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

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] 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:
- [X] 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

1b Three-digit plan number (PN) ▶ 006

1c Effective date of plan 01/01/1982

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

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.	10/06/2011	MARK E. BIGGS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/06/2011	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**	14455
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**	6918
b	Retired or separated participants receiving benefits	**6b**	4875
c	Other retired or separated participants entitled to future benefits	**6c**	1677
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	13470
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	878
f	Total. Add lines **6d** and **6e**	**6f**	14348
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**	45
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)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	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)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)	X	1	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance 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.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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 Information Concerning Insurance Contract Coverage, Fees, and Commissions

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.

1 Coverage Information:

(a) Name of insurance carrier
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

(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	14348	01/01/2010	12/31/2010

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.

(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	30862833
5	Current value of plan's interest under this contract in separate accounts at year end	5	27308592

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.	6d	

Specify nature of costs ▶

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	33401287
c	Additions: (1) Contributions deposited during the year	7c(1)			
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	2335310		
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below)	7c(5)			
	▶				
	(6) Total additions			7c(6)	2335310
d	Total of balance and additions (add **b** and **c(6)**)			7d	35736597
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	4749552		
	(2) Administration charge made by carrier	7e(2)	124212		
	(3) Transferred to separate account	7e(3)			
	(4) Other (specify below)	7e(4)			
	▶				
	(5) Total deductions			7e(5)	4873764
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	30862833

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

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **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: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2010			
2	Assets:			
a	Market value	**2a**		2946635766
b	Actuarial value	**2b**		3082524093
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	5409	1655786353
b	For terminated vested participants	**3b**	1613	76963663
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		112744077
	(2) Vested benefits	**3c(2)**		1504266056
	(3) Total active	**3c(3)**	7433	1617010133
d	Total	**3d**	14455	3349760149
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**		6.68 %
6	Target normal cost	**6**		110595010

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

Signature of actuary

BRIAN P. LEVINE

Type or print name of actuary

HEWITT ASSOCIATES LLC

Firm name

2201 WEST ROYAL LANE
SUITE 100
IRVING, TX 75063

Address of the firm

Date
11-06424

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 [ ]

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	92.02 %
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
07/15/2010	7000000				
10/01/2010	12500000				
03/30/2011	43302349				
04/14/2011	50000000				
			Totals ► 18(b)	112802349	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: %	[X] N/A, full yield curve used

b Applicable month (enter code) **21b** 0

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	Total 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** 0

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)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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)

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

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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)

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	396736	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

(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?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

(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?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

(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?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(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?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(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?
			Yes ☐ No ☐	Yes ☐ No ☐		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:	**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:

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

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
36-3291356-008	M	3087294189

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	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
22-1211670-044	P	24415067

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	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
22-1211670-007	P	2893525

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)

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

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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

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	93302349
(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)	24040504	27308592
(11) Value of interest in master trust investment accounts	1c(11)	2821193975	3087294189
(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)	33401287	30862833
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(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	2946635766	3238767963
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 through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	2946635766	3238767963

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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	112802349	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		112802349
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)	2410062	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		2410062
(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)		256380
	(8) Net investment gain (loss) from master trust investment accounts	2b(8)		361667396
	(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		477136187
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	175540072	
	(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)		175540072
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)		
	(2) Contract administrator fees	2i(2)	396736	
	(3) Investment advisory and management fees	2i(3)	6503091	
	(4) Other	2i(4)	4211729	
	(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		11111556
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		186651628
	Net Income and Reconciliation			
k	Net income (loss). Subtract line 2j from line 2d	2k		290484559
l	Transfers of assets:			
	(1) To this plan	2l(1)		1900932
	(2) From this plan	2l(2)		253294

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.)	4a		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.)	4b		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.)	4c		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.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	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?	4f		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?	4g		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?	4h		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.)	4i	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.)	4j		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?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		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.	4n		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

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

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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 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** 0

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): _____ _____

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** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 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**

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 _____

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(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: 62% Investment-Grade Debt: 38% High-Yield Debt: _____% 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, 2010 and 2009
With Report of Independent Auditors

SANDIA CORPORATION RETIREMENT INCOME PLAN
December 31, 2010 and 2009

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

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REPORT OF INDEPENDENT AUDITORS

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

We were engaged to audit the accompanying statement of net assets available for benefits of the Sandia Corporation Retirement Income Plan as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010, and the supplemental schedule of assets (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 4, which was certified by the Northern Trust Company and the Prudential Insurance Company of America, the trustees of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from the trustees as of and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustees is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule as of and for the year ended December 31, 2010, taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

We have audited the statement of net assets available for benefits as of December 31, 2009, and the related statement of changes in net assets available for benefits for the year then ended, and in our report dated October 13, 2010, we expressed an opinion that these financial statements present fairly, in material respects, in conformity with accounting principles generally accepted in the United States.

Mitchell & Titus, LLP

August 8, 2011

SANDIA CORPORATION RETIREMENT INCOME PLAN
Statements of Net Assets Available for Benefits
As of December 31, 2010 and 2009

	2010	2009
ASSETS		
Assets held in insurance company pooled separate accounts, at fair value		
Short-Term Fund	$ 24,415,067	$ 21,205,719
Conservative Stock Fund	2,893,525	2,834,785
	$ 27,308,592	$ 24,040,504
Assets held in unallocated insurance contract, at contract value	30,862,833	33,401,287
Receivables		
Contributions from employer	93,302,349	68,000,000
Plan's interest in Master Trust held by the Northern Trust Company, at fair value	3,087,294,189	2,821,193,975
Net assets available for benefits	$ 3,238,767,963	$ 2,946,635,766

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, 2010 and 2009

	2010	2009
ADDITIONS		
Investment income		
Interest and dividend income	$ 2,410,062	$ 2,502,090
Net appreciation in fair value of pooled separate accounts	256,380	949,545
Plan interest in net investment gain of Master Trust	361,667,396	532,957,504
Total Investment Income	364,333,838	536,409,139
Sponsor contributions	112,802,349	119,973,418
Employee reinstatement payments	-	2,658
Transfers from LMC Salaried Plan	352,098	381,459
Transfers from Pension Security Plan, net	1,342,843	796,175
Other	-	(7)
Total additions	478,831,128	657,562,842
DEDUCTIONS		
Benefit payments	175,540,072	167,060,530
Administrative expenses	11,111,556	12,734,120
Transfers to LMC Retirement Program	47,303	71,496
Total deductions	186,698,931	179,866,146
Net increase	292,132,197	477,696,696
Net assets available for benefits		
Beginning of year	2,946,635,766	2,468,939,070
End of year	$ 3,238,767,963	$ 2,946,635,766

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

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 $112,802,349 and $119,973,418 for the years ended December 31, 2010 and 2009, 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 2.95% and 2.48% for the years ended December 31, 2010 and 2009, respectively, were $3,577,918 and $3,267,394 at January 1, 2010 and 2009, 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 Document. 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 proceeding 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.

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.

Certain 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, supplemental schedule and accompanying notes. Actual results could differ from those estimates.

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 Sandia Corporation Pension Plans Trust (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/(depreciation) include the Plan's gains and losses on investments bought, sold, and held during the year.

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 net investment gain/(loss) in the Master Trust. As of December 31, 2010 and 2009, 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, 2010 and 2009 as follows:

	2010		2009	
	Notional Amount	Amount Included in Fair Value of Asset	Notional Amount	Amount Included in Fair Value of Asset
Cash and cash Equivalent				
Futures Contracts	$ 118,468,438		$ 105,052,075	
Foreign Currency				
Forward Contracts - Payable		(10,477,638)		(3,619,377)
Forward Contracts - Receivable		10,506,740		3,595,948
Fixed Income				
Futures Contracts			(5,013,992)	
Alternative Investments				
Swaps Contracts		(51,717)		
Options Contracts		(107,047)		(317,808)

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 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.

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

Tax Status (continued)

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effect of a tax position is recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdiction; however, there are currently no audits for any tax period in progress. The plan administrator believes it is no longer subject to income and examination for years prior to 2004.

Subsequent Events

The Company evaluated subsequent events and transactions through August 8, 2011, 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 requirement 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. The Plan adopted this guidance for the financial statements issued for the year ended December 31, 2010. The Plan's adoption of this guidance did not have a material impact on the Plan's net assets available for benefits or its changes in net assets available for benefits.

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

Recent Accounting Pronouncements (continued)

In May 2011, the FASB issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs,* (ASU 2011-04). ASU 2011-04 amended ASC 820, *Fair Value Measurements and Disclosures,* to converge the fair value measurement guidance in US generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures, although certain of these new disclosures will not be required for nonpublic entities. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

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.

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

The actuarial valuation for the Plan was made by AonHewitt Associates. 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 6.76% and 6.69%, for the years ended December 31, 2009 and 2008, respectively, (b) assumed mortality (modified RP-2000 Mortality Table and standard RP-2000 Mortality Table for the years ended December 31, 2009 and 2008, respectively), 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 beginning of the year was as follows:

	December 31, 2009
Vested benefits of participants currently receiving payments	$ 1,624,426,941
Other vested benefits	1,575,598,661
Non-vested benefits	111,993,492
Total	$ 3,312,019,094

The net change in the actuarial present value of accumulated plan benefits is the result of the following, for the year ended December 31, 2009:

Change in actuarial assumptions and methods	$ (206,538,814)
Interest due to an increase in discount period	218,987,712
Benefits accrued (including transfers from the PSP)	111,093,713
Benefits paid	(167,060,530)
Net decrease	(43,517,919)
Actuarial present value of accumulated plan benefits	
Beginning of period	3,355,537,013
End of period	$ 3,312,019,094

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 2010 and 2009, the impact of the active participant transfers between the Plan and the PSP was not material to the Plan.

NOTE 4 MASTER TRUST

All investment information for the Master Trust disclosed in the accompany financial statements and supplemental schedules including investments held at December 31, 2010, and net appreciation (depreciation) in fair value of investments, interest and dividends for the year ended December 31, 2010, was obtained or derived from information provided to the plan administrator and certified as complete and accurate by Northern Trust and Prudential, the trustees of the Master Trust.

The Plan's interest in the Master Trust's net assets as of December 31, 2010 and 2009 were approximately 92.3% and 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, 2010 and 2009 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, 2010 and 2009, securities were loaned with a market value of $271,051,740 and $283,999,203, respectively.

NOTE 4 MASTER TRUST *(continued)*

The following table presents the fair value, as of December 31, of investments in the Master Trust:

	2010	2009
Equity		
U.S. equity securities	$ 252,730,133	$ 407,054,126
International equity securities	140,628,357	297,094,688
Fixed income		
Government debt securities	840,104,409	269,876,684
Corporate debt securities	128,660,076	277,817,661
Derivatives	(88,764)	(317,808)
Mortgage- and asset-backed securities	26,384,200	34,672,944
Common/collective trusts	1,570,660,164	1,475,417,729
103-12 entities	382,844,795	280,764,817
Accrued income	5,624,807	9,043,847
Cash and cash equivalents	9,817,185	25,043,769
Investments held as collateral on securities loaned	275,942,892	292,246,126
Due from brokers for sale of securities	24,952,455	12,530,084
Receivable for foreign currency forward contracts	10,506,740	3,595,948
Payable for foreign currency forward contracts	(10,477,638)	(3,619,377)
Due to brokers for purchase of securities	(37,062,700)	(26,496,680)
Obligation to return collateral on securities loaned	(275,942,892)	(292,246,126)
Total net assets	$ 3,345,284,219	$ 3,062,478,433
Amount attributable to the PSP	(257,990,030)	(241,284,458)
Amount attributable to the Plan	$ 3,087,294,189	$ 2,821,193,975

NOTE 4 MASTER TRUST *(continued)*

Investment income for the Master Trust for the years ended December 31, 2010 and 2009 was as follows:

	2010	2009
Investment income		
Net appreciation (depreciation) in the fair value of investments		
Equity		
U.S. equity securities	$ 99,001,083	$ 134,891,562
International equity securities	18,551,427	34,169,629
Fixed income		
Corporate debt securities	30,974,232	33,396,709
U.S. government securities	9,592,440	9,208,903
Other fixed-income obligations	2,110,690	(27,997,804)
103-12 entities	49,981,306	46,942,565
Common/collective trusts	126,153,031	293,446,028
	336,364,209	524,057,592
Dividend income	18,379,490	17,433,770
Interest income	36,053,761	35,719,436
Other investment income	1,042,721	1,527,416
Net investment gain	391,840,181	578,738,214
Net investment gain attributable to the PSP	30,172,785	45,780,710
Net investment gain attributable to the Plan	$ 361,667,396	$ 532,957,504

NOTE 5 POOLED SEPARATE ACCOUNTS

During 2010 and 2009, the Plan's investments in pooled separate accounts held by Prudential appreciated in value as follows:

	2010	2009
Conservative stock fund	$ 256,380	$ 949,545

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, 2010:

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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—include 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 his security is not actively traded and is valued at a nominal amount.

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.

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.

NOTE 6 FAIR VALUE MEASUREMENT *(continued)*

Master Trust assets at fair value as of December 31, 2010 were as follows:

	Level 1	Level 2	Level 3	Total
Equities				
U.S. equity securities	$252,730,133	$ -	$ -	$ 252,730,133
International equity securities	140,628,357	-	-	140,628,357
Fixed income				
Government debt securities	-	840,104,409	-	840,104,409
Corporate debt securities	-	128,660,076	-	128,660,076
Derivatives	-	(88,764)	-	(88,764)
Mortgage- and asset-backed securities	-	26,266,054	118,146	26,384,200
Common/collective trusts	5,634,061	1,565,026,103	-	1,570,660,164
103-12 entities	-	382,844,795	-	382,844,795
Total	$398,992,551	$2,942,812,673	$118,146	$3,341,923,370

Master Trust assets at fair value as of December 31, 2009

	Level 1	Level 2	Level 3	Total
Equities				
U.S. equity securities	$ 407,049,801	$ -	$ 4,326	$ 407,054,126
International equity securities	297,094,687	-	-	297,094,688
	-	-	-	-
Fixed income	-	-	-	-
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	$ 714,735,068	$ 2,326,496,373	$ 1,149,400	$ 3,042,380,841

Cash received as collateral for securities loaned at December 31, 2010 and 2009 totaled $275,942,892 and $292,246,126, 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.

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, 2010:

Master Trust Level 3 Asset Reconciliation
Year Ended December 31, 2010

Balance, beginning of year	$ 1,149,400
Realized gains/(losses)	41,788
Unrealized gains/(losses) relating to instruments still held at the reporting date	12,177
Purchases, sales, issuances, and settlements (net)	(1,085,219)
Transfers in/out of Level 3	-
Balance, end of year	$ 118,146

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, 2010.

Other Investments (Managed by Prudential) at Fair Value
as of December 31, 2010

	Level 1	Level 2	Level 3	Total
Unallocated insurance contract	$ -	$ -	$ 30,862,833	$ 30,862,833
Conservative Stock Fund	-	2,893,525	-	2,893,525
Short-Term Fund	-	24,415,067	-	24,415,067
Total	$ -	$ 27,308,592	$ 30,862,833	$ 58,171,425

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, 2009:

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

	Level 1	Level 2	Level 3	Total
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

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.

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, 2010.

Other Investments Level 3 Reconciliation
Year Ended December 31, 2010

Balance, beginning of year	$ 33,401,287
Purchases, sales, issuances, and settlements (net)	(2,538,454)
Balance, end of year	$ 30,862,833

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.

The Plan holds units of trust funds managed by Prudential, a trustee of the Plan. This transaction qualifies as party-in-interest transactions: however, they are exempt from the prohibited transactions rules under ERISA. During 2010, the Plan paid Prudential $36,825 in trustee and transactional fees. The Plan also owed the trustee $427,266 fees as of December 31, 2010.

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, 2010

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
**Pooled separate accounts with Prudential Insurance Company of America*			
Short-Term Fund	Interest-bearing cash account, variable interest, 1,816,372 units at 12/31/10	$ 24,415,067	$ 24,415,067
Conservative Stock Fund	Common stock account, 40,289 units at 12/31/10	856,972	2,893,525
*Unallocated insurance contract with Prudential Insurance Company of America	Variable rate, 6.98% at 12/31/10	30,862,833	30,862,833
		$ 56,134,872	$ 58,171,425

*Party-in-interest.

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

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **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: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2010

2	Assets:			
	a Market value		**2a**	2,946,635,766
	b Actuarial value		**2b**	3,082,524,093
3	Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	5,409	1,655,786,353
	b For terminated vested participants	**3b**	1,613	76,963,663
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		112,744,077
	(2) Vested benefits	**3c(2)**		1,504,266,056
	(3) Total active	**3c(3)**	7,433	1,617,010,133
	d Total	**3d**	14,455	3,349,760,149
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**	6.68 %
6	Target normal cost		**6**	110,595,010

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

Brian P. Levine BPL

Signature of actuary

9/27/2011

Date

Brian P. Levine

Type or print name of actuary

11-06424

Most recent enrollment number

Hewitt Associates LLC

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 [ ]

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	92.02 %
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
07/15/2010	7,000,000				
10/01/2010	12,500,000				
03/30/2011	43,302,349				
04/14/2011	50,000,000				
			Totals ► 18(b)	112,802,349	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	Total 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**	0
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

2010 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Retirement Income Plan
EIN: 85-0097942 PN: 006

Schedule B, line 6—Summary of Plan Provisions

Effective Date	January 1, 1998. Amended and restated January 1, 2008. Last amended December 22, 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 55 with 20 years of Eligibility Service, age 50 with 25 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.

2010 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Retirement Income Plan
EIN: 85-0097942 PN: 006

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: I. For Retirements on or after December 18, 2000: [(a) × (b) × (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) × (e) × (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.
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 or 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.
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.

[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.

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%.

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%[2]	42 months after Dec. 31, 1987
July 1, 1991	6.50%[3]	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 Eligible[4]
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%[5]	N/A[6]

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

[2] Applies to retirees and survivors whose original date of retirement falls between October 1, 1980 and January 1, 1991.
[3] Applies to retirees and survivors whose original date of retirement falls before October 1, 1980.
[4] 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.
[5] Plus an increase due to change in QJSA reductions.
[6] Applies to retirees (and survivors) who retire with a service or disability pension.

	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.
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.

2010 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Retirement Income Plan
EIN: 85-0097942 PN: 006

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

Interest Rate	7.00% per year, compounded annually.
Current Liability Interest Rate	6.76% per year, compounded annually.
Variable Annuity Increase Rate	3.50% per year, compounded annually.
Salary Scale	See Table A.
Retirement Age	
Active Participants	See Table B. The rates are doubled for the 2010 plan year.
Terminated Vested Participants	Age 65.
Mortality Rates	
Funding	
Healthy	2010 Static Mortality Table with separate annuitant and nonannuitant rates.
Disabled	RP2000 Disabled Retiree Mortality Table.
Current Liability	2010 Static Mortality Table with separate annuitant and nonannuitant rates.
Healthy and Disabled	
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.

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, 2010.
Valuation Compensation	2009 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.

Changes in Funding Assumptions/Methods since the Prior Year

- A change in the current liability interest rate assumption from 6.69% as of January 1, 2009 to 6.76% as of January 1, 2010. 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).

- A change in the current liability mortality assumption from the 2009 Static Mortality Table for Annuitants and Non-Annuitants per §1.430(h)(3)-1(e) to the 2010 Static Mortality Table for Annuitants and Non-Annuitants per §1.430(h)(3)-1(e) for healthy and disabled lives.

- A change in funding interest rate assumption from 8.50% as of January 1, 2009 to 7.00% as of January 1, 2010.

In addition, the following changes were made to better reflect anticipated plan experience:

- A change in the funding mortality assumption for healthy lives from the RP 2000 Combined Healthy Fully Generational Mortality Table with four year setback for males and two year setforward for females to the 2010 Static Mortality Table for Annuitants and Non-Annuitants per §1.430(h)(3)-1(e)

- A change in the retirement rates.

- The retirement rates during 2010 were assumed to be twice as high as the updated retirement rates described above.

- A change in the salary increase assumption.

2010 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Retirement Income Plan
EIN: 85-0097942 PN: 006

Table A

Salary Scale

Age/ Service	Rates
21	13.00%
22	13.00%
23	12.50%
24	11.50%
25	8.50%
26	7.75%
27	7.50%
28	7.25%
29	6.50%
30	6.50%
31	6.00%
32	5.75%
33	5.25%
34	5.00%
35	5.00%
36	5.00%
37	5.00%
38	5.00%
39	5.00%
40	4.00%
41	4.00%
42	4.00%
43	4.00%
44	4.00%
45+	3.50%

2010 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Retirement Income Plan
EIN: 85-0097942 PN: 006

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	7.00%
57	10.00%
58	10.00%
59	10.00%
60	15.00%
61	25.00%
62	35.00%
63	25.00%
64	25.00%
65	35.00%
66	25.00%
67	20.00%
68	20.00%
69	30.00%
70	100.00%

Table C

Probability of Withdrawal for Regular Employees[7]

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		

[7] Temporary employees experience an additional 50% probability of withdrawal in year three of their employment.

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

2010 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Retirement Income Plan
EIN: 85-0097942 PN: 006

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, 2010, by Sandia Corporation. Asset information and the dates and amounts of contributions are based on information supplied by Sandia Corporation.

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

2010 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Retirement Income Plan
EIN: 85-0097942 PN: 006

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	4.72%	2.64
57	6.28%	3.58
58	5.65%	3.28
59	5.08%	3.00
60	6.86%	4.12
61	9.72%	5.93
62	10.21%	6.33
63	4.74%	2.99
64	3.56%	2.28
65	3.73%	2.42
66	1.73%	1.14
67	1.04%	0.70
68	0.83%	0.56
69	1.00%	0.69
70	2.33%	1.63
Total		57.73
Adjustment for Mid-Year Decrements		.50
Expected Retirement Age		58.23

2010 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Retirement Income Plan
EIN: 85-0097942 PN: 006

Schedule B, line 8c—Schedule of Active Participant Data as of January 1, 2010

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	1	26 $72,188								
25-29		240 $83,026	177 $81,149							
30-34	2	272 $89,189	467 $90,645	61 $86,630	3					
35-39		145 $90,202	367 $96,257	111 $111,335	26 $91,175	1				
40-44		99 $93,276	236 $95,382	215 $111,605	136 $115,707	50 $110,712				
45-49		98 $96,699	305 $91,855	215 $108,330	271 $119,076	295 $126,159	148 $109,953			
50-54		72 $102,907	198 $88,061	140 $104,055	207 $112,843	320 $120,101	446 $122,058	180 $105,063	3	
55-59		37 $109,627	112 $87,617	99 $98,408	139 $109,235	161 $115,251	296 $122,921	259 $126,471	56 $102,056	4
60-64		15	60 $96,824	61 $105,178	88 $98,487	75 $115,687	91 $112,918	123 $122,534	44 $132,994	29 $110,423
65-69		6	9	11	22 $101,045	14	15	17	8	22 $122,466
70+			1	3	2	2	4	3	1	11

N-7433

2010 Schedule SB, line 27 – Actuarial Information Based on Pre-PPA Funding Rules
Sandia Corporation Retirement Income Plan
EIN: 85-0097942 PN: 006

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

Source	Date Established	Original Amount	Years Remaining on January 1, 2010	Annual Amortization Payment	Outstanding Balance on January 1, 2010
Charges					
Plan Amendment	1/1/2009	$ 20,280,233	29	$ 1,531,308	$ 20,116,965
Gain or Loss	1/1/2009	$ 617,644,392	4	141,656,292	513,407,172
Assumption Change	1/1/2010	$ 330,396,173	10	43,963,535	330,396,173
Total Charges				$ 187,151,135	$ 863,920,310
Credits					
Assumption Change	1/1/2009	$ 14,913,873	9	$ 1,995,118	$ 13,908,563
Gain or Loss	1/1/2010	$ 311,572,911	5	71,018,443	311,572,911
Total Credits				$ 73,013,561	$ 325,481,474
Determination of Unfunded Accrued Liability, January 1, 2010					
Total Charges Less Total Credits					$ 538,438,836
Less: Funding Standard Account Credit Balance, January 1, 2010					143,775,206
Less: Accumulated Reconciliation Account Balance, January 1, 2010					0
Unfunded Accrued Liability (Limited to Zero), January 1, 2010					$ 394,663,630

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

The RPA current liability interest rate increased from 6.69% as of January 1, 2009 to 6.76% as of January 1, 2010. 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 2010 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 funding interest rate assumption changed from 8.50% as of January 1, 2009 to 7.00% as of January 1, 2010, to better reflect anticipated plan experience.

The mortality rates, retirement rates and salary increase assumption have all been updated to better reflect anticipated plan experience.

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) [X] 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 2010

b Assets:		
(1) Current value of assets	b(1)	2947273664
(2) Actuarial value of assets for funding standard account	b(2)	3408900257
c (1) Accrued liability for plans using immediate gain methods	c(1)	3803563887
(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 — Signature of actuary

9/27/2011 — Date

BRIAN P. LEVINE — Type or print name of actuary

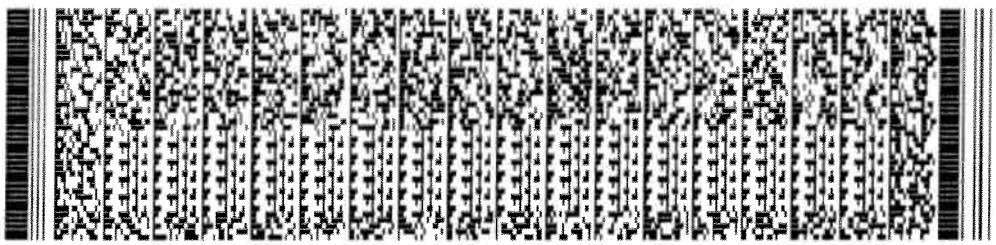
G 11-06424 — Most recent enrollment number

HEWITT ASSOCIATES LLC — 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. [ ]



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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)	3318310723
(b) Expected increase in current liability due to benefits accruing during the plan year	d(2)(b)	110636944
(c) Current liability computed at highest allowable interest rate (see instructions)	d(2)(c)	3318310723
(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)	183582501

2 Operational information as of beginning of this plan year:

a Current value of the assets (see instructions)	2a	2946635766

b "RPA '94" current liability:

	(1) No. of Persons	(2) Vested Benefits	(3) Total Benefits
(1) For retired participants and beneficiaries receiving payments	5409	1628869048	1628869048
(2) For terminated vested participants	1613	77220152	77220152
(3) For active participants	7433	1500162334	1612221523
(4) Total	14455	3206251534	3318310723

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
07/15/2010	7000000				
10/01/2010	12500000				
03/30/2011	43302349				
04/14/2011	50000000				
3 Totals ▶			(b)	112802349	(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	92.0 %

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
0	0	0	0

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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	6.76 %		☐ N/A
b Weighted average retirement age	6b	58		☐ N/A
		Pre-retirement	Post-retirement	
c Rates specified in insurance or annuity contracts ☐ N/A	6c	☐ Yes ☒ No	☐ Yes ☒ No	☐ N/A
d Mortality table code for valuation purposes:				
(1) Males	d(1)	A	A	
(2) Females	d(2)	A	A	
e Valuation liability interest rate ☐ N/A	6e	7.00 %	7.00 %	☐ N/A
f Expense loading ☐ N/A	6f	0.0 %	0.0 %	☐ N/A
		Male	Female	
g Annual withdrawal rates:		Rate Code	Rate Code	
(1) Age 25	g(1)	C 9.37 %	C 9.37 %	
(2) Age 40	g(2)	C 3.16 %	C 3.16 %	
(3) Age 55	g(3)	C 2.50 %	C 2.50 %	
h Salary scale ☐ N/A	6h	4.73 %	4.73 %	☐ N/A
i Estimated investment return on actuarial value of assets for year ending on the valuation date	6i	16.9 %		
j Estimated investment return on current value of assets for year ending on the valuation date	6j	21.6 %		

7 New amortization bases established in the current plan year:

(1) Type of Base	(2) Initial Balance	(3) Amortization Charge/Credit
1	-311572911	-71018443
4	330396173	43963535

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

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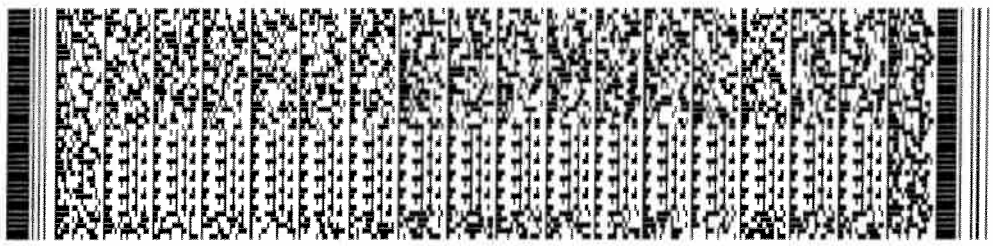
8b If one or more alternative methods or rules (as listed in the instructions) were used for this plan year, enter the appropriate code in accordance with the instructions ▶

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	72082409
c	Amortization charges as of valuation date:	Outstanding Balance			
	(1) All bases except funding waivers ▶	($ 863920310)		c(1)	187151135
	(2) Funding waivers ▶	($ 0)		c(2)	0
d	Interest as applicable on lines 9a, 9b, and 9c			9d	18146349
e	Additional interest charge due to late quarterly contributions, if applicable			9e	0
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	277379893
	Credits to funding standard account:				
h	Prior year credit balance, if any			9h	143775206
i	Employer contributions. Total from column (b) of line 3			9i	112802349
		Outstanding Balance			
j	Amortization credits as of valuation date ▶	($ 325481474)		9j	73013561
k	Interest as applicable to end of plan year on lines 9h, 9i, and 9j			9k	15610616
l	Full funding limitation (FFL) and credits				
	(1) ERISA FFL (accrued liability FFL)	l(1)	1147198187		
	(2) "RPA '94" override (90% current liability FFL)	l(2)	0		
	(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	345201732
o	Credit balance: If line 9n is greater than line 9g, enter the difference			9o	67821839
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



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Part II Additional Information for Certain Plans Other Than Multiemployer Plans

Please 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 102.7 %

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:

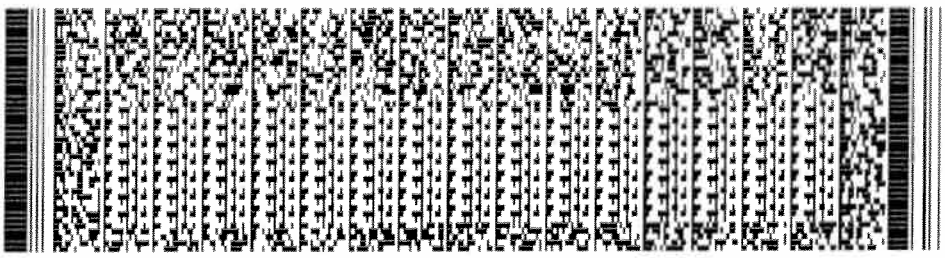
(1)	Benefits paid during year attributable to unpredictable contingent event . . .	m(1)	
(2)	Unfunded current liability percentage. Subtract the percentage on line 12d from 100%	m(2)	%
(3)	Enter the product of lines 12m(1) and 12m(2)	m(3)	
(4)	Amortization of all unpredictable contingent event liabilities	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



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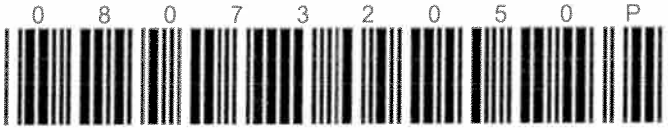

Attachment to 2010 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

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 1,816,372 UNITS AT 12/31/10	24,415,067	24,415,067
	PRUDENTIAL INSURANCE	COMMON STOCK 40,289 UNITS AT 12/31/10	856,972	2,893,525
	PRUDENTIAL INSURANCE	VARIABLE RATE 6.98% AT 12/31/10	30,862,833	30,862,833