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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.5em; font-weight: bold;">2012</div><br><br><b>This Form is Open to Public Inspection</b> |
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|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                              | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                         |                                                                     |                                                             |                                                             |  |
| <b>1a</b> Name of plan<br><u>LOCKHEED MARTIN GLOBAL TELECOMMUNICATIONS RETIREMENT PLAN</u>                                                                                                                                  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>01/01/1966</u></td> </tr> </table>                        | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>001</u>                                                  | <b>1c</b> Effective date of plan<br><u>01/01/1966</u>       |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                    | <u>001</u>                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                             |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>01/01/1966</u>                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)<br><br><u>COMSAT CORPORATION</u><br><br><u>6801 ROCKLEDGE DRIVE, CCT-115</u><br><u>BETHESDA, MD 20817</u> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN)<br/><u>52-2256227</u></td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number<br/><u>301-548-2384</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions)<br/><u>517000</u></td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br><u>52-2256227</u> | <b>2c</b> Sponsor's telephone number<br><u>301-548-2384</u> | <b>2d</b> Business code (see instructions)<br><u>517000</u> |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>52-2256227</u>                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2c</b> Sponsor's telephone number<br><u>301-548-2384</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><u>517000</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |

**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.

|                                                                                                            |                                                                                         |                    |                                                                               |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                           | Filed with authorized/valid electronic signature.<br>Signature of plan administrator    | 10/11/2013<br>Date | DONALD REMSCH<br>Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                           | Filed with authorized/valid electronic signature.<br>Signature of employer/plan sponsor | 10/11/2013<br>Date | DONALD REMSCH<br>Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                           | Signature of DFE                                                                        | Date               | Enter name of individual signing as DFE                                       |
| Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) |                                                                                         |                    | Preparer's telephone number (optional)                                        |

|                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address<br><br>LOCKHEED MARTIN CORPORATION<br><br>6801 ROCKLEDGE DRIVE, CCT-115<br>BETHESDA, MD 20817                                                                                                                                                                                |           | <b>3b</b> Administrator's EIN<br>52-1893632                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                       |           | <b>3c</b> Administrator's telephone number<br>301-548-2384                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>4</b> 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:<br><br><b>a</b> Sponsor's name                                                                                                                                                                                                                 |           | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                               |           | <b>5</b> 2515                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                                                                                |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>a</b> Active participants.....                                                                                                                                                                                                                                                                                                                                                                                                     | <b>6a</b> | 93                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                                                                                                                                                                                                                                    | <b>6b</b> | 1061                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                                     | <b>6c</b> | 1249                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                                              | <b>6d</b> | 2403                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                                                                                                                                                                                                                                             | <b>6e</b> | 81                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                                               | <b>6f</b> | 2484                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                                                                                                                                                                                                                                        | <b>6g</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                                                                                                                                                                                                                                            | <b>6h</b> | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                                  |           | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>1A 1G 1I 3F 3H                                                                                                                                                                                                                                                        |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                         |           | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                     |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |           | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
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| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **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.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br>LOCKHEED MARTIN GLOBAL TELECOMMUNICATIONS RETIREMENT PLAN                                                        | <b>B</b> Three-digit plan number (PN) ▶ 001                                                                                                             |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br>COMSAT CORPORATION                                            | <b>D</b> Employer Identification Number (EIN)<br>52-2256227                                                                                             |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|                                                                                                                                                                                                                 |                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>Part I</b>                                                                                                                                                                                                   | <b>Basic Information</b> |
| <b>1</b> Enter the valuation date: Month 01 Day 01 Year 2012                                                                                                                                                    |                          |
| <b>2</b> Assets:                                                                                                                                                                                                |                          |
| <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b> 164907345      |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b> 163169647      |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                            |                          |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                      | <b>3a</b> 1120 99373306  |
| <b>b</b> For terminated vested participants.....                                                                                                                                                                | <b>3b</b> 1292 42997814  |
| <b>c</b> For active participants:                                                                                                                                                                               |                          |
| <b>(1)</b> Non-vested benefits.....                                                                                                                                                                             | <b>3c(1)</b> 0           |
| <b>(2)</b> Vested benefits.....                                                                                                                                                                                 | <b>3c(2)</b> 9180040     |
| <b>(3)</b> Total active .....                                                                                                                                                                                   | <b>3c(3)</b> 103 9180040 |
| <b>d</b> Total .....                                                                                                                                                                                            | <b>3d</b> 2515 151551160 |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b) .....                                                                                                                   |                          |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>                |
| <b>5</b> Effective interest rate .....                                                                                                                                                                          | <b>5</b> 6.94 %          |
| <b>6</b> Target normal cost.....                                                                                                                                                                                | <b>6</b> 728466          |

**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.

|                                                |  |                                        |
|------------------------------------------------|--|----------------------------------------|
| <b>SIGN HERE</b>                               |  | 09/20/2013                             |
| Signature of actuary                           |  | Date                                   |
| MICHAEL J. GRENIER, A.S.A., E.A.               |  | 11-05523                               |
| Type or print name of actuary                  |  | Most recent enrollment number          |
| PRIAC                                          |  | 860-534-2695                           |
| Firm name                                      |  | Telephone number (including area code) |
| 280 TRUMBULL STREET<br>HARTFORD, CT 06103-2975 |  |                                        |
| 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 Prefunding Balances |                                                                                                                                     | (a) Carryover balance | (b) Prefunding balance |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| 7                                                       | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                     | 4703899               | 0                      |
| 8                                                       | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                  | 2279064               | 0                      |
| 9                                                       | Amount remaining (line 7 minus line 8) .....                                                                                        | 2424835               | 0                      |
| 10                                                      | Interest on line 9 using prior year's actual return of <u>5.05</u> % .....                                                          | 122454                |                        |
| 11                                                      | Prior year's excess contributions to be added to prefunding balance:                                                                |                       |                        |
|                                                         | a Present value of excess contributions (line 38a from prior year) .....                                                            |                       | 0                      |
|                                                         | b Interest on (a) using prior year's effective interest rate of <u>6.21</u> % except as otherwise provided (see instructions) ..... |                       | 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 .....                                                                            |                       | 0                      |
| 12                                                      | Other reductions in balances due to elections or deemed elections .....                                                             | 0                     | 0                      |
| 13                                                      | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                                  | 2547289               | 0                      |

| Part III Funding Percentages |                                                                                                                                                                  |    |          |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------|
| 14                           | Funding target attainment percentage .....                                                                                                                       | 14 | 105.98 % |
| 15                           | Adjusted funding target attainment percentage .....                                                                                                              | 15 | 107.66 % |
| 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 | 94.04 %  |
| 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<br>(MM-DD-YYYY)                                                          | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 | Totals ►                 | 18(b)                             | 0                               |
|                                                                                   |                                   |                                 |                          | 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 contributions from prior years. ....                                 | 19a                                                                 | 0       |
| b Contributions made to avoid restrictions adjusted to valuation date .....                                                   | 19b                                                                 | 0       |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....              | 19c                                                                 | 0       |
| 20 Quarterly contributions and liquidity shortfalls:                                                                          |                                                                     |         |
| a Did the plan have a "funding shortfall" for the prior year? .....                                                           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |         |
| b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....              | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |         |
| c If line 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 |
| 0                                                                                                                             |                                                                     | 0       |
|                                                                                                                               |                                                                     | 0       |

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

|                                                                                                                                                                                              |                       |                       |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                       |                       |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>5.54% | 2nd segment:<br>6.85% | 3rd segment:<br>7.52 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                       |                       |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                       |                       |                        | <b>22</b> 63                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                       |                       |                        |                                                     |

**Part VI Miscellaneous Items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....                             | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....                                    | <b>27</b>                                                           |

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 728466             |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 728466             |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 0                   | 0                  |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> 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 ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                            | <b>34</b>           | 0                  |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                   | 0                  | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 0                  |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 0                  |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years.....                                                                                                                   | <b>40</b>           | 0                  |               |

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

|                                                                                                |                                                                                                                         |  |  |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:                |                                                                                                                         |  |  |
| <b>a</b> Schedule elected .....                                                                | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |  |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....               | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |  |  |
| <b>42</b> Amount of acceleration adjustment .....                                              | <b>42</b>                                                                                                               |  |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                                                                                               |  |  |

|                                                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><hr/> <b>2012</b><br><br><hr/> <b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

|                                                                                                   |                                                                    |            |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>LOCKHEED MARTIN GLOBAL TELECOMMUNICATIONS RETIREMENT PLAN</u>         | <b>B</b> Three-digit plan number (PN) <b>►</b>                     | <u>001</u> |
|                                                                                                   |                                                                    |            |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>COMSAT CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>52-2256227</u> |            |

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE: L.M. CORP. MASTER RETIREMENT TRUST

**b** Name of sponsor of entity listed in (a): NORTHERN TRUST

|                                       |                               |                                                                                                                      |
|---------------------------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>22-3546821-001</u> | <b>d</b> Entity code <u>M</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>166739299</u> |
|---------------------------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------|

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

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

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

**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

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2012 or fiscal plan year beginning <b>01/01/2012</b> and ending <b>12/31/2012</b>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                                          |
| <b>A</b> Name of plan<br><b>LOCKHEED MARTIN GLOBAL TELECOMMUNICATIONS RETIREMENT PLAN</b>                                                                                                                                                                                | <b>B</b> Three-digit plan number (PN) <b>►</b>                                                                                                                                                                                                                               | <b>001</b>                                                                                               |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>COMSAT CORPORATION</b>                                                                                                                                                                               | <b>D</b> Employer Identification Number (EIN)<br><br><b>52-2256227</b>                                                                                                                                                                                                       |                                                                                                          |

| Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Asset and Liability Statement |                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|-----------------|
| <b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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 |
| <b>a</b> Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>                     |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                               |                       |                 |
| <b>(1)</b> Employer contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1b(1)</b>                  |                       |                 |
| <b>(2)</b> Participant contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1b(2)</b>                  |                       |                 |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>                  |                       |                 |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(1)</b>                  |                       |                 |
| <b>(2)</b> U.S. Government securities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(2)</b>                  |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b>               |                       |                 |
| <b>(B)</b> All other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(3)(B)</b>               |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b>               |                       |                 |
| <b>(B)</b> Common .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(4)(B)</b>               |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>                  |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(6)</b>                  |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(7)</b>                  |                       |                 |
| <b>(8)</b> Participant loans .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>1c(8)</b>                  |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1c(9)</b>                  |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1c(10)</b>                 |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(11)</b>                 | 164907345             | 166739299       |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(12)</b>                 |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>                 |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>                 |                       |                 |
| <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(15)</b>                 |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 164907345             | 166739299       |

**Liabilities**

|                                                                           |           |        |        |
|---------------------------------------------------------------------------|-----------|--------|--------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |        |        |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 120511 | 110809 |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |        |        |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |        |        |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 120511 | 110809 |

**Net Assets**

|                                                           |           |           |           |
|-----------------------------------------------------------|-----------|-----------|-----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 164786834 | 166628490 |
|-----------------------------------------------------------|-----------|-----------|-----------|

**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 |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> |            |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 0         |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> |            |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| (G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                                     | <b>2b(1)(G)</b> |            | 0         |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> |            |           |
| (D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                         | <b>2b(2)(D)</b> |            | 0         |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....                | <b>2b(5)(C)</b> |            | 0         |

|                                                                                                |        | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts .....                             | 2b(6)  |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                             | 2b(7)  |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                     | 2b(8)  |            | 12796351  |
| (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 <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 12796351  |

**Expenses**

|                                                                                     |       |          |          |
|-------------------------------------------------------------------------------------|-------|----------|----------|
| e Benefit payment and payments to provide benefits:                                 |       |          |          |
| (1) Directly to participants or beneficiaries, including direct rollovers .....     | 2e(1) | 10843886 |          |
| (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) |          | 10843886 |
| 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) | 3590     |          |
| (2) Contract administrator fees .....                                               | 2i(2) |          |          |
| (3) Investment advisory and management fees .....                                   | 2i(3) | 48303    |          |
| (4) Other .....                                                                     | 2i(4) | 58916    |          |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                 | 2i(5) |          | 110809   |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |          | 10954695 |

**Net Income and Reconciliation**

|                                                         |       |  |         |
|---------------------------------------------------------|-------|--|---------|
| k Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | 1841656 |
| l Transfers of assets:                                  |       |  |         |
| (1) To this plan.....                                   | 2l(1) |  |         |
| (2) From this plan .....                                | 2l(2) |  |         |

**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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**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.).....

**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.).....

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                              | Yes | No | Amount    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                         |     | X  |           |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                               |     | X  |           |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                      | X   |    | 100000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                      |     | X  |           |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                   |     | X  |           |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                         |     | X  |           |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                |     | X  |           |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)..... |     | X  |           |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                           |     | X  |           |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                           |     | X  |           |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                  |     |    |           |
| <b>n</b> 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. ....                                     |     |    |           |

**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) |
|--------------|-------------|
|              |             |
|              |             |
|              |             |
|              |             |

## Part V Trust Information (optional)

**6a** Name of trust

**6b** Trust's EIN

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

|                                                                                            |                                                                    |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>LOCKHEED MARTIN GLOBAL TELECOMMUNICATIONS RETIREMENT PLAN</u>  | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>COMSAT CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>52-2256227</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> 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):<br><br>EIN(s): <u>22-3810641</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>2</u> |

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

|                                                                                                                                                                                                                                                                                                                                                             |                              |                                        |                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|-----------------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                         | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A            |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                                                                                                                        |                              |                                        |                                         |
| <b>5</b> 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 _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                              |                                        |                                         |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                              | <b>6a</b>                    |                                        |                                         |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                  | <b>6b</b>                    |                                        |                                         |
| <b>c</b> 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).....                                                                                                                                                                                                             | <b>6c</b>                    |                                        |                                         |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                               |                              |                                        |                                         |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A            |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....                                                                                  | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input checked="" type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|
| <b>9</b> 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. If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input checked="" type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                             |                              |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</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.)..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                              | <input type="checkbox"/> Yes | <input type="checkbox"/> 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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

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

- 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 lines (a) through (c)

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

Stock: 36% Investment-Grade Debt: 43% High-Yield Debt: 2% Real Estate: 1% Other: 18%

- 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 line 19(b)?

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

**LOCKHEED MARTIN GLOBAL TELECOMMUNICATIONS  
RETIREMENT PLAN**

**Financial Statements as of December 31, 2012 and 2011,  
and for the Year ended December 31, 2012, with Report of Independent Auditors**

# Lockheed Martin Global Telecommunications Retirement Plan

## Financial Statements

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## **REPORT OF INDEPENDENT AUDITORS**

Plan Administrator  
Lockheed Martin Global Telecommunications Retirement Plan

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Lockheed Martin Global Telecommunications Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### ***Basis for Disclaimer of Opinion***

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 certified investment information described in Note 7, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the entity that certified the investment information meets the requirements of 29 CFR 2520.103-8. The plan administrator has obtained certifications as of December 31, 2012 and 2011, and for the year ended December 31, 2012, stating that the investment information provided to the plan administrator is complete and accurate.

### ***Disclaimer of Opinion on Financial Statements***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.



**Report on Compliance of Form and Content with Department of Labor's Rules and Regulations**

The form and content of the information included in the financial statements, other than that derived from the certified investment information, 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.

*Mitchell & Titus, LLP*

October 9, 2013

Lockheed Martin Global Telecommunications Retirement Plan

Statements of Net Assets Available for Benefits

|                                         | December 31,          |                   |
|-----------------------------------------|-----------------------|-------------------|
|                                         | 2012                  | 2011              |
|                                         | <u>(In thousands)</u> |                   |
| <b>Assets</b>                           |                       |                   |
| Investments:                            |                       |                   |
| Interest in Master Trust.....           | \$ 166,739            | \$ 164,907        |
| <b>Liabilities</b>                      |                       |                   |
| Accrued expenses .....                  | 111                   | 121               |
| Net assets available for benefits ..... | <u>\$ 166,628</u>     | <u>\$ 164,786</u> |

See accompanying notes to financial statements.

Lockheed Martin Global Telecommunications Retirement Plan

Statement of Changes in Net Assets Available for Benefits

|                                                              | Year ended<br>December 31, 2012<br><i>(In thousands)</i> |
|--------------------------------------------------------------|----------------------------------------------------------|
| Net assets available for benefits at beginning of year ..... | \$ 164,786                                               |
| Additions to net assets:                                     |                                                          |
| Interest in net investment gain of Master Trust.....         | 13,438                                                   |
| Deductions from net assets:                                  |                                                          |
| Benefit payments .....                                       | 10,844                                                   |
| Administrative expenses .....                                | 752                                                      |
| Total deductions .....                                       | 11,596                                                   |
| Change in net assets.....                                    | 1,842                                                    |
| Net assets available for benefits at end of year .....       | \$ 166,628                                               |

See accompanying notes to financial statements.

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

### **1. Description of the Plan**

The following description of the Lockheed Martin Corporation Global Telecommunications Retirement Plan (the Plan) provides only general information. Participants should refer to the Summary Plan Description or the Plan Document for a more complete description of the Plan's provisions.

#### **General**

The Plan is a defined benefit plan covering certain salaried employees of Lockheed Martin Corporation (the Corporation), and has been amended from time to time. The Corporation is the Plan Sponsor and the Plan Administrator. Participation and benefit accruals were frozen in 2001.

During July 2001, there was a significant reduction in employees resulting in a partial plan termination; affected participants became 100% vested.

The assets of the Plan are held and invested on a commingled basis in the Lockheed Martin Corporation Master Retirement Trust (the Master Trust). The assets of the Master Trust are held by The Northern Trust Company (the Trustee), with the exception of certain assets that are not held under custody by the Trustee as described in Note 7.

#### **Funding Policy**

The Corporation has agreed to contribute such amounts as are necessary to satisfy the funding requirements under the Employee Retirement Income Security Act of 1974 (ERISA) and also satisfy the funding requirements for U.S. Government Cost Accounting Standards (CAS) reimbursements. Contributions by the Corporation, if any, met the ERISA minimum funding requirements. The Corporation has the right under the Plan to discontinue such contributions at any time and/or terminate the Plan. In the event of termination, the Plan's net assets are to be used first for payment of retirement benefits that former employees or their beneficiaries have been receiving, and next for the payment of vested benefits. If the net assets allocated for one of the above categories are not sufficient to pay all the benefits in such category, the available net assets shall be allocated pro rata to all the benefits in that category. However, in the event of termination of the Plan, the Pension Benefit Guaranty Corporation (PBGC) guarantees the payment of nonforfeitable retirement benefits subject to certain limitations prescribed by ERISA.

Notes to Financial Statements

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

**Accumulated Plan Benefits**

Accumulated plan benefits are those estimated future periodic payments that are attributable under the Plan's provisions for credited service by participants from their date of eligibility to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired, terminated and disabled participants or their beneficiaries, and (b) present participants or their beneficiaries. Benefits for retired, terminated and disabled participants or their beneficiaries are based on each former participant's credited service prior to his or her termination or retirement date. Accumulated plan benefits for active participants are based on each participant's credited service preceding the valuation date. Benefits payable under all circumstances—retirement, death, disability and termination of employment—are included to the extent they are deemed attributable to employee service prior to the valuation date.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits. Actual results could differ from those estimates.

**Payment of Benefits**

Benefit payments to participants are recorded upon distribution.

**Risks and Uncertainties**

The Plan, through the Master Trust, invests in various investment securities. Investment securities are exposed to various 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 and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

Plan contributions, if any, 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 estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

### **Investment Valuation and Income Recognition**

Investments in the Master Trust are reported at fair value. Fair value is the price that would have been received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 7 for additional disclosure of fair value measurements.

Purchases and sales of securities in the Master Trust are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized and unrealized gains and losses on investments bought and sold as well as held during the year are included in interest in net investment gain of Master Trust on the Statement of Changes in Net Assets Available for Benefits.

### **Administrative Expenses**

Direct administrative expenses are paid by the Master Trust and generally allocated to the Plan proportionally based on the Plan's interest in the Master Trust's net assets or directly if specifically related to the Plan. Other indirect administrative expenses are paid by the Corporation.

### **Recent Accounting Pronouncements**

In May 2011, the Financial Accounting Standards Board (FASB) issued guidance to clarify the application of existing fair value measurement requirements and for disclosing information about fair value measurements. The amended guidance became effective for the Plan on January 1, 2012 and did not have a material impact on the Plan's financial statements and disclosures.

### **Subsequent Events**

The Plan's management has evaluated subsequent events through October 9, 2013, the date the financial statements were available to be issued. Other than the Corporation obtaining an updated Internal Revenue Service (IRS) determination letter for the Plan (see Note 4), no other material subsequent events have occurred since December 31, 2012 that required recognition or disclosure in these financial statements.

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

### 3. Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is the amount that results from applying actuarial assumptions to the accumulated plan benefits earned by the participants to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment.

The actuarial present value of accumulated plan benefits is as follows:

|                                                            | December 31,          |            |
|------------------------------------------------------------|-----------------------|------------|
|                                                            | 2012                  | 2011       |
|                                                            | <i>(In thousands)</i> |            |
| Vested benefits:                                           |                       |            |
| Participants currently receiving payments                  | \$ 117,005            | \$ 109,612 |
| Other participants                                         | 86,245                | 80,303     |
| Total vested benefits                                      | 203,250               | 189,915    |
| Total actuarial present value of accumulated plan benefits | \$ 203,250            | \$ 189,915 |

The significant actuarial assumptions used in the valuations were (a) life expectancy of participants (Prescribed IRS Static Mortality Table - Separate), (b) turnover based upon the termination experience of the Plan, (c) assumed retirement age probabilities based on the experience of the Plan resulting in an average retirement age of 63, and (d) an annual discount rate of 4.00% and 4.75% for 2012 and 2011, respectively. The discount rate assumption used to calculate the actuarial present value of accumulated plan benefits is adjusted annually to reflect current yields on long-term high-quality corporate bonds. This can result in significant year to year fluctuations in the valuations.

Changes in the actuarial present value of accumulated plan benefits are as follows:

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

|                                                                              | Year ended<br>December 31, 2012<br><i>(In thousands)</i> |
|------------------------------------------------------------------------------|----------------------------------------------------------|
| Actuarial present value of accumulated plan benefits<br>at beginning of year | \$ 189,915                                               |
| Increase (decrease) during the year attributable to:                         |                                                          |
| Increase for interest due to the decrease in the discount<br>period          | 8,761                                                    |
| Benefits paid                                                                | (10,844)                                                 |
| Benefits accumulated                                                         | (863)                                                    |
| Changes in actuarial assumptions                                             | 16,281                                                   |
| Net increase                                                                 | 13,335                                                   |
| Actuarial present value of accumulated plan benefits<br>at end of year       | \$ 203,250                                               |

The 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.

### 4. Income Tax Status

The IRS has determined and informed the Corporation by letter dated August 15, 2013, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC.

GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are 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, 2012, 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 jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2005.

### 5. Reconciliation of Financial Statements to Form 5500

Interest in net investment gain of Master Trust reported in the financial statements is \$641,000 greater than the amount reported on Form 5500 for the year ended December

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

31, 2012. Administrative expenses reported in the financial statements are \$641,000 greater than the amounts reported on Form 5500 for the year ended December 31, 2012. These differences arose from the classification of certain administrative expenses which are included in the net investment gain in the Master Trust for Form 5500 reporting purposes.

### **6. Parties-in-Interest Transactions**

The Master Trust invests in funds managed by The Northern Trust Company, the Trustee. Investments in these funds qualify as party-in-interest transactions for which a statutory exemption exists.

### **7. Master Trust**

#### **General**

The Plan's investments are held by the Master Trust, which was established for the investment of the Plan's assets and the assets of several other defined benefit plans sponsored by the Corporation. The assets, realized and unrealized gains and losses, and investment income of the Master Trust are allocated among the plans included therein proportionally based on each plan's interest in the Master Trust's net assets. The Plan's interest in the Master Trust's net assets as of December 31, 2012 and 2011 was approximately 0.54% and 0.60%, respectively.

The Master Trust owes direct reimbursements to the Corporation for certain expenses incurred by the Corporation and its subsidiaries in providing services to the Plan.

Other than the financial information in the following table, the reported total fair value by asset class as disclosed in the fair value of assets tables including investments held as of December 31, 2012 and 2011, and net appreciation (depreciation) in fair value of investments, interest income, and dividend income for the year ended December 31, 2012, was obtained or derived from information certified as complete and accurate by The Northern Trust Company, the Trustee of the Master Trust. The following financial information was not certified by the Trustee, as the net assets are not held in custody by the Trustee:

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

|                                      | December 31,          |              |
|--------------------------------------|-----------------------|--------------|
|                                      | 2012                  | 2011         |
|                                      | <i>(In thousands)</i> |              |
| <b>Assets</b>                        |                       |              |
| Cash and cash equivalents.....       | \$ 909,125            | \$ 1,022,594 |
| Equity:                              |                       |              |
| U.S. equity securities .....         | 450,505               | 391,450      |
| International equity securities..... | 39,426                | 56,894       |
| Fixed income:                        |                       |              |
| Corporate debt securities .....      | 397,668               | 277,736      |
| U.S. Government securities .....     | 43                    | 625          |
| Other fixed income securities .....  | 48,447                | 40,795       |
| Alternative investments:             |                       |              |
| Hedge funds .....                    | 149,745               | 23,917       |
| Commodities.....                     | 379                   | —            |
| Total assets .....                   | 1,995,338             | 1,814,011    |
| <b>Liabilities</b>                   |                       |              |
| Payables, net.....                   | 26,886                | 3,046        |
| Total net assets.....                | \$ 1,968,452          | \$ 1,810,965 |

|                                                    | Year ended<br>December 31, 2012 |
|----------------------------------------------------|---------------------------------|
|                                                    | <i>(In thousands)</i>           |
| Investment income not certified by the custodian   |                                 |
| Interest and dividend income.....                  | \$ 28,629                       |
| Net appreciation in fair value of investments..... | 113,595                         |

### Fair Value of Assets

The accounting standard for fair value measurements defines fair value, establishes a market-based framework or hierarchy for measuring fair value, and requires disclosures regarding fair value measurements. The standard is applicable whenever assets and liabilities are measured and included in the financial statements at fair value.

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

The fair value hierarchy established in the standard 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; and
- Level 3 – Unobservable inputs – includes amounts derived from valuation models where one or more significant inputs are unobservable and require us to develop relevant assumptions.

The following table presents the fair value of the assets in the Master Trust by asset category and their level within the fair value hierarchy as of December 31, 2012 and their appreciation (depreciation) for the year ended December 31, 2012:

|                                         | Level 1      | Level 2      | Level 3        | Total         | Appreciation<br>(Depreciation) |
|-----------------------------------------|--------------|--------------|----------------|---------------|--------------------------------|
|                                         |              |              | (In thousands) |               |                                |
| Cash and cash equivalents.....          | \$ 3,285,396 | \$ —         | \$ —           | \$ 3,285,396  | \$ 346                         |
| Equity:                                 |              |              |                |               |                                |
| U.S. equity securities .....            | 3,696,746    | 49,887       | 18,609         | 3,765,242     | 286,906                        |
| International equity securities .....   | 3,254,972    | 15,316       | 10,959         | 3,281,247     | 402,266                        |
| Commingled equity funds.....            | 890,915      | 2,851,491    | —              | 3,742,406     | 496,734                        |
| Fixed income:                           |              |              |                |               |                                |
| Corporate debt securities .....         | —            | 1,037,630    | 66,748         | 1,104,378     | 47,548                         |
| U.S. Government securities .....        | —            | 11,536,799   | —              | 11,536,799    | (573,875)                      |
| Other fixed income securities.....      | —            | 436,855      | 43,336         | 480,191       | 20,676                         |
| Alternative investments:                |              |              |                |               |                                |
| Private equity funds .....              | —            | —            | 2,463,814      | 2,463,814     | 217,466                        |
| Real estate funds.....                  | —            | 25,780       | 501,312        | 527,092       | (18,401)                       |
| Hedge funds .....                       | —            | 31,404       | 717,167        | 748,571       | 117,409                        |
| Commodities .....                       | 712,440      | (1,737)      | —              | 710,703       | 89,444                         |
| Total Investment Assets at Fair Value.. | \$11,840,469 | \$15,983,425 | \$3,821,945    | \$ 31,645,839 | \$ 1,086,519                   |
| Receivables, net .....                  |              |              |                | 97,323        |                                |
| Total net assets .....                  |              |              |                | \$ 31,743,162 |                                |

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

Interest and dividend income earned by the Master Trust for the year ended December 31, 2012 was \$287,884,000 and \$166,621,658, respectively. Other income for the year ended December 31, 2012 was \$77,590,000.

The following table presents the fair value of the assets in the Master Trust by asset category and their level within the fair value hierarchy as of December 31, 2011:

|                                         | Level 1               | Level 2       | Level 3      | Total         |
|-----------------------------------------|-----------------------|---------------|--------------|---------------|
|                                         | <i>(In thousands)</i> |               |              |               |
| Cash and cash equivalents .....         | \$ 3,109,584          | \$ —          | \$ —         | \$ 3,109,584  |
| Equity:                                 |                       |               |              |               |
| U.S. equity securities .....            | 3,677,484             | 37,680        | 3,284        | 3,718,448     |
| International equity securities .....   | 3,587,577             | 11,136        | 14,827       | 3,613,540     |
| Commingled equity funds .....           | 980,169               | 922,819       | —            | 1,902,988     |
| Fixed income:                           |                       |               |              |               |
| Corporate debt securities .....         | —                     | 948,308       | 97,882       | 1,046,190     |
| U.S. Government securities .....        | —                     | 9,306,884     | —            | 9,306,884     |
| Other fixed income securities .....     | —                     | 494,299       | 40,167       | 534,466       |
| Alternative investments:                |                       |               |              |               |
| Private equity funds .....              | —                     | —             | 2,294,145    | 2,294,145     |
| Real estate funds .....                 | —                     | —             | 281,139      | 281,139       |
| Hedge funds .....                       | —                     | —             | 850,845      | 850,845       |
| Commodities .....                       | 981,554               | 277,885       | —            | 1,259,439     |
| Total Investment Assets at Fair Value . | \$ 12,336,368         | \$ 11,999,011 | \$ 3,582,289 | \$ 27,917,668 |
| Receivables, net .....                  |                       |               |              | 92,970        |
| Total net assets .....                  |                       |               |              | \$ 28,010,638 |

The following table presents the changes in the fair value of Master Trust's Level 3 assets for the year ended December 31, 2012:

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

|                                   | Balance,<br>beginning<br>of year | Realized<br>gains | Unrealized<br>gains/<br>(losses) | Purchases         | Sales               | Settlements         | Transfers<br>into Level 3 | Transfers<br>out<br>of Level 3 | Balance,<br>end<br>of year |
|-----------------------------------|----------------------------------|-------------------|----------------------------------|-------------------|---------------------|---------------------|---------------------------|--------------------------------|----------------------------|
|                                   | <i>(In thousands)</i>            |                   |                                  |                   |                     |                     |                           |                                |                            |
| Equity:                           |                                  |                   |                                  |                   |                     |                     |                           |                                |                            |
| U.S. equity securities .....      | \$ 3,284                         | \$ —              | \$ —                             | \$ 15,325         | \$ —                | \$ —                | \$ —                      | \$ —                           | \$ 18,609                  |
| International equity securities.. | 14,827                           | 105               | (130)                            | 201               | (201)               | (4,929)             | 1,086                     | —                              | 10,959                     |
| Fixed income:                     |                                  |                   |                                  |                   |                     |                     |                           |                                |                            |
| Corporate debt securities .....   | 97,882                           | 1,182             | (388)                            | 48,904            | (93,831)            | 10,839              | 2,160                     | —                              | 66,748                     |
| Other fixed income securities     | 40,167                           | 70                | 1,324                            | 44,173            | (12,938)            | (29,460)            | —                         | —                              | 43,336                     |
| Alternative investments:          |                                  |                   |                                  |                   |                     |                     |                           |                                |                            |
| Private equity funds.....         | 2,294,145                        | 138,633           | 26,096                           | 549,314           | (11,394)            | (532,980)           | —                         | —                              | 2,463,814                  |
| Real estate funds..               | 281,139                          | 10,972            | 21,077                           | 159,424           | —                   | 28,700              | —                         | —                              | 501,312                    |
| Hedge funds .....                 | 850,845                          | 39,650            | 20,912                           | 125,976           | (299,406)           | 10,594              | —                         | (31,404)                       | 717,167                    |
| Total                             | <u>\$ 3,582,289</u>              | <u>\$ 190,612</u> | <u>\$ 68,891</u>                 | <u>\$ 943,317</u> | <u>\$ (417,770)</u> | <u>\$ (517,236)</u> | <u>\$ 3,246</u>           | <u>\$ (31,404)</u>             | <u>\$ 3,821,945</u>        |

International equity and corporate debt securities in the amounts of \$1,086,000 and \$2,160,000, respectively, were reclassified as Level 3 securities in 2012 due to changes in fair value hierarchy parameters as recognized by the Trustee. \$31,404,000 were reclassified from Level 3 to Level 2 following an assessment of the liquidity provisions of the hedge funds. The Master Trust recognizes transfers between levels of the fair value hierarchy as of the date of the change in circumstances that causes the transfer.

### Valuation Techniques

Cash equivalents are mostly comprised of short-term money-market instruments and are valued at cost, which approximates fair value.

U.S. equity securities and international equity securities categorized as Level 1 are traded on active national or international exchanges and are valued at their closing prices on the last trading day of the year. For U.S. equity securities and international equity securities not traded on an active exchange, or if the closing price is not available, the Trustee obtains indicative quotes from a pricing vendor, broker, or investment manager. These securities are categorized as Level 2 if the custodian obtains corroborated quotes from a pricing vendor or categorized as Level 3 if the custodian obtains uncorroborated quotes from a broker or investment manager.

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

Commingled equity funds are investment vehicles valued using the Net Asset Value (NAV) provided by the fund managers. The NAV is the total value of the fund divided by the number of shares outstanding. Commingled equity funds are categorized as Level 1 if traded at their NAV on a nationally recognized securities exchange or categorized as Level 2 if the NAV is corroborated by observable market data (e.g., purchases or sales activity). Funds may be redeemed daily, monthly, or annually, depending upon notification requirements, liquidity, and other matters. Certain funds may require notification of management's intent to redeem at least one to 90 days in advance of exercising management's redemption right.

Corporate debt securities, U.S. government securities, real estate funds, and other fixed income securities categorized as Level 2 are valued by the Trustee using pricing models that use verifiable observable market data (e.g., interest rates and yield curves observable at commonly quoted intervals), bids provided by brokers or dealers, or quoted prices of securities with similar characteristics. Corporate debt securities and other fixed income securities are categorized at Level 3 when valuations using observable inputs are unavailable. The Trustee obtains pricing based on indicative quotes or bid evaluations from vendors, brokers or the investment manager.

Private equity funds, real estate funds, and hedge funds are valued using the NAV based on the valuation models of underlying securities that include significant unobservable inputs and cannot be corroborated using verifiable observable market data. Valuations for private equity funds and real estate funds are determined by the general partners. Depending on the nature of the assets, the general partners may use various valuation methodologies, including the income and market approaches in their models. The market approach consists of analyzing market transactions for comparable assets while the income approach uses earnings or the net present value of estimated future cash flows adjusted for liquidity and other risk factors. Hedge funds are valued by independent administrators using various models based on the nature of the securities.

Private equity funds consist of investments in private equities that are held primarily by limited partnerships and are in various strategies, including venture capital, corporate finance, opportunistic, and distressed. The term of each private equity fund is generally 10 years, and the fund's investors do not have the right to redeem their investment at its NAV. Instead, the investors receive distributions as the underlying assets of the fund are liquidated. Unfunded capital commitments related to the Master Trust's investment in private equity funds as of December 31, 2012 and 2011 totaled \$1,699,995,000 and \$1,558,500,000, respectively. Real estate funds consist of investments in U.S. and international commercial real estate that are held primarily by limited partnerships. The term of each real estate fund is generally 10 years, and the fund's investors do not have

Notes to Financial Statements

the right to redeem their investment at its NAV. Instead, the investors receive distributions as the underlying assets of the fund are liquidated. Hedge fund investments are made through fund-of-funds vehicles which invest in a diversified array of hedge funds across a multitude of strategies. Depending on the hedge fund, redemptions can be monthly or annually. The redemption notice period, depending on the hedge fund, is 45 to 180 days in advance.

Commodities categorized as Level 1 are traded on an active commodity exchange and are valued at their closing prices on the last trading day of the year. Commodities categorized as Level 2 as of December 31, 2011 represent shares in a commingled commodity fund valued using the NAV, which is corroborated by observable market data. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management 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.

In estimating the fair value of the investments in Level 3, management may use third-party pricing sources or appraisers. In substantiating the reasonableness of the pricing data provided by third parties, management evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

**Derivative Instruments**

Derivative instruments are used in the Master Trust to achieve certain portfolio objectives and to adjust asset allocation in order to manage market risk. Derivative instruments allow internal and external investment managers to achieve these goals efficiently while maintaining appropriate liquidity.

At December 31, 2012 and 2011, the Master Trust utilized four types of derivative instruments:

Futures Contracts – The purchase of futures contracts allows the Master Trust to achieve desired portfolio positions in various commodities without the need to physically own and store them. Futures are used to manage the overall risk to equity and fixed income markets. Foreign exchange futures are used to separate the management of currency exposure from foreign equity exposure. Futures contracts are exchange-traded with initial margin required from both parties and daily settlement of gains and losses;

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

therefore credit and counterparty risks are minimal, and futures contracts have no net market value.

**Forward Contracts** – Forward contracts are similar to futures contracts except that they are traded over-the-counter rather than over a standardized exchange. Foreign exchange forwards are used by investment managers as another means of separating currency risk from investment risk. These contracts allow a manager to lock into a rate at which to exchange an upcoming settlement in a foreign currency into US dollars. Commodity forward contracts are used by investment managers to achieve desired portfolio positions in various commodities. While forward contracts are traded over-the-counter, they are generally very short-term which minimizes counterparty risk.

**Options, including Options on Futures** – These contracts allow the holder to buy or sell a security or a futures contract at a specified price prior to an expiration date. Options are primarily used to protect against downside risk in an equity, commodity or currency position held by the Master Trust.

**Swaps** – Swaps are over-the-counter agreements between counterparties to exchange the return stream of one security for another. Swaps are utilized either to provide exposure to a security for which there is no available futures contract, or to achieve an exposure over a specific time horizon.

A long derivative position increases (decreases) in value when the price of the underlying asset (e.g., currency, equity index) increases (decreases). A short derivative position increases (decreases) when the price of the underlying asset decreases (increases).

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

The notional amounts and fair values of derivative instruments as of December 31, 2012 are presented below:

|                                       | Notional<br>Amount    | Amount included in Fair<br>Value of Asset |
|---------------------------------------|-----------------------|-------------------------------------------|
|                                       | <i>(In thousands)</i> |                                           |
| Equity:                               |                       |                                           |
| U.S. Equity Securities                |                       |                                           |
| Futures Contracts (Long)              | \$ 482,897            | \$ -                                      |
| Futures Contracts (Short)             | (53,167)              | -                                         |
| Options on Futures (Long)             | 85,571                | 312                                       |
| Options on Futures (Short)            | (85,571)              | (492)                                     |
| Equity Options (Long)                 | 157,608               | 1,710                                     |
| Equity Options (Short)                | (44,043)              | (1,073)                                   |
| Swaps                                 | (1,525)               | 58                                        |
| International Equity Securities       |                       |                                           |
| Futures Contracts (Long)              | 131,669               | -                                         |
| Futures Contracts (Short)             | (109,038)             | -                                         |
| Equity Options (Long)                 | 6,980                 | 88                                        |
| Swaps                                 | 890,385               | 2,102                                     |
| Fixed income securities:              |                       |                                           |
| U.S. Fixed Income Securities          |                       |                                           |
| Futures Contracts (Long)              | 562,279               | -                                         |
| Futures Contracts (Short)             | (601,001)             | -                                         |
| Swaps                                 | 660,949               | (1,732)                                   |
| International Fixed Income Securities |                       |                                           |
| Futures Contracts (Long)              | 1,042,140             | -                                         |
| Futures Contracts (Short)             | (809,447)             | -                                         |
| Swaps                                 | (53,927)              | 448                                       |
| Alternative investment:               |                       |                                           |
| Commodities                           |                       |                                           |
| Futures Contracts (Long)              | 4,293,694             | -                                         |
| Futures Contracts (Short)             | (537,427)             | -                                         |
| Options on Futures (Long)             | 102,984               | 1,352                                     |
| Options on Futures (Short)            | (26,051)              | (741)                                     |
| Commodity Options (Long)              | 33,290                | 782                                       |
| Commodity Options (Short)             | (33,290)              | (296)                                     |
| Forward Contracts                     | -                     | -                                         |
| Swaps                                 | 188,775               | (1,738)                                   |

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

|                                                                             | Notional<br>Amount    | Amount included in<br>Fair Value of Asset |
|-----------------------------------------------------------------------------|-----------------------|-------------------------------------------|
|                                                                             | <i>(In thousands)</i> |                                           |
| Foreign Exchange Derivative Instruments<br>included in Cash and Equivalents |                       |                                           |
| Futures Contracts (long)                                                    | \$ 80,798             | \$ -                                      |
| Futures Contracts (short)                                                   | (92,253)              | -                                         |
| FX Options (Long)                                                           | 162,768               | 1,001                                     |
| FX Options (Short)                                                          | (147,533)             | (277)                                     |
| Forward Contracts                                                           | (67,583)              | 105                                       |
| Swaps                                                                       | (1,877)               | (6)                                       |
| Total                                                                       | \$ 6,219,054          | \$ 1,603                                  |

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

The notional amounts and fair values of derivative instruments as of December 31, 2011 are presented below:

|                                       | Notional Amount       | Amount included in Fair Value of Asset |
|---------------------------------------|-----------------------|----------------------------------------|
|                                       | <i>(In thousands)</i> |                                        |
| Equity:                               |                       |                                        |
| U.S. equity securities                |                       |                                        |
| Futures Contracts (Long)              | \$ 433,991            | \$ -                                   |
| Futures Contracts (Short)             | (1,093,367)           | -                                      |
| Options on Futures (Long)             | 226,368               | -                                      |
| Options on Futures (Short)            | (201,216)             | -                                      |
| Equity Options (Long)                 | 20,227                | 2,488                                  |
| Equity Options (Short)                | (19,176)              | (1,782)                                |
| Swaps                                 | (133)                 | 353                                    |
| International equity securities       |                       |                                        |
| Futures Contracts (Long)              | 131,843               | -                                      |
| Futures Contracts (Short)             | (17,653)              | -                                      |
| Swaps                                 | (711)                 | (1,072)                                |
| Fixed income:                         |                       |                                        |
| U.S. fixed income securities          |                       |                                        |
| Futures Contracts (Long)              | 1,998,278             | -                                      |
| Futures Contracts (Short)             | (514,251)             | -                                      |
| Options on Futures (Long)             | 72,406                | 953                                    |
| Options on Futures (Short)            | (144,812)             | (797)                                  |
| Swaps                                 | (46,556)              | 3,821                                  |
| International fixed income securities |                       |                                        |
| Futures Contracts (Long)              | 1,510,093             | -                                      |
| Futures Contracts (Short)             | (104,348)             | -                                      |
| Options on Futures (Short)            | (68,265)              | (235)                                  |
| Swaps                                 | (37,200)              | 1,655                                  |
| Alternative investments:              |                       |                                        |
| Commodities                           |                       |                                        |
| Futures Contracts (Long)              | 3,382,458             | -                                      |
| Futures Contracts (Short)             | (429,370)             | -                                      |
| Options on Futures (Long)             | 76,938                | 941                                    |
| Options on Futures (Short)            | (19,804)              | (919)                                  |
| Forward Contracts                     | 17,171                | 2,058                                  |
| Futures Contracts (long)              | 80,563                | -                                      |
| Futures Contracts (short)             | (167,739)             | -                                      |
| Options on Futures (Long)             | 5,086                 | 29                                     |

# Lockheed Martin Global Telecommunications Retirement Plan

## Notes to Financial Statements

|                    | <b>Notional<br/>Amount</b> | <b>Amount included in Fair<br/>Value of Asset</b> |
|--------------------|----------------------------|---------------------------------------------------|
|                    | <i>(In thousands)</i>      |                                                   |
| FX Options (Long)  | \$ 25,000                  | \$ 7,549                                          |
| FX Options (Short) | (25,000)                   | (7,346)                                           |
| Forward Contracts  | <u>43,176</u>              | <u>1,038</u>                                      |
| Total              | \$ 5,133,997               | \$ 8,734                                          |

**SB Actuary Signature**

|                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                             |                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration<br/>Pension Benefit Guaranty Corporation</small> | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>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).<br><br>▶ File as an attachment to Form 5500 or 5500-SF. | OMB No. 1210-0110<br><br><b>2012</b><br><br>This Form is Open to Public Inspection |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                   |                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>                                                                                                                                                                                                          |                                                                        |
| ▶ 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.                                                                                                                                                                                           |                                                                        |
| <b>A</b> Name of plan<br><br><u>LM Global Telecommunications Retirement Plan</u>                                                                                                                                                                                                                                  | <b>B</b> Three-digit plan number (PN) <u>001</u>                       |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><br><u>COMSAT Corporation</u>                                                                                                                                                                                                         | <b>D</b> Employer Identification Number (EIN)<br><br><u>52-2256227</u> |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B <input type="checkbox"/> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |                                                                        |

| Part I Basic Information                                                                                                                                                                           |              |                            |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------|--------------------|
| <b>1</b> Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2012</u>                                                                                                                    |              |                            |                    |
| <b>2</b> Assets:                                                                                                                                                                                   |              |                            |                    |
| a Market value                                                                                                                                                                                     | <b>2a</b>    |                            | 164,907,345        |
| b Actuarial value                                                                                                                                                                                  | <b>2b</b>    |                            | 163,169,647        |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                               |              |                            |                    |
|                                                                                                                                                                                                    |              | (1) Number of participants | (2) Funding Target |
| a For retired participants and beneficiaries receiving payment                                                                                                                                     | <b>3a</b>    | 1,120                      | 99,373,306         |
| b For terminated vested participants                                                                                                                                                               | <b>3b</b>    | 1,292                      | 42,997,814         |
| <b>c</b> For active participants:                                                                                                                                                                  |              |                            |                    |
| (1) Non-vested benefits                                                                                                                                                                            | <b>3c(1)</b> |                            | 0                  |
| (2) Vested benefits                                                                                                                                                                                | <b>3c(2)</b> |                            | 9,180,040          |
| (3) Total active                                                                                                                                                                                   | <b>3c(3)</b> | 103                        | 9,180,040          |
| <b>d</b> Total                                                                                                                                                                                     | <b>3d</b>    | 2,515                      | 151,551,160        |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>                                                                                   |              |                            |                    |
| a Funding target disregarding prescribed at-risk assumptions                                                                                                                                       | <b>4a</b>    |                            |                    |
| b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | <b>4b</b>    |                            |                    |
| <b>5</b> Effective interest rate                                                                                                                                                                   | <b>5</b>     |                            | 6.94               |
| <b>6</b> Target normal cost                                                                                                                                                                        | <b>6</b>     |                            | 728,466            |

**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.

|                  |                                                                                                                                                                                                                                                            |                                                                                                                                                 |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SIGN HERE</b> | <u>Michael J. Grenier</u><br>Signature of actuary<br><br><u>Michael J. Grenier, A.S.A., E.A.</u><br>Type or print name of actuary<br><br><u>280 Trumbull Street</u><br>Firm name<br><br><u>Hartford</u><br>Address of the firm<br><br><u>CT 06103-2975</u> | <u>9-20-2013</u><br>Date<br><u>11-05523</u><br>Most recent enrollment number<br><u>(860) 534-2695</u><br>Telephone number (including area code) |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|

**Part II Beginning of Year Carryover Prefunding Balances**

|                                                                                                                                    | (a) Carryover balance | (b) Prefunding balance |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| 7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....                                   | 4,703,899             | 0                      |
| 8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                               | 2,279,064             | 0                      |
| 9 Amount remaining (line 7 minus line 8).....                                                                                      | 2,424,835             | 0                      |
| 10 Interest on line 9 using prior year's actual return of <u>5.05</u> % .....                                                      | 122,454               | 0                      |
| 11 Prior year's excess contributions to be added to prefunding balance:                                                            |                       |                        |
| a Present value of excess contributions (line 38a from prior year) .....                                                           |                       | 0                      |
| b Interest on (a) using prior year's effective interest rate of <u>6.21</u> % except as otherwise provided (see instructions)..... |                       | 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.....                                                                            |                       | 0                      |
| 12 Other reductions in balances due to elections or deemed elections .....                                                         | 0                     | 0                      |
| 13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....                                               | 2,547,289             | 0                      |

**Part III Funding Percentages**

|                                                                                                                                                                    |           |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|
| 14 Funding target attainment percentage .....                                                                                                                      | <b>14</b> | 105.98 % |
| 15 Adjusted funding target attainment percentage .....                                                                                                             | <b>15</b> | 107.66 % |
| 16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | <b>16</b> | 94.04 %  |
| 17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        | <b>17</b> | %        |

**Part IV Contributions and Liquidity Shortfalls**

| 18 Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
|-----------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| (a) Date<br>(MM-DD-YYYY)                                                          | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>                                                                   |                                   |                                 | <b>18(b)</b>             | 0                                 | <b>18(c)</b>                    |
|                                                                                   |                                   |                                 |                          | 0                                 | 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 contributions from prior years.....                                  | <b>19a</b> 0                                                        |
| b Contributions made to avoid restrictions adjusted to valuation date.....                                                    | <b>19b</b> 0                                                        |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....               | <b>19c</b> 0                                                        |
| 20 Quarterly contributions and liquidity shortfalls:                                                                          |                                                                     |
| a Did the plan have a "funding shortfall" for the prior year? .....                                                           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?.....               | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| c If line 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 |   |
| 0                                                          | 0       | 0       | 0       | 0 |

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost****21** Discount rate:**a** Segment rates:1st segment:  
5.54 %2nd segment:  
6.85 %3rd segment:  
7.52 %☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

4

**22** Weighted average retirement age .....**22**

63

**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 subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years .....**28**

0

**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....**29**

0

**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....**30**

0

**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6).....**31a**

728,466

**b** Excess assets, if applicable, but not greater than line 31a .....**31b**

728,466

**32** Amortization installments:

Outstanding Balance

Installment

**a** Net shortfall amortization installment .....

0

0

**b** Waiver amortization installment.....

0

0

**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 (lines 31a - 31b + 32a + 32b - 33).....**34**

0

Carryover balance

Prefunding balance

Total balance

**35** Balances elected for use to offset funding requirement.....

0

0

0

**36** Additional cash requirement (line 34 minus line 35) .....**36**

0

**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....**37**

0

**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) .....**38a**

0

**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....**38b**

0

**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....**39**

0

**40** Unpaid minimum required contributions for all years .....**40**

0

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected .....☐ 2 plus 7 years☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made .....☐ 2008☐ 2009☐ 2010☐ 2011**42** Amount of acceleration adjustment .....**42****43** Excess installment acceleration amount to be carried over to future plan years .....**43**

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Global Telecommunications Retirement Plan  
52-2256227/001

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Line 22 - Description of Weighted Average Retirement Age

| A              | B          | C               | D               | A * D           |
|----------------|------------|-----------------|-----------------|-----------------|
| Retirement Age | Population | Retirement Rate | Number Retiring |                 |
| 55             | 100.00     | 6%              | 6.00            | 330.00          |
| 56             | 94.00      | 4%              | 3.76            | 210.56          |
| 57             | 90.24      | 4%              | 3.61            | 205.75          |
| 58             | 86.63      | 4%              | 3.47            | 200.98          |
| 59             | 83.17      | 3%              | 2.49            | 147.20          |
| 60             | 80.67      | 20%             | 16.13           | 968.04          |
| 61             | 64.54      | 10%             | 6.45            | 393.67          |
| 62             | 58.08      | 15%             | 8.71            | 540.17          |
| 63             | 49.37      | 12%             | 5.92            | 373.24          |
| 64             | 43.45      | 12%             | 5.21            | 333.66          |
| 65             | 38.23      | 30%             | 11.47           | 745.53          |
| 66             | 26.76      | 20%             | 5.35            | 353.27          |
| 67             | 21.41      | 20%             | 4.28            | 286.89          |
| 68             | 17.13      | 20%             | 3.43            | 232.94          |
| 69             | 13.70      | 20%             | 2.74            | 189.09          |
| 70             | 10.96      | 30%             | 3.29            | 230.20          |
| 71             | 7.67       | 100%            | 7.67            | 544.81          |
|                |            |                 |                 | <u>6,286.01</u> |

**Average Ret Age**

**62.9**

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Part V - Statement of Actuarial Assumptions/Methods

Below are the actuarial assumptions as of January 1, 2012.

**Discount Rate:**

***For minimum required contribution, related funded percentages, and at risk determination:*** Segment Rates with a four month lookback as adjusted by the 90% - 110% corridor around the 25-year average segment rates (5.54%, 6.85%, 7.52% for the 2012 plan year). Effective rate: 6.94%

***For maximum tax deductible contribution and PBGC 4010 funded percentage:*** Segment Rates with a four month lookback unadjusted (September 2011 rates of 2.06%, 5.25%, 6.32% for the 2012 plan year). Effective rate: 5.38%

**Mortality:**

The IRS 2012 Static Mortality Table - Separate

**Investment Return:**

8.00% per annum, compounded annually

**Termination:**

The probabilities that participants at the ages indicated will terminate within the following year are shown in Table A.

**Salary Scale:**

The annual rates of salary increase vary by age and are shown in Table B.

**Covered Compensation:**

That derived from application of the current Social Security law, with the Taxable Wage Base increasing prospectively at a rate of 4.25% per annum.

**Estimated Expenses:**

\$442,151.

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Part V - Statement of Actuarial Assumptions/Methods

### **Retirement:**

#### *Active Participants:*

Retirement from active service occurs based on the following set of retirement age rates.

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 55         | 6.0%        |
| 56-58      | 4.0%        |
| 59         | 3.0%        |
| 60         | 20.0%       |
| 61         | 10.0%       |
| 62         | 15.0%       |
| 63-64      | 12.0%       |
| 65         | 30.0%       |
| 66-69      | 20.0%       |
| 70         | 30.0%       |
| 71+        | 100.0%      |

The weighted average retirement age is 62.9

*Terminated Vested Participants:* Age 65

#### **Form of Payment:**

Life annuity.

#### **Survivor's Benefit:**

It is assumed that husbands are three years older than wives and that 80% of the male Participants and 80% of the female Participants who are or will become eligible for coverage under the Spouse's Benefit will be survived by an eligible Spouse.

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Part V - Statement of Actuarial Assumptions/Methods

**TABLE A**

**ANNUAL RATES OF TERMINATION**

| <u>Age</u> | <u>Unisex Rate</u> |
|------------|--------------------|
| 20         | 15.0%              |
| 21         | 15.0%              |
| 22         | 15.0%              |
| 23         | 15.0%              |
| 24         | 15.0%              |
| 25         | 15.0%              |
| 26         | 15.0%              |
| 27         | 15.0%              |
| 28         | 15.0%              |
| 29         | 13.8%              |
| 30         | 12.8%              |
| 31         | 11.6%              |
| 32         | 10.6%              |
| 33         | 9.5%               |
| 34         | 8.5%               |
| 35         | 7.5%               |
| 36         | 6.7%               |
| 37         | 5.9%               |
| 38         | 5.1%               |
| 39         | 4.4%               |
| 40         | 3.8%               |
| 41         | 3.5%               |
| 42         | 3.2%               |
| 43         | 2.9%               |
| 44         | 2.6%               |
| 45         | 2.4%               |
| 46         | 2.3%               |
| 47         | 2.2%               |
| 48         | 2.2%               |
| 49         | 2.1%               |
| 50         | 2.0%               |
| 51         | 2.0%               |
| 52         | 1.9%               |
| 53         | 1.8%               |
| 54         | 1.8%               |
| 55 & over  | 0.0%               |

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Part V - Statement of Actuarial Assumptions/Methods

**TABLE B**

**ANNUAL RATES OF SALARY INCREASES**

| <u>Age</u> | <u>Unisex Rate</u> |
|------------|--------------------|
| 20         | 8.00%              |
| 21         | 8.00%              |
| 22         | 8.00%              |
| 23         | 8.00%              |
| 24         | 8.00%              |
| 25         | 8.00%              |
| 26         | 7.25%              |
| 27         | 7.25%              |
| 28         | 7.25%              |
| 29         | 6.75%              |
| 30         | 6.75%              |
| 31         | 6.75%              |
| 32         | 6.25%              |
| 33         | 6.25%              |
| 34         | 6.25%              |
| 35         | 5.75%              |
| 36         | 5.75%              |
| 37         | 5.75%              |
| 38         | 5.50%              |
| 39         | 5.50%              |
| 40         | 5.50%              |
| 41         | 5.25%              |
| 42         | 5.25%              |
| 43         | 5.25%              |
| 44         | 5.00%              |
| 45         | 5.00%              |
| 46         | 5.00%              |
| 47         | 4.75%              |
| 48         | 4.75%              |
| 49         | 4.75%              |
| 50         | 4.50%              |
| 51         | 4.50%              |
| 52         | 4.50%              |
| 53         | 4.25%              |
| 54         | 4.25%              |
| 55         | 4.25%              |
| 56         | 4.25%              |
| 57         | 4.25%              |
| 58         | 4.25%              |
| 59         | 4.25%              |
| 60         | 4.25%              |
| 61         | 4.25%              |
| 62         | 4.25%              |
| 63         | 3.50%              |
| 64         | 3.25%              |
| 65 & over  | 3.00%              |

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Part V - Statement of Actuarial Assumptions/Methods

### **Cost Method**

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described under "Actuarial Assumptions" of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

### **Target Normal Cost**

The Target Normal Cost is the present value of benefits expected to accrue during the plan year plus an estimate of the expenses to be paid from plan assets during the plan year.

### **Funding Target and Funding Shortfall**

The Funding Target is the present value of benefits accrued as of the beginning of the plan year and the Funding Shortfall is the excess of the Funding Target over the Actuarial Value of Assets (reduced by the Credit Balance). The initial Funding Shortfall is amortized over seven years.

In subsequent years, the Funding Shortfall less the present value of prior year amortization installments is amortized over seven years, and added to any prior year amortization installments.

### **Sponsor Elections**

Discount Rate: Segment rates, with a 4-month lookback

Mortality Table: Prescribed IRS Static Mortality Table – Separate

In accordance with the Moving Ahead for Progress in the 21<sup>st</sup> Century Act, segment rates are adjusted as necessary to fall within the specified corridor of the corresponding 25-year average of segment rates for the period ending September 30 of the calendar year preceding the first day of the plan year. The specified corridor is:

| <u>Plan Year</u> | <u>Corridor</u> |
|------------------|-----------------|
| 2012             | 90% - 110%      |
| 2013             | 85% - 115%      |
| 2014             | 80% - 120%      |
| 2015             | 75% - 125%      |
| 2016 and later   | 70% - 130%      |

The adjustments to fall within the specified corridor of the 25-year average of segment rates apply for determining the minimum required contribution, related funded percentages, and At-Risk status. They do not apply for determining the maximum tax deductible contribution or the PBGC 4010 funded percentage.

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### Part V - Statement of Actuarial Assumptions/Methods

#### **At-Risk Determination**

The At-Risk Funding Target is determined by assuming that participants eligible to retire in the current plan year and next 10 plan years retire at the earliest possible date, but not before the end of the plan year. All participants are assumed to elect the optional form resulting in the highest possible present value.

A load is added to the At-Risk Funding Target and At-Risk Target Normal Cost when a plan is At-Risk in at least two years during the preceding four years. The load increases the At-Risk Funding Target by 4% of the Not At-Risk Funding Target plus \$700 per participant, and increases the At-Risk Target Normal Cost by 4% of the Not At-Risk Target Normal Cost.

The Funding Target and Target Normal Cost are calculated by multiplying the Not At-Risk values by 100% minus the Phase-In Percentage, plus the At-Risk values multiplied by the Phase-In Percentage.

#### **Credit Balance**

The Credit Balance consists of the Carryover Balance from excess contributions prior to the Pension Protection Act (PPA) of 2006, plus the Prefunding Balance from elected excess contributions after the PPA. Balances accumulate with interest and are reduced for amounts applied towards the Minimum Required Contribution, voluntary waivers by the plan sponsor, and compelled waivers to avoid benefit restrictions. The Actuarial Value of Assets is reduced by the Credit Balance to determine certain funded percentages and to determine the Funding Shortfall.

#### **Asset Valuation Method**

The Actuarial Value of Assets is determined using an annual average of the adjusted Fair Market Value of Assets with the earliest determination 24 months prior to the valuation date. The Fair Market Value of Assets in prior years is adjusted for contributions, benefit payments, expenses and expected earnings (not to exceed the third segment rate).

This is equivalent to the Fair Market Value of Assets, plus two-thirds of the (gain)/loss from the prior year, plus one-third of the (gain)/loss from the second preceding year. The (gain)/loss in each year is the difference between the expected and actual returns on the Fair Market Value of Assets.

The Actuarial Value of Assets is adjusted to be no less than 90% or no more than 110% of the Fair Market Value of Assets, as required by IRC Section 430(g)(3)(B)(iii).

Since the expected earnings assumption cannot exceed the third segment rate, over time, the method may produce an Actuarial Value of Assets slightly below the Fair Market Value of Assets.

**SB Actuary Signature**

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**Part V - Summary of Plan Provisions**

**Pensionable Earnings**

Annual base rate earnings excluding overtime or additional compensation.

Compensation is subject to the legislated maximum under Internal Revenue Code Section 401(a)(17).

**Final Average  
Pensionable Earnings**

The average of the 60 highest paid consecutive months out of the last 120 months preceding normal retirement, early retirement, or termination of employment.

**Vesting Service**

Elapsed time beginning on employment date and ending on termination date.

**Credited Service**

Elapsed time beginning on employment date and ending on termination date excluding any service while employed by a related company which had not adopted this Plan.

**Normal Form of Annuity**

Life Annuity.

**Normal Retirement Date**

The first day of the month coinciding with or next following the Participant's 65<sup>th</sup> birthday.

**Primary Social Security**

The annual benefit a participant is entitled to receive on the basis of covered employment at his Social Security Retirement Age as a primary insurance amount under the Social Security Act.

**Social Security  
Covered Compensation**

The annual average of the Social Security taxable wage bases in effect for each calendar year during the 35 year period ending with the last day of the calendar year in which the participant attains Social Security Retirement Age.

**Participation Eligibility**

Participation eligibility was frozen on December 31, 2001.

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1/1/2012

Part V - Summary of Plan Provisions

**Benefit Formula**

The sum of I (multiplied by a ratio of final average earnings at retirement to final average earnings as of December 31, 1988) and II:

I. For service and salary through December 31, 1988, the sum of (a) and (b) but, if the participant was employed before July 1, 1978, not less than (c):

- a) 2.00% times Final Average Pensionable Earnings less 2% of Primary Social Security benefit frozen as of 12/31/88, times Credited Service up to 25 years.
- b) .75% times Final Average Pensionable Earnings times Credited Service greater than 25, but less than 40 years.
- c) 90% (100% if employed before January 1, 1969) times 30% of Final Average Pensionable Earnings plus 10% of Final Average Pensionable Earnings in excess of Covered Compensation, which sum is:
  - 1. reduced by 2% for each year by which Credited Service is less than 25 years; or
  - 2. increased by .50% times Final Average Pensionable Earnings and .25% times Final Average Pensionable Earnings in excess of Covered Compensation for each year the Credited Service is greater than 25, but less than 35 years.

II. The sum of (a), (b), and (c):

- a) 1.50% times Final Average Pensionable Earnings up to Social Security Covered Compensation plus 2.0% times Final Average Pensionable Earnings above Social Security Covered Compensation times Credited Service earned from January 1, 1989 through December 31, 1991.
- b) 1.15% times Final Average Pensionable Earnings up to Social Security Covered Compensation plus 1.65% of Final Average Pensionable Earnings above Social Security Covered Compensation times Credited Service earned on or after January 1, 1992 up to a maximum of 35 years (including years prior to January 1, 1989).
- c) 1.50% times Final Average Pensionable Earnings times Credited Service over 35 but less than 40 years.

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Part V - Summary of Plan Provisions

**Income Payable**

Amount described in section (a) or (b) below, whichever applies:

- a) If Participant has a Spouse as of his retirement date and does not elect otherwise, retirement income shall be paid on the basis of Joint and Survivor form, as stipulated by ERISA, and will be the amount determined under the benefit formula multiplied by the appropriate factor.
- b) If Participant either has no Spouse as of his retirement date or elects to receive his income under the Normal Form, retirement income will be the amount determined under the benefit formula.

**Early Eligibility**

Attainment of age 55 and 10 years of Service.

**Early Benefit Amount**

An annual benefit payable prior to Normal Retirement, but on or after the Early Retirement Eligibility Date.

The benefit amount is calculated based on years of Service and Final Average Pensionable Earnings at Early Retirement. This amount will then be reduced by 6% for each year by which commencement of benefits precedes age 62.

**Vesting Schedule**

Five years of Service.

**Vested Benefit**

Retirement benefit accrued to date of termination and payable at Normal Retirement Date.

**Preretirement Spouse Benefit**

**A. Eligibility**

Eligible for early retirement.

**Benefit Formula**

50% of the pension benefit accrued to date of death, reduced by appropriate early retirement and joint-and-survivor factors.

**B. Eligibility**

Eligible for vesting but not eligible for early retirement.

**Benefit Formula**

50% of the vested pension benefit accrued to date of death reduced by the appropriate early and joint and survivor factors. Payments are deferred to no earlier than the early retirement date of the deceased Participant.

**SB Actuary Signature**

Lockheed Martin  
Global Telecommunications Retirement Plan  
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1/1/2012  
Line 24 - Change in Assumptions

**Changes in Actuarial Assumptions**

Effective with this valuation, the following non-prescribed actuarial assumption changes were recognized:

- The Expense Load was changed from \$200,000 to \$442,151 to reflect actual administrative expenses.
- The investment return was modified from 8.50% to 8.00%.

**SB Actuary Signature**

Lockheed Martin  
Global Telecommunications Retirement Plan  
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1/1/2012  
Line 26 - Schedule of Active Participant Data

**Number of Active Participants as of January 1, 2012 – Distribution by Age and Service**

Active participant counts and average compensation are shown below. Compensation reflects the IRS 401(a)(17) limitations. For cells with less than 20 participants, average compensation has been omitted.

| Age      | Years of Credited Service |         |        |          |          |          |          |          |          |         | Total   |
|----------|---------------------------|---------|--------|----------|----------|----------|----------|----------|----------|---------|---------|
|          | <1                        | 1 to 4  | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up |         |
| <25      |                           |         |        |          |          |          |          |          |          |         |         |
| 25 to 29 |                           |         |        |          |          |          |          |          |          |         |         |
| 30 to 34 | 3                         |         |        |          |          |          |          |          |          |         | 3       |
| 35 to 39 | 2                         | 5       | 2      |          |          |          |          |          |          |         | 9       |
| 40 to 44 |                           | 6       | 3      | 1        |          |          |          |          |          |         | 10      |
| 45 to 49 | 2                         | 10      | 7      | 2        | 3        |          |          |          |          |         | 24      |
| 50 to 54 | 1                         | 6       | 2      | 1        | 6        |          |          |          |          |         | 16      |
| 55 to 59 | 2                         | 4       | 2      | 2        | 4        | 8        | 1        |          |          |         | 23      |
| 60 to 64 | 1                         | 2       | 1      | 1        | 2        | 4        |          |          |          |         | 11      |
| 65 to 69 |                           | 3       |        | 1        | 2        |          | 1        |          |          |         | 7       |
| 70 & up  |                           |         |        |          |          |          |          |          |          |         |         |
| Total    | 11                        | 36      | 17     | 8        | 17       | 12       | 2        |          |          |         | 103     |
|          |                           | 121,145 |        |          |          |          |          |          |          |         | 131,743 |

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Line 22 - Description of Weighted Average Retirement Age

| A              | B          | C               | D               | A * D           |
|----------------|------------|-----------------|-----------------|-----------------|
| Retirement Age | Population | Retirement Rate | Number Retiring |                 |
| 55             | 100.00     | 6%              | 6.00            | 330.00          |
| 56             | 94.00      | 4%              | 3.76            | 210.56          |
| 57             | 90.24      | 4%              | 3.61            | 205.75          |
| 58             | 86.63      | 4%              | 3.47            | 200.98          |
| 59             | 83.17      | 3%              | 2.49            | 147.20          |
| 60             | 80.67      | 20%             | 16.13           | 968.04          |
| 61             | 64.54      | 10%             | 6.45            | 393.67          |
| 62             | 58.08      | 15%             | 8.71            | 540.17          |
| 63             | 49.37      | 12%             | 5.92            | 373.24          |
| 64             | 43.45      | 12%             | 5.21            | 333.66          |
| 65             | 38.23      | 30%             | 11.47           | 745.53          |
| 66             | 26.76      | 20%             | 5.35            | 353.27          |
| 67             | 21.41      | 20%             | 4.28            | 286.89          |
| 68             | 17.13      | 20%             | 3.43            | 232.94          |
| 69             | 13.70      | 20%             | 2.74            | 189.09          |
| 70             | 10.96      | 30%             | 3.29            | 230.20          |
| 71             | 7.67       | 100%            | 7.67            | 544.81          |
|                |            |                 |                 | <u>6,286.01</u> |

Average Ret Age 62.9

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Part V - Statement of Actuarial Assumptions/Methods

Below are the actuarial assumptions as of January 1, 2012.

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Discount Rate:</b>        | <b><i>For minimum required contribution, related funded percentages, and at risk determination:</i></b> Segment Rates with a four month lookback as adjusted by the 90% - 110% corridor around the 25-year average segment rates (5.54%, 6.85%, 7.52% for the 2012 plan year). Effective rate: 6.94%<br><br><b><i>For maximum tax deductible contribution and PBGC 4010 funded percentage:</i></b> Segment Rates with a four month lookback unadjusted (September 2011 rates of 2.06%, 5.25%, 6.32% for the 2012 plan year). Effective rate: 5.38% |
| <b>Mortality:</b>            | The IRS 2012 Static Mortality Table - Separate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Investment Return:</b>    | 8.00% per annum, compounded annually                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Termination:</b>          | The probabilities that participants at the ages indicated will terminate within the following year are shown in Table A.                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Salary Scale:</b>         | The annual rates of salary increase vary by age and are shown in Table B.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Covered Compensation:</b> | That derived from application of the current Social Security law, with the Taxable Wage Base increasing prospectively at a rate of 4.25% per annum.                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Estimated Expenses:</b>   | \$442,151.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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Part V - Statement of Actuarial Assumptions/Methods

**Retirement:**

*Active Participants:*

Retirement from active service occurs based on the following set of retirement age rates.

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 55         | 6.0%        |
| 56-58      | 4.0%        |
| 59         | 3.0%        |
| 60         | 20.0%       |
| 61         | 10.0%       |
| 62         | 15.0%       |
| 63-64      | 12.0%       |
| 65         | 30.0%       |
| 66-69      | 20.0%       |
| 70         | 30.0%       |
| 71+        | 100.0%      |

The weighted average retirement age is 62.9

*Terminated Vested Participants:* Age 65

**Form of Payment:**

Life annuity.

**Survivor's Benefit:**

It is assumed that husbands are three years older than wives and that 80% of the male Participants and 80% of the female Participants who are or will become eligible for coverage under the Spouse's Benefit will be survived by an eligible Spouse.

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Part V - Statement of Actuarial Assumptions/Methods

**TABLE A**  
**ANNUAL RATES OF TERMINATION**

| <u>Age</u> | <u>Unisex Rate</u> |
|------------|--------------------|
| 20         | 15.0%              |
| 21         | 15.0%              |
| 22         | 15.0%              |
| 23         | 15.0%              |
| 24         | 15.0%              |
| 25         | 15.0%              |
| 26         | 15.0%              |
| 27         | 15.0%              |
| 28         | 15.0%              |
| 29         | 13.8%              |
| 30         | 12.8%              |
| 31         | 11.6%              |
| 32         | 10.6%              |
| 33         | 9.5%               |
| 34         | 8.5%               |
| 35         | 7.5%               |
| 36         | 6.7%               |
| 37         | 5.9%               |
| 38         | 5.1%               |
| 39         | 4.4%               |
| 40         | 3.8%               |
| 41         | 3.5%               |
| 42         | 3.2%               |
| 43         | 2.9%               |
| 44         | 2.6%               |
| 45         | 2.4%               |
| 46         | 2.3%               |
| 47         | 2.2%               |
| 48         | 2.2%               |
| 49         | 2.1%               |
| 50         | 2.0%               |
| 51         | 2.0%               |
| 52         | 1.9%               |
| 53         | 1.8%               |
| 54         | 1.8%               |
| 55 & over  | 0.0%               |

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Part V - Statement of Actuarial Assumptions/Methods

**TABLE B**  
**ANNUAL RATES OF SALARY INCREASES**

| <u>Age</u> | <u>Unisex Rate</u> |
|------------|--------------------|
| 20         | 8.00%              |
| 21         | 8.00%              |
| 22         | 8.00%              |
| 23         | 8.00%              |
| 24         | 8.00%              |
| 25         | 8.00%              |
| 26         | 7.25%              |
| 27         | 7.25%              |
| 28         | 7.25%              |
| 29         | 6.75%              |
| 30         | 6.75%              |
| 31         | 6.75%              |
| 32         | 6.25%              |
| 33         | 6.25%              |
| 34         | 6.25%              |
| 35         | 5.75%              |
| 36         | 5.75%              |
| 37         | 5.75%              |
| 38         | 5.50%              |
| 39         | 5.50%              |
| 40         | 5.50%              |
| 41         | 5.25%              |
| 42         | 5.25%              |
| 43         | 5.25%              |
| 44         | 5.00%              |
| 45         | 5.00%              |
| 46         | 5.00%              |
| 47         | 4.75%              |
| 48         | 4.75%              |
| 49         | 4.75%              |
| 50         | 4.50%              |
| 51         | 4.50%              |
| 52         | 4.50%              |
| 53         | 4.25%              |
| 54         | 4.25%              |
| 55         | 4.25%              |
| 56         | 4.25%              |
| 57         | 4.25%              |
| 58         | 4.25%              |
| 59         | 4.25%              |
| 60         | 4.25%              |
| 61         | 4.25%              |
| 62         | 4.25%              |
| 63         | 3.50%              |
| 64         | 3.25%              |
| 65 & over  | 3.00%              |

## Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described under "Actuarial Assumptions" of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

## Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year plus an estimate of the expenses to be paid from plan assets during the plan year.

## Funding Target and Funding Shortfall

The Funding Target is the present value of benefits accrued as of the beginning of the plan year and the Funding Shortfall is the excess of the Funding Target over the Actuarial Value of Assets (reduced by the Credit Balance). The initial Funding Shortfall is amortized over seven years.

In subsequent years, the Funding Shortfall less the present value of prior year amortization installments is amortized over seven years, and added to any prior year amortization installments.

## Sponsor Elections

Discount Rate: Segment rates, with a 4-month lookback

Mortality Table: Prescribed IRS Static Mortality Table – Separate

In accordance with the Moving Ahead for Progress in the 21<sup>st</sup> Century Act, segment rates are adjusted as necessary to fall within the specified corridor of the corresponding 25-year average of segment rates for the period ending September 30 of the calendar year preceding the first day of the plan year. The specified corridor is:

| <u>Plan Year</u> | <u>Corridor</u> |
|------------------|-----------------|
| 2012             | 90% - 110%      |
| 2013             | 85% - 115%      |
| 2014             | 80% - 120%      |
| 2015             | 75% - 125%      |
| 2016 and later   | 70% - 130%      |

The adjustments to fall within the specified corridor of the 25-year average of segment rates apply for determining the minimum required contribution, related funded percentages, and At-Risk status. They do not apply for determining the maximum tax deductible contribution or the PBGC 4010 funded percentage.

### **At-Risk Determination**

The At-Risk Funding Target is determined by assuming that participants eligible to retire in the current plan year and next 10 plan years retire at the earliest possible date, but not before the end of the plan year. All participants are assumed to elect the optional form resulting in the highest possible present value.

A load is added to the At-Risk Funding Target and At-Risk Target Normal Cost when a plan is At-Risk in at least two years during the preceding four years. The load increases the At-Risk Funding Target by 4% of the Not At-Risk Funding Target plus \$700 per participant, and increases the At-Risk Target Normal Cost by 4% of the Not At-Risk Target Normal Cost.

The Funding Target and Target Normal Cost are calculated by multiplying the Not At-Risk values by 100% minus the Phase-In Percentage, plus the At-Risk values multiplied by the Phase-In Percentage.

### **Credit Balance**

The Credit Balance consists of the Carryover Balance from excess contributions prior to the Pension Protection Act (PPA) of 2006, plus the Prefunding Balance from elected excess contributions after the PPA. Balances accumulate with interest and are reduced for amounts applied towards the Minimum Required Contribution, voluntary waivers by the plan sponsor, and compelled waivers to avoid benefit restrictions. The Actuarial Value of Assets is reduced by the Credit Balance to determine certain funded percentages and to determine the Funding Shortfall.

### **Asset Valuation Method**

The Actuarial Value of Assets is determined using an annual average of the adjusted Fair Market Value of Assets with the earliest determination 24 months prior to the valuation date. The Fair Market Value of Assets in prior years is adjusted for contributions, benefit payments, expenses and expected earnings (not to exceed the third segment rate).

This is equivalent to the Fair Market Value of Assets, plus two-thirds of the (gain)/loss from the prior year, plus one-third of the (gain)/loss from the second preceding year. The (gain)/loss in each year is the difference between the expected and actual returns on the Fair Market Value of Assets.

The Actuarial Value of Assets is adjusted to be no less than 90% or no more than 110% of the Fair Market Value of Assets, as required by IRC Section 430(g)(3)(B)(iii).

Since the expected earnings assumption cannot exceed the third segment rate, over time, the method may produce an Actuarial Value of Assets slightly below the Fair Market Value of Assets.

**Pensionable Earnings**

Annual base rate earnings excluding overtime or additional compensation.

Compensation is subject to the legislated maximum under Internal Revenue Code Section 401(a)(17).

**Final Average Pensionable Earnings**

The average of the 60 highest paid consecutive months out of the last 120 months preceding normal retirement, early retirement, or termination of employment.

**Vesting Service**

Elapsed time beginning on employment date and ending on termination date.

**Credited Service**

Elapsed time beginning on employment date and ending on termination date excluding any service while employed by a related company which had not adopted this Plan.

**Normal Form of Annuity**

Life Annuity.

**Normal Retirement Date**

The first day of the month coinciding with or next following the Participant's 65<sup>th</sup> birthday.

**Primary Social Security**

The annual benefit a participant is entitled to receive on the basis of covered employment at his Social Security Retirement Age as a primary insurance amount under the Social Security Act.

**Social Security Covered Compensation**

The annual average of the Social Security taxable wage bases in effect for each calendar year during the 35 year period ending with the last day of the calendar year in which the participant attains Social Security Retirement Age.

**Participation Eligibility**

Participation eligibility was frozen on December 31, 2001.

## Benefit Formula

The sum of I (multiplied by a ratio of final average earnings at retirement to final average earnings as of December 31, 1988) and II:

I. For service and salary through December 31, 1988, the sum of (a) and (b) but, if the participant was employed before July 1, 1978, not less than (c):

- a) 2.00% times Final Average Pensionable Earnings less 2% of Primary Social Security benefit frozen as of 12/31/88, times Credited Service up to 25 years.
- b) .75% times Final Average Pensionable Earnings times Credited Service greater than 25, but less than 40 years.
- c) 90% (100% if employed before January 1, 1969) times 30% of Final Average Pensionable Earnings plus 10% of Final Average Pensionable Earnings in excess of Covered Compensation, which sum is:
  1. reduced by 2% for each year by which Credited Service is less than 25 years; or
  2. increased by .50% times Final Average Pensionable Earnings and .25% times Final Average Pensionable Earnings in excess of Covered Compensation for each year the Credited Service is greater than 25, but less than 35 years.

II. The sum of (a), (b), and (c):

- a) 1.50% times Final Average Pensionable Earnings up to Social Security Covered Compensation plus 2.0% times Final Average Pensionable Earnings above Social Security Covered Compensation times Credited Service earned from January 1, 1989 through December 31, 1991.
- b) 1.15% times Final Average Pensionable Earnings up to Social Security Covered Compensation plus 1.65% of Final Average Pensionable Earnings above Social Security Covered Compensation times Credited Service earned on or after January 1, 1992 up to a maximum of 35 years (including years prior to January 1, 1989).
- c) 1.50% times Final Average Pensionable Earnings times Credited Service over 35 but less than 40 years.

**Income Payable**

Amount described in section (a) or (b) below, whichever applies:

- a) If Participant has a Spouse as of his retirement date and does not elect otherwise, retirement income shall be paid on the basis of Joint and Survivor form, as stipulated by ERISA, and will be the amount determined under the benefit formula multiplied by the appropriate factor.
- b) If Participant either has no Spouse as of his retirement date or elects to receive his income under the Normal Form, retirement income will be the amount determined under the benefit formula.

**Early Eligibility**

Attainment of age 55 and 10 years of Service.

**Early Benefit Amount**

An annual benefit payable prior to Normal Retirement, but on or after the Early Retirement Eligibility Date.

The benefit amount is calculated based on years of Service and Final Average Pensionable Earnings at Early Retirement. This amount will then be reduced by 6% for each year by which commencement of benefits precedes age 62.

**Vesting Schedule**

Five years of Service.

**Vested Benefit**

Retirement benefit accrued to date of termination and payable at Normal Retirement Date.

**Preretirement Spouse Benefit**

*A. Eligibility*

Eligible for early retirement.

*Benefit Formula*

50% of the pension benefit accrued to date of death, reduced by appropriate early retirement and joint-and-survivor factors.

*B. Eligibility*

Eligible for vesting but not eligible for early retirement.

*Benefit Formula*

50% of the vested pension benefit accrued to date of death reduced by the appropriate early and joint and survivor factors. Payments are deferred to no earlier than the early retirement date of the deceased Participant.

### **Changes in Actuarial Assumptions**

Effective with this valuation, the following non-prescribed actuarial assumption changes were recognized:

- The Expense Load was changed from \$200,000 to \$442,151 to reflect actual administrative expenses.
- The investment return was modified from 8.50% to 8.00%.

Lockheed Martin  
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Line 26 - Schedule of Active Participant Data

**Number of Active Participants as of January 1, 2012 – Distribution by Age and Service**

Active participant counts and average compensation are shown below. Compensation reflects the IRS 401(a)(17) limitations. For cells with less than 20 participants, average compensation has been omitted.

| Age      | Years of Credited Service |         |        |          |          |          |          |          |          |         | Total   |
|----------|---------------------------|---------|--------|----------|----------|----------|----------|----------|----------|---------|---------|
|          | <1                        | 1 to 4  | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up |         |
| <25      |                           |         |        |          |          |          |          |          |          |         |         |
| 25 to 29 |                           |         |        |          |          |          |          |          |          |         |         |
| 30 to 34 | 3                         |         |        |          |          |          |          |          |          |         | 3       |
| 35 to 39 | 2                         | 5       | 2      |          |          |          |          |          |          |         | 9       |
| 40 to 44 |                           | 6       | 3      | 1        |          |          |          |          |          |         | 10      |
| 45 to 49 | 2                         | 10      | 7      | 2        | 3        |          |          |          |          |         | 24      |
| 50 to 54 | 1                         | 6       | 2      | 1        | 6        |          |          |          |          |         | 132,193 |
| 55 to 59 | 2                         | 4       | 2      | 2        | 4        | 8        | 1        |          |          |         | 16      |
| 60 to 64 | 1                         | 2       | 1      | 1        | 2        | 4        |          |          |          |         | 23      |
| 65 to 69 |                           | 3       |        | 1        | 2        |          | 1        |          |          |         | 135,062 |
| 70 & up  |                           |         |        |          |          |          |          |          |          |         | 11      |
| Total    | 11                        | 36      | 17     | 8        | 17       | 12       | 2        |          |          |         | 7       |
|          |                           | 121,145 |        |          |          |          |          |          |          |         | 103     |
|          |                           |         |        |          |          |          |          |          |          |         | 131,743 |