

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2015
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>11/06/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☒ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☒ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>RETIREMENT PLAN FOR CERTAIN REPRESENTED EMPLOYEES OF SIKORSKY AIRCRAFT CORPORATION, A LOCKHEED MARTIN COMPANY</u>	1b Three-digit plan number (PN) ▶ <u>068</u> 1c Effective date of plan <u>11/06/2015</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>LOCKHEED MARTIN CORPORATION</u> <u>6801 ROCKLEDGE DRIVE, CCT-115</u> <u>BETHESDA, MD 20817</u>	2b Employer Identification Number (EIN) <u>52-1893632</u> 2c Plan Sponsor's telephone number <u>863-647-0370</u> 2d Business code (see instructions) <u>339900</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.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/14/2016</u>	<u>ROBERT MUENINGHOFF</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 4540
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 4540
a(2) Total number of active participants at the end of the plan year	6a(2) 4552
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 4
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 4556
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0
f Total. Add lines 6d and 6e	6f 4556
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 1C 3F 3H	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2015</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2015 or fiscal plan year beginning 11/06/2015 and ending 12/31/2015	
▶ Round off amounts to nearest dollar.	
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan RETIREMENT PLAN FOR CERTAIN REPRESENTED EMPLOYEES OF SIKORSKY AIRCRAFT CORPORATION, A LOCKHEED MARTIN COMPANY	B Three-digit plan number (PN) ▶ 068
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LOCKHEED MARTIN CORPORATION	D Employer Identification Number (EIN) 52-1893632
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information			
1	Enter the valuation date: Month 11 Day 06 Year 2015			
2	Assets:			
a	Market value	2a	0	
b	Actuarial value	2b	0	
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a	For retired participants and beneficiaries receiving payment	0	0	0
b	For terminated vested participants	0	0	0
c	For active participants	4540	0	0
d	Total	4540	0	0
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a	Funding target disregarding prescribed at-risk assumptions	4a		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5	6.43%	
6	Target normal cost	6	3804258	

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.

<div>SIGN HERE</div>		09/20/2016
Signature of actuary		Date
THOMAS S. STAUFFER		14-06384
Type or print name of actuary		Most recent enrollment number
AON CONSULTING, INC.		410-547-2800
Firm name		Telephone number (including area code)
500 EAST PRATT ST. BALTIMORE, MD 21202		
Address of the firm		

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 62
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	3804258	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
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	3804258	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35)	36	3804258	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	27242134	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	23437876	
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		

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 11/06/2015 and ending 12/31/2015

A Name of plan <u>RETIREMENT PLAN FOR CERTAIN REPRESENTED EMPLOYEES OF SIKORSKY AIRCRAFT CORPORATION, A LOCKHEED MARTIN COMPANY</u>	B Three-digit plan number (PN) ► <u>068</u>	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>LOCKHEED MARTIN CORPORATION</u>	D Employer Identification Number (EIN) <u>52-1893632</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>L.M. CORP. MASTER RETIREMENT TRUST</u>		
b Name of sponsor of entity listed in (a): <u>NORTHERN TRUST</u>		
c EIN-PN <u>22-3546821-001</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4994778</u>
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
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
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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
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2015 This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning <u>11/06/2015</u> and ending <u>12/31/2015</u>		
A Name of plan <u>RETIREMENT PLAN FOR CERTAIN REPRESENTED EMPLOYEES OF SIKORSKY AIRCRAFT CORPORATION, A LOCKHEED MARTIN COMPANY</u>		B Three-digit plan number (PN) ► <u>068</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LOCKHEED MARTIN CORPORATION</u>		D Employer Identification Number (EIN) <u>52-1893632</u>

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	0	22729952
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)	0	4994778
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	0	27724730

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	0	3096
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	3096

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	0	27721634
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	27729952	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		27729952
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(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)		-5164
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		27724788

Expenses**e** Benefit payment and payments to provide benefits:

(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	58	
(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)		58
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	3096	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		3096
j Total expenses. Add all expense amounts in column (b) and enter total	2j		3154

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		27721634
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:

(2) EIN:

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:

	Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X		

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

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 11/06/2015 and ending 12/31/2015

A Name of plan <u>RETIREMENT PLAN FOR CERTAIN REPRESENTED EMPLOYEES OF SIKORSKY AIRCRAFT CORPORATION, A LOCKHEED MARTIN COMPANY</u>	B Three-digit plan number (PN) ▶ <u>068</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LOCKHEED MARTIN CORPORATION</u>	D Employer Identification Number (EIN) <u>52-1893632</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>22-3810641</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>0</u>

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2015
v. 150123

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:		
	a The current year	14a	
	b The plan year immediately preceding the current plan year	14b	
	c The second preceding plan year	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year	15a	
	b The corresponding number for the second preceding plan year	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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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: <u>51.0</u> % Investment-Grade Debt: <u>22.0</u> % High-Yield Debt: <u>4.0</u> % Real Estate: <u>1.0</u> % Other: <u>22.0</u> %
	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):

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A
22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).		
22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.		
22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.		
23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Schedule SB, line 26—Schedule of Active Participant Data as of November 6, 2015

Attained Age	Number of Participants and Average Compensation									
	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25	1	2	13							
25-29	5	2	293 \$93,610	11						
30-34	4	5	417 \$100,391	82 \$104,221	2					
35-39	1	6	283 \$100,051	113 \$108,078	14					
40-44	2	7	224 \$97,095	65 \$107,011	6	10	1			
45-49		3	218 \$104,793	73 \$109,658	19	15	65 \$118,173	3		
50-54		2	228 \$105,212	81 \$110,278	35 \$112,333	49 \$113,310	171 \$116,360	120 \$118,953	39 \$124,149	
55-59	1	2	239 \$103,773	68 \$111,917	19	44 \$119,357	145 \$121,228	196 \$119,396	352 \$120,072	9
60-64		1	112 \$101,642	43 \$112,112	9	27 \$116,123	96 \$116,828	93 \$113,805	224 \$119,477	21 \$116,488
65-69		1	30 \$106,341	10	2	13	22 \$116,484	12	39 \$121,024	11
70+			2		1		2	2	2	

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of July 2015), each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA.
1st Segment Rate	4.72%
2nd Segment Rate	6.11%
3rd Segment Rate	6.81%
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of July 2015), without regard to interest rate stabilization.
1st Segment Rate	1.31%
2nd Segment Rate	4.07%
3rd Segment Rate	5.10%
Cash Balance Interest Crediting Rate	3.80% per year
Retirement Age	
Active Participants	See Table 1.
Terminated Vested Participants	Age 65
Mortality Rates	
Healthy and Disabled	2015 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)
Withdrawal Rates	See Table 2.
Disability Rates	See Table 3.
Retirement Elections	50% of retirees choose a life annuity, 25% choose a joint and 50% survivor, and 25% choose a joint and 100% survivor.
Lump Sum Elections	100% of retirees, widows, and disableds elect and immediate lump sum. For terminated vested, 75% elect and immediate lump sum and 25% defer payment until age 55.
Decrement Timing	Beginning of year decrements, with 100% retirement occurring at beginning of year

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Surviving Spouse Benefit	It is assumed that 81% of males and 81% of females have an eligible spouse, and that males are three years older than their spouses.
Benefit Limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$210,000 and the IRC section 401(a)(17) compensation limit of \$265,000.
Valuation of Plan Assets	<p>Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.</p> <p>A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).</p>
Trust Expenses Included in Target Normal Cost	\$0
Actuarial Method	Standard unit credit cost method
Valuation Date	November 6, 2015

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Table 1

Retirement Rates

<u>Age</u>	<u>Rate</u>
55	2.00%
56	2.00%
57	2.00%
58	4.00%
59	5.00%
60	10.00%
61	10.00%
62	25.00%
63	25.00%
64	25.00%
65+	100.00%

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Table 2—Page 1 of 2

Withdrawal Rates

Age	Years of Service	
	0-4	5+
18	16.780%	11.400%
19	16.780%	11.400%
20	16.780%	11.400%
21	16.780%	11.400%
22	16.780%	11.400%
23	16.780%	11.400%
24	16.780%	11.400%
25	16.780%	11.400%
26	16.314%	11.280%
27	15.848%	11.160%
28	15.382%	11.040%
29	14.916%	10.920%
30	14.450%	10.800%
31	14.166%	10.540%
32	13.882%	10.280%
33	13.598%	10.020%
34	13.314%	9.760%
35	13.030%	9.500%
36	12.716%	9.078%
37	12.402%	8.656%
38	12.088%	8.234%
39	11.774%	7.812%
40	11.460%	7.390%
41	11.176%	7.058%
42	10.892%	6.726%
43	10.608%	6.394%
44	10.324%	6.062%

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Table 2—Page 2 of 2

Withdrawal Rates

Age	Years of Service	
	0-4	5+
45	10.040%	5.730%
46	9.698%	5.604%
47	9.356%	5.478%
48	9.014%	5.352%
49	8.672%	5.226%
50	8.330%	5.100%
51	8.138%	4.972%
52	7.946%	4.844%
53	7.754%	4.716%
54	7.562%	4.588%
55	7.370%	4.460%
56+	0.00%	0.00%

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Table 3
Disability Rates

Age	Male	Female	Age	Male	Female
15	0.030%	0.050%	45	0.100%	0.150%
16	0.030%	0.050%	46	0.116%	0.172%
17	0.030%	0.050%	47	0.132%	0.194%
18	0.030%	0.050%	48	0.148%	0.216%
19	0.030%	0.050%	49	0.164%	0.238%
20	0.030%	0.050%	50	0.180%	0.260%
21	0.030%	0.050%	51	0.216%	0.306%
22	0.030%	0.050%	52	0.252%	0.352%
23	0.030%	0.050%	53	0.288%	0.398%
24	0.030%	0.050%	54	0.324%	0.444%
25	0.030%	0.050%	55	0.360%	0.490%
26	0.032%	0.052%	56	0.468%	0.634%
27	0.034%	0.054%	57	0.576%	0.778%
28	0.036%	0.056%	58	0.684%	0.922%
29	0.038%	0.058%	59	0.792%	1.066%
30	0.040%	0.060%	60	0.900%	1.210%
31	0.042%	0.064%	61	0.720%	0.968%
32	0.044%	0.068%	62	0.540%	0.726%
33	0.046%	0.072%	63	0.360%	0.484%
34	0.048%	0.076%	64	0.180%	0.242%
35	0.050%	0.080%	65+	0.000%	0.000%
36	0.054%	0.084%			
37	0.058%	0.088%			
38	0.062%	0.092%			
39	0.066%	0.096%			
40	0.070%	0.100%			
41	0.076%	0.110%			
42	0.082%	0.120%			
43	0.088%	0.130%			
44	0.094%	0.140%			

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

For the funding valuation, the allowable interest rates and mortality tables available to measure plan liabilities are prescribed by IRC section 412. Aon Hewitt provided guidance with respect to the alternative interest rate and mortality table options, and it is our belief that the options prescribed by Lockheed Martin Corporation are appropriate for funding purposes. It is our belief that all other actuarial assumptions used for the funding valuation represent reasonable expectations of anticipated plan experience. The actuarial cost and amortization methods used are prescribed by IRC section 412. While the method used to value assets is prescribed by Lockheed Martin Corporation, Aon Hewitt provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for funding purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the ERISA target normal cost and funding target is the unit credit cost method. The funding target under IRC section 430 is calculated as the present value of all benefits that have been accrued or earned under the plan as of the first day of the plan year, based on current service and current pay. The target normal cost is the present value of all benefits expected to accrue or be earned under the plan during the plan year, including any increase in benefits earned in prior plan years attributable to compensation increases in the current plan year, plus certain trust expenses.

Under this method, benefits are estimated at each decrement age using service and earnings as of the valuation date. The present value of these estimated benefits using the applicable ERISA assumptions is the ERISA funding target. The target normal cost is the present value of the benefits earned during the year.

For calculating the actuarial present value of vested benefits, benefits at each decrement age are determined in the same manner, but are then multiplied by each participant's vesting percentage as of the valuation date. The present value of these estimated vested benefits is determined without recognition of any benefit for which a participant will become entitled only through the advancement in service or age while actively employed. In addition, certain ancillary benefits have been treated as vested consistent with PBGC premium regulations.

The ERISA funding target for lump sum benefits is determined by valuing the annuity that corresponds to the distribution using special actuarial assumptions, as described under Treasury regulations section 1.430(d). Under these special assumptions, for the period beginning with the annuity starting date, the current IRC section 417(e) applicable mortality table is substituted for the mortality table otherwise used.

SB Actuary Signature

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning <u>11/06/2015</u> and ending <u>12/31/2015</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.	
A Name of plan Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation, A Lockheed Martin Company	B Three-digit plan number (PN) <u>068</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Lockheed Martin Corporation	D Employer Identification Number (EIN) 52-1893632
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>11</u> Day <u>06</u> Year <u>2015</u>			
2 Assets:			
a Market value	2a	0	
b Actuarial value	2b	0	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	0	0	0
b For terminated vested participants.....	0	0	0
c For active participants.....	4,540	0	0
d Total.....	4,540	0	0
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate.....	5	6.43%	
6 Target normal cost.....	6	3,804,258	

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

SIGN HERE	 Signature of actuary Thomas S. Stauffer Type or print name of actuary Aon Consulting, Inc. Firm name 500 EAST PRATT ST. BALTIMORE MD 21202 Address of the firm	<u>09/20/2016</u> Date <u>1406384</u> Most recent enrollment number <u>410-547-2800</u> Telephone number (including area code)
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Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 4.72%	2nd segment: 6.11%	3rd segment: 6.81%
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22 62
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	3,804,258
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	
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	3,804,258
		Carryover balance	Prefunding balance
35 Balances elected for use to offset funding requirement			0
36 Additional cash requirement (line 34 minus line 35)		36	3,804,258
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	27,242,134
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	23,437,876
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	

Schedule SB Attachment (Form 5500)—2015 Plan Year
 Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
 Corporation, A Lockheed Martin Company
 EIN: 52-1893632 PN: 068

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at beginning of year.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
55	2.00%	1.0000	1.10
56	2.00%	0.9800	1.10
57	2.00%	0.9604	1.09
58	4.00%	0.9412	2.18
59	5.00%	0.9035	2.67
60	10.00%	0.8584	5.15
61	10.00%	0.7725	4.71
62	25.00%	0.6953	10.78
63	25.00%	0.5215	8.21
64	25.00%	0.3911	6.26
65	100.00%	0.2933	19.07
Weighted Average			62.32

Schedule SB Attachment (Form 5500)—2015 Plan Year
 Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
 Corporation, A Lockheed Martin Company
 EIN: 52-1893632 PN: 068

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of July 2015), each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA.
1st Segment Rate	4.72%
2nd Segment Rate	6.11%
3rd Segment Rate	6.81%
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of July 2015), without regard to interest rate stabilization.
1st Segment Rate	1.31%
2nd Segment Rate	4.07%
3rd Segment Rate	5.10%
Cash Balance Interest Crediting Rate	3.80% per year
Retirement Age	
Active Participants	See Table 1.
Terminated Vested Participants	Age 65
Mortality Rates	
Healthy and Disabled	2015 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)
Withdrawal Rates	See Table 2.
Disability Rates	See Table 3.
Retirement Elections	50% of retirees choose a life annuity, 25% choose a joint and 50% survivor, and 25% choose a joint and 100% survivor.
Lump Sum Elections	100% of retirees, widows, and disableds elect and immediate lump sum. For terminated vested, 75% elect and immediate lump sum and 25% defer payment until age 55.
Decrement Timing	Beginning of year decrements, with 100% retirement occurring at beginning of year

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Surviving Spouse Benefit	It is assumed that 81% of males and 81% of females have an eligible spouse, and that males are three years older than their spouses.
Benefit Limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$210,000 and the IRC section 401(a)(17) compensation limit of \$265,000.
Valuation of Plan Assets	<p>Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.</p> <p>A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).</p>
Trust Expenses Included in Target Normal Cost	\$0
Actuarial Method	Standard unit credit cost method
Valuation Date	November 6, 2015

Schedule SB Attachment (Form 5500)—2015 Plan Year
 Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
 Corporation, A Lockheed Martin Company
 EIN: 52-1893632 PN: 068

Table 1

Retirement Rates

<u>Age</u>	<u>Rate</u>
55	2.00%
56	2.00%
57	2.00%
58	4.00%
59	5.00%
60	10.00%
61	10.00%
62	25.00%
63	25.00%
64	25.00%
65+	100.00%

Schedule SB Attachment (Form 5500)—2015 Plan Year
 Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
 Corporation, A Lockheed Martin Company
 EIN: 52-1893632 PN: 068

Table 2—Page 1 of 2

Withdrawal Rates

Age	Years of Service	
	0-4	5+
18	16.780%	11.400%
19	16.780%	11.400%
20	16.780%	11.400%
21	16.780%	11.400%
22	16.780%	11.400%
23	16.780%	11.400%
24	16.780%	11.400%
25	16.780%	11.400%
26	16.314%	11.280%
27	15.848%	11.160%
28	15.382%	11.040%
29	14.916%	10.920%
30	14.450%	10.800%
31	14.166%	10.540%
32	13.882%	10.280%
33	13.598%	10.020%
34	13.314%	9.760%
35	13.030%	9.500%
36	12.716%	9.078%
37	12.402%	8.656%
38	12.088%	8.234%
39	11.774%	7.812%
40	11.460%	7.390%
41	11.176%	7.058%
42	10.892%	6.726%
43	10.608%	6.394%
44	10.324%	6.062%

Schedule SB Attachment (Form 5500)—2015 Plan Year
 Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
 Corporation, A Lockheed Martin Company
 EIN: 52-1893632 PN: 068

Table 2—Page 2 of 2

Withdrawal Rates

Age	Years of Service	
	0-4	5+
45	10.040%	5.730%
46	9.698%	5.604%
47	9.356%	5.478%
48	9.014%	5.352%
49	8.672%	5.226%
50	8.330%	5.100%
51	8.138%	4.972%
52	7.946%	4.844%
53	7.754%	4.716%
54	7.562%	4.588%
55	7.370%	4.460%
56+	0.00%	0.00%

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Table 3

Disability Rates

Age	Male	Female	Age	Male	Female
15	0.030%	0.050%	45	0.100%	0.150%
16	0.030%	0.050%	46	0.116%	0.172%
17	0.030%	0.050%	47	0.132%	0.194%
18	0.030%	0.050%	48	0.148%	0.216%
19	0.030%	0.050%	49	0.164%	0.238%
20	0.030%	0.050%	50	0.180%	0.260%
21	0.030%	0.050%	51	0.216%	0.306%
22	0.030%	0.050%	52	0.252%	0.352%
23	0.030%	0.050%	53	0.288%	0.398%
24	0.030%	0.050%	54	0.324%	0.444%
25	0.030%	0.050%	55	0.360%	0.490%
26	0.032%	0.052%	56	0.468%	0.634%
27	0.034%	0.054%	57	0.576%	0.778%
28	0.036%	0.056%	58	0.684%	0.922%
29	0.038%	0.058%	59	0.792%	1.066%
30	0.040%	0.060%	60	0.900%	1.210%
31	0.042%	0.064%	61	0.720%	0.968%
32	0.044%	0.068%	62	0.540%	0.726%
33	0.046%	0.072%	63	0.360%	0.484%
34	0.048%	0.076%	64	0.180%	0.242%
35	0.050%	0.080%	65+	0.000%	0.000%
36	0.054%	0.084%			
37	0.058%	0.088%			
38	0.062%	0.092%			
39	0.066%	0.096%			
40	0.070%	0.100%			
41	0.076%	0.110%			
42	0.082%	0.120%			
43	0.088%	0.130%			
44	0.094%	0.140%			

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

For the funding valuation, the allowable interest rates and mortality tables available to measure plan liabilities are prescribed by IRC section 412. Aon Hewitt provided guidance with respect to the alternative interest rate and mortality table options, and it is our belief that the options prescribed by Lockheed Martin Corporation are appropriate for funding purposes. It is our belief that all other actuarial assumptions used for the funding valuation represent reasonable expectations of anticipated plan experience. The actuarial cost and amortization methods used are prescribed by IRC section 412. While the method used to value assets is prescribed by Lockheed Martin Corporation, Aon Hewitt provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for funding purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the ERISA target normal cost and funding target is the unit credit cost method. The funding target under IRC section 430 is calculated as the present value of all benefits that have been accrued or earned under the plan as of the first day of the plan year, based on current service and current pay. The target normal cost is the present value of all benefits expected to accrue or be earned under the plan during the plan year, including any increase in benefits earned in prior plan years attributable to compensation increases in the current plan year, plus certain trust expenses.

Under this method, benefits are estimated at each decrement age using service and earnings as of the valuation date. The present value of these estimated benefits using the applicable ERISA assumptions is the ERISA funding target. The target normal cost is the present value of the benefits earned during the year.

For calculating the actuarial present value of vested benefits, benefits at each decrement age are determined in the same manner, but are then multiplied by each participant's vesting percentage as of the valuation date. The present value of these estimated vested benefits is determined without recognition of any benefit for which a participant will become entitled only through the advancement in service or age while actively employed. In addition, certain ancillary benefits have been treated as vested consistent with PBGC premium regulations.

The ERISA funding target for lump sum benefits is determined by valuing the annuity that corresponds to the distribution using special actuarial assumptions, as described under Treasury regulations section 1.430(d). Under these special assumptions, for the period beginning with the annuity starting date, the current IRC section 417(e) applicable mortality table is substituted for the mortality table otherwise used.

Schedule SB Attachment (Form 5500)—2015 Plan Year
 Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
 Corporation, A Lockheed Martin Company
 EIN: 52-1893632 PN: 068

Schedule SB, Part V—Summary of Plan Provisions

Effective Date of Plan	November 6, 2015
Eligibility	Earlier of age 21 with one year of eligibility service, or at any age with three years of eligibility service.
Normal Retirement Eligibility Requirement	Age 65
Annuity Benefit	The benefit multiplier from the below chart, multiplied by credited service. The benefit is reduced by the frozen accrued benefit as of November 6, 2015, which is paid by UTC.

Final Average Earnings	Sikorsky Multiplier
Under \$46,000	\$68
\$46,000 - \$46,999	\$69
\$47,000 - \$47,999	\$69
\$48,000 - \$48,999	\$70
\$49,000 - \$49,999	\$70
\$50,000 - \$50,999	\$71
\$51,000 - \$51,999	\$71
\$52,000 and over	\$72

Final Average Earnings	Troy Multiplier
Under \$37,000	\$61
\$37,000 - \$38,999	\$62
\$39,000 - 46,999	\$62
\$47,000 - \$48,999	\$63
\$49,000 - \$49,999	\$63
\$50,000 - \$51,999	\$64
\$52,000 and over	\$65

As of November 6, 2015, the maximum benefit multiplier was \$72 for Sikorsky and \$65 for Troy. This is the multiplier schedule used to calculate UTC's portion of the benefit.

Final Average Earnings	Average of high five of the previous 10 years. The years need not be consecutive.
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Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Cash Balance Benefit

The cash balance as of November 6, 2015 is \$0.
After that, the sum of (1) and (2):

(1) Pay Credits: At the end of each month, pay credits are added to the cash balance account. \$48 per week of covered employment (represents \$1.20 per hour at 40 hours per week). Credits accrue from the later of November 6, 2015 and date of hire. Pay credits stop accruing when the participant retires, terminates or dies.

(2) Interest Credits: An interest credit is added to the account at the end of each month. It is equal to the product of the account balance as of the end of the prior month and $1/12 [(1+i)^{(1/12)} - 1]$ of the annual interest rate in effect for the year, but not less than 3.80%. The annual interest rate is set each January 1 and is based on the average yield on 30-year Treasury notes during the month of November of the prior year. Interest credits continue until the date payments begin.

Regular Early Retirement
Eligibility Requirement

Age 55 and 10 years of credited service

Benefit

Monthly annuity benefit computed as in normal retirement, reduced by 2.40% per year that payment commences prior to age 62. Cash balance payable as a lump sum.

Total and Permanent Disability
Retirement
Eligibility Requirement

10 years of credited service

Benefit

An unreduced monthly annuity benefit computed as in normal retirement. Cash balance payable as a lump sum.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Preretirement Surviving Spouse's
Benefit

Eligibility Requirement

100% vested

Benefit

If the participant died while eligible to retire, the monthly benefit the participant would have received if he had retired on the first of the month preceding or coincident with his death, elected a joint and 100% survivor benefit, and died the next day. If the participant had 10 years of service and had not attained age 55 upon his death, the benefit is deferred to the month he would have attained age 55. If the participant had between five and 10 years of service and had not attained age 65 upon his death, the benefit is deferred to the month he would have attained age 55, and the benefit option is joint and 50% survivor. In all cases, the cash balance benefit is payable as a lump sum.

Termination

Eligibility Requirement

Three years of vesting service; five for Troy participants

Benefit

A deferred monthly annuity benefit computed as in normal retirement, payable at age 65. The benefit is payable as early as age 55, reduced by 5.00% per year by which payment precedes age 65. Cash balance is payable as a lump sum.

Normal Form of Benefit Payment
Married Participants

An actuarially reduced 50% joint and survivor annuity

Unmarried Participants

Life annuity

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

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

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Schedule SB, line 26—Schedule of Active Participant Data as of November 6, 2015

Attained Age	Number of Participants and Average Compensation									
	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25	1	2	13							
25-29	5	2	293 \$93,610	11						
30-34	4	5	417 \$100,391	82 \$104,221	2					
35-39	1	6	283 \$100,051	113 \$108,078	14					
40-44	2	7	224 \$97,095	65 \$107,011	6	10	1			
45-49		3	218 \$104,793	73 \$109,658	19	15	65 \$118,173	3		
50-54		2	228 \$105,212	81 \$110,278	35 \$112,333	49 \$113,310	171 \$116,360	120 \$118,953	39 \$124,149	
55-59	1	2	239 \$103,773	68 \$111,917	19	44 \$119,357	145 \$121,228	196 \$119,396	352 \$120,072	9
60-64		1	112 \$101,642	43 \$112,112	9	27 \$116,123	96 \$116,828	93 \$113,805	224 \$119,477	21 \$116,488
65-69		1	30 \$106,341	10	2	13	22 \$116,484	12	39 \$121,024	11
70+			2		1		2	2	2	

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at beginning of year.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
55	2.00%	1.0000	1.10
56	2.00%	0.9800	1.10
57	2.00%	0.9604	1.09
58	4.00%	0.9412	2.18
59	5.00%	0.9035	2.67
60	10.00%	0.8584	5.15
61	10.00%	0.7725	4.71
62	25.00%	0.6953	10.78
63	25.00%	0.5215	8.21
64	25.00%	0.3911	6.26
65	100.00%	0.2933	19.07
Weighted Average			62.32

Schedule H, Line 3d(2) – 29 CFR 2520.104-50 Statement

Retirement Plan for Certain Represented Employees of Sikorsky Aircraft, a Lockheed Martin Company

EIN: 52-1893632 / PN: 068

Plan Year: 2015

The above referenced plan was established on November 6, 2015 and has a December 31 plan year end. The 2015 plan year (November 6, 2015 – December 31, 2015) constitutes a short plan year as defined in ERISA §2520.104-50(a)(1). In accordance with ERISA §2520.104-50(b), the annual report for the 2016 plan year will include a report of an IQPA with respect to the financial statements and accompanying schedules for both the 2015 and 2016 plan years.

Schedule H, line 3d(2) – 29 CFR 2520.104-50

Retirement Plan for Certain Represented Employees of Sikorsky Aircraft, a Lockheed Martin Company

EIN: 52-1893632 / PN: 068

Plan Year: 2015

RETIREMENT PLAN FOR CERTAIN REPRESENTED EMPLOYEES OF
SIKORSKY AIRCRAFT CORPORATION, A LOCKHEED MARTIN COMPANY

Financial Statements as of December 31, 2015

and for the Period from November 6 to December 31, 2015, unaudited

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
a Lockheed Martin Company
Financial Statements**

**As of December 31, 2015
and for the Period From November 6 to December 31, 2015**

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Unaudited Financial Statements:

Statements of Net Assets Available for Benefits as of December 31, 2015	1
Statement of Changes in Net Assets Available for Benefits for the Period From November 6 to December 31, 2015	2
Notes to Financial Statements	3

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
a Lockheed Martin Company**

**Statements of Net Assets Available for Benefits
(in thousands)**

	December 31, 2015
Assets	
Investments:	
Interest in Master Trust	\$ 4,995
Employer contributions receivable	22,730
Total assets	27,725
Liabilities	
Accrued expenses	3
Net assets available for benefits	\$ 27,722

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

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
a Lockheed Martin Company**

**Statement of Changes in Net Assets Available for Benefits
(in thousands)**

	For the Period From November 6 to December 31, 2015
Net assets available for benefits at beginning of year	\$ —
Additions to net assets:	
Employer contributions	27,730
Deductions from net assets:	
Interest in net investment loss of Master Trust	5
Administrative expenses	3
Total deductions	8
Change in net assets	27,722
Net assets available for benefits at end of year	\$ 27,722

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

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
a Lockheed Martin Company**

Notes to Financial Statements

1. Description of the Plan

The following description of the Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation, a Lockheed Martin Company (the Plan) provides only general information about the Plan's provisions. Participants should refer to the Plan document and Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit plan covering certain bargaining employees of Sikorsky Aircraft Corporation (Sikorsky), a Lockheed Martin Company. Lockheed Martin Corporation (the Corporation) is the Plan Sponsor and the Plan Administrator. The Corporation adopted this plan on November 6, 2015, the date the Corporation acquired Sikorsky from United Technologies Corporation (UTC). No assets transferred from the UTC plan that covered many of the Plan's participants prior to the Corporation's acquisition of Sikorsky. Active participants become fully vested in the Plan upon the earlier of the completion of either three or five years of service or attainment of age 65.

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 4.

Funding Policy

Funding for the Plan is determined in accordance with the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Pension Protection Act of 2006 (PPA) and consistent with U.S. Government Cost Accounting Standards (CAS). Contributions by the Corporation, if any, meet 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 the payment of benefits attributable to active and non-active participant contributions, then for payment of retirement benefits that former employees or their beneficiaries have been receiving, next for the payment of other vested benefits, and finally for the payment of nonvested benefits for the remaining participants. If the net assets are not sufficient to pay all benefits, the net assets shall be paid to the most senior categories until a category cannot be paid in full, and remaining net assets shall be allocated pro rata to all the benefits in that category and not those of lower priority. 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.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared 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 compensation during each year of credited service prior to his or her termination or retirement date. Accumulated plan benefits for active participants are based on each participant's compensation during each year of credited service preceding the valuation date. Benefits payable under all

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
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Notes to Financial Statements (continued)

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, currency, 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.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the 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 4 for discussion 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. Gains and losses on investments bought and sold as well as held during the year are included in interest in net investment gain (loss) 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. Certain indirect administrative expenses are paid by the Corporation and are excluded from these financial statements. Expenses paid by the Plan are shown on the Statement of Changes in Net Assets Available for Benefits.

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board (FASB) issued new guidance that eliminates the current requirement to categorize within the fair value hierarchy investments with fair values measured at net asset value (NAV) using the practical expedient in Accounting Standards Codification (ASC) 820 "Fair Value Measurement." The new guidance will require entities to disclose the fair values of such investments as a reconciling item between

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
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Notes to Financial Statements (continued)

the balance sheet amounts and the amounts reported in the fair value hierarchy table. Entities will be required to continue to disclose information describing the nature and risks of the investments measured using the NAV practical expedient. The standard is effective for the Plan beginning on January 1, 2016, with early adoption permitted. The Plan adopted the standard on January 1, 2016 and will apply the provisions of the standard in the financial statements for plan year 2016. The standard only impacts the presentation of information disclosed in the notes to the financial statements and will not impact the Statements of Net Assets Available for Benefits or the Statement of Changes in Net Assets Available for Benefits.

In July 2015, the FASB issued a new three-part standard that simplifies employee benefit plan reporting. Part I of the standard eliminates the requirement to measure and present fully benefit-responsive investment contracts at fair value within the statements of net assets available for benefits and related disclosures and also eliminates the requirement to reconcile contract value to fair value, when these measures differ. Part II of the standard simplifies plan investment disclosures and Part III provides for a measurement-date practical expedient. Parts I and III of the standard are not applicable as the Plan has no investments in fully benefit-responsive investment contracts and the Plan's year end coincides with the end of the reporting period on which investments are measured. The standard is effective for the Plan beginning on January 1, 2016. Plans may early adopt any of the three parts of the standard without adopting the other parts. The Plan adopted Part II of the standard on January 1, 2016 and will apply the provisions of the standard in the financial statements for plan year 2016. Part II of the standard only impacts the presentation of information disclosed in the notes to the financial statements and will not impact the Statements of Net Assets Available for Benefits or the Statement of Changes in Net Assets Available for Benefits.

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 (in thousands):

	December 31, 2015
Vested benefits:	
Participants currently receiving payments	\$ —
Participants not currently receiving payments	33,554
Total vested benefits	33,554
Nonvested benefits	1,438
Total actuarial present value of accumulated plan benefits	<u>\$ 34,992</u>

The significant actuarial assumptions used in the valuations were (a) life expectancy of participants (RP-2014 Total Dataset Adjusted to 2006 with Scale MP-2015 for 2015), (b) turnover based upon the termination experience of the prior UTC Plan, (c) assumed retirement age probabilities based on the experience of the prior UTC Plan resulting in an average retirement age of 62, and (d) an annual discount rate of 4.375%. 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 (in thousands):

	For the Period From November 6 to December 31, 2015
Actuarial present value of accumulated plan benefits at beginning of year	\$ —
Increase (decrease) during the year attributable to:	

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
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Notes to Financial Statements (continued)

Increase for interest due to the decrease in the discount period	—
Benefits paid	—
Benefits accumulated	5,816
Plan change	28,842
Changes in actuarial assumptions	334
Net increase	34,992
Actuarial present value of accumulated plan benefits at end of year	\$ 34,992

The collective bargaining contracts covering the Plan's participants provide for an increase to the pension benefit formula in 2016 due to union negotiations that occurred prior to the Corporation's acquisition of Sikorsky. The plan change resulted in an increase to the actuarial present value of accumulated plan benefits of \$28,842,000.

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. 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 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 participating 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, excluding assets of the 401(h) account, as of December 31, 2015 was approximately 0.02%.

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, 2015, and net appreciation (depreciation) in fair value of investments, interest income, and dividend income for the year ended December 31, 2015, 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 (in thousands):

	December 31, 2015
Assets	
Cash and cash equivalents.....	\$ 2,068,373
Equity:	
U.S. equity securities.....	617,144
International equity securities.....	193,164
Commingled equity funds	107,621
Fixed income:	
Corporate debt securities	462,087
U.S. Government securities.....	197,139

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
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Notes to Financial Statements (continued)

	December 31, 2015
U.S. Government sponsored entities	283,549
Other fixed income securities	394,572
Alternative investments:	
Hedge funds	57,092
Commodities	647
Total assets	4,381,388
Liabilities	
Payables, net	197,355
Total net assets	\$ 4,184,033
	Year Ended December 31, 2015
Investment income not certified by the custodian	
Interest and dividend income	\$ 115,558
Net appreciation in fair value of investments	48,234

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.

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

- Level 1 – Quoted prices in active markets for identical assets and liabilities;
- Level 2 – Observable inputs, other than Level 1 prices, such as quoted prices for similar instruments in active markets, 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 where valuation models are supported by little or no market activity that 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, 2015 and their appreciation (depreciation) for the year ended December 31, 2015 (in thousands):

	Level 1	Level 2	Level 3	Total	Appreciation (Depreciation)
Cash and cash equivalents	\$ 2,288,428	\$ —	\$ —	\$ 2,288,428	\$ 71,293
Equity:					
U.S. equity securities	4,837,114	7,509	32	4,844,655	(135,406)
International equity securities	5,815,348	23,773	9,653	5,848,774	(377,301)

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
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Notes to Financial Statements (continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Appreciation (Depreciation)</u>
Commingled equity funds.....	581,067	1,296,492	—	1,877,559	(274,655)
Fixed income:					
Corporate debt securities.....	—	3,918,049	15,034	3,933,083	(328,120)
U.S. Government securities	—	5,098,831	—	5,098,831	(91,709)
U.S. Government-sponsored enterprise securities.....	—	1,656,919	—	1,656,919	3,687
Other fixed income securities	22,930	2,696,137	5,685	2,724,752	266,618
Alternative investments:					
Private equity funds	—	—	3,133,062	3,133,062	60,900
Real estate funds	—	93,372	1,017,962	1,111,334	116,734
Hedge funds	—	167,380	349,537	516,917	14,130
Commodities	910	(455)	—	455	(219,113)
Total investment assets at fair value	<u>\$ 13,545,797</u>	<u>\$ 14,958,007</u>	<u>\$ 4,530,965</u>	<u>\$ 33,034,769</u>	<u>\$ (892,942)</u>
Receivables, net				33,722	
Total net assets				<u>\$ 33,068,491</u>	

Interest and dividend income earned by the Master Trust for the year ended December 31, 2015 was \$255,404,000 and \$262,878,000, respectively. Other income for the year ended December 31, 2015 was \$209,235,000.

The following table presents the changes in the fair value of Master Trust's Level 3 assets for the year ended December 31, 2015 (in thousands):

	<u>Balance, beginning of year</u>	<u>Realized gains/ (losses)</u>	<u>Unrealized gains/ (losses)</u>	<u>Purchases</u>	<u>Sales</u>	<u>Issuances</u>	<u>Settlements</u>	<u>Transfers into Level 3</u>	<u>Transfers out of Level 3</u>	<u>Balance, end of year</u>
Equity:										
U.S. equity securities.....	164	(1,600)	55	—	—	1,548	(135)	—	—	32
International equity securities.....	10,261	112	(5,376)	—	(650)	897	(980)	5,389	—	9,653
Fixed income:										
Corporate debt securities.....	45,684	(9,130)	7,842	6,056	(18,629)	—	(7,698)	—	(9,091)	15,034
Other fixed income securities.....	8,371	(324)	167	88	(2,144)	—	(473)	—	—	5,685
Alternative investments:										
Private equity funds	2,971,147	315,914	(244,139)	645,127	(270,271)	167	(284,883)	—	—	3,133,062
Real estate funds.....	725,820	84,279	25,061	448,981	(182,817)	—	(83,362)	—	—	1,017,962
Hedge funds.	499,155	21,399	(2,393)	161,736	(337,366)	—	117,294	—	(110,288)	349,537

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
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Notes to Financial Statements (continued)

	Balance, beginning of year	Realized gains/ (losses)	Unrealized gains/ (losses)	Purchases	Sales	Issuances	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance, end of year
Total	\$ 4,260,602	\$ 410,650	\$ (218,783)	\$1,261,988	\$ (811,877)	\$ 2,612	\$ (260,237)	\$ 5,389	\$ (119,379)	\$4,530,965

International equity in the amounts of \$5,389,000 was reclassified as Level 3 securities in 2015. Corporate debt securities and hedge funds in the amounts of \$(9,091,000) and \$(110,288,000), respectively, were reclassified from Level 3 to Level 2. These reclassifications resulted from changes in the inputs used to determine fair value. 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 and 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.

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, U.S. Government-sponsored enterprise 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 and credit spreads), bids provided by brokers or dealers, or quoted prices of securities with similar characteristics. Corporate debt securities, U.S. Government-sponsored enterprise 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 which generally include significant unobservable inputs that 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 pricing sources and models based on the nature of the securities. Private

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
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Notes to Financial Statements (continued)

equity funds, real estate funds, and hedge funds are generally categorized as Level 3 as the Corporation cannot fully redeem the investment in the near-term.

Private equity funds consist of investments held primarily by limited partnerships in various strategies, including venture capital, corporate finance, opportunistic, and distressed. The term of each private equity fund is generally 10 years, and the private equity 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, 2015 totaled \$1,837,939,000. Real estate funds consist of investments in U.S. and international commercial real estate held primarily by limited partnerships. The term of each real estate fund is generally 10 years, and the real estate 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. 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 represent over the counter derivative instruments using observable inputs other than quoted prices in active markets.

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, 2015, 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; 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 U.S. dollars. Commodity forward contracts

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
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Notes to Financial Statements (continued)

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).

The notional amounts and fair values of derivative instruments as of December 31, 2015 are presented below (in thousands):

	December 31, 2015	
	<u>Notional Amount</u>	<u>Amount included in Fair Value of Assets</u>
Equity Securities		
Futures Contracts (Long)	\$ 394,635	\$ —
Futures Contracts (Short)	(185,521)	—
Equity Options (Long)	499,587	16,429
Equity Options (Short)	(500,197)	(2,838)
Forward Contracts	—	—
Swaps	791,626	(15,381)
Fixed Income Securities		
Futures Contracts (Long)	3,287,953	—
Futures Contracts (Short)	(7,395,833)	—
Fixed Income Options (Long)	4,510,759	34,173
Fixed Income Options (Short)	(4,308,193)	(23,886)
Swaps	3,099,172	91,670
Commodities		
Futures Contracts (Long)	255,631	—
Futures Contracts (Short)	(327,026)	—
Commodity Options (Long)	92,327	803
Commodity Options (Short)	(43,383)	(156)
Forward Contracts	—	—
Swaps	13,973	(455)
Foreign Exchange		
Futures Contracts (Long)	631,703	—
Futures Contracts (Short)	(109,246)	—
FX Options (Long)	370,963	5,486
FX Options (Short)	(504,100)	(2,506)
Forward Contracts	3,167,172	(690)
Swaps	(1,352,705)	118,268

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
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Notes to Financial Statements (continued)

	<u>December 31, 2015</u>
	Notional <u>Amount</u>
	Amount included in <u>Fair Value of Assets</u>
Total	\$ 2,389,297
	\$ 220,917

Offsetting and Netting of Assets and Liabilities

The Master Trust is subject to master netting agreements with certain counterparties. These agreements govern the terms of certain transactions and reduce the counterparty risk associated with the relevant transactions by permitting the Master Trust to net certain amounts due from the Plan to a counterparty against amounts due to the Plan from the same counterparty under certain conditions. As of December 31, 2015, information related to the potential effect of the Master Trust's master netting agreements was as follows (in thousands):

<u>Derivative Assets</u>	<u>Gross Recognized Assets</u>	<u>Gross Amounts Offset</u>	<u>Net Amounts Presented</u>	<u>Net Collateral Received</u>	<u>Net Exposure</u>
Exchange Cleared Interest Rate / Credit	\$ 20,007	\$ 15,432	\$ 4,575	\$ —	\$ 4,575
Exchange Traded Commodities	803	44	759	—	759
Exchange Traded Equities	14,598	1,763	12,835	—	12,835
Exchange Traded Foreign Exchange	524	4	520	—	520
Exchange Traded Interest Rate / Credit	959	437	522	—	522
OTC Commodities	32	32	—	—	—
OTC Equities	1,870	57	1,813	—	1,813
OTC Foreign Exchange	196,984	28,696	168,288	144,826	23,462
OTC Interest Rate / Credit	192,509	62,786	129,723	16,891	112,832
Total Derivatives	\$ 428,286	\$ 109,251	\$ 319,035	\$ 161,717	\$ 157,318

Repurchase Agreements	1,776,513	19,483	1,757,030	1,620,255	136,775
Securities on Loan	689,849	—	689,849	689,849	—

<u>Derivative Liabilities</u>	<u>Gross Recognized Liabilities</u>	<u>Gross Amounts Offset</u>	<u>Net Amounts Presented</u>	<u>Net Collateral Pledged</u>	<u>Net Exposure</u>
Exchange Cleared Interest Rate / Credit	\$ 19,294	\$ 15,432	\$ 3,862	\$ 1,096	\$ 2,766
Exchange Traded Commodities	156	44	112	—	112
Exchange Traded Equities	2,501	1,763	738	—	738
Exchange Traded Foreign Exchange	294	4	290	—	290
Exchange Traded Interest Rate / Credit	686	437	249	—	249
OTC Commodities	488	32	456	329	127
OTC Equities	15,757	57	15,700	6,130	9,570
OTC Foreign Exchange	76,656	28,696	47,960	26,131	21,829
OTC Interest Rate / Credit	91,538	62,786	28,752	7,251	21,501
Total Derivatives	\$ 207,370	\$ 109,251	\$ 98,119	\$ 40,937	\$ 57,182

Repurchase Agreements	25,968	19,483	6,485	549	5,936
Securities on Loan	—	—	—	—	—

Collateralized Transactions

**Retirement Plan for Certain Represented Employees of Sikorsky Aircraft Corporation,
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Notes to Financial Statements (continued)

The Master Trust enters into reverse repurchase agreements as well as securities lending and borrowing agreements to generate additional income and earnings. Reverse repurchase agreements are transactions in which the Master Trust lends cash to borrow financial instruments from another firm and simultaneously enters into an agreement to resell the same financial instruments at a higher price in the future. Securities lending agreements are transactions in which the Master Trust lends securities to another firm, in exchange for collateral which is returned upon the conclusion of the loan, with interest received by the Master Trust over the life of the transaction. The collateral requires 102% of the fair value of U.S. securities borrowed and 105% for non-U.S. securities borrowed. The collateral is marked to market on a daily basis. In the event the counterparty is unable to meet its contractual obligation under the securities lending arrangement, the Master Trust may incur losses equal to the amount by which the market value of the securities differ from the amount of collateral held. The Master Trust mitigates credit risk associated with securities lending arrangements by monitoring the fair value of the securities loaned on a daily basis, with additional collateral obtained or refunded as necessary. Securities borrowing agreements are transactions in which the Master Trust borrows securities from another firm, typically in connection with a short sale, in exchange for collateral which is returned upon the conclusion of the transaction.

At December 31, 2015, the fair value of securities on loan was \$690,000,000, the fair value of securities borrowed was \$1,328,000,000, and the fair value for reverse repurchase agreements was \$181,000,000. Collateral pledged for securities on loan is not held in the Master Trust, and cannot be sold, repledged, or traded.

Securities lending and borrowing and reverse repurchase agreement income earned by the Master Trust is recorded on an accrual basis and was approximately \$7,000,000 and \$1,000,000 for the year ended December 31, 2015.

5. 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 from the prohibited transaction regulation exists.

6. Income Tax Status

On December 30, 2015, the Plan filed with the Internal Revenue Service (IRS) an application for a favorable determination that the Plan is designed in accordance with applicable sections of the IRC and, therefore, the related trust is exempt from taxation. However, the Plan has not received a favorable determination letter from IRS. The Plan Administrator and the Corporation's counsel believe that the current design and operations of the Plan are in compliance with the applicable provisions of the IRC and, therefore, believe the Plan is qualified and the related trust is tax exempt.

GAAP requires plan management to evaluate tax positions taken by the Plan to determine whether the Plan has taken any uncertain positions that more likely than not would not 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, 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions, but no tax audits are in progress.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Schedule SB, Part V—Summary of Plan Provisions

Effective Date of Plan	November 6, 2015
Eligibility	Earlier of age 21 with one year of eligibility service, or at any age with three years of eligibility service.
Normal Retirement Eligibility Requirement	Age 65
Annuity Benefit	The benefit multiplier from the below chart, multiplied by credited service. The benefit is reduced by the frozen accrued benefit as of November 6, 2015, which is paid by UTC.

Final Average Earnings	Sikorsky Multiplier
Under \$46,000	\$68
\$46,000 - \$46,999	\$69
\$47,000 - \$47,999	\$69
\$48,000 - \$48,999	\$70
\$49,000 - \$49,999	\$70
\$50,000 - \$50,999	\$71
\$51,000 - \$51,999	\$71
\$52,000 and over	\$72

Final Average Earnings	Troy Multiplier
Under \$37,000	\$61
\$37,000 - \$38,999	\$62
\$39,000 - 46,999	\$62
\$47,000 - \$48,999	\$63
\$49,000 - \$49,999	\$63
\$50,000 - \$51,999	\$64
\$52,000 and over	\$65

As of November 6, 2015, the maximum benefit multiplier was \$72 for Sikorsky and \$65 for Troy. This is the multiplier schedule used to calculate UTC's portion of the benefit.

Final Average Earnings	Average of high five of the previous 10 years. The years need not be consecutive.
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Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
EIN: 52-1893632 PN: 068

Cash Balance Benefit

The cash balance as of November 6, 2015 is \$0.
After that, the sum of (1) and (2):

(1) Pay Credits: At the end of each month, pay credits are added to the cash balance account. \$48 per week of covered employment (represents \$1.20 per hour at 40 hours per week). Credits accrue from the later of November 6, 2015 and date of hire. Pay credits stop accruing when the participant retires, terminates or dies.

(2) Interest Credits: An interest credit is added to the account at the end of each month. It is equal to the product of the account balance as of the end of the prior month and $1/12 [(1+i)^{(1/12)} - 1]$ of the annual interest rate in effect for the year, but not less than 3.80%. The annual interest rate is set each January 1 and is based on the average yield on 30-year Treasury notes during the month of November of the prior year. Interest credits continue until the date payments begin.

Regular Early Retirement
Eligibility Requirement

Age 55 and 10 years of credited service

Benefit

Monthly annuity benefit computed as in normal retirement, reduced by 2.40% per year that payment commences prior to age 62. Cash balance payable as a lump sum.

Total and Permanent Disability
Retirement
Eligibility Requirement

10 years of credited service

Benefit

An unreduced monthly annuity benefit computed as in normal retirement. Cash balance payable as a lump sum.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
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Preretirement Surviving Spouse's
Benefit

Eligibility Requirement

100% vested

Benefit

If the participant died while eligible to retire, the monthly benefit the participant would have received if he had retired on the first of the month preceding or coincident with his death, elected a joint and 100% survivor benefit, and died the next day. If the participant had 10 years of service and had not attained age 55 upon his death, the benefit is deferred to the month he would have attained age 55. If the participant had between five and 10 years of service and had not attained age 65 upon his death, the benefit is deferred to the month he would have attained age 55, and the benefit option is joint and 50% survivor. In all cases, the cash balance benefit is payable as a lump sum.

Termination

Eligibility Requirement

Three years of vesting service; five for Troy participants

Benefit

A deferred monthly annuity benefit computed as in normal retirement, payable at age 65. The benefit is payable as early as age 55, reduced by 5.00% per year by which payment precedes age 65. Cash balance is payable as a lump sum.

Normal Form of Benefit Payment
Married Participants

An actuarially reduced 50% joint and survivor annuity

Unmarried Participants

Life annuity

Schedule SB Attachment (Form 5500)—2015 Plan Year
Retirement Plan for Certain Represented Employees of Sikorsky Aircraft
Corporation, A Lockheed Martin Company
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Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

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