

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan SANDIA CORPORATION RETIREMENT INCOME PLAN 2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) SANDIA CORPORATION P.O. BOX 5800, MAIL STOP 1382 ALBUQUERQUE, NM 87185-1382	1b Three-digit plan number (PN) ▶	006	
	1c Effective date of plan	01/01/1982	
	2b Employer Identification Number (EIN)	85-0097942	
	2c Sponsor's telephone number	505-845-8350	
	2d Business code (see instructions)	541700	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	MARK E. BIGGS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	JEFFREY KALLIO, CONTROLLER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

SANDIA CORPORATION

P.O. BOX 5800, MAIL STOP 1382
ALBUQUERQUE, NM 87185-1382**3b** Administrator's EIN

85-0097942

3c Administrator's telephone number

505-845-8350

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:**a** Sponsor's name**4b** EIN**4c** PN**5** Total number of participants at the beginning of the plan year**5**

14397

6 Number of participants as of the end of the plan year (welfare plans complete only lines **6a**, **6b**, **6c**, and **6d**).**a** Active participants.....**6a**

7433

b Retired or separated participants receiving benefits.....**6b**

4552

c Other retired or separated participants entitled to future benefits.....**6c**

1613

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

13598

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

857

f Total. Add lines **6d** and **6e**.....**6f**

14455

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g****h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

64

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)**7****8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1G 3F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**9a** Plan funding arrangement (check all that apply)(1) ☒

Insurance

(2) ☐

Code section 412(e)(3) insurance contracts

(3) ☒

Trust

(4) ☐

General assets of the sponsor

9b Plan benefit arrangement (check all that apply)(1) ☒

Insurance

(2) ☐

Code section 412(e)(3) insurance contracts

(3) ☒

Trust

(4) ☐

General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)**a Pension Schedules**(1) ☒**R** (Retirement Plan Information)(2) ☐**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary(3) ☒**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary**b General Schedules**(1) ☒**H** (Financial Information)(2) ☐**I** (Financial Information - Small Plan)(3) ☒**A** (Insurance Information)(4) ☒**C** (Service Provider Information)(5) ☒**D** (DFE/Participating Plan Information)(6) ☐**G** (Financial Transaction Schedules)

<div><div>SCHEDULE A</div><div>(Form 5500)</div><div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
<div>A Name of plan</div> <div>SANDIA CORPORATION RETIREMENT INCOME PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>006</div>	
<div>C Plan sponsor's name as shown on line 2a of Form 5500.</div> <div>SANDIA CORPORATION</div>	<div>D Employer Identification Number (EIN)</div> <div>85-0097942</div>	

Part I	<div>Information Concerning Insurance Contract Coverage, Fees, and Commissions</div> <div>Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.</div>
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1 Coverage Information:

<div>(a) Name of insurance carrier</div> <div>THE PRUDENTIAL INSURANCE COMPANY OF AMERICA</div>

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
22-1211670	68241	GA-009007	14455	01/01/2009	12/31/2009

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.
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(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	33401287
5 Current value of plan's interest under this contract in separate accounts at year end	5	24040504

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☒ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	36305785
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c Additions: (1) Contributions deposited during the year	7c(1)	2658	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	2438455	
(4) Transferred from separate account	7c(4)		
(5) Other (specify below)	7c(5)		

(6) Total additions	7c(6)	2441113
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d Total of balance and additions (add b and c(6)).	7d	38746898
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	5221583	
(2) Administration charge made by carrier	7e(2)	124029	
(3) Transferred to separate account	7e(3)		
(4) Other (specify below)	7e(4)		

(5) Total deductions	7e(5)	5345612
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f Balance at the end of the current year (subtract e(5) from d)	7f	33401286
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	
Specify nature of costs ▶		

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>SANDIA CORPORATION RETIREMENT INCOME PLAN</u>	B Three-digit plan number (PN) ▶ <u>006</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SANDIA CORPORATION</u>	D Employer Identification Number (EIN) <u>85-0097942</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>	
2 Assets:	
a Market value	2a <u>2468939070</u>
b Actuarial value	2b <u>2715832977</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>5469</u> <u>1569151306</u>
b For terminated vested participants	3b <u>1564</u> <u>73524604</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>129284228</u>
(2) Vested benefits	3c(2) <u>1384311166</u>
(3) Total active	3c(3) <u>7636</u> <u>1513595394</u>
d Total	3d <u>14669</u> <u>3156271304</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.87</u> %
6 Target normal cost	6 <u>136259236</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>10/14/2010</u>
Signature of actuary	Date
<u>BRIAN P. LEVINE</u>	<u>08-06424</u>
Type or print name of actuary	Most recent enrollment number
<u>HEWITT ASSOCIATES</u>	<u>972-402-8700</u>
Firm name	Telephone number (including area code)
<u>2201 WEST ROYAL LANE</u> <u>SUITE 100</u> <u>IRVING, TX 75063</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)		
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)		
9	Amount remaining (Item 7 minus item 8).....	0	0
10	Interest on item 9 using prior year's actual return of _____%		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		
b	Interest on (a) using prior year's effective rate of _____%		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		
12	Reduction in balances due to elections or deemed elections.....		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	0

Part III		Funding percentages	
14	Funding target attainment percentage.....	14	86.04 %
15	Adjusted funding target attainment percentage.....	15	86.04 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/15/2009	39473418				
10/15/2009	12500000				
04/15/2010	37500000				
07/15/2010	30500000				
			Totals ►	18(b)	119973418
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☐ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27 3

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment		
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	0
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		Total balance
		0
36 Additional cash requirement (item 34 minus item 35).....	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	
38 Interest-adjusted excess contributions for current year (see instructions).....	38	
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan SANDIA CORPORATION RETIREMENT INCOME PLAN		B Three-digit plan number (PN) ▶ 006
C Plan sponsor's name as shown on line 2a of Form 5500 SANDIA CORPORATION		D Employer Identification Number (EIN) 85-0097942

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
--

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

THE NORTHERN TRUST COMPANY

36-1561860

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	835992	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

SILCHESTER INTERNATIONAL INVESTORS

36-7045783

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 40	NONE	800640	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

SANDIA CORPORATION

85-0097942

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
35	EMPLOYER	705542	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

JACOBS LEVY EQUITY MANAGEMENT INC

22-2774695

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	568525	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

MONDRIAN CAPITAL PARTNERS, LTD

98-0117968

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 40	NONE	419403	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

FRANK RUSSELL COMPANY

91-1175091

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17	NONE	405520	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

STEINBERG ASSET MANAGEMENT

13-3138743

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	372317	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

ARONSON & JOHNSON & ORTIZ

23-2312104

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	356875	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PYRAMIS GLOBAL ADVISORS

20-2159373

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	284623	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

DIMENSIONAL FUND ADVISORS SMALL CAP

33-6819730

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	196567	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

PIMCO

33-0629048

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	268497	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

MONTAG & CALDWELL INC/INV COUNSEL

58-1022504

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	260650	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

DODGE & COX, INC.

94-1441976

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	141683	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

RAINIER INVESTMENT MANAGEMENT INC

91-1457076

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	141575	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

BLACKROCK FINANCIAL MANAGEMENT INC

13-3806691

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 24 28 34 50 51	NONE	137013	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

BLACKROCK INSTITUTIONAL TRUST CO.

94-3112180

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 24 28 34 50 51	NONE	116589	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

STATE STREET GLOBAL ADVISORS

04-1867445

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 28 51 68 99	NONE	109671	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

BNY MELLON PERFORMANCE & RISK ANALY

42-1542297

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	93204	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

WESTERN ASSET MANAGEMENT COMPANY

95-2705767

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	77179	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

NUMERIC INVESTORS LLC

04-3068821

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	73623	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

SMITH BREEDEN

48-0938275

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	29100	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

TOWERS PERRIN

23-1159360

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	11806	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL FINANCIAL

22-1211670

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	369011	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

DIMENSIONAL FUND ADVISORS FIXED INC

43-6819730

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	74179	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	TOWERS WATSON	b EIN:	23-1159360
c Position:	ACTUARY		
d Address:	555 17TH STREET, SUITE 2050 DENVER, CO 80202	e Telephone:	303-298-7878

Explanation: AS A RESULT OF A CHANGE IN FIRMS PROVIDING ACTUARIAL SERVICES

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan SANDIA CORPORATION RETIREMENT INCOME PLAN	B Three-digit plan number (PN) ► 006
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 SANDIA CORPORATION	D Employer Identification Number (EIN) 85-0097942

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: SANDIA CORP. PENSION PLANS TRUST

b Name of sponsor of entity listed in (a): SANDIA CORPORATION

c EIN-PN 36-3291356-008	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2821193975
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: TEMPORARY INVESTMENT ACCOUNT

b Name of sponsor of entity listed in (a): PRUDENTIAL FINANCIAL

c EIN-PN 22-1211670-044	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 21205719
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a Name of MTIA, CCT, PSA, or 103-12 IE: CONSERVATIVE STOCK FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL FINANCIAL

c EIN-PN 22-1211670-007	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2834785
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan SANDIA CORPORATION RETIREMENT INCOME PLAN	B Three-digit plan number (PN)	006
C Plan sponsor's name as shown on line 2a of Form 5500 SANDIA CORPORATION	D Employer Identification Number (EIN) 85-0097942	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		68000000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	16811252	24040504
(11) Value of interest in master trust investment accounts	1c(11)	2415822032	2821193975
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	36305786	33401287
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	2468939070	2946635766

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2468939070	2946635766
---	-----------	------------	------------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	119973418	
(B) Participants	2a(1)(B)	2658	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		119976076

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	2502090	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2502090

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		949545
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		532957504
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		656385215

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	167060530	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		167060530
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	11806	
(2) Contract administrator fees	2i(2)	369011	
(3) Investment advisory and management fees	2i(3)	5283859	
(4) Other	2i(4)	7069451	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		12734127
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		179794657

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		476590558
l Transfers of assets:			
(1) To this plan.....	2l(1)		1177634
(2) From this plan	2l(2)		71496

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MITCHELL & TITUS, LLP

(2) EIN: 13-2781641

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
SANDIA CORPORATION PENSION SECURITY PLAN	85-0097942	005
LOCKHEED MARTIN RETIREMENT INCOME PLAN	52-1893632	001
KAPL INC PENSION PLAN FOR SALARIED EMPLOYEES	52-1893632	070

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>SANDIA CORPORATION RETIREMENT INCOME PLAN</u>	B Three-digit plan number (PN) ▶ <u>006</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SANDIA CORPORATION</u>	D Employer Identification Number (EIN) <u>85-0097942</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>22-1211670</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☒ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☒ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 74% Investment-Grade Debt: 25% High-Yield Debt: 1% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

SANDIA CORPORATION RETIREMENT INCOME PLAN

**Financial Statements and Supplemental Schedule
For the Years Ended December 31, 2009 and 2008
With Report of Independent Auditors**

SANDIA CORPORATION RETIREMENT INCOME PLAN

December 31, 2009 and 2008

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Note: Other supplemental schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT AUDITORS

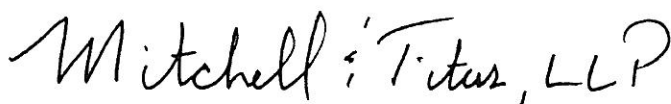
Sandia Corporation Investment Committee and Plan Participants
Sandia Corporation Retirement Income Plan

We have audited the accompanying statements of net assets available for benefits of the Sandia Corporation Retirement Income Plan (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the net assets available for benefits of the Plan at December 31, 2009, and the changes in its net assets available for benefits for the year then ended, and the financial status of the Plan at December 31, 2008, and the changes in its financial status for the year then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2009 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



October 13, 2010

SANDIA CORPORATION RETIREMENT INCOME PLAN

Statements of Net Assets Available for Benefits

As of December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
<i>Assets held in insurance company pooled separate accounts, at fair value</i>		
Short-Term Fund	\$ 21,205,719	\$ 14,749,101
Conservative Stock Fund	<u>2,834,785</u>	<u>2,062,151</u>
	24,040,504	16,811,252
 Assets held in unallocated insurance contract, at contract value	 33,401,287	 36,305,786
 <i>Receivables</i>		
Contributions from employer	68,000,000	-
 Plan's interest in Master Trust held by the Northern Trust Company, at fair value	 <u>2,821,193,975</u>	 <u>2,415,822,032</u>
 Net assets available for benefits	 <u><u>\$ 2,946,635,766</u></u>	 <u><u>\$ 2,468,939,070</u></u>

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

SANDIA CORPORATION RETIREMENT INCOME PLAN

Statements of Changes in Net Assets Available for Benefits

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ADDITIONS		
<i>Investment income</i>		
Interest and dividend income	\$ 2,502,090	\$ 3,055,733
Net appreciation/(depreciation) in fair value of pooled separate accounts	949,545	(1,615,449)
Plan interest in net investment gain (loss) of Master Trust	<u>532,957,504</u>	<u>(922,648,221)</u>
	536,409,139	(921,207,937)
Sponsor contributions	119,973,418	25,000,000
Employee reinstatement payments	2,658	5,696
Transfers from LMC Salaried Plan	381,459	1,228,356
Transfers from Pension Security Plan, net	796,175	707,031
Other	<u>(7)</u>	<u>160,667</u>
Total additions	657,562,842	(894,106,187)
DEDUCTIONS		
Benefit payments	167,060,530	156,483,778
Administrative expenses	12,734,120	9,863,663
Transfers to LMC Retirement Program	<u>71,496</u>	<u>1,768,412</u>
Total deductions	179,866,146	168,115,853
Net increase (decrease)	477,696,696	(1,062,222,040)
<i>Net assets available for benefits</i>		
Beginning of year	<u>2,468,939,070</u>	<u>3,531,161,110</u>
End of year	<u>\$ 2,946,635,766</u>	<u>\$ 2,468,939,070</u>

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

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements
December 31, 2009 and 2008

NOTE 1 DESCRIPTION OF THE PLAN

General

The Sandia Corporation Retirement Income Plan (the Plan) is a non-contributory defined benefit pension plan covering non-union employees in certain job classifications (as defined) who have one year of service and are at least age 21, and all retired and terminated vested employees in such job classifications. Sandia Corporation (the Company) is a wholly owned subsidiary of Lockheed Martin Corporation (Lockheed Martin or the Corporation). A description of the Plan is contained in the Summary Plan Description, which is provided to all participants.

Funding Policy

The Company makes annual contributions to the Plan in amounts equal to the minimum funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA), as determined by the Plan's actuary, sufficient to fund the Plan's current service cost on a current basis and to fund the unfunded accrued liability plus interest thereon over a period of up to 30 years. The Plan made contributions of \$119,973,418 and \$25,000,000 2009 and 2008, respectively. Participant contributions were required prior to July 1, 1975. The participants' accumulated contributions pertaining to years prior to 1975, including interest credited at an annually compounded rate of 2.48% and 4.31% in 2009 and 2008, respectively, were \$3,267,394 and \$4,215,515 at January 1, 2009 and 2008, respectively.

Benefit Payments

Based on Plan provisions, the Plan provides for monthly pension payments to participating employees upon their attaining the minimum age and service requirements specified in the Plan. The amount of such payments is dependent on length of service and earnings, and the amounts are recorded when distributed. The pension formula bases the calculation on compensation for the 36 highest-paid, fully completed consecutive calendar months of service within the 10 years immediately preceding the retirement period. Participants become fully vested after five years of credited service.

As changes in employee job categories result in changes in eligibility between the Plan and the Sandia Corporation Pension Security Plan (PSP), actuarially determined amounts of assets are transferred between the plans. These transfers are shown as transfers from/to Pension Security Plan on the statements of changes in net assets available for benefits.

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements
December 31, 2009 and 2008

NOTE 1 DESCRIPTION OF THE PLAN *(continued)*

Plan Termination

Although it has not expressed any such intent, the Company has the right under the Plan to discontinue contributions, if any, at any time and to terminate the Plan subject to provisions set forth in ERISA. Upon termination of the Plan, the assets would be allocated first, to participants' contributions; second to benefits payable as an annuity; third to other non-forfeitable benefits; fourth to all other benefits; and fifth, in the event there is any remaining balance and to the extent permitted by law, to the Department of Energy.

Certain benefits under the Plan are secured by Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain survivors' pensions. However, PBGC does not guarantee all benefits under the Plan, and the amount of benefit protection is subject to certain limitations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared based on the accrual method of accounting.

Prior-year amounts have been reclassified to conform to required current-year presentation.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the U.S. requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements
December 31, 2009 and 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investment Contracts

Under the terms of the contract between Prudential Insurance Company of America (Prudential) and the Plan, Prudential manages funds on behalf of the Plan. Prudential has been granted discretionary authority concerning purchases and sales of investments in the funds within the separate accounts. The investments in the pooled separate accounts represent ownership of units of participation in various commingled funds rather than ownership of specific assets. The investments in the pooled separate accounts are stated at fair value.

The Plan's assets held in an unallocated insurance contract are valued at contract value as certified by Prudential. Contract value represents contributions made under the contract, plus interest and less funds used to pay retirement benefits and administrative expenses. These investments are carried at contract value, which approximates fair value.

A minimum balance requirement, that is determined annually, by Prudential exists under the contract for the conservative stock fund pooled separate account and the unallocated insurance contract.

Master Trust Investments

Under the terms of a trust agreement between the Northern Trust Company (the Master Trustee) and the Plan, the Master Trustee holds funds on behalf of the Plan, which are combined with funds of the PSP in one master trust. The Master Trustee maintains records that reflect the net assets in the master trust and details of changes therein for each plan. Assets held by the Master Trustee are segregated into investment manager accounts and a cash account. The investment managers have investment authority over assets in their accounts and the Master Trustee has authority over the cash account. The realized and unrealized gains and losses, and investment income of the master trust, are allocated to the Plan based on the number of units outstanding at each month-end during the year.

Investments are reported at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought, sold, and held during the year.

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements

December 31, 2009 and 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Derivative Instruments

Derivative financial instruments may be used by the investment managers of the master trust as part of their respective strategies. These strategies include the use of futures contracts, interest rate swaps, options on futures, and options as substitutes for certain types of securities. Notional amounts disclosed below do not quantify risk or represent assets or liabilities of the master trust, but are used in the calculation of the cash settlements under the contracts.

The fair values of these instruments are recorded as investments of the master trust. To the extent that a gain has been recognized, the instruments are recorded as assets, and to the extent that a loss has been recognized, the instruments are recorded as liabilities. Changes in the fair value of the derivative instruments are reflected in investment income as appreciation (depreciation) in the master trust. As of December 31, 2009 and 2008, these derivative financial instruments were held for trading purposes. The notional amounts and fair values are presented as gross assets and liabilities as of December 31 2009 and 2008 as follows:

	<u>Notional Amount</u>	<u>Amount Included in Fair Value of Asset</u>
Cash and cash equivalent		
<i>U.S. equity securities</i>		
Futures contracts	\$105,052,075	-
<i>Foreign Currency</i>		
Forward Contracts - Payable	-	(3,619,377)
Forward Contracts - Receivable	-	3,595,948
Fixed income		
<i>U.S. Government securities</i>		
Futures contracts	(5,013,992)	-
Alternative investments		
<i>Swaps</i>		
Options contracts	-	(317,808)

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements

December 31, 2009 and 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign Currency Forward Contracts

To help reduce the risk of foreign currency exchange rate losses related to international equity securities held by the master trust, the master trust holds foreign currency forward contracts that represent commitments either to purchase or sell foreign currencies at a specified future date and at a specific price. Such contracts are recorded at fair value as a receivable or payable for foreign currency forward contracts in the net assets of the master trust. Realized and unrealized gains and losses on the forward contracts, resulting from the settlement of contracts and changes in the exchange rates, are reflected in net investment income.

Risks and Uncertainties

The Plan invests in investment securities that are exposed to risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term. The change could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Tax Status

The Plan received a determination letter from the Internal Revenue Service, dated April 7, 2009, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code), and therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Company's management believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and that the related trust is tax exempt.

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements
December 31, 2009 and 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Subsequent Events

The Company evaluated subsequent events and transactions through October 8, 2010, the date these financial statements were available to be issued. The Company is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements*, which amended certain of the disclosures required under ASC 820. The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each class of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarified the retirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Level 1, 2, and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances, and settlements of Level 3 assets and liabilities on a gross basis. Except for the requirement to report Level 3 assets and liabilities on a gross basis, which is delayed until 2011, the guidance in ASU 2010-06 becomes effective for reporting periods beginning after December 15, 2009. Plan management is currently evaluating the effect that the provisions of ASU 2010-06 will have on the Plan's financial statements.

In March 2008, the FASB issued Accounting Standards Codification (ASC) 815, *Disclosures about Derivative Instruments and Hedging Activity*, which applies to all derivative instruments and related hedged items, and requires entities to disclose additional information to provide greater transparency. ASC 815 is effective for financial statements issued for fiscal years beginning after November 15, 2008.

In May 2009, the FASB issued FASB Statement No. 165, *Subsequent Events*, which was codified into ASC 855, *Subsequent Events*, to provide general standards of accounting for and disclosure of events that occur after the balance sheet date, but before financial statements are issued or are available to be issued. The Plan has adopted ASC 855, which was amended in February 2010.

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements
December 31, 2009 and 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

In September 2009, the FASB issued ASU 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. ASU 2009-12 amended ASC820 to allow entities to use net asset value (NAV) per share (or its equivalent), as a practical expedient, to measure fair value when the investment does not have a readily determinable fair value and the NAV is calculated in a manner consistent with investment company accounting. The Plan adopted the guidance in ASU 2009-12 for the reporting period ended December 31, 2009 and has utilized the practical expedient to measure the fair value of investments within the scope of this guidance based on the investment's NAV. In addition, as a result of adopting ASU 2009-12, the Plan has provided additional disclosures regarding the nature and risks of investments within the scope of this guidance. Refer to Note 4 an explanation of these disclosures. Adoption of ASU 2009-12 did not have a material effect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

NOTE 3 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions, attributable under the Plan's provisions to the service rendered by employees from their date of eligibility to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries; (b) beneficiaries of employees who have died; and (c) present employees or their beneficiaries to the extent they are deemed attributable to employee service rendered to the valuation date.

The Plan's enrolled actuary determines the actuarial present value of accumulated plan benefits, which is the amount that results from applying the actuarial assumptions (shown below) to adjust the accumulated plan benefits earned by the participants, reflecting the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, withdrawal, or retirement) between the valuation date and the expected payment date.

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements

December 31, 2009 and 2008

NOTE 3 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (continued)

The latest actuarial valuation for the Plan was made by Hewitt Associates as of January 1, 2009 and Towers Perrin as of January 1, 2008. Actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. Significant assumptions underlying the actuarial computations included (a) discount rates of 6.69% and 6.43%, at January 1, 2009 and 2008, respectively, (b) assumed mortality (RP-2000 Mortality Table at January 1, 2009 and 2008), and (c) retirement ages, disability, and turnover rates based on published statistical data and Plan experience. The interest rate assumptions used to calculate the actuarial present value of accumulated Plan benefits are adjusted annually to reflect current, rather than long term, shifts in the economy. This can result in significant year-to-year fluctuations in the value of the accumulated plan benefits.

The actuarial present value of accumulated plan benefits as of the two most recent valuation dates at January 1 was as follows:

	<u>2009</u>	<u>2008</u>
Vested benefits of participants		
currently receiving payments	\$ 1,679,243,507	\$ 1,529,564,060
Other vested benefits	1,537,510,080	1,553,441,282
Non-vested benefits	138,783,426	189,013,781
Total	<u>\$ 3,355,537,013</u>	<u>\$ 3,272,019,123</u>

The net change in the actuarial present value of accumulated plan benefits is the result of the following, for the year ended January 1, 2009:

Plan changes	\$ (5,680,327)
Change in actuarial assumptions and methods	(116,258,939)
Interest due to an increase in discount period	205,438,249
Benefits accrued (including transfers from the PSP)	156,502,685
Benefits paid	<u>(156,483,778)</u>
Net increase	83,517,890
<i>Actuarial present value of accumulated plan benefits</i>	
Beginning of period	<u>3,272,019,123</u>
End of period	<u><u>\$ 3,355,537,013</u></u>

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements
December 31, 2009 and 2008

NOTE 3 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS
(continued)

Consistent with prior-year activity, changes in employee job categories of active participants resulted in eligibility changes between the Plan and the PSP. During 2009 and 2008, the impact of the active participant transfers between the Plan and the PSP was not material to the Plan.

NOTE 4 MASTER TRUST

The Plan's interest in the master trust's net assets as of December 31, 2009 and 2008 was approximately 92.1%. The Plan's interest in the master trust represented more than 5% of the Plan's net assets.

The master trust participates in a securities lending program under which securities of the Trust are loaned to selected security brokerage firms. The master trust transfers titles of the loaned securities, but retains the right to redeem securities on short notice and is entitled to all distributions made by the issuer of the securities during the term of the loan. All such loans require collateralization by U.S. government securities, cash, or letters of credit that always equal at least 100% of the loaned security market value plus accrued interest. Cash collateral received on loaned securities as of December 31, 2009 and 2008 was invested in a commingled fixed-income fund. There are limitations on the aggregate market value of securities that may be loaned to any one broker and to all brokers as a group. At December 31, 2009 and 2008, securities were loaned with a market value of \$283,999,203 and \$298,331,136, respectively.

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements
December 31, 2009 and 2008

NOTE 4 MASTER TRUST (continued)

The following table presents the fair value, as of December 31, of investments in the master trust:

	<u>2009</u>	<u>2008</u>
<i>Equity</i>		
U.S. equity securities	\$ 407,054,126	\$ 505,257,571
International equity securities	297,094,688	227,572,911
<i>Fixed income</i>		
Government debt securities	269,876,684	244,367,915
Corporate debt securities	277,817,661	243,893,474
Other fixed-income securities		197,052
Derivatives	(317,808)	-
Mortgage- and asset-backed securities	34,672,944	256,100,661
Common/collective trusts	1,475,417,729	1,035,168,702
103-12 entities	280,764,817	105,215,293
Accrued income	9,043,847	10,026,731
Cash and cash equivalents	25,043,769	52,182,853
Investments held as collateral on securities loaned	292,246,126	305,434,852
Due from brokers for sale of securities	12,530,084	118,269,495
Receivable for foreign currency forward contracts	3,595,948	4,770,949
Payable for foreign currency forward contracts	(3,619,377)	(4,689,658)
Due to brokers for purchase of securities	(26,496,680)	(171,663,850)
Obligation to return collateral on securities loaned	(292,246,126)	(307,941,151)
Total net assets	<u>\$ 3,062,478,433</u>	<u>\$ 2,624,163,800</u>
Amount attributable to the PSP	241,284,458	208,341,768
Amount attributable to the Plan	2,821,193,975	2,415,822,032

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements
December 31, 2009 and 2008

NOTE 4 MASTER TRUST *(continued)*

Investment income for the master trust for the years ended December 31, 2009 and 2008 was as follows:

	<u>2009</u>	<u>2008</u>
Investment income		
<i>Net appreciation (depreciation) in the fair value of investments</i>		
<i>Equity</i>		
U.S. equity securities	\$ 134,891,558	\$ (408,898,173)
International equity securities	34,169,629	(101,584,243)
<i>Fixed income</i>		
Corporate debt securities	33,396,709	\$45,331,281
U.S. government securities	9,208,903	\$13,211,339
Other fixed-income obligations	(27,997,804)	(\$9,002,425)
103-12 entities	46,942,565	(68,469,223)
Common/collective trusts	<u>293,446,028</u>	<u>(528,473,339)</u>
	524,057,588	(1,057,884,783)
Dividend income	17,433,770	24,427,796
Interest income	35,719,436	29,038,448
Other investment income	<u>1,527,416</u>	<u>1,987,804</u>
Net investment gain/(loss)	578,738,210	(1,002,430,735)
Net investment gain/(loss) attributable to the PSP	45,780,710	(79,782,514)
Net investment gain/(loss) attributable to the Plan	<u>\$ 532,957,500</u>	<u>\$ (922,648,221)</u>

NOTE 5 POOLED SEPARATE ACCOUNTS

During 2009 and 2008, the Plan's investments in pooled separate accounts held by Prudential appreciated in value as follows:

	<u>2009</u>	<u>2008</u>
Conservative stock fund	\$ 949,545	\$ (1,615,449)

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements

December 31, 2009 and 2008

NOTE 6 FAIR VALUE MEASUREMENT

The following table sets forth, by level within the fair value hierarchy, the Master Pension Plans Trust's (the Master Trust) assets at fair value as of December 31, 2009:

The Master Trust adopted FASB ASC 820, formerly FASB 157, *Fair Value Measurements*, as of January 1, 2008. ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The impact of the adoption of ASC 820 was not material to the Master Trust's financial statements.

The fair value hierarchy established by ASC 820 prioritizes the inputs used in valuation techniques into three levels as follows:

- Level 1:* Observable inputs—quoted prices in active markets for identical assets and liabilities.
- Level 2:* Observable inputs other than the quoted prices in active markets for identical assets and liabilities—includes quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets, and amounts derived from valuation models where all significant inputs are observable in active markets.
- Level 3:* Unobservable inputs—includes amounts derived from valuation models where one or more significant inputs are unobservable and require the development of relevant assumptions.

The following is a description of the valuation methodologies used to measure fair value for master trust assets:

Common stocks and preferred stocks: Common stocks appear in all three valuation levels, while preferred stocks are categorized only as Level 1 and Level 3. Common stocks and preferred stocks categorized as Level 1 are valued based on quoted market prices. Common stocks categorized as Level 2 are valued based on quoted prices for similar securities or quoted prices for identical or similar securities in inactive markets. There is one preferred stock categorized as Level 3, since it is a private placement security and is traded over the counter (OTC) with no primary exchange. In addition, there is one common stock categorized as Level 3, but this security is not actively traded and is valued at a nominal amount.

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements

December 31, 2009 and 2008

NOTE 6 FAIR VALUE MEASUREMENT *(continued)*

Government and corporate debt securities: Government and corporate debt securities categorized as Level 2 are valued based on inputs other than quoted prices that are observable for the asset (e.g., interest rates and yield curves observable at commonly quoted intervals). Those securities categorized as Level 3 are foreign bonds that are not traded on an exchange and whose pricing has been provided by a broker.

Mortgage- and asset-backed securities: Mortgage- and asset-backed securities categorized as Level 1 are valued based on broker quotes in an active market, and those categorized as Level 2 are valued based on inputs other than quoted prices that are observable for the asset (e.g., interest rates and yield curves observable at commonly quoted intervals). Fixed-income securities categorized as Level 3 are valued based on evaluated prices using unobservable inputs such as prepayment speed assumptions and liquidity, and any conflicts in the initial pricing of the investment by the trustee based on their pricing model.

Common/collective trusts and 103-12 investment entities: The value of common/collective trusts and 103-12 investment entities is based on the NAV of the shares held by the trust at year end. The value of the NAV is based on closing market prices of the underlying securities in the trust's portfolio. The NAV per share is the total value of the trust divided by the number of shares outstanding. The NAV is corroborated by observable market data (e.g., purchases or sales activity). Accordingly, these investments are categorized as a Level 2. There is also a special case of a common/collective trust valued as a Level 1. This is the collective short-term interest fund (STIF) held at Northern Trust. Even though this is a common/collective trust, it is essentially a cash vehicle, and it is being categorized as a Level 1.

The methods described above may produce a fair value calculation that may not indicate net realizable value or reflect future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Cash and cash equivalent derivatives valued in domestic currency are not reflected in the fair value measurement table since the fair value is identical to the unit measure of the instrument.

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements

December 31, 2009 and 2008

NOTE 6 FAIR VALUE MEASUREMENT *(continued)*

Master trust assets at fair value as of December 31, 2009 were as follows:

	Level 1	Level 2	Level 3	Total
<i>Equities</i>				
U.S. equity securities	\$ 407,049,801	\$ -	\$ 4,326	\$ 407,054,127
International equity securities	297,094,687	-	-	297,094,687
	-	-	-	-
<i>Fixed income</i>	-	-	-	-
Government debt securities	-	269,876,684	-	269,876,684
Corporate debt securities	-	276,829,539	988,122	277,817,661
Derivatives	-	(317,808)	-	(317,808)
Mortgage- and asset-backed securities	-	34,515,992	156,952	34,672,944
Common/collective trusts	10,590,580	1,464,827,149	-	1,475,417,729
103-12 entities	-	280,764,817	-	280,764,817
Total	<u>\$ 714,735,068</u>	<u>\$ 2,326,496,373</u>	<u>\$ 1,149,400</u>	<u>\$ 3,042,380,841</u>

Master Trust assets at fair value as of December 31, 2008

	Level 1	Level 2	Level 3	Total
<i>Equities</i>				
U.S. equity securities	\$ 503,449,571	\$ -	\$ 1,808,000	\$ 505,257,571
International equity securities	225,514,086	2,055,322	3,503	227,572,911
<i>Fixed income</i>				
Government debt securities	-	240,600,723	3,767,192	244,367,915
Corporate debt securities	-	221,107,822	22,785,652	243,893,474
Other fixed income	-	197,052	-	197,052
Derivatives	-	-	-	-
Mortgage- and asset-backed securities	-	247,864,093	8,236,568	256,100,661
Common/collective trusts	8,509,331	1,026,659,371	-	1,035,168,702
103-12 entities	-	105,215,293	-	105,215,293
Total	<u>\$ 737,472,988</u>	<u>\$ 1,843,699,676</u>	<u>\$ 36,600,915</u>	<u>\$ 2,617,773,579</u>

Cash received as collateral for securities loaned at December 31, 2009 and 2008 totaled \$292,246,126 and \$305,434,852, respectively. These funds were invested in a commingled fixed-income fund that was valued at the NAV of the shares held at year end. Such investments were considered Level 2 investments.

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements

December 31, 2009 and 2008

NOTE 6 FAIR VALUE MEASUREMENT *(continued)*

The table below sets forth a summary of changes in the fair value of the Master Trust Level 3 assets for the year ended December 31, 2009:

Master Trust Level 3 Asset Reconciliation Year Ended December 31, 2009

Balance, beginning of year	\$ 36,600,915
Realized gains/(losses)	(5,031,294)
Unrealized gains/(losses) relating to instruments still held at the reporting date	7,453,892
Purchases, sales, issuances, and settlements (net)	(29,693,173)
Transfers in/out of Level 3	(8,180,940)
Balance, end of year	\$ 1,149,400

The following table sets forth, by level within the fair value hierarchy, the Retirement Income Plan's assets managed by Prudential at fair value as of December 31, 2009.

Other Investments (Managed by Prudential) at Fair Value as of December 31, 2009

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Unallocated insurance contract	\$ -	\$ -	\$ 33,401,287	\$ 33,401,287
Conservative Stock Fund	-	2,834,785	-	2,834,785
Short-Term Fund	-	21,205,719	-	21,205,719
Total	\$ -	\$ 24,040,504	\$ 33,401,287	\$ 57,441,791

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements

December 31, 2009 and 2008

NOTE 6 FAIR VALUE MEASUREMENT *(continued)*

The following table sets forth, by level within the fair value hierarchy, the Retirement Income Plan's assets managed by Prudential at fair value as of December 31, 2008:

**Other Investments (Managed by Prudential) at Fair Value
as of December 31, 2008**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Unallocated insurance contract	\$ -	\$ -	\$ 36,305,786	\$ 36,305,786
Conservative Stock Fund	-	2,062,151	-	2,062,151
Short-Term Fund	-	14,749,101	-	14,749,101
Total	<u>\$ -</u>	<u>\$ 16,811,252</u>	<u>\$ 36,305,786</u>	<u>\$ 53,117,038</u>

The following is a description of the valuation methodologies used for measuring other assets (managed by Prudential) at fair value:

The Conservative Stock Fund and Short-Term Fund are held in pooled separate accounts, which are valued based on the NAV of the shares held by the Plan at year end. The NAV per share is the total value of the funds divided by the number of shares outstanding. The values of the investments in the funds are based on the closing quoted market prices of the underlying securities in the funds. The NAV is corroborated by observable market data (e.g., purchases or sales activity). Accordingly, these investments are categorized as Level 2.

The Fixed Income Fund is held in the Prudential Insurance Company of America (PICA) General Account. The Plan holds units in the General Account consisting of a proprietary blended investment portfolio. Unit value for this account is provided by Prudential. Since the underlying value of the investments is not available, these investments are categorized as Level 3.

SANDIA CORPORATION RETIREMENT INCOME PLAN

Notes to Financial Statements

December 31, 2009 and 2008

NOTE 6 FAIR VALUE MEASUREMENT *(continued)*

The table below sets forth a summary of changes in the fair value of the Level 3 investments managed by Prudential for the year ended December 31, 2009.

Other Investments Level 3 Reconciliation Year Ended December 31, 2009

Balance, beginning of year	\$ 36,305,786
Purchases, sales, issuances, and settlements (net)	<u>(2,904,499)</u>
Balance, end of year	<u>\$ 33,401,287</u>

NOTE 7 PLAN CHANGES

In May 2008, the Sandia Corporation Board of Directors resolved to amend the Plan. The amendment states that non-represented employees hired or rehired on or after January 1, 2009, are not eligible to participate in the Plan.

NOTE 8 RELATED-PARTY TRANSACTIONS

Certain Plan investments are managed by Prudential, who also serves as administrator of certain benefits paid to plan participants.

SUPPLEMENTAL SCHEDULE

EIN: 85-0097942

Plan #: 006

SANDIA CORPORATION RETIREMENT INCOME PLAN

Schedule H, Line 4i—Schedule of Assets (Held at End of Year)

As of December 31, 2009

<u>Identity of Issue, Borrower, Lessor, or Similar Party</u>	<u>Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value</u>	<u>Cost</u>	<u>Current Value</u>
<i>*Pooled separate accounts with Prudential Insurance Company of America</i>			
Short-Term Fund	Interest-bearing cash account, variable interest, 1,578,137 units at December 31, 2009	\$ 21,205,719	\$ 21,205,719
Conservative Stock Fund	Common stock account, 43,920 units at December 31, 2009	905,413	2,834,785
<i>*Unallocated insurance contract with Prudential Insurance Company of America</i>			
	Variable rate, 6.88 % at December 31, 2009	<u>33,401,287</u>	<u>33,401,287</u>
		<u>\$ 55,512,419</u>	<u>\$ 57,441,791</u>

*Party-in-interest.



Sandia National Laboratories

Operated for the U.S. Department of Energy by
Sandia Corporation

Mark E. Biggs
Senior Manager
Pension Fund & Savings Plan Management Department 10520

P.O. Box 5800
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Phone: (505) 844-1511
Fax: (505) 284-2172
Internet: mebiggs@sandia.gov

October 8, 2010

Towers Watson
Ms. Heather E. Redabaugh
555 17th Street
Suite 2050
Denver, CO 80202

Dear Ms. Redabaugh:

Subject: Notice to Terminated Enrolled Actuary

I, as plan administrator, verify that the explanation that is reproduced below is the explanation concerning your termination as reported on Schedule C (Form 5500) attached to the 2009 Annual Return/Report Form 5500 for the ***Sandia Corporation Retirement Income Plan***.

As a result of a change in the firms providing actuarial services, the enrolled actuary for the ***Sandia Corporation Retirement Income Plan*** has been changed from Ms. Heather E. Redabaugh of Towers Watson to Mr. Brian P. Levine of Hewitt Associates.

This Form 5500 is identified in line 2b by the nine-digit ***85-0097942*** and in line 1b by the three-digit ***006*** for the ***Sandia Corporation Retirement Income Plan***.

You have the opportunity to comment to the Department of Labor concerning any aspect of this explanation. Comments should include the name, EIN, and PN of the plan and be submitted to:

Office of Enforcement
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Sincerely,

10/8/10

2009 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA
Funding Rules
Sandia Corporation Retirement Income Plan
EIN: 85-0097942 PN: 006

Due to software limitations with the electronic filing, certain data included in the electronic filing may not be able to reflect the correct values or data. In addition, data filed electronically cannot be controlled by the Enrolled Actuary. To the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB, the values on the signed Schedule SB will govern.

2009 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA
Funding Rules
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Schedule B, line 6—Summary of Plan Provisions

Effective Date	January 1, 1998. Amended and restated January 1, 2008. Amended January 1, 2009.
Plan Year	January 1 through December 31.
Participation	Regular, Limited-Term, and Post-Doc salaried employees with one year of service and at least age 21 are eligible to participate. Effective January 1, 2009, neither a New Hire nor a Post-2008 Rehire is eligible to participate.
Employee Contributions	Contributions, if any, made by a Participant under a Previous Plan, to the extent that those contributions remain in the plan. Employee contributions include "Prior Plan Employee Contributions" and "LMSC Employee Contributions".
Retirement Eligibility Normal	The later of the date a Participant attains age 65 or the fifth anniversary of the Participant's commencement of employment.
Service	Age 50 with 25 years of Eligibility Service, age 55 with 20 years of Eligibility Service, age 60 with 15 years of Eligibility Service, age 65 with 10 years of Eligibility Service, or any age with 30 years of Eligibility Service. Only participants who meet these requirements while still in active service are eligible for a Service Retirement.
Early	The same as Service Retirement. Age 55 with 20 years of Eligibility Service or age 50 with 25 years of Eligibility Service for the purpose of a deferred vested pension.
Disability	Fifteen years of Eligibility Service, provided qualifying disability occurred before January 1, 2009
Vesting	Five years of Eligibility Service.
Retirement Benefits Normal	An individual who first became a pension plan participant after June 30, 1975 or is otherwise not eligible for the Prior Plan minimum benefit shall have the pension amount determined solely by the following formula:

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I. For Retirements on or after December 18, 2000:

$[(a) \times (b) \times (c)]$ where:

(a) equals the employee's Average Annual Earnings

(b) equals 2.0%

(c) equals Benefit Service as of retirement

Plan participants that retire prior to December 18, 2006, will receive a benefit equal to the greater of I (above) and II (below).

II. For Retirements on or after October 1, 1993, but prior to December 31, 2000:

$[(d) \times (e) \times (f)]$ where:

(d) equals the employee's Average Annual Earnings.

(e) Equals 1.5%

(f) Equals Benefit Service as of retirement

An individual who is a Prior Plan employee shall have the pension determined as the greater of the above formula and the formula in effect prior to October 1, 1993.

Eligible former employees of Lockheed Martin Corporation Specialty Components ("Pinellas") and The Lockheed Martin Corporation receive a benefit equal to the above described benefit based on total service (service accrued while a Sandia employee plus service accrued at former company), not less than the accrued regular benefit under Pinellas or Lockheed Martin (whichever applicable) at the date of transfer. In addition, the Pinellas participants receive a benefit based on their Personal and Voluntary Pension Accounts.

Early

The accrued normal retirement benefit calculated using Formula I above is reduced 1/3% for each month that retirement precedes age 62.

The accrued normal retirement benefit calculated using Formula II above is reduced 0.5% for each month that retirement precedes age 55 for participants who retire after attaining age 50 with 25 years of Eligibility Service, and 0.25% for each month that retirement precedes age 55 after attaining any age with 30 years of Eligibility Service. There are no reductions for participants who retire after attaining age 55 with 20 years of Eligibility Service or age 60 with 15 years of Eligibility Service.

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Disability

Accrued normal retirement benefit, payable without a reduction for early commencement, for the duration of disability. Effective January 1, 2009, this special disability benefit was eliminated. Benefits for participants who become disabled after this date will be paid according to the vesting provisions of the plan.

Vesting

Any participant who is at least age 22, and leaves employment before age 65 with at least 5 years of vesting service is entitled to a deferred vested pension at age 65. Any participant who leaves employment on or after age 65 with at least 5 years of vesting service is entitled to a vested pension commencing immediately. A participant eligible for early retirement may elect to receive a reduced benefit. The reductions are based on tabular factors for deferred vested participants that vary based on the participant's age at the benefit commencement date.

Preretirement Spouse's Benefits

Eligibility

The spouse of an active participant who dies after becoming eligible for a deferred vested pension.

Benefit

The benefit amount, derived from the participant's accrued benefit, and the annuity commencement date are dependent on the deceased's years of employment as follows:

- (a) Fifteen or more years of service pension eligible: 90%¹ of accrued benefit payments commence upon the participant's death without early retirement reductions.
- (b) Less than 15 years or not yet service pension eligible: 86%¹ of accrued benefit; payments commence on the deceased's 65th birthday.

Death Benefit

Eligibility

A beneficiary of a Prior Plan Employee if there is no surviving spouse.

¹ Effective February 13, 2002, the qualified pre-retirement survivor annuity (QPSA) was changed to the joint and 100% survivor annuity from the joint and 50% survivor annuity. Prior to changes effective February 13, 2002, the applicable reductions were 46.5% and 45% for retirements and terminations of employment, respectively, on or after April 21, 1994. For retirements and terminations of employment prior to April 21, 1994 the reductions were 45% and 44%, respectively.

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Benefit	An amount equal to the participant's employee contributions plus accumulated interest reduced by any benefit payments made to the participant. If death occurs after retirement and the participant did not have an eligible survivor at retirement, then the amount will not be less than the accrued December 31, 1975, annual annuity.
Return of Employee Contributions	A participant who terminates employment and is not eligible for a Service Pension or a Disability Pension may, with spousal consent, elect to receive a single sum payment equal to the Participant's Prior Plan Employee Contributions plus interest on any date between the participant's termination of employment and the participant's benefit commencement date. This single sum payment will reduce the participant's accrued benefit under the plan.
Normal Form of Payment	Life annuity for single participants, 100% joint and survivor annuity with a pop-up for married participants.
Optional Forms of Payment	50% joint and survivor annuity with a pop-up.
Actuarial Equivalence	Participant's benefit is reduced 14% for 100% joint and survivor annuity with a pop-up and 7% for 50% joint and survivor annuity with a pop-up. For a Service or a Disability Pension, 14% is replaced by 10% and 7% is replaced by 5%.

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Cost Of Living Increases

Since January 1, 1982, the following benefit increases for certain retirees and survivors have occurred:

Effective Date	Increase %	Proration Period
Oct. 1, 1982	7.50%	18 months after Mar. 31, 1981
Jan. 1, 1985	5.00%	27 months after Sept. 30, 1982
Jan. 1, 1988	4.50%	36 months after Dec. 31, 1984
July 1, 1991	5.00% ¹	42 months after Dec. 31, 1987
July 1, 1991	6.50% ²	N/A
Jan. 1, 1996	6.00%	Retired Prior to 1991
	4.00%	Retired in 1991
	2.00%	Retired in 1992
	0.00%	Retired after 1992
		Participants Eligible³
Oct. 1, 2000	18.00%	Retired Prior to 1983
	17.00%	Retired in 1983
	graded down	through 1997
	3.00%	
	0.00%	Retired after 1997
Jan. 1, 2002	15.00% ⁴	N/A ⁵

Transferred Service

In the event of the transfer of a participant in this plan to the Sandia Corporation Pension Security Plan ("PSP"), or from PSP to this plan, the obligation with respect to the employee's pension benefits under this plan or under the PSP, as applicable, will be transferred from the pension plan from which the employee transfers to the pension plan to which the employee transfers as soon as administratively possible. Upon the transfer of such obligation, assets shall be transferred in connection with such obligation transferred, as required by and as determined in accordance with applicable IRS rules.

¹ Applies to retirees and survivors whose original date of retirement falls between October 1, 1980 and January 1, 1991.

² Applies to retirees and survivors whose original date of retirement falls before October 1, 1980.

³ Applies to retirees (and survivors) who retire with a service or disability pension. Also retired participants eligible with at least 20 years of service are subject to a minimum monthly benefit of \$500 (\$300 for survivors). The minimum monthly benefit is prorated if service is less than 20 years.

⁴ Plus an increase due to change in QJSA reductions.

⁵ Applies to retirees (and survivors) who retire with a service or disability pension.

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Definitions

Pensionable Pay

Only an Eligible Employee's base salary or, in the case of an hourly paid Eligible Employee, the amount of base wages; (without including special circumstances). Notwithstanding the foregoing, Pensionable Pay includes non-base compensation awards including Individual Performance Awards, Sandia Awards for Excellence, Special Recognition Awards, promotion and appointment awards, and sign on bonuses. In addition, Pensionable Pay includes incentive compensation awards under the Lockheed Martin Corporation Management Incentive Compensation Plan and the Lockheed Martin Deferred Management Incentive Compensation Plan. Compensation deferred under the Lockheed Martin Deferred Management Incentive Plan is recognized in and for the years such compensation is awarded and deferred.

Average Annual Earnings

The highest average of three consecutive 12 months of Pensionable Pay during the ten-year period ending on the earlier of the participant's termination date or retirement date.

For retirements on or after October 1, 1993, but prior to December 19, 2000: the highest average of five consecutive 12 months of Pensionable Pay during the ten-year period ending on the earlier of the participant's termination date or retirement date.

Eligibility Service

One year of Service is credited for each plan year in which an employee completes at least 1,000 hours of service.

Benefit Service

All service with the Company excluding periods of break-in-service.

Administrative Expenses

The plan pays administrative expenses for actuarial services, legal services, services for plan administration, and PBGC premiums.

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Changes in Plan Provisions since the Prior Year

The January 1, 2009 funding valuation reflects the following plan changes:

- The disability benefit was eliminated for participants who become disabled after January 1, 2009.
- Limit Changes
 - The legislated section 401(a)(17) recognizable pay limit increased from \$230,000 for 2008 to \$245,000 for 2009; and
 - The legislated section 415 dollar limit for defined benefit plans increased from \$185,000 for 2008 to \$195,000 for 2009.

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Schedule B, line 6—Statement of Actuarial Assumptions/Methods

Interest Rate	8.50% per year, compounded annually.
Current Liability Interest Rate	6.69% per year, compounded annually.
Maximum Deductible Funding Interest Rate	Based on full yield curve without lookback (December 2008 yield curve)
Variable Annuity Increase Rate	3.50% per year, compounded annually.
Salary Scale	See Table A.
Retirement Age	
Active Participants	See Table B.
Terminated Vested Participants	Age 65.
Mortality Rates	
Funding Minimum	
Healthy	RP2000 Combined Healthy Fully Generational Mortality Table with four year setback for males and two year setforward for females.
Disabled	RP2000 Disabled Retiree Mortality Table.
Current Liability	
Healthy and Disabled	2009 Static Mortality Table with separate annuitant and nonannuitant rates.
Withdrawal Rates	See Table C.
Disability Rates	See Table D.
Explicit Expense Load	None.
Optional Payment Form Election Percentage	
Married Males	35% life annuity. 65% joint and 100% survivor annuity.
Married Females	85% life annuity. 15% joint and 100% survivor annuity.
Unmarried Males and Females	100% life annuity.

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Valuation of Assets

The actuarial value is set equal to the Market Value of assets on the valuation date less the following percentages of returns in excess of / (less than) expected during the years prior to the valuation date:

80% of the prior year
60% of the second prior year
40% of the third prior year
20% of the fourth prior year

The resulting value is adjusted, if necessary, to be within 20% of the Market Value of assets.

Social Security Wage Base Increases

N/A.

Surviving Spouse Benefit

It is assumed that 90% of males and 75% of females have an eligible spouse, and that males are 3 years older than their spouses.

Actuarial Method

Entry Age Normal (Level Percent) Cost Method

Valuation Date

January 1, 2009.

Valuation Compensation

2008 Pensionable earnings rolled forward one year with the salary increase assumption.

Benefit and Compensation Limits

Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$195,000 and the 401(a)(17) compensation limit of \$245,000.

Employee Contributions

There is no assumption for employee contributions. Because of the very small amount of employee contributions, none are included in the plan benefit liabilities nor in the contribution calculations.

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Assumption and Method Changes since the Prior Year

- The current liability interest rate assumption changed from 6.43% as of January 1, 2008 to 6.69% as of January 1, 2009. For government contractors with a delayed PPA effective date this rate is equal to the “third segment rate” as set forth in PPA Section 106(b).
- The current liability mortality table was updated from the 2008 Static Mortality Table with separate annuitant and nonannuitant rates for healthy lives and the 1983 Group Annuity Mortality Table for disabled lives to the 2009 Static Mortality Table with separate annuitant and nonannuitant rates per §1.430(h)(3)-1(e) for both healthy and disabled lives.
- In addition, the following changes were made to better reflect anticipated plan experience:
 - The assumed payment form elected at termination by married males was changed from assuming 25% elect a life annuity and 75% elect a joint and 50% survivor annuity to assuming 35% elect a life annuity and 65% elect a joint and 100% survivor annuity.
 - The assumed payment form elected at termination by married females was changed from assuming 75% elect a life annuity and 25% elect a joint and 50% survivor annuity to assuming 85% elect a life annuity and 15% elect a joint and 100% survivor annuity.

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Table A
Salary Scale

Age/ Service	Rates
21	13.00%
22	13.00%
23	12.50%
24	11.50%
25	10.50%
26	9.75%
27	9.50%
28	9.25%
29	8.50%
30	7.50%
31	7.00%
32	6.75%
33	6.25%
34	6.00%
35	5.75%
36	5.50%
37	5.50%
38	5.50%
39+	5.50%

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Table B
Retirement Rates

Age/ Service	Rates
46	3.50%
47	3.50%
48	3.50%
49	3.50%
50	3.50%
51	3.50%
52	3.50%
53	3.50%
54	3.50%
55	7.00%
56	11.00%
57	12.75%
58	15.75%
59	19.00%
60	22.75%
61	25.00%
62	30.00%
63	37.50%
64	45.00%
65	47.50%
66	45.00%
67	45.00%
68	40.00%
69	40.00%
70	100.00%

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Table C

Probability of Withdrawal for Regular Employees¹

Age	Rates	Age	Rates
20	0.1450	45	0.0287
21	0.1450	46	0.0281
22	0.1350	47	0.0275
23	0.1250	48	0.0266
24	0.1075	49	0.0255
25	0.0937	50	0.0250
26	0.0825	51	0.0250
27	0.0750	52	0.0250
28	0.0683	53	0.0250
29	0.0600	54	0.0250
30	0.0527		
31	0.0469		
32	0.0423		
33	0.0398		
34	0.0390		
35	0.0381		
36	0.0369		
37	0.0357		
38	0.0343		
39	0.0328		
40	0.0316		
41	0.0307		
42	0.0299		
43	0.0294		
44	0.0291		

¹ Limited-term and post-doc employees experience an additional 50% probability of withdrawal in year three of their employment.

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Table D
Probability of Disability

Age	Rates	Age	Rates
15	0.001	40	0.001
16	0.001	41	0.001
17	0.001	42	0.001
18	0.001	43	0.001
19	0.001	44	0.001
20	0.001	45	0.001
21	0.001	46	0.001
22	0.001	47	0.001
23	0.001	48	0.001
24	0.001	49	0.001
25	0.001	50	0.001
26	0.001	51	0.001
27	0.001	52	0.001
28	0.001	53	0.001
29	0.001	54	0.001
30	0.001	55	0.001
31	0.001	56	0.001
32	0.001	57	0.001
33	0.001	58	0.001
34	0.001	59	0.001
35	0.001	60	0.001
36	0.001	61	0.001
37	0.001	62	0.001
38	0.001	63	0.001
39	0.001	64	0.001
		65+	0.000

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**Schedule B, line 6—Other Information to Fully and Fairly Disclose the Actuarial
Position of the Plan**

The actuarial valuation was conducted on an ongoing (not termination) basis using personnel data furnished as of January 1, 2009, by Sandia Corporation. Asset information and the dates and amounts of contributions are based on information supplied by Sandia Corporation.

Effective January 1, 2009, the enrolled actuary was changed as a result of a change in the firms providing actuarial services for the plan.

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Schedule B, line 6b—Description of Weighted Average Retirement Age

The assumed retirement age [line 6(b)] is based on a probability by age, and assuming mid-year decrements. The estimated whole age of retirement is age 58. This was developed as follows:

(1) Age at Retirement	(2) Percentage of Total Group Retiring	Weighted Retirement Age (1)*(2)
46	3.50%	1.61
47	3.38%	1.59
48	3.26%	1.56
49	3.15%	1.54
50	3.04%	1.52
51	2.93%	1.49
52	2.83%	1.47
53	2.73%	1.45
54	2.63%	1.42
55	5.08%	2.79
56	7.42%	4.16
57	7.66%	4.37
58	8.25%	4.79
59	8.39%	4.95
60	8.14%	4.88
61	6.91%	4.22
62	6.22%	3.86
63	5.44%	3.43
64	4.08%	2.61
65	2.37%	1.54
66	1.18%	0.78
67	0.65%	0.44
68	0.32%	0.22
69	0.19%	0.13
70	0.29%	<u>0.20</u>
Total		57.02
Adjustment for Mid-Year Decrement		<u>.50</u>
Expected Retirement Age		57.52

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Schedule B, line 8c—Schedule of Active Participant Data as of January 1, 2009
Number of Participants and Average Compensation

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25	22 \$64,832	26 \$57,411	2							
25-29	79 \$81,763	311 \$83,022	192 \$84,088	1						
30-34	69 \$83,328	301 \$90,436	376 \$91,162	47 \$91,546	4					
35-39	39 \$93,720	167 \$88,664	329 \$99,069	112 \$112,096	21 \$88,475					
40-44	14	134 \$92,154	259 \$97,817	192 \$114,429	168 \$112,613	47 \$115,089	1			
45-49	28 \$96,407	122 \$94,467	267 \$93,077	190 \$109,630	303 \$120,994	353 \$123,420	156 \$115,352	6		
50-54	17	77 \$96,321	191 \$88,384	142 \$107,907	231 \$110,268	364 \$118,077	387 \$121,305	191 \$105,411	5	
55-59	6	51 \$104,183	96 \$89,756	93 \$102,137	135 \$102,504	158 \$112,665	263 \$125,765	215 \$124,254	40 \$102,739	
60-64	3	19	51 \$95,344	70 \$106,928	86 \$107,585	63 \$108,037	83 \$118,771	94 \$131,413	26 \$110,794	23 \$113,602
65-69	1	7	8	9	19	14	12	16	6	18
70+			1	1	2				2	2

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Schedule B, line 9c and 9j—Schedule of Funding Standard Account Bases

Source	Date Established	Original Amount	Years Remaining on January 1, 2009	Annual Amortization Payment	Outstanding Balance on January 1, 2009
Charges					
Gain or Loss ¹	1/1/2009	\$ 617,644,392	5	\$ 144,458,058	\$ 617,644,392
Plan Amendment	1/1/2009	\$ 20,280,233	30	<u>1,739,251</u>	<u>20,280,233</u>
Total Charges				\$ 146,197,309	\$ 637,924,625
Credits					
Assumption Change	1/1/2009	\$ 14,913,873	10	<u>\$ 2,094,921</u>	<u>\$ 14,913,873</u>
Total Credits				\$ 2,094,921	\$ 14,913,873
Determination of Unfunded Accrued Liability, January 1, 2009					
Total Charges Less Total Credits					\$ 623,010,752
Less: Funding Standard Account Credit Balance, January 1, 2009					227,001,737
Less: Accumulated Reconciliation Account Balance, January 1, 2009					<u>0</u>
Unfunded Accrued Liability (Limited to Zero), January 1, 2009					\$ 396,009,015

Schedule B, line 11—Justification for Change in Actuarial Assumptions

The RPA current liability interest rate increased from 6.43% as of January 1, 2008 to 6.69% as of January 1, 2009. This rate was changed in accordance with PPA Section 106(b) and remains within the prescribed ranges. Additionally, the mortality table that is used to determine current liability has been changed to the 2009 Static Mortality Table with separate annuitant and nonannuitant rates. Because these changes are mandated, they are not subject to the approval requirements of IRC Section 412(c)(5)(B).

The assumed payment form elected at benefit commencement has been updated to better reflect anticipated plan experience.

¹ The plan experienced an actuarial loss of \$676,588,554 during 2008; however, this base was established in order to balance the unfunded accrued liability as of January 1, 2009.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009**This Form is Open to Public
Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Sandia Corporation Retirement Income Plan	B Three-digit plan number (PN) ▶ 006
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Sandia Corporation	D Employer Identification Number (EIN) 85-0097942
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>		
2 Assets:		
a Market value.....	2a	2,468,939,070
b Actuarial value.....	2b	2,715,832,977
3 Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 5,469	1,569,151,306
b For terminated vested participants.....	3b 1,564	73,524,604
c For active participants:		
(1) Non-vested benefits.....	3c(1)	129,284,228
(2) Vested benefits.....	3c(2)	1,384,311,166
(3) Total active.....	3c(3) 7,636	1,513,595,394
d Total.....	3d 14,669	3,156,271,304
4 If the plan is at-risk, check the box and complete items (a) and (b)..... ☐		
a Funding target disregarding prescribed at-risk assumptions.....	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b	
5 Effective interest rate.....	5	6.87 %
6 Target normal cost.....	6	136,259,236

Statement by Enrolled Actuary

To the best of my knowledge, the information shown in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE***Brian P. Levine BPL*

Signature of actuary

10/14/2010

Date

Brian P. Levine

Type or print name of actuary

08-06424

Most recent enrollment number

Hewitt Associates

Firm name

(972) 402-8700

Telephone number (including area code)

2201 West Royal Lane

Suite 100

Irving

TX 75063

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐**For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.****Schedule SB (Form 5500) 2009
v.092308.1**

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)		
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)		
9 Amount remaining (Item 7 minus item 8)	0	0
10 Interest on item 9 using prior year's actual return of _____ %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		
b Interest on (a) using prior year's effective rate of _____ %		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		
12 Reduction in balances due to elections or deemed elections		
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	86.04 %
15 Adjusted funding target attainment percentage	15	%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/15/2009	39,473,418				
10/15/2009	12,500,000				
04/15/2010	37,500,000				
07/15/2010	30,500,000				
Totals ►			18(b)	119,973,418	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☐ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☐ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27 3

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment		
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33).....	34	0
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		0
36 Additional cash requirement (item 34 minus item 35).....	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	
38 Interest-adjusted excess contributions for current year (see instructions).....	38	
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

**SCHEDULE B
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974, referred to as ERISA, except when attached to Form 5500-EZ and, in all cases, under section 6059(a) of the Internal Revenue Code, referred to as the Code.

▶ Attach to Form 5500 or 5500-EZ if applicable.

▶ See separate instructions.

Official Use Only

OMB No. 1210-0110

2007

**This Form is Open to Public
Inspection (except when
attached to Form 5500-EZ).**

For calendar plan year 2007 or fiscal plan year beginning _____ and ending _____

▶ Round off amounts to nearest dollar.

▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan SANDIA CORPORATION RETIREMENT INCOME PLAN		B Three-digit plan number ... ▶ 006
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ SANDIA CORPORATION		D Employer Identification Number 85-0097942
E Type of plan: (1) ☐ Multiemployer (2) ☒ Single-employer (3) ☐ Multiple-employer		F 100 or fewer participants in prior plan year ☐

Part I Basic Information (To be completed by all plans)

1a Enter the actuarial valuation date: Month 01 Day 01 Year 2009

b Assets:

(1) Current value of assets	b(1)	2468939070
(2) Actuarial value of assets for funding standard account	b(2)	2962726884
c (1) Accrued liability for plans using immediate gain methods	c(1)	3358735899
(2) Information for plans using spread gain methods:		
(a) Unfunded liability for methods with bases	c(2)(a)	
(b) Accrued liability under entry age normal method	c(2)(b)	
(c) Normal cost under entry age normal method	c(2)(c)	

Statement by Enrolled Actuary (see instructions before signing):

To the best of my knowledge, the information supplied in this schedule and on the accompanying schedules, statements, and attachments, if any, is complete and accurate, and in my opinion each assumption, used in combination, represents my best estimate of anticipated experience under the plan. Furthermore, in the case of a plan other than a multiemployer plan, each assumption used (a) is reasonable (taking into account the experience of the plan and reasonable expectations) or (b) would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption were reasonable; in the case of a multiemployer plan, the assumptions used, in the aggregate, are reasonable (taking into account the experience of the plan and reasonable expectations).

**SIGN
HERE**

Brian P. Levine *BPL*

Signature of actuary

BRIAN P. LEVINE

Type or print name of actuary

HEWITT ASSOCIATES

Firm name

2201 WEST ROYAL LANE, SUITE 100

IRVING

TX

75063

Address of the firm

10/14/2010

Date

G 08-06424

Most recent enrollment number

972-402-8700

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions. ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-EZ.

v10.1

Schedule B (Form 5500) 2007



0 8 0 7 3 2 0 1 0 L



1d Information on current liabilities of the plan:

(1) Amount excluded from current liability attributable to pre-participation service (see instructions) . .	d(1)	0
(2) "RPA '94" information:		
(a) Current liability	d(2)(a)	3221989099
(b) Expected increase in current liability due to benefits accruing during the plan year	d(2)(b)	137885219
(c) Current liability computed at highest allowable interest rate (see instructions)	d(2)(c)	3221989099
(d) Expected release from "RPA '94" current liability for the plan year	d(2)(d)	
(3) Expected plan disbursements for the plan year	d(3)	173006008

2 Operational information as of beginning of this plan year:

a Current value of the assets (see instructions)		2a	2468939070
b "RPA '94" current liability:			
	(1) No. of Persons	(2) Vested Benefits	(3) Total Benefits
(1) For retired participants and beneficiaries receiving payments	5469	1604943007	1604943007
(2) For terminated vested participants	1564	74014963	74014963
(3) For active participants	7636	1406482641	1543031129
(4) Total	14669	3085440611	3221989099
c If the percentage resulting from dividing line 2a by line 2b(4), column (3), is less than 70%, enter such percentage.		2c	%

3 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees	(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees
07/15/2009	39473418				
10/15/2009	12500000				
04/15/2010	37500000				
07/15/2010	30500000				
3 Totals ▶ (b)				119973418	(c) 0

4 Quarterly contributions and liquidity shortfall(s):

a Plans other than multiemployer plans, enter funded current liability percentage for preceding year (see instructions).	4a	111.7 %
---	-----------	---------

b If line 4a is less than 100%, see instructions, and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th



5 Actuarial cost method used as the basis for this plan year's funding standard account computation:

- a** ☐ Attained age normal **b** ☒ Entry age normal **c** ☐ Accrued benefit (unit credit)
- d** ☐ Aggregate **e** ☐ Frozen initial liability **f** ☐ Individual level premium
- g** ☐ Individual aggregate **h** ☐ Other (specify) ▶ _____

i Has a change been made in funding method for this plan year? ☒ Yes ☐ No

j If line i is "Yes," was the change made pursuant to Revenue Procedure 2000-40? ☒ Yes ☐ No

k If line i is "Yes," and line j is "No" enter the date of the ruling letter (individual or class) approving the change in funding method _____ Month _____ Day _____ Year _____

6 Checklist of certain actuarial assumptions:

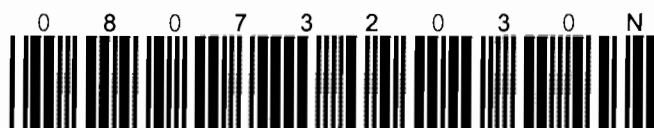
a Interest rate for "RPA '94" current liability	6a	6.69	%	☐ N/A								
b Weighted average retirement age	6b	58		☐ N/A								
c Rates specified in insurance or annuity contracts	6c	<table border="1"> <tr> <th colspan="2">Pre-retirement</th> <th colspan="2">Post-retirement</th> </tr> <tr> <td>Yes</td> <td>☒ No</td> <td>Yes</td> <td>☒ No</td> </tr> </table>		Pre-retirement		Post-retirement		Yes	☒ No	Yes	☒ No	☐ N/A
Pre-retirement		Post-retirement										
Yes	☒ No	Yes	☒ No									
d Mortality table code for valuation purposes:												
(1) Males	d(1)	A	A									
(2) Females	d(2)	A	A									
e Valuation liability interest rate	6e	8.50	%	☐ N/A								
f Expense loading	6f	0.0	%	☐ N/A								
g Annual withdrawal rates:												
(1) Age 25	g(1)	C	9.37 %									
(2) Age 40	g(2)	C	3.16 %									
(3) Age 55	g(3)	C	2.50 %									
h Salary scale	6h	6.29	%	☐ N/A								
i Estimated investment return on actuarial value of assets for year ending on the valuation date	6i	-10.6	%									
j Estimated investment return on current value of assets for year ending on the valuation date . .	6j	-26.9	%									

7 New amortization bases established in the current plan year:

(1) Type of Base	(2) Initial Balance	(3) Amortization Charge/Credit
1	617644392	144458058
3	20280233	1739251
4	-14913873	-2094921

8 Miscellaneous information:

- a** If a waiver of a funding deficiency or an extension of an amortization period has been approved for this plan year, enter the date of the ruling letter granting the approval _____ Month _____ Day _____ Year _____



8b If one or more alternative methods or rules (as listed in the instructions) were used for this plan year, enter the appropriate code in accordance with the instructions ▶

c Is the plan required to provide a Schedule of Active Participant Data? (see instructions) If "Yes," attach schedule. ☒ Yes ☐ No

9 Funding standard account statement for this plan year:

Charges to funding standard account:

a	Prior year funding deficiency, if any.	9a	0
b	Employer's normal cost for plan year as of valuation date.	9b	62569281
c	Amortization charges as of valuation date:		
	(1) All bases except funding waivers. ▶ (\$ 637924625)	c(1)	146197309
	(2) Funding waivers. ▶ (\$ 0)	c(2)	0
d	Interest as applicable on lines 9a, 9b, and 9c.	9d	17745160
e	Additional interest charge due to late quarterly contributions, if applicable.	9e	
f	Adjusted additional funding charge from Part II, line 12q, if applicable. ☐ N/A	9f	0
g	Total charges. Add lines 9a through 9f.	9g	226511750

Credits to funding standard account:

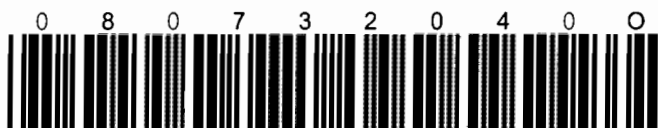
h	Prior year credit balance, if any.	9h	227001737
i	Employer contributions. Total from column (b) of line 3.	9i	119973418
	Outstanding Balance		
j	Amortization credits as of valuation date. ▶ (\$ 14913873)	9j	2094921
k	Interest as applicable to end of plan year on lines 9h, 9i, and 9j.	9k	21216880
l	Full funding limitation (FFL) and credits		
	(1) ERISA FFL (accrued liability FFL). l(1) 1279614114		
	(2) "RPA '94" override (90% current liability FFL). l(2) 31385296		
	(3) FFL credit. l(3)		0
m	(1) Waived funding deficiency. m(1)		0
	(2) Other credits. m(2)		0
n	Total credits. Add lines 9h through 9k, 9l(3), 9m(1), and 9m(2).	9n	370286956
o	Credit balance: If line 9n is greater than line 9g, enter the difference.	9o	143775206
p	Funding deficiency: If line 9g is greater than line 9n, enter the difference.	9p	0

Reconciliation account:

q	Current year's accumulated reconciliation account:		
	(1) Due to additional funding charges as of the beginning of the plan year	q(1)	0
	(2) Due to additional interest charges as of the beginning of the plan year	q(2)	0
	(3) Due to waived funding deficiencies:		
	(a) Reconciliation outstanding balance as of valuation date.	q(3)(a)	0
	(b) Reconciliation amount. Line 9c(2) balance minus line 9q(3)(a).	q(3)(b)	0
	(4) Total as of valuation date. ▶	q(4)	0

10 Contribution necessary to avoid an accumulated funding deficiency. Enter the amount in line 9p or the amount required under the alternative funding standard account if applicable. **10** 0

11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see Instructions. ☒ Yes ☐ No



Part II Additional Information for Certain Plans Other Than Multiemployer PlansPlease see **Who Must File** in the Schedule B instructions to determine if you must complete Part II.**12** Additional required funding charge (see instructions):

- a**
- Enter "Gateway %." Divide line 1b(2) by line 1d(2)(c) and multiply by 100.

If line 12a is at least 90%, go to line 12q and enter -0-.

If line 12a is less than 80%, go to line 12b.

If line 12a is at least 80% (but less than 90%), see instructions and, if applicable, go to line 12q

and enter -0-. Otherwise, go to line 12b. **12a** 92.0 %

- b**
- "RPA '94" current liability. Enter line 1d(2)(a)
- 12b**

- c**
- Adjusted value of assets (see instructions)
- 12c**

- d**
- Funded current liability percentage. Divide line 12c by 12b and multiply by 100
- 12d**
- %

- e**
- Unfunded current liability. Subtract line 12c from line 12b.
- 12e**

- f**
- Liability attributable to any unpredictable contingent event benefit
- 12f**

- g**
- Outstanding balance of unfunded old liability
- 12g**

- h**
- Unfunded new liability. Subtract the total of lines 12f and 12g from line 12e. Enter -0- if negative
- 12h**

- i**
- Unfunded new liability amount (_____ % of line 12h)
- 12i**

- j**
- Unfunded old liability amount
- 12j**

- k**
- Deficit reduction contribution. Add lines 12i, 12j, and 1d(2)(b).
- 12k**

- l**
- Net charges in funding standard account used to offset the deficit reduction contribution. Enter a negative number if less than zero.
- 12l**

m Unpredictable contingent event amount:

- (1)**
- Benefits paid during year attributable to unpredictable contingent event . . .
- m(1)**

- (2)**
- Unfunded current liability percentage. Subtract the percentage on line 12d from 100%.
- m(2)**
- %

- (3)**
- Enter the product of lines 12m(1) and 12m(2)
- m(3)**

- (4)**
- Amortization of all unpredictable contingent event liabilities
- m(4)**

- (5)**
- "RPA '94" additional amount (see instructions).
- m(5)**

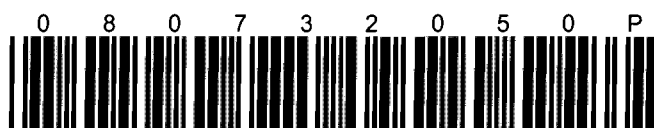
- (6)**
- Enter the greatest of lines 12m(3), 12m(4), or 12m(5).
- m(6)**

- n**
- Preliminary additional funding charge: Enter the excess of line 12k over line 12l (if any), plus line 12m(6), adjusted to end of year with interest
- 12n**

- o**
- Contributions needed to increase current liability percentage to 100% (see instructions)
- 12o**

- p**
- Additional funding charge prior to adjustment: Enter the lesser of line 12n or 12o
- 12p**

- q**
- Adjusted additional funding charge. (_____ .0 % of line 12p).
- 12q**
- 0



Attachment to 2009 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name SANDIA CORPORATION RETIREMENT INCOME PLAN

EIN: 85-0097942

Plan Sponsor's Name SANDIA CORPORATION

PN: 006

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	PRUDENTIAL INSURANCE	SHORT TERM FUND INTEREST BEARING CASH ACCT. VARIABLE INTEREST 1,578,137 UNITS AT 12/31/09	21,205,719	21,205,719
	PRUDENTIAL INSURANCE	COMMON STOCK 43,920 UNITS AT 12/31/09	905,413	2,834,785
	PRUDENTIAL INSURANCE	VARIABLE RATE 6.88% AT 12/31/09	33,401,287	33,401,287