

LMC Stock Ownership Requirements for Key Employees

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

Stock Ownership Requirements

Title	Annual Base Pay Multiple
Chairman, President and Chief Executive Officer	6 times
Chief Operating Officer	5 times
Chief Financial Officer	4 times
Executive Vice Presidents	3 times
Senior Vice Presidents	2 times
Other Elected Officers	2 times
All Other Vice Presidents	1 times

Satisfaction of Requirements

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

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

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

Holding Period

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

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