

Self-Directed Brokerage Account (SDBA) Fact Sheet

This document applies to the following Lockheed Martin Corporation (LMC) Savings Plans:

- LMC Salaried Savings Plan (SSP)
- LMC Hourly Employee Savings Plan Plus (HSP)
- LMC Operations Support Savings Plan (OSSP)
- LMC Performance Sharing Plan for Bargaining Employees (PSP)
- LMC Capital Accumulation Plan (CAP)
- LMC Capital Accumulation Plan for Hourly Employees (HCAP)
- LMC Basic Benefit Plan for Hourly Employees (BBP)
- Allcomp Inc 401(k) Profit Sharing Plan (ASPSP)

SDBA Overview

The SDBA is a brokerage option that affords more flexibility in choosing retirement savings investments by allowing you to invest in:

- most stocks listed on the New York Stock Exchange, American Stock Exchange or NASDAQ,
- exchange-traded funds (ETFs),
- most corporate and government bonds, and
- more than 13,000 mutual funds, including approximately 2,100 No-Transaction-Fee (NTF)¹ mutual funds (*subject to Plan restrictions*).

¹ No-Transaction-Fee (NTF) mutual funds are no-load mutual funds for which TD Ameritrade does not charge a transaction fee. NTFs, as well as other funds, have other continuing fees and expenses described in the fund's prospectus. TD Ameritrade receives remuneration from fund companies for record-keeping, shareholder and other administrative services. The amount of remuneration is based in part on the amount of investments in such funds by TD Ameritrade clients. Almost all funds held 90 days or less will be subject to a short-term redemption fee of \$49.99. This fee is in addition to any applicable transaction fees or fees described in the fund's prospectus.

The SDBA investment option is designed for the plan participant who wants to independently and actively manage a portion of his or her savings plan assets and accepts responsibility for researching, selecting, monitoring, and managing the investments.

Brokerage services for the Savings Plans' SDBA are provided by TD Ameritrade, Inc.

Carefully consider the investment objectives, risks, charges and expense of any mutual fund or ETF before investing. To learn about specific mutual funds or ETFs, call TD Ameritrade at 866-766-4015 to obtain prospectuses or summary prospectuses. Prospectuses or summary prospectuses provide details on a mutual fund or ETF's objectives, investment strategies, risks, performance, distribution policy, fees and expenses, fund management and other important information. It is recommended that you read a mutual fund's or ETF's prospectus or summary prospectus carefully before investing.

Empower Retirement Advisory Services

Empower Retirement Advisory Services will **not** advise you about the suitability of any security or investment strategy outside the LMC Savings Plans' Core Fund or Target Date Fund investment options, nor can it provide financial, legal or tax advice on these securities or investment strategies.

Roth and non-Roth SDBAs

Each of the LMC Savings Plans referenced above offers a non-Roth SDBA that may be used to invest the non-Roth portion of your Savings Plan account.

The SSP, HSP, OSSP and PSP also offer a separate Roth SDBA that can be used to invest any Roth-related account balances. All references to Roth SDBAs below are applicable to the SSP, HSP, OSSP and PSP only.

Non-Roth and Roth SDBAs are different and separate accounts. If you have both types of SDBAs in one of your savings plans you must provide separate investment directions for each SDBA. Also, each SDBA will be individually subject to the requirements set forth below and applicable fees.

Eligibility and Limitations

To participate in the SDBA, you must have a combined balance of at least \$1,000 in your Core Funds and Target Date Funds and make an initial transfer of at least \$500 from your Core Funds or Target Date Funds.

You may make subsequent minimum transfers of \$500 from your Core Funds or Target Date Funds. You may only transfer non-Roth amounts to your non-Roth SDBA and Roth amounts to your Roth SDBA.

If you have an account in more than one Savings Plan and wish to open an SDBA in more than one Savings Plan, the above limitations apply to each Savings Plan separately.

Opening an SDBA

You may open an SDBA online. Log in to the Savings Plan Participant Website to complete the enrollment process. Once in your account, click on the 'Brokerage' link on the left navigation bar under "Investments", then select the 'Enroll' button.

During the enrollment process, you will immediately receive your TD Ameritrade account number and be asked to create a password and answer security questions. Immediately following this step, you will be able to initiate your first transfer into the SDBA. In addition, TD Ameritrade will send you a Welcome Kit.

If you are unable or prefer not to complete the enrollment process online, you may contact TD Ameritrade at 866-766-4015 to request a paper application be sent to you via mail or email. You may then return the completed application to TD Ameritrade by fax or by mail to the address on the application. Once the application is received and approved, TD Ameritrade will open your account(s) within two business days and send you information that includes a letter, your SDBA account number(s) and a description of the TD Ameritrade resources available to help you place trades and obtain information about your account(s). Additionally, you will receive a Personal Identification Number (PIN) for each account separately. After you use your account number and PIN to activate your account, you will be asked to create a User ID and password which you will use to access your account in the future. You'll then be able to transfer money into your SDBA(s).

Funding Your SDBA

To invest in your SDBA, you must transfer money from your Core Funds or Target Date Funds. Transfers may be initiated by accessing the Savings Plan Participant Website or by calling the Savings Plan Call Center at 833-562-4015. To access the Savings Plan Participant Website, visit LM People at <https://lmpeople.lmco.com> via the Intranet (<https://www.lmpeople.com> via the Internet) > Pay and Benefits > Savings Plan. Or, go to <https://lockheedmartinsavings.com>.

Note the following transfer restrictions:

- Savings Plan contributions withheld from your paycheck cannot go directly into the SDBA(s).
- Roth 401(k) contributions, Roth rollovers, and in-plan Roth conversions may only be transferred to a Roth SDBA.
- Only Savings Plan assets can be transferred into your SDBA.

Money Transferred to and from Your SDBA

Money transferred from your Core Funds or Target Date Funds to your SDBA is invested in the Insured Deposit Account (IDA) until you direct a trade.

NOTE:

- Fund transfers completed:
 - Before 4 p.m. Eastern time will be processed the same business day, and the funds will generally be available in the IDA the following business day.
 - At or after 4 p.m. Eastern time will be processed the next business day, and the funds will generally be available in the IDA the second business day thereafter.
- When transferring money back to your Savings Plan's Core Funds or Target Date Funds, SDBA assets must be sold, if necessary, before funds can be transferred to your designated investment options.

A fund prospectus will be mailed once an SDBA is established.

Cash in a TD Ameritrade FDIC Insured Deposit Account is held at one or more banks ("Program Banks"). Three of the Program Banks are Charles Schwab Bank, SSB; Charles Schwab Premier Bank, SSB; and Charles Schwab Trust Bank, each an affiliate of TD Ameritrade. Each bank's insurance will cover your cash balances up to the current \$250,000 per-depositor FDIC maximum for bank failure. By utilizing multiple banks, the IDA has been structured to provide you with FDIC insurance of up to \$500,000 per depositor in each recognized legal capacity (e.g., up to \$500,000 for individual accounts and \$1,000,000 for joint accounts). You can view the list of Program Banks on the TD Ameritrade website (www.tdameritrade.com). To learn more about FDIC coverage go to www.FDIC.gov. Non-Deposit Investment Products: NOT FDIC INSURED-NO BANK GUARANTEE- MAY LOSE VALUE.

Dividend Reinvestment

Certain securities pay dividends to shareholders on a quarterly, annual, or one-time basis. Dividends paid on securities in your SDBA accounts will be deposited in cash to your SDBA accounts unless you enroll in the Dividend Reinvestment Program, a free service provided by TD Ameritrade.

Under the Dividend Reinvestment Program, you can choose from more than 5,000 eligible securities for automatic dividend reinvestment. You can also choose to reinvest dividends for all eligible securities, or specific eligible securities. Contact TD Ameritrade Participant Services at 866-766-4015 for more information on this program.

SDBA Impact on Loans, In-Service Withdrawals and Distributions (as permitted by your Plan)

Loans and in-service withdrawals cannot be made directly from assets in your SDBA(s). Balances held in your SDBA(s) may limit the amounts available for loans and in-service withdrawals. In order to have these assets included in amounts available for loans and in-service withdrawals, you must first sell assets in your SDBA(s) and transfer money into your Core Funds or Target Date Funds. See "Transferring Money from Your SDBA(s) into Your Core Funds or Target Date Funds" below for instructions.

You can request distributions, following termination of employment, via the Savings Plan Call Center or the Savings Plan Website, in one of two ways:

- 1) an in-kind distribution of investments held in your SDBA(s); or
- 2) a cash distribution after transferring SDBA assets to your Core or Target Date Funds per the following section.

Transferring Money from Your SDBA(s) into Your Core Funds or Target Date Funds

To transfer money from your SDBA(s) into your Core Funds or Target Date Funds, access your SDBA (see Accessing Your SDBA and Placing Trade Orders below) and direct a fund transfer. Alternatively, you may call the Savings Plan Call Center.

Only SDBA assets held as cash (i.e., liquid balance) can be transferred to the Core Funds or Target Date Funds. If you wish to transfer more than the liquid balance, you will need to sell securities and wait for these trades to settle (generally two to three business days). Transfers will be reflected in your Core Funds or Target Date Funds in one to two business days, depending on the time of the transfer. (See the Money Transferred to and from Your SDBA section above for details.)

Accessing Your SDBA and Placing Trade Orders

After you have opened and transferred money to your SDBA, you can access your account and place trade orders by:

- logging on to the TD Ameritrade trading website. Shortly after establishing your SDBA(s), you will receive a separate communication containing the website address and details about the site as well as an account number and Personal Identification Number to be used exclusively for online trading in your SDBA(s). In addition to trading, you can also review your SDBA information and access valuable market information. Look for this information in the mail once you have opened your SDBA(s).
- calling the TD Ameritrade Interactive Voice Response (IVR) phone system at 866-766-4015, 24 hours a day, 7 days a week. The system will lead you through the quote and order process and prompt you to enter information using your telephone keypad and voice commands. You will need your account number and Personal Identification Number described above to access this system.
- calling TD Ameritrade licensed brokers at 866-766-4015 between the hours of 8:00 a.m. and 7:00 p.m., Monday through Friday, Eastern time, excluding New York Stock Exchange holidays. An experienced licensed broker will assist you with trades, quotes and market data. TD Ameritrade brokers do not provide investment recommendations or advice.

Note: some fees may be higher if you execute trades using IVR or a broker as opposed to the online website. Refer to the Supplement to Appendix D: SDBA Fees and Expenses of the Investment Options Guide for information on SDBA fees.

SDBA Trade Confirmations and Statements

Each time you place a trade, TD Ameritrade provides you with an official trade confirmation via your choice of email or mail. Additionally, you will receive a brokerage statement for any month in which there is trading activity.

You will also receive fund prospectuses and semi-annual and annual reports for the investments in your SDBA(s). The market value of your SDBA(s) will be reflected on your Savings Plan statement.

Your account balance, when viewed on the Savings Plan Participant Website, will include the SDBA(s) among your selected investment options.

SDBA Fee and Expense Information

Each security you purchase or sell in your SDBA(s) is a separate transaction. You may be charged commissions and fees as indicated in Appendix D - SDBA Fees and Expenses of the Investment Options Guide.

TD Ameritrade and Lockheed Martin are separate, unaffiliated companies and not responsible for one another's products and services.

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