in light of their respective organizational performance goals and determine the Company's and the Business Area Organizational Performance Factors, as provided for in Exhibit A, subject to the approval of the Committee. Each Business Area Executive Vice President shall evaluate the performance of each business unit within his or her business area in light of the business unit's organizational performance goals and establish Organizational Performance Factors for the business units within the respective business area as provided for in Exhibit A, subject to the approval of the Chief Executive Officer. The Committee may make adjustments to any Organizational Performance Factor as it considers appropriate.

5. APPROPRIATIONS TO THE PLAN.

- A. To the extent that the aggregate of all proposed payments of Incentive Compensation to all Participants as determined by the application of the formula set forth in Exhibit A (subject to any adjustments made by the Committee under Paragraph 3 or 4 above or pursuant to Exhibit B) exceeds the amount determined by the Committee to be available for payment, all proposed payments of Incentive Compensation to Participants shall be reduced on a pro rata basis.
- B. The Committee will recommend to the Board of Directors the authorization of the amount to be appropriated to the Plan by the Company for distribution to Participants and as computed pursuant to the provisions of this Paragraph 5. The Board of Directors may, notwithstanding any provision of the Plan, make adjustments to any proposed Incentive Compensation payment under the Plan, and subject to any such adjustments, the Board of Directors will appropriate to the Plan the amount as recommended by the Committee for distribution to the Participants; provided that, the Board of Directors may appropriate an amount which is less than the amount recommended by the Committee in which event all proposed payments of Incentive Compensation to Participants shall be reduced on a pro rata basis. Prior to the determination of the amount to be appropriated under the Plan for any Plan Year, the Board of Directors may authorize the Corporation to earmark funds or allocate funds to a separate account or trust, in either case for the purpose of making payments under the Plan.

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

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



9. **AUTHORITY TO RECOVER PAYMENTS.** The Board of Directors retains the authority to make retroactive adjustments to a payment made under the Plan on or after January 1, 2008 under the following circumstances:
- a. If the Board of Directors determines, after consideration of all the facts and circumstances that the Board of Directors in its sole discretion considers relevant, that either (i) the intentional misconduct or gross negligence of a Restricted Employee, or (ii) the failure of a Restricted Employee to report another person's intentional misconduct or gross negligence of which the Restricted Employee had knowledge, contributed to the Corporation having to restate all or a portion of its financial statements filed with the Securities and Exchange Commission, then the Board of Directors may require the Restricted Employee repay to the Corporation the difference between the amount by which the payments or awards exceeded what the payment or award would have been based on the restated financial results, as determined by the Board of Directors;
  - b. If the Board of Directors, after consideration of all the facts and circumstances that the Board of Directors in its sole discretion considers relevant, determines that a Restricted Employee either (i) engaged in fraud, bribery or other illegal act, or (ii) the Restricted Employee's intentional misconduct or gross negligence (including the failure by the Restricted Employee to report the acts of another person of which the Restricted Employee had knowledge) contributed to another person's fraud, bribery or other illegal act, which in either case adversely impacted the Corporation's financial position or reputation, the Board of Directors may require the Restricted Employee to repay to the Corporation the value of any payment under this Plan as determined by the Board of Directors.

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

#### ARTICLE VI

##### ADMINISTRATION

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

#### ARTICLE VII

##### AMENDMENT OR TERMINATION OF PLAN

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

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ARTICLE VIII

EFFECTIVE DATE

The Plan shall first be effective with respect to the operations of the Company for the Plan Year beginning January 1, 2006, contingent upon approval of Exhibit B by the Company's stockholders at its 2006 annual meeting. The Plan has been amended by the Management Development and Compensation Committee on January 27, 2011.

## CALCULATION OF MANAGEMENT INCENTIVE COMPENSATION PAYMENTS

A. AWARD FORMULA

1. Incentive Compensation payments will be calculated by multiplying the Participant's Annual Salary by the applicable Target Level of the Participant (determined in accordance with paragraph B below), and that result will then be multiplied by the Individual Performance Factor (as defined in C). The resulting award will be multiplied by the appropriate Organizational Performance Factor (as defined in D). Payments to Participants subject to Exhibit B shall be reduced to the extent required by Exhibit B.

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

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

3. Pro-rated awards may be recommended for

- i. Employees who become Participants subsequent to the beginning of a Plan Year, and have a minimum of six (6) full months as active Participants during the Plan Year;
- ii. Employees who are on unpaid leave of absence for more than three (3) months and have a minimum of six (6) full months as an active Participant during the Plan Year; or
- iii. Employees who are scheduled to work less than full time (less than forty (40) hours per week) and have a minimum of six (6) full-time equivalent months as an active Participant during the Plan Year.

Any deviation from the six (6) month minimum is subject to approval by the Required Approver and the Corporate Salary Board.

4. Recommended awards for Participants whose Target Levels change during the Plan Year
  - i. may be pro-rated (based on number of months at old versus new Target level), subject to the Required Approval
  - ii. may be effective for the entire year based on the new Target Level if the new Target Level is approved prior to March 31<sup>st</sup> of the Plan Year; or
  - iii. may be effective for the entire year based on the new Target Level if full-Plan Year application is approved by the Committee.

Any deviation is subject to approval by the Required Approver and/or the Corporate Salary Board as appropriate.

5. Any calculation of Incentive Compensation under this Exhibit A shall be subject to the provisions of the Plan and Exhibit B. In the event of any conflict between the terms or application of this Exhibit A and the Plan, the Plan shall prevail. In the event of any conflict between the terms of Exhibit A and Exhibit B, Exhibit B shall prevail.

**B. TARGET LEVELS**

Target Levels are based on the level of importance and responsibility of the position in the organization as determined by the Business Area Executive Vice President and/or major corporate function head subject to approval by the Executive Office.

<u>Position</u>	<u>Target</u>
Chief Executive Officer	150%
President and Chief Operating Officer	125%
Executive Vice President	90%
Senior Vice President	55% - 75%
Other Elected Officers	40% - 65%
Other Eligible Positions	15% - 60%

**C. INDIVIDUAL PERFORMANCE FACTORS**

Individual performance factors are normally in increments of 0.05 for ratings above .60 and will have the following definitions:

<u>Factor</u>	<u>Definition</u>
1.20 – 1.30	Performance vastly superior to expectations and peers within the organization.
1.05 – 1.15	Consistently exceeds expected performance.
1.00	Consistently meets all requirements and expectations.

0.80 - 0.95	Performance meets most, but not all job requirements and expectations.
0.60 - 0.75	Performance meets some objectives, but overall performance below expected levels.
0.0	Performance fails to meet job requirements.

D. ORGANIZATIONAL PERFORMANCE FACTORS

1. The Organizational Performance Factor will depend on the assessment of the quality of performance by each business unit, or the Corporation (in the case of corporate staff) in accomplishing the organizational performance objectives based on the following schedule:

<u>Factor</u>	<u>Performance Standard</u>
1.50	Far exceeded organizational objectives in all categories.
1.30	On balance, exceeded high performance expectations in most categories.
1.00	Achieved all objectives or on balance met high performance expectations.
0.75	Met most objectives. Overall performance was good, but not as high as possible or expected.
0.50	Met few objectives, but overall performance not as good as possible or expected.
0.0	Did not achieve sufficient overall performance level.

2. Intermediate organizational ratings, as deemed appropriate by the Executive Office for results achieved, may be assigned normally in increments of 0.05 for ratings above 0.50.

3. Weighting of organizational performance between business unit and corporate factors may be applied, as deemed appropriate by the Executive Office.

EXHIBIT B

PERFORMANCE BASED AWARDS

A. INCENTIVE COMPENSATION FOR ELECTED OFFICERS.

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

B. IDENTIFICATION OF THE ELECTED OFFICERS.

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

C. LIMITATION OF INCENTIVE COMPENSATION.

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

D. SUBCOMMITTEE CERTIFICATION.

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

E. DEFINITIONS.

For purposes of this Exhibit B,

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

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

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

F. ADMINISTRATION.

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

Award Date: January 31, 2011

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

Dear Awardee:

The Management Development and Compensation Committee of the Board of Directors ("Committee") has awarded you Restricted Stock Units ("RSUs"). Each RSU entitles you, upon satisfaction of the continuous employment and other requirements set forth in this letter and the Plan, to receive from Lockheed Martin Corporation ("Corporation"): (i) one (1) share of the Corporation's common stock, par value \$1.00 per share, ("Stock"); and (ii) a cash payment equal to the sum of any cash dividends paid to stockholders of the Corporation during the Restricted Period (as defined below), each in accordance with the terms of this letter, the Lockheed Martin Corporation Amended and Restated 2003 Incentive Performance Award Plan, as amended effective January 1, 2009 ("Plan"), and any rules and procedures adopted by the Committee.

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

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

**Your Award is not effective or enforceable until you properly acknowledge your acceptance of the Award by completing the electronic receipt or returning an executed copy of this Award Agreement to the Vice President of Total Rewards and Performance Management as instructed below as soon as possible but in no event later than May 31, 2011.** Assuming prompt and proper acknowledgement of your acceptance of this Award Agreement as described, 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 Exhibit A ("Post-Employment Conduct Agreement").

**If you do not properly acknowledge your acceptance of this Award Agreement on or before May 31, 2011, this Award will be forfeited.**



## **CONSIDERATION FOR AWARD**

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

## **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 or dividend equivalents on the RSUs or the right to receive any dividend paid to stockholders on a share of Stock.

Upon expiration or termination of the Restricted Period with respect to your RSUs, and subject to the forfeiture provisions set forth below, each RSU for which the restrictions have lapsed will be exchanged for a certificate (either in paper or book entry form) evidencing one (1) share of Stock issued in your name (or other name(s) designated by you) and a cash payment equal to the dividends that would have been paid to you had you owned such share from the Award Date until the expiration or termination of the Restricted Period ("Accrued Dividend Equivalents"). Your shares and the cash payment for the Accrued Dividend Equivalents will be delivered to you within ninety (90) days of the expiration or termination of the Restricted Period.

The certificates delivered to you may contain any legend the Corporation determines is appropriate under the securities laws. At the time the Restricted Period for your RSUs terminates, the Corporation is required to collect from you the appropriate amount of federal, state and local taxes with respect to both the shares delivered and the cash payment for the Accrued Dividend Equivalents. The Corporation may be required to collect FICA taxes from you prior to the termination of the Restricted Period if you become eligible for retirement prior to the termination of that period. In this regard, please see "TIMING OF TAXATION AND WITHHOLDING" below.

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 Accrued Dividend Equivalents 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, delivery of Stock following the expiration of the Restricted Period for any reason may be delayed for six months. You will be notified if you are a specified employee for purposes of section 409A.

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

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

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

## **RESTRICTED PERIOD, FORFEITURE**

The vesting of the RSUs awarded under this Award Agreement along with the Accrued Dividend Equivalents is subject to satisfaction of a performance goal as well as your acceptance of this Award Agreement by May 31, 2011 and your continuous employment with the Corporation from the Award Date until January 31, 2014 (the "Restricted Period"). If any of these requirements are not satisfied, you may forfeit all or part of your RSUs. Upon forfeiture, you will no longer have the right to receive Stock for forfeited RSUs or to receive cash payments for the Accrued Dividend Equivalents.

### *1. Performance Goal*

At its first meeting after the Corporation finalizes the financial results for the year ending December 31, 2011, the Committee will multiply the number of RSUs awarded to you under this Award Agreement by the Fair Market Value of Stock on the Award Date (\$[\_\_\_]) ("RSU Award Value"). The Committee will then compare your RSU Award Value to the product of [*for the CEO, 0.2%*] [*or*] [*for other executive officers, 0.04%*] and the Corporation's Cash Flow for the year ending December 31, 2011 (with the product being referred to as the "RSU Performance Goal"). If your RSU Award Value exceeds your RSU Performance Goal (with the amount of that excess referred to as the "Performance Shortfall") then you will forfeit the number of whole RSUs that are equal to the Performance Shortfall divided by the Fair Market Value of Stock on the Award Date (\$[\_\_\_]).

For purposes of this Award Agreement, Cash Flow for any period means net cash flow from operations but not taking into account: (i) the aggregate difference between the amount forecasted in the Corporation's 2011 Long Range Plan to be contributed by the Corporation to the Corporation's defined benefit pension plans during the period and the actual amounts contributed by the Corporation during the period; and (ii) any tax payments or tax benefits

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

## 2. Employment Requirement

Regardless of the satisfaction of the RSU Performance Goal, 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 Accrued Dividend Equivalents will cease without further obligation on the part of the Corporation unless you personally accept this Award Agreement as provided below by May 31, 2011 and continue to provide services to the Corporation as an Employee of the Corporation until the expiration or termination of the Restricted Period, which will occur on January 31, 2014, subject only to the specific exceptions provided below.

## **DEATH, DISABILITY, LAYOFF, RETIREMENT**

### 1. Death and Disability

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

- (i) you die while still employed by the Corporation; or
- (ii) you terminate employment as a result of becoming totally disabled as evidenced by commencement of benefits under the Corporation's long-term disability plan in which you are enrolled (or, if you are not a participant of the Corporation's long-term disability plan, when you would have been eligible for benefits using the standards set forth in that plan).

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

In the event that you die and have not properly acknowledged acceptance of the Award prior to your death (or by May 31, 2011, 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 Accrued Dividend Equivalents will cease without further obligation on the part of the Corporation.

2. Retirement, Lay Off

If you retire or are laid off with an effective date before January 31, 2012, you will forfeit all of your RSUs and the Accrued Dividend Equivalents in accordance with the general rule requiring continuous employment during the Restricted Period. If you retire or are laid off with an effective date on or after January 31, 2012, your RSUs and the Accrued Dividend Equivalents will continue to be subject to forfeiture to the extent of any Performance Shortfall certified by the Committee prior to, on or after such date; however, subject to any Performance Shortfall that may occur, the Restricted Period will end for a portion of your RSUs and the Accrued Dividend Equivalents and you will vest in a portion of your RSUs and the Accrued Dividend Equivalents as follows:

- (i) you will vest in one third (1/3) of your RSUs (and the related Accrued Dividend Equivalents associated with that one-third) if your retirement or layoff is effective on or after the first anniversary of the Award Date (January 31, 2012), but before the second anniversary of the Award Date (January 31, 2013); and
- (ii) you will vest in two thirds (2/3) of your RSUs (and the related Accrued Dividend Equivalents associated with that two-thirds) if your retirement or layoff is effective on or after the second anniversary of the Award Date (January 31, 2013) but before the third anniversary of the Award Date (January 31, 2014).

Notwithstanding the foregoing, your RSUs will not be considered vested until such time as the Committee makes its certification with respect to the RSU Performance Goal. The vested RSUs will be exchanged for shares of Stock, and the related Accrued Dividend Equivalents associated with the vested portion of your RSUs will be paid in cash, within ninety (90) days following the later of the Committee's certification or your retirement or layoff, but in no event later than the March 15 next following the year in which you retire or are laid off. You will forfeit your remaining RSUs and the related Accrued Dividend Equivalents associated with forfeited RSUs on the effective date of your retirement or layoff.

For purposes of this provision, the term "retirement" means retirement from service under the terms of the Corporation's defined benefit pension plan in which you are a participant or, if you do not participate in one of the Corporation's defined benefit pension plans, termination following attainment of (i) age 55 and five years of service, or (ii) age 65.

**RESIGNATION OR TERMINATION WITH OR WITHOUT CAUSE**

If you resign or your employment otherwise terminates before January 31, 2014, other than on account of death, disability, layoff, or retirement (or Divestiture or Change in Control as described below) whether voluntarily or by action of the Corporation and in the latter case whether with or without "cause," you will forfeit your RSUs and the related Accrued Dividend Equivalents on the date of your termination.

## **DIVESTITURE**

If the Corporation divests (as defined below) all or substantially all of a business operation of the Corporation and such divestiture results in the termination of your employment with the Corporation or its subsidiaries and the transfer of such employment to the other party to the divestiture, the special rules in this paragraph will apply. Subject to any Performance Shortfall, your RSUs and the Accrued Dividend Equivalents will vest immediately (or following the Committee's determination of any Performance Shortfall, if later) and you will receive shares of Stock in exchange for RSUs and the cash payment for the Accrued Dividend Equivalents within the later of ninety (90) days following your termination of employment with the Corporation or the determination by the Committee of any Performance Shortfall, but in no event later than the March 15 next following the year in which your employment terminates. For the purposes of this provision, the term "divestiture" shall mean a transaction which results in the transfer of control of the business operation divested to any person, corporation, association, partnership, joint venture, limited liability company or other business entity of which less than 50% of the voting stock or other equity interests (in the case of entities other than corporations), is owned or controlled directly or indirectly by the Corporation, by one or more of the Corporation's subsidiaries or by a combination thereof.

## **CHANGE IN CONTROL**

In the event your employment is terminated by the Corporation (or its successor) following a Change in Control, your RSUs and the Accrued Dividend Equivalents will vest and the Restricted Period shall terminate on the date of your termination following the Change in Control. You will vest in your entire Award (including any Accrued Dividend Equivalents) under this Agreement and without regard to any forfeiture that might otherwise occur because of a Performance Shortfall.

## **CHANGES IN CAPITALIZATION**

In the event of a stock split, stock dividend or other similar action resulting in additional shares of Stock being issued to existing stockholders during the Restricted Period or in the event of a reverse stock split resulting in a contraction in the number of shares outstanding during the Restricted Period, the number of your RSUs will be adjusted in the same manner as if you held actual shares of Stock.

## **TIMING OF TAXATION AND WITHHOLDING**

Upon the expiration or termination of the Restricted Period, the Fair Market Value of the Stock deliverable to you in respect of the RSUs will be taxable to you as compensation income, based on the Fair Market Value of Stock on the day the Stock is deliverable to you. We will withhold federal, state, and local income taxes at the minimum rate prescribed by law. Therefore, you may owe taxes relating to the RSUs in addition to the amount withheld by the Corporation. FICA tax withholding also will apply except to the extent FICA taxes have already been collected in the case of retirement-eligible employees as described below.

Your tax basis in shares of Stock delivered to you in respect of the RSUs will be equal to the Fair Market Value of such shares on the day the Stock is deliverable to you. Your holding period for purposes of determining long-term capital gain or loss treatment on any subsequent sale of such Stock will begin on that day.

Any cash paid to you as Accrued Dividend Equivalents will be taxable to you as compensation income in the year paid and subject to withholding of federal, state and local income taxes, and FICA taxes. The Corporation will withhold taxes on the Accrued Dividend Equivalents by reducing the cash payable to you, except to the extent FICA taxes have already been collected in the case of retirement-eligible employees as described below. The Corporation may elect to apply all or part of the Accrued Dividend Equivalents to tax withholding on the Stock, in which case you may not receive any cash for the Accrued Dividend Equivalents.

Unless you deliver cash to the Corporation to satisfy any withholding tax on Stock deliverable to you in respect of vested RSUs in accordance with procedures established in advance by the Corporation's Senior Vice President of Human Resources, you will be deemed to have automatically elected to pay any withholding tax (net of any Accrued Dividend Equivalents applied to withholding) on Stock deliverable to you by means of the Corporation reducing the number of shares of Stock deliverable to you in respect of vested RSUs, based upon the minimum rate of withholding prescribed by law.

In the event you are or become eligible for retirement during the Restricted Period, a portion of your Award will become subject to FICA taxes prior to the termination of the Restricted Period. FICA taxes will be withheld with respect to the number of RSUs on which the Restricted Period would terminate if you were to retire. The FICA tax will also apply to any Accrued Dividend Equivalents related to the portion of your RSUs subject to FICA. As an administrative practice in accordance with IRS regulations, the Corporation generally will delay application of these FICA taxes on retirement-eligible participants until December of the year of withholding (or when the Stock is deliverable, if earlier). FICA taxes will be computed based upon the Fair Market Value of the Stock and the Accrued Dividend Equivalents on the date of withholding. For example, if you are eligible to retire during the Restricted Period, then you would become subject to FICA taxes on the later of the first anniversary of the Award Date or the date that you become retirement eligible, and FICA taxes would be withheld even though Stock and the Accrued Dividend Equivalents would not be deliverable to you until the close of the Restricted Period. The Corporation will withhold such FICA tax from your regular wages or MICP payment. The Corporation may collect the FICA withholding from you either shortly before or after the date it is due and in the case of Insiders may require delivery of a check to satisfy any shortfall in the withholding.

If Code Section 409A(a)(2)(B)(i) applies because you are a specified employee receiving Stock on account of a termination of employment or if you are an Insider, your Stock and the Accrued Dividend Equivalents may not be deliverable to you for six months following such date of termination and, accordingly, the Fair Market Value of the Stock on the date on which the Stock is deliverable to you and the Accrued Dividend Equivalents (accrued through the date the Stock becomes deliverable to you) shall be used for purposes of determining your compensation income.

#### **AMENDMENT AND TERMINATION OF PLAN OR AWARDS**

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

#### **ACCEPTANCE OF AWARD**

No Award is enforceable until you properly acknowledge your acceptance by completing the electronic receipt or returning an executed copy of this Award Agreement to the Vice President of Total Rewards and Performance Management as soon as possible but in no event later than May 31, 2011. Acceptance of this Award Agreement must be made only by you personally or by a person acting pursuant to a power of attorney in the event of your inability to acknowledge your acceptance due to your disability or deployment in the Armed Forces (and not by your estate, your spouse or any other person) and constitutes your consent to any action taken under the Plan consistent with its terms with respect to this Award. The Committee has authorized electronic means for the delivery and acceptance of this Award Agreement. If you desire to accept this Award, you must acknowledge your acceptance and receipt of this Award Agreement, either electronically or by signing and returning a copy of this letter on or before May 31, 2011 as follows:

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

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

By executing this Award Agreement, you consent to receive copies of the Prospectus applicable to this Award from this internet site (<http://www.benefitaccess.com>). This consent can only be withdrawn by written notice to the Vice President of Total Rewards and Performance Management at the address noted above.

If you do not personally acknowledge your acceptance of this Award Agreement on or before May 31, 2011, this Award will be forfeited as noted above.

## **POST-EMPLOYMENT COVENANTS**

By accepting this Agreement through the procedure described above, you agree to the terms of the Post-Employment Covenants contained in Exhibit A to this Agreement.

## **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 Accrued Dividend Equivalents will be taken into account for other benefits offered by the Corporation, including but not limited to pension benefits. Notwithstanding any other provision of this Award Agreement to the contrary, no Stock will be issued to you within six months from the Award Date.

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



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

Sincerely,

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

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

Acknowledged by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Employee ID

Exhibit A

Post Employment Conduct Agreement  
(RSU Grant)

This Post Employment Conduct Agreement (this "PECA") attached as Exhibit A to the Award Agreement with an Award Date of January 31, 2011 (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 Amended and Restated 2003 Incentive Performance Award Plan, as amended effective January 1, 2009 (the "Plan"). 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 [Management Development and Compensation Committee of the Board of Directors of the Corporation — *for the CEO*][or][Chief Executive Officer — *for other executive officers*], during the two-year period following the date of my termination of employment (the "Termination Date") with Lockheed Martin Corporation (the "Corporation"), I will not, directly or indirectly, be employed by, provide services to, or advise a "Restricted Company" (as defined in Section 6 below), 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 below) 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.

(b) Non-Solicit - Without the express written consent of the [Management Development and Compensation Committee of the Board of Directors of the Corporation — *for the CEO*][or][Chief Executive Officer — *for other executive officers*], during the two-year period following the Termination Date, I will not (i) interfere with any contractual relationship between the Corporation and any customer, supplier, distributor or manufacturer of or to the Corporation to the detriment of the Corporation or (ii) induce or attempt to induce any person who is an employee of the Corporation to perform work or services for any entity other than the Corporation.

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

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

[In lieu of paragraphs 1 (a) and (c) above, the form for any executive officer who is a California resident, includes the following, as an alternative:]

1. Protective Covenants

(a) Protection of Proprietary Information, including Trade Secrets and Confidential Information – Except to the extent required by law, following my Termination Date, and in conformance with the provisions of the California Uniform Trade Secrets Act (Cal. Civil Code § 3426, et seq.) and the California Unfair Competition Law (Cal. Business and Professional Code § 17220 et seq.), 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, for the purpose or effect of competing unfairly with the Corporation, of Confidential or Proprietary Information of the Corporation or others to which I had access or that I was responsible for creating or overseeing during my employment with the Corporation. In the event I become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or otherwise) to disclose any proprietary or confidential information, I will immediately notify the Corporation’s Senior Vice President, General Counsel and Corporate Secretary as to the existence of the obligation and will cooperate with any reasonable request by the Corporation for assistance in seeking to protect the information. All materials to which I have had access, or which were furnished or otherwise made available to me in connection with my employment with the Corporation shall be and remain the property of the Corporation. For purposes of this PECA, “Confidential or Proprietary Information” means Proprietary Information within the meaning of CPS 710 (a copy of which has been made available to me), including but not limited to information that a person or entity desires to protect from unauthorized disclosure to third parties that can provide the person or entity with a business, technological, or economic advantage over its competitors, or which, if known or used by third parties or if used by the person’s or entity’s employees or agents in an unauthorized manner, might be detrimental to the person’s or entity’s interests. Confidential or Proprietary Information may include, but is not limited to:

- (i) existing and contemplated business, marketing and financial business information such as business plans and methods, marketing information, cost estimates, forecasts, financial data, cost or pricing data, bid and proposal information, customer identification, sources of supply, contemplated product lines, proposed business alliances, and information about customers or competitors, or
- (ii) existing or contemplated technical information and documentation pertaining to technology, know how, equipment, machines, devices and systems, computer hardware and software, compositions, formulas, products, processes, methods, designs, specifications, mask works, testing or evaluation procedures, manufacturing processes, or production processes, or
- (iii) any information protected by the California Uniform Trade Secrets Act (Cal. Civil Code § 3426, et seq.).][or]

[In lieu of paragraphs 1 (a) through (c) above, the form for any executive officer who serves as legal counsel to the Corporation, includes the following, as an alternative, consistent with rules of professional responsibility and ethics:]

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

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

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

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

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

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

(a) If I become (or currently am) an Insider (as defined in the Plan) or receive a Long-Term Incentive Performance Award, I agree, *[applicable for legal counsel]* to the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct, that] 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 *[applicable for legal counsel]* (and in the case of 1(a), the breach occurs prior to the second anniversary of my Termination Date)];
- (ii) The Corporation determines that either (a) my intentional misconduct or gross negligence, or (b) my failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Corporation, contributed to the Corporation having to restate all or a portion of its financial statements filed for any period with the Securities and Exchange Commission;

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

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

(c) For purposes of this Section 3, "Benefits and Proceeds" means (i) to the extent I have earned any of the RSUs and continue to own the shares of Common Stock of the Corporation issued or issuable in respect of the RSUs, the shares of Common Stock so acquired; (ii) to the extent I have earned any of the RSUs and no longer own the shares of Common Stock of the Corporation issued or issuable in respect of the RSUs, cash in an amount equal to the fair market value of such shares on the date of the event set forth in Section 3(a) (which, unless otherwise determined by the Management Development and Compensation Committee of the Board of Directors of the Corporation, shall be equal to the closing price of the shares of Common Stock as finally reported by the New York Stock Exchange on such date), and (iii) to the extent I have not earned the RSUs fully, all of my remaining rights, title or interest in the RSUs.

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

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

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

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

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

7. Miscellaneous.

(a) The Plan, the Award Agreement 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. [*applicable* for California residents] Any enforcement of, or challenge to, this Agreement may only be brought in the Circuit Court of Maryland or the United States District Court for the District of Maryland. Both parties consent to the proper jurisdiction and venue of the Circuit Court of Maryland and the United States District Court for the District of Maryland for the purpose of enforcing or challenging this Agreement.

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

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

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



Grant Date: January 31, 2011

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

Dear Optionee:

The Management Development and Compensation Committee (the "Committee") of Lockheed Martin Corporation's Board of Directors has awarded to you options to purchase shares of Lockheed Martin Common Stock ("Stock") under the Lockheed Martin Corporation Amended and Restated 2003 Incentive Performance Award Plan, as amended effective January 1, 2009 (the "Plan") and any rules and procedures adopted by the Committee.

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

The term "Options" as used in this Award Agreement refers only to the nonqualified stock options awarded to you under this Award Agreement. References to the "Corporation" include Lockheed Martin Corporation and its Subsidiaries.

**Your Award is not effective or enforceable until you properly acknowledge your acceptance of the Award by completing the electronic receipt or returning an executed copy of this Award Agreement to the Vice President of Total Rewards and Performance Management as instructed below as soon as possible but in no event later than May 31, 2011. Assuming prompt and proper acknowledgement of your acceptance of this Award Agreement, 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 Exhibit A ("Post-Employment Conduct Agreement").

**If you do not acknowledge your acceptance of this Award Agreement on or before May 31, 2011, this Award will be forfeited.**

#### **EXERCISE PRICE**

The exercise price of the Options granted hereunder is \$[\_\_\_] per Option. Under certain circumstances set forth in the Plan and this Award Agreement, this exercise price may be subject to adjustment.

The Committee presently allows the exercise price of an Option to be paid in cash, by the tender of Stock or through a combination of Stock and cash. No fractional shares of Stock may be tendered in payment, nor will fractional shares be issued. The Committee retains the discretion, at any time, to limit the method of payment to cash. If you elect to pay with Stock, you must have owned the shares tendered for at least six months. If Stock is tendered, it will be valued at its Fair Market Value on the date of tender.

#### **VESTING, EXPIRATION, AND FORFEITURE**

General Rule - An Option is subject to forfeiture and may not be exercised until it has vested. In addition, an Option may not be exercised after its expiration or forfeiture. Subject to certain special rules discussed below, you must remain in the employ of the Corporation until the applicable date of vesting. The vesting schedule for your Options is as follows:

First Vesting Date: January 31, 2012 – One-Third  
Second Vesting Date: January 31, 2013 – One-Third  
Third Vesting Date: January 31, 2014 – One-Third

If the number of Options granted cannot be evenly divided by three into whole shares, the fractional shares will vest on the Third Vesting Date. If you are not continuously employed by the Corporation from the Grant Date until the date on which an Option vests, that Option is forfeited.

Vested Options, except as otherwise provided in this letter, or in the Plan, or as may be restricted by law, may be exercised for a period ending on January 29, 2021. Options not exercised by that date will be forfeited.

You should make every effort to keep the Vice President of Total Rewards and Performance Management informed of your current address so that we may communicate with you about your Options and their current status. The Corporation cannot exercise the Options for you, and so you must pay close attention to their terms and any impending expiration.

#### **SPECIAL RULES AS TO VESTING, FORFEITURE AND EXPIRATION**

**Retirement or Layoff** - If you retire or are laid off prior to the Third Vesting Date, you will forfeit any Options that have not vested on or prior to the effective day of your retirement or layoff in accordance with the general rule set forth above under the title "Vesting, Expiration and Forfeiture," requiring continuous employment. Your vested Options will be exercisable until January 29, 2021 at which time any unexercised Options will expire and may no longer be exercised.

For purposes of this provision, the term "retirement" means retirement from service under the terms of the Corporation's defined benefit pension plan in which you are a participant or, if you do not participate in one of the Corporation's defined benefit pension plans, termination following attainment of (i) age 55 and five years of service, or (ii) age 65.

**Death or Disability** - Your Options 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 becoming totally disabled as evidenced by commencement of benefits under the Corporation's long-term disability plan in which you are enrolled (or, if you are not a participant of the Corporation's long-term disability plan, when you would have been eligible for benefits using the standards set forth in that plan).

Your vested Options will expire at the end of their remaining term on January 29, 2021, at which time any unexercised Options will expire and may no longer be exercised. In the event that you die and have not properly acknowledged acceptance of the Award prior to your death (or May 31, 2011, whichever is earlier), you will forfeit all of your Options granted hereunder.

**Resignation or Termination for Cause** - If you resign or your employment otherwise terminates, whether voluntarily or by action of the Corporation, and in the latter case whether with or without "cause," unvested Options will be forfeited upon your termination. Vested Options will expire at the end of their remaining term or 30 calendar days following your resignation or termination, whichever is shorter.

**Divestiture** - If the Corporation divests (as defined below) all or substantially all of a business operation of the Corporation and such divestiture results in the termination of your employment with the Corporation or its subsidiaries and transfer of such employment to the other party to the divestiture, the special rules in this paragraph will apply. Following a divestiture, you will continue to vest in your unvested Options as though you had remained in the employ of the Corporation. Your vested Options will be exercisable until a revised expiration date which is the first to occur of (i) the fifth anniversary of the effective date of the divestiture; or (ii) the original expiration date ("Revised Expiration Date"). If you die following divestiture but prior to the Revised Expiration Date, all unvested Options will immediately vest as of the date of death and be exercisable by your beneficiary until the Revised Expiration Date. For the purposes of this provision, the term "divestiture" shall mean a transaction which results in the transfer of control of the business operation divested to any person, corporation, association, partnership, joint venture 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, one or more of the Corporation's subsidiaries or by a combination thereof.

**Change in Control** - In the event of a change in control of the Corporation, as defined in Section 7 of the Plan, the vesting date of all outstanding Options shall be accelerated so as to cause all outstanding Options to become immediately exercisable. Following a change in control, your vested Options will be exercisable until January 29, 2021 at which time any unexercised Options will expire and may no longer be exercised.

## **LIMITATIONS ON EXERCISE**

Notwithstanding any other provision herein, no Option may be exercised less than six months nor more than ten years after the date of grant. Further, from time to time, your ability to exercise Options which otherwise would be exercisable may be restricted, if in the opinion of counsel for the Corporation, this is necessary or advisable in order to ensure compliance with applicable federal or state law, rules or regulations.

## **ASSIGNMENT, TRANSFERABILITY, AND BENEFICIARIES**

Options may not be pledged, assigned or transferred except that Options may be transferred by will or by the laws of descent and distribution or you may provide that, upon your death, the Options are to be transferred to a beneficiary or beneficiaries that you designate. To designate a beneficiary or beneficiaries, please complete the Beneficiary Designation located at <http://www.benefitaccess.com> and return an original executed copy to the Vice President of Total Rewards and Performance Management (Mail Point 123).

During your lifetime, only you may exercise your Options. In the event of your death or disability, your Options may be exercised by a properly designated beneficiary or beneficiaries or your guardian or authorized representative, as applicable. If at your death, a completed beneficiary designation form is not on file at the office of the Vice President of Total Rewards and Performance Management (or if your beneficiary predeceases you), your Options may be exercised by your estate.

## **TAX WITHHOLDING**

When you exercise an Option, the Corporation will withhold applicable taxes as required by law. The Committee presently allows you to pay the withholding tax in cash, by tendering Stock or through a combination of Stock and cash. No fractional shares of Stock may be tendered in payment. The Committee retains the discretion to, at any time, limit the method of payment to cash. Unlike payment of the exercise price of the Options, if you elect to pay withholding taxes with Stock, you need not have owned the shares tendered for at least six months. Payment must be made at the time of exercise. To the extent that cash is not tendered, the Corporation will retain from the shares of Stock that you would otherwise receive upon exercise of the Option that number of shares sufficient to satisfy the withholding obligation. If Stock is tendered or is deemed to have been tendered, it will be valued at its Fair Market Value.

Withholding will be at the minimum rate prescribed by law. Therefore, you may owe taxes relating to the exercise in addition to the amount withheld by the Corporation. If you desire, you may request that tax be withheld at greater than the minimum rate.

#### **AMENDMENT AND TERMINATION OF THE PLAN OR AWARDS**

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

#### **ACCEPTANCE OF AWARD**

No Award is enforceable until you properly acknowledge your acceptance by completing the electronic receipt or returning an executed copy of this Award Agreement to the Vice President of Total Rewards and Performance Management as soon as possible but in no event later than May 31, 2011. Acceptance of this Award Agreement must be made only by you personally or by a person acting pursuant to a power of attorney in the event of your inability to acknowledge your acceptance due to your disability or deployment in the Armed Forces (and not by your estate, your spouse or any other person) and constitutes your consent to any action taken under the Plan consistent with its terms with respect to this Award. The Committee has authorized electronic means for the delivery and acceptance of this Award Agreement. If you desire to accept this Award, you must acknowledge your acceptance and receipt of this Award Agreement, either electronically or by signing and returning a copy of this letter on or before May 31, 2011 as follows:

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

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

If you do not personally acknowledge acceptance of your award by executing this Award Agreement on or before May 31, 2011, it will not be effective, you will not be able to exercise the Options and you will forfeit the Options granted hereunder.

By accepting this Award Agreement electronically, you consent to electronic delivery of the Prospectus applicable to **this Award from this internet site (<http://www.benefitaccess.com>)**. **This consent can only be withdrawn by written notice to the Vice President of Total Rewards and Performance Management at the address noted above.**

#### **POST-EMPLOYMENT COVENANTS**

By accepting this Agreement through the procedure described above, you agree to the terms of the Post-Employment Covenants contained in Exhibit A to this Agreement.

#### **MISCELLANEOUS**

For the purpose of calculating the expiration date of the Options, all Options will be deemed to expire on January 29, 2021 at the close of trading in Lockheed Martin Corporation common stock on the New York Stock Exchange (or, if the security is not so listed or if the principal market on which it is traded is not the New York Stock Exchange, such other reporting system as shall be selected by the Committee).

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. The value of the Options awarded to you will not be taken into account for other benefits offered by the Corporation, including but not limited to pension benefits.

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

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

Sincerely,

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

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

Acknowledged by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee ID

Exhibit A

Post Employment Conduct Agreement  
(Stock Option Grant)

This Post Employment Conduct Agreement (this "PECA") attached as Exhibit A to the Award Agreement with a Grant Date of January 31, 2011 (the "Award Agreement") is entered into in consideration of, among other things, the grant of stock options to me under the Award Agreement (the "Options") pursuant to the Lockheed Martin Corporation Amended and Restated 2003 Incentive Performance Award Plan, as amended effective January 1, 2009 (the "Plan"). By accepting the Options, I agree as follows:

1. Restrictions Following Termination of Employment.

[(a) Covenant Not To Compete - Without the express written consent of the [Management Development and Compensation Committee of the Board of Directors of the Corporation — *for the CEO*][or][Chief Executive Officer — *for other executive officers*], during the two-year period following the date of my termination of employment (the "Termination Date") with Lockheed Martin Corporation (the "Corporation"), I will not, directly or indirectly, be employed by, provide services to, or advise a "Restricted Company" (as defined in Section 6 below), 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 below) 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.

(b) Non-Solicit - Without the express written consent of the [Management Development and Compensation Committee of the Board of Directors of the Corporation — *for the CEO*][or][Chief Executive Officer — *for other executive officers*], during the two-year period following the Termination Date, I will not (i) interfere with any contractual relationship between the Corporation and any customer, supplier, distributor or manufacturer of or to the Corporation to the detriment of the Corporation or (ii) induce or attempt to induce any person who is an employee of the Corporation to perform work or services for any entity other than the Corporation.



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

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

*[In lieu of paragraphs 1 (a) and (c) above, the form for any executive officer who is a California resident, includes the following, as an alternative:]*

1. Protective Covenants

(a) Protection of Proprietary Information, including Trade Secrets and Confidential Information – Except to the extent required by law, following my Termination Date, and in conformance with the provisions of the California Uniform Trade Secrets Act (Cal. Civil Code § 3426, et seq.) and the California Unfair Competition Law (Cal. Business and Professional Code § 17220 et seq.), 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, for the purpose or effect of competing unfairly with the Corporation, of Confidential or Proprietary Information of the Corporation or others to which I had access or that I was responsible for creating or overseeing during my employment with the Corporation. In the event I become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or otherwise) to disclose any proprietary or confidential information, I will immediately notify the Corporation’s Senior Vice President, General Counsel and Corporate Secretary as to the existence of the obligation and will cooperate with any reasonable request by the Corporation for assistance in seeking to protect the information. All materials to which I have had access, or which were furnished or otherwise made available to me in connection with my employment with the Corporation shall be and remain the property of the Corporation. For purposes of this PECA, “Confidential or Proprietary Information” means Proprietary Information within the meaning of CPS 710 (a copy of which has been made available to me), including but not limited to information that a person or entity desires to protect from unauthorized disclosure to third parties that can provide the person or entity with a business, technological, or economic advantage over its competitors, or which, if known or used by third parties or if used by the person’s or entity’s employees or agents in an unauthorized manner, might be detrimental to the person’s or entity’s interests. Confidential or Proprietary Information may include, but is not limited to:

- (i) existing and contemplated business, marketing and financial business information such as business plans and methods, marketing information, cost estimates, forecasts, financial data, cost or pricing data, bid and proposal information, customer identification, sources of supply, contemplated product lines, proposed business alliances, and information about customers or competitors, or
- (ii) existing or contemplated technical information and documentation pertaining to technology, know how, equipment, machines, devices and systems, computer hardware and software, compositions, formulas, products, processes, methods, designs, specifications, mask works, testing or evaluation procedures, manufacturing processes, or production processes, or
- (iii) any information protected by the California Uniform Trade Secrets Act (Cal. Civil Code § 3426, et seq.).*[[or]*

*[In lieu of paragraphs 1 (a) through (c) above, the form for any executive officer who serves as legal counsel to the Corporation, includes the following, as an alternative, consistent with rules of professional responsibility and:]*

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

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

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

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

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

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

(a) If I become (or currently am) an Insider (as defined in the Plan) or receive a Long-Term Incentive Performance Award, I agree, *[applicable for legal counsel]* to the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct, that] 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 *[applicable for legal counsel]* (and in the case of 1(a), the breach occurs prior to the second anniversary of my Termination Date)];
- (ii) The Corporation determines that either (a) my intentional misconduct or gross negligence, or (b) my failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Corporation, contributed to the Corporation having to restate all or a portion of its financial statements filed for any period with the Securities and Exchange Commission;

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

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

(c) For purposes of this Section 3, "Benefits and Proceeds" means (i) to the extent I have exercised any of the Options and continue to own the shares of Common Stock of the Corporation issued or issuable upon exercise of the Options, the shares of Common Stock so acquired upon exercise; (ii) to the extent I have exercised any of the Options and no longer own the shares of Common Stock of the Corporation issued or issuable upon exercise of the Options, cash in an amount equal to the fair market value of such shares on the date of the event set forth in Section 3(a) (which, unless otherwise determined by the Management Development and Compensation Committee of the Board of Directors of the Corporation, shall be equal to the closing price of the shares of Common Stock as finally reported by the New York Stock Exchange on such date), and (iii) to the extent I have not exercised the Options fully, all of my remaining rights, title or interest in the Options.

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

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

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

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

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

7. Miscellaneous.

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

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

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

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

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