

SETTING THE STANDARD

CODE OF ETHICS AND BUSINESS CONDUCT



SETTING THE STANDARD

Updated October 2017

Lockheed Martin Corporation

6801 Rockledge Drive
Bethesda, MD 20817

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In addition to English, this booklet is published in the following languages:
Arabic, Chinese (Simplified), Chinese (Traditional), French, German, Hebrew, Indonesian,
Japanese, Korean, Malay, Polish, Romanian, Spanish and Turkish

Note: The most current version of this document is available online via the Lockheed Martin Corporation internal network and externally at <http://www.lockheedmartin.com/us/who-we-are/ethics/code-of-ethics.html>. The online version provides the most recent updates for reference materials, including Corporate Policy Statements and Cross Functional Procedures.



ETHICS
EXCELLENCE THROUGH INTEGRITY



A Message from our Chairman, President and Chief Executive Officer

Hello, Team.

Our core values, to “Do What’s Right,” “Respect Others,” and “Perform with Excellence,” are fundamental to who we are and how we operate as a corporation.

They not only define us, they are the key to our future – building bridges of trust with customers and colleagues.

That is why at Lockheed Martin, we encourage every employee to read and understand “Setting the Standard,” our Code of Ethics and Business Conduct.

Our Code not only sets clear ethical standards in critical areas, it also explains how we should conduct ourselves when acting on behalf of the company. For instance, our Code makes it clear that Lockheed Martin has zero tolerance for corruption, and we encourage employees to step forward and speak up whenever they suspect actions or behavior inconsistent with our values and expectations.

In addition to “Setting the Standard,” we are proud to offer other ethics resources at Lockheed Martin. If you have ethics questions, I encourage you to contact your manager, Ethics Officer or Human Resources Business Partner.

Thank you for your efforts to understand and uphold the high standards that make Lockheed Martin a special place to work.

Together, we can ensure that ethics and integrity are never compromised at our corporation.

Marillyn A. Hewson



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Our Vision and Values

Lockheed Martin sets the standard for integrity in everything we do. We demand this of ourselves just as others, including our stockholders and customers, expect this of us.

OUR VISION:

Be the global leader in supporting our customers' missions, strengthening security and advancing scientific discovery.

OUR VALUES:

Do What's Right

Respect Others

Perform With Excellence

POLICIES

- CPS-001 Ethics and Business Conduct



CODE OF CONDUCT

DO WHAT'S RIGHT

RESPECT OTHERS

PERFORM WITH EXCELLENCE

We Uphold the Code

WE SET THE STANDARD

- Our Code applies to all Lockheed Martin employees, members of the Board of Directors, consultants, contract laborers and other agents when they represent or act for the Corporation.*
- We require you to perform your duties in compliance with our Code and policies as well as conduct yourself in accordance with applicable laws and regulations.
- Leaders have a special obligation to be aware of actions that could influence employees to act in a way that is contrary to our ethical standards set forth in our Code.

WHY WE DO IT

- We follow both the letter and the spirit of the laws and regulations that govern our business and the countries in which we operate.

** Any waiver of the Code for executive officers or members of the Board of Directors may be made only by the Board or a Board committee and must be promptly disclosed to our stockholders. This prevents waivers of the Code from being hidden from the public and complies with New York Stock Exchange (NYSE) requirements and similar rules under the Securities and Exchange Commission and the Sarbanes-Oxley Act of 2002.*

Responding to Investigations and Legal Action:

- You are required to cooperate in internal investigations. You must never destroy or alter any documents or electronic records, lie to or mislead an investigator or obstruct the collection of information relating to an investigation or any legal action brought on behalf of, or against, the Corporation. To the greatest extent possible, we will cooperate with government agencies responsible for investigating suspected violations of the law. If requested by Lockheed Martin, you are also required to cooperate with investigations conducted by any government.
- You must notify the Ethics Office, Legal Department or Industrial Security if you learn that a government agency or any third party is conducting an investigation or asking for information pertaining to a suspected violation of law.

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We Uphold the Code

What are my responsibilities as a leader?

As a leader, you can affect employee behavior through your words and conduct. Be aware that your actions could influence employees to act in a way that is contrary to our ethical standards, even if that is not your intent. The suggestions that follow will guide you in demonstrating ethical leadership.

If someone approaches you with a question or concern:

- Thank the employee for coming forward
- Listen carefully
- Ask for clarification and additional information to ensure that you fully understand the question or concern
- Answer any question that you can, but seek help if you need it before responding
- You are not required to provide an immediate response, but should always follow up as soon as possible
- If the concern requires investigation, refer it to the appropriate resource
- If you are not sure whether an investigation is required, it is best to ask

POLICIES

- CPS-001 Ethics and Business Conduct
- CPS-718 Disclosures to the United States Government
- CPS-730 Compliance with Anti-Corruption Laws
- CRX-021 Internal Investigations

Upholding our values and this Code may require more than mere compliance with laws and regulations.

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PERFORM WITH EXCELLENCE

We are Committed to Protecting Human Rights

WE SET THE STANDARD

We are committed to good citizenship, which includes the protection and advancement of internationally recognized human rights.

Fair Treatment

- We treat others with respect and dignity, encourage diversity and diverse opinions, promote equal opportunity for all and help create an inclusive and ethical culture.
- We prohibit harassment, bullying and discrimination, use of child, compulsory or forced labor, trafficking in persons and any acts associated with modern day slavery for any purpose.

Resource Access

- We promote environmental responsibility by reducing our use of natural resources and maximizing the efficiency of our products.
- We innovate technologies that can protect and provide access to natural resources.
- We support economic access through fair and inclusive hiring and remuneration practices and supplier diversity outreach.

Labor Practices

- We comply with all applicable wage and hour laws and regulations and provide legally-mandated benefits.
- We respect the right of employees to exercise their right of free association and to choose or not choose collective bargaining representation.

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PERFORM WITH EXCELLENCE

We are Committed to Protecting Human Rights

WHY WE DO IT

The protection and advancement of human rights:

- Maintains our commitment to integrity and our core values
- Promotes employee satisfaction and productivity
- Enhances competitiveness of our business

POLICIES

- CPS-001 Ethics and Business Conduct
- CPS-003 Nondiscrimination — Equal Employment Opportunity
- CPS-021 Good Corporate Citizenship and Respect for Human Rights
- CPS-730 Compliance with Anti-Corruption Laws
- CPS-734 Combating Trafficking in Persons
- CPS-803 Sustainability
- CRX-515 Employee Resource Groups and Employee Networks

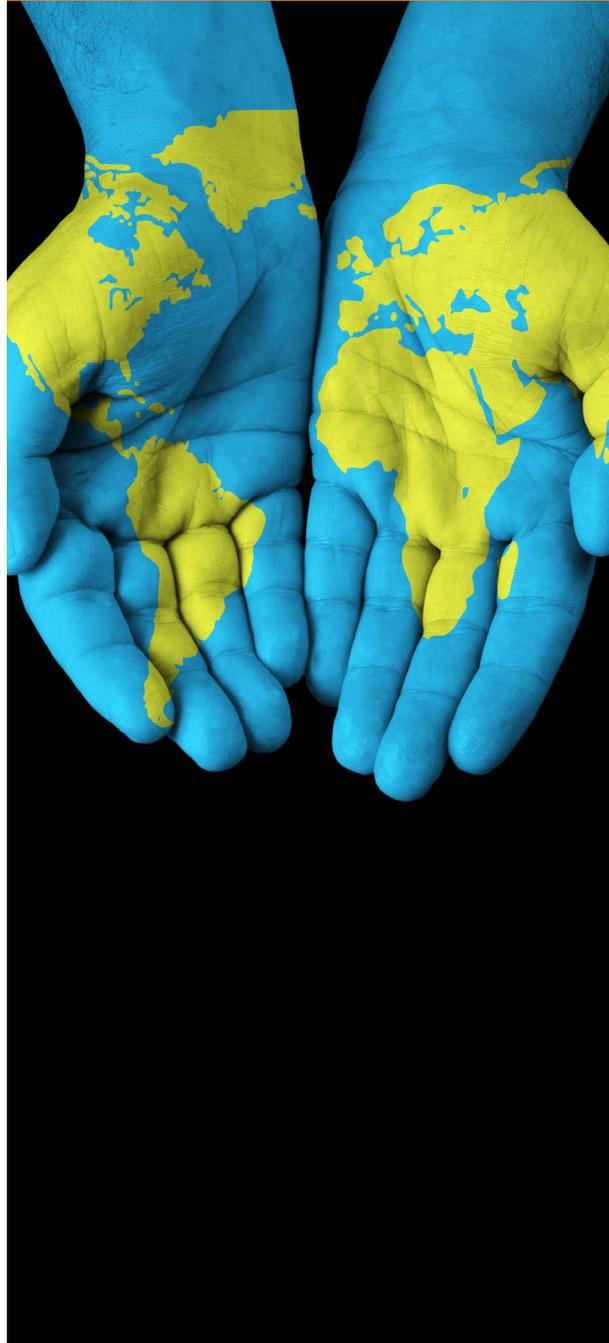


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We are Committed to Sustainability

WE SET THE STANDARD

- We protect the environment, strengthen communities and propel responsible growth.
- We engage with stakeholders and manage the full spectrum of environmental, social and governance risks and opportunities.
- We maintain a safe working environment, treat employees with respect and offer engagement, wellness, ethics and inclusion programs.
- We deploy technologies that support stable governments and thriving citizens.
- We assess our impacts to the environment and deploy mitigation strategies.

WHY WE DO IT

- Our commitment ensures long-term competitiveness of our business.
- Our sustainability performance improves customer relationships and quality, reduces cost and risk, and drives innovation.
- Our stakeholders expect us to operate with integrity as well as with a commitment to good citizenship and the protection and advancement of human rights.

POLICIES

- CPS-001 Ethics and Business Conduct
- CPS-003 Nondiscrimination — Equal Employment Opportunity
- CPS-015 Environment, Safety and Health (ESH)
- CPS-020 Fair Disclosure of Material Information and Financial Information to the Investment Community and Public
- CPS-021 Good Corporate Citizenship and Respect for Human Rights
- CPS-803 Sustainability
- CRX-015 Protection of Sensitive Information
- CRX-515 Employee Resource Groups and Employee Networks

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We Report Violations

WE SET THE STANDARD

- You are responsible for reporting a violation or suspected violation of the Code, policy or a contract provision.
- You must not take illegal or unethical action, even if it appears to benefit the Corporation or is directed by a higher authority in the organization.
- You can, and should, consider how you might respond if faced with different types of ethical dilemmas or conflicts.

WHY WE DO IT

- We are committed to the highest standards of ethical conduct in our dealings with our constituencies.
- Violations of the Code may result in disciplinary action up to and including termination. Failure to report may itself violate this Code.

You can report suspected violations to:

- Management
- Internal Audit
- Human Resources
- Energy, Environment, Safety and Health (EESH)
- Legal Department
- Ethics Office
- Security

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We Report Violations

1-800-LM ETHIC (1-800-563-8442) - Caller ID not used

For the Hearing or Speech Impaired: 1-800-441-7457

Fax: 1-301-897-6442

Internationally: when calling or faxing from outside the U.S., first dial the origin country's exit code

Email: corporate.ethics@lmco.com

Mail:

Corporate Ethics Office
Lockheed Martin Corporation
6801 Rockledge Drive
Bethesda, MD 20817

Audit Committee:

Employees may transmit concerns about accounting, internal controls or auditing matters and confidential or anonymous submission of questionable accounting or auditing matters to the Audit Committee of the Lockheed Martin Board of Directors. If you wish to raise a concern to the Audit Committee, you may do so by contacting the Corporate Ethics Office and your concern will be communicated to the Chair of the Audit Committee of the Board.

POLICIES

- CRX-021 Internal Investigations

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We Do Not Tolerate Retaliation

WE SET THE STANDARD

- We do not tolerate retaliation.
- We take appropriate corrective action in response to violations of this Code, even if these actions are not always visible to you.
- If someone tries to stop you from reporting an issue, that person can be subject to disciplinary action up to and including termination.
- There is never a penalty for contacting the Ethics Office or any source in good faith. "Good faith" does not mean you have to be right, but it does mean you believe the information provided is truthful.

WHY WE DO IT

- Retaliation destroys trust and damages our ethical culture.
- When you speak up, it gives us the opportunity to improve our overall culture and performance.

What is Retaliation?

Retaliation is unfair or inappropriate treatment against an employee for reporting misconduct, filing a complaint, assisting another in making a complaint, participating in an internal investigation or making an ethics-related inquiry.

Other Rights:

U.S. law also entitles each Lockheed Martin employee to certain rights and protections against reprisals if the employee discloses, to certain governmental officials or to the Legal Department or Ethics Office, information that the employee reasonably believes is evidence of gross waste, mismanagement, abuse of authority, or violations of law related to U.S. government contracts, grants, or funds; or evidence of a substantial and specific danger to public health and safety.

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We Do Not Tolerate Retaliation

POLICIES

- CPS-001 Ethics and Business Conduct
- CPS-003 Nondiscrimination — Equal Employment Opportunity
- CPS-564 Harassment-Free Workplace
- CPS-575 Providing Reasonable Accommodations in the Workplace and for Applicants
- CPS-718 Disclosures to the United States Government
- CPS-730 Compliance with Anti-Corruption Laws
- CRX-053 Workplace Security — Maintaining a Safe and Respectful Workplace Free from Threats and Violence



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We Accurately Charge Labor and Other Costs

WE SET THE STANDARD

- Understand and follow the labor recording policies and procedures at your work location.
- Properly account for all costs including labor, travel, material and other costs. These costs include, but are not limited to, normal contract work, work related to independent research and development and bid and proposal activities.
- Never misrepresent facts or falsify records.

WHY WE DO IT

It is a violation of policy, and in some cases the law, to knowingly:

- Mischarge or falsify timekeeping records
- Incorrectly charge an account or cost objective
- Approve mischarging
- Shift costs to improper accounts

All business transactions must be promptly and accurately entered in our books and business records. This means that transactions between the Corporation and outside individuals and organizations are accounted for and executed in accordance with generally accepted accounting practices and principles in the United States, and in the countries where we do business.

POLICIES

- CMS-505 Recording and Verification of Direct Labor Costs
- CPS-011 Internal Control
- CPS-441 Cost Estimating/Pricing
- CPS-730 Compliance with Anti-Corruption Laws
- CRX-325 Business Travel
- CRX-327 Commercial Cards

Our customers expect us to ensure the integrity of our records.

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We Use Assets Responsibly

WE SET THE STANDARD

- Be responsible for properly using and protecting our Corporation's and our customers' property. This includes electronic communication systems, information resources, materials, facilities and equipment.
- Prevent waste and abuse of these assets. This means you must maintain the assets with care, guard against waste and abuse and never borrow or remove them from corporate or customer property without management's permission. Seek guidance and permission before using any customer asset for personal use.
- You are only permitted occasional personal use of company assets; such use is subject to the requirements and restrictions outlined in policy.
- Protect and store information on approved assets only.
- Do not use a corporate credit card for personal use.

WHY WE DO IT

- Lockheed Martin's resources and assets should be used for the benefit of our stockholders.
- We are responsible for protecting customer resources and assets that are entrusted to the Corporation.

POLICIES

- CPS-007 Personal Use of Lockheed Martin Assets
- CPS-037 Proper Use of Computing and Information Resources
- CRX-014 Individual Conflict of Interest
- CRX-156 Purchasing Cards (P-Cards)
- CRX-253 Social Media
- CRX-303 Electronic Messaging
- CRX-325 Business Travel
- CRX-327 Commercial Cards
- TVL-001 Business Travel Handbook



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We Protect Sensitive Information

Sensitive Information includes Personal Information, Export Controlled Information, Lockheed Martin Proprietary Information, and Third Party Proprietary Information.

WE SET THE STANDARD

You must:

- Handle, store and protect Sensitive Information in accordance with applicable requirements.
- Obtain proper authorization before disclosing or receiving such information, internally or through a third party (like a supplier, customer or competitor).
- Only access personal information or personal data for legitimate business purposes and have prior authorization.
- Respect the privacy and dignity of our employees and safeguard the confidentiality of employee records and information.
- Prior to disclosing classified information, ensure that recipients have the proper security clearance and “need to know.”
- When using social media, take extra care to protect information about the Corporation, your colleagues, customers and yourself.
- Refer external inquiries to Communications.
- Obtain proper approval before publishing or making outside presentations about Lockheed Martin or its customers or partners. U.S. employees should visit the PIRA tool (Public Information Release Authorization tool). Non-U.S. employees should contact Communications for the appropriate point of contacts to review their materials.
- **REPORT UNAUTHORIZED ACCESS OF SENSITIVE INFORMATION.**
- Be extra vigilant to avoid cybersecurity risks.
- Follow information protection requirements even after your employment or engagement with the Corporation ends.

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We Protect Sensitive Information

WHY WE DO IT

- We are entrusted with Sensitive Information from the Corporation, our customers, suppliers and others.
- Mishandling information can damage our reputation, customers, partners and country. It can also result in penalties and fines against the Corporation and individual employees.
- When you do business internationally, there are country-specific laws to consider, including import/export issues, privacy considerations and unique information handling and safeguarding requirements.

POLICIES

- CPS-201 Release of Information
- CPS-310 International Trade Controls and Compliance
- CPS-569 Security
- CRX-002 Intellectual Property
- CRX-013 Government and Competitor Information
- CRX-015 Protection of Sensitive Information
- CRX-015A Personal Information
- CRX-015B Export Controlled Information
- CRX-015C Lockheed Martin Proprietary Information
- CRX-015D Third Party Proprietary Information
- CRX-015E Transmitting Sensitive Information
- CRX-015F Storing Sensitive Information
- CRX-015G Disposing of Sensitive Information
- CRX-015H Unrestricted Information
- CRX-016 Privacy — United States
- CRX-017 Personal Data Protection — Non-U.S.
- CRX-253 Social Media
- CRX-303 Electronic Messaging

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We Provide and Accept Appropriate Business Courtesies

WE SET THE STANDARD

- Avoid the perception that favorable treatment is being sought, received or given in exchange for business courtesies.
- Ensure that the offered business courtesy is permitted by law and policy.
- Verify that the rules of the recipient's organization are not violated by the offered business courtesy.
- Do not offer, give, solicit or receive any form of bribe or kickback, as these are criminal acts. A kickback is any money, fee, commission, credit, gift, gratuity, thing of value, loan, entertainment, service or compensation of any kind that is provided, directly or indirectly, to any prime contractor, prime contractor employee, subcontractor or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract with the U.S., or a subcontract in connection with a prime contract with the U.S.
- Recognize that complex rules and monetary limits apply when dealing with Public Officials, including members of the military.
- Consult policy and obtain guidance if you are uncertain if an action is inappropriate or within the allowable limits.

WHY WE DO IT

- When people exchange gifts or business courtesies, it can create (whether intentionally or not) the perception that favors were granted in order to influence business judgment. Some gift limit rules are calculated within a calendar year and others depend on the fair market value of the courtesy being offered or received.
- We compete on the merits of our products and services and do not give business courtesies to gain an unfair competitive advantage. There are specific guidelines that apply in each country where we do business.
- We source products and services fairly and avoid accepting business courtesies that may cause even the perception of an inappropriate business relationship. There are more restrictive rules regarding acceptance of business courtesies for employees who work in Supply Chain Management or are involved in the process of directing business or funds to our business relations.

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We Provide and Accept Appropriate Business Courtesies

What is a Business Courtesy?

Any gift, gratuity, favor, benefit, loan, commission, discount, forbearance, or other tangible or intangible item having monetary value for which fair market value is not paid by the recipient. The recipient may be an individual or an entity. Such courtesies include, but are not limited to the following: cash and cash equivalents, discounts, door prizes and raffles, entertainment and recreation, free or reduced cost admittance to a business-related event (conference, briefing, seminar, training, advisory board, committee meeting, etc.), gift cards/certificates, honoraria, hospitality, lodging, meals and drinks, models, promotional items, services, tickets (passes, fees, etc.), training, transportation, or use of a donor's time, materials, equipment, or facilities.

Who is a Public Official?

A person who, regardless of position, paid or unpaid, is any of the following:

- An officer or employee of any government, department, agency, bureau, authority, or government-owned instrumentality, such as a state-owned or state-controlled entity;
- Acting in an official capacity for or on behalf of any government, department, agency, bureau, authority, or instrumentality;
- An official, employee, or person acting on behalf of a government-sponsored or public international organization such as the United Nations, World Bank, or the European Community;
- Holding a legislative, administrative, executive, or judicial position, whether appointed or elected;
- A political candidate, or an officer or employee of a political party;
- A member of a Royal Family; or
- A family member of or otherwise closely associated with any of the foregoing

POLICIES

- CPS-008 Gifts, Hospitality, Other Business Courtesies, and Sponsorships
- CPS-716 Compliance with the Anti-Kickback Act of 1986
- CPS-730 Compliance with Anti-Corruption Laws
- CRX-011 International Business Development Consultants



We Avoid Individual Conflicts of Interest

WE SET THE STANDARD

- You must be fair and impartial in all business dealings.
- Our policies prohibit both an actual conflict of interest and activities that create the appearance of a conflict of interest. Avoid situations in which your personal interests might conflict, or appear to conflict, with Lockheed Martin's interests.
- Never use your contacts or position in the Corporation to advance outside or personal interests.
- Do not use our Corporation's property, information or opportunities for personal gain.
- You must provide written disclosure of actual or potential conflicts of interest as soon as you become aware of them.
- You have an annual obligation to certify your compliance with our conflict of interest policy.

WHY WE DO IT

- We are committed to the highest standards of ethical business conduct. We expect this of our employees, agents and Board of Directors. Agents include consultants, contract laborers and anyone else representing or acting for the Corporation.
- We have a responsibility to our stockholders to act in the best interests of the Corporation.
- The internal disclosure process reinforces our intention to conduct business with integrity.

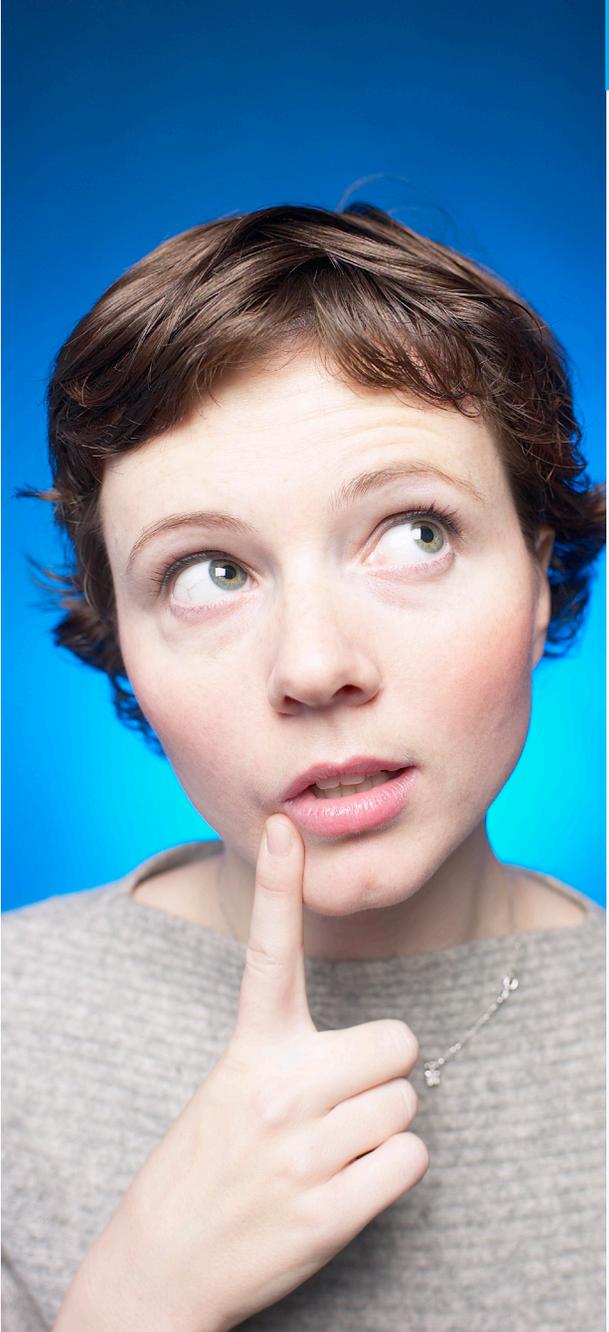
What is a Personal Conflict of Interest?

A personal conflict of interest exists when you have divided loyalties - when you have a direct or indirect personal interest in a transaction or matter such that it might reasonably appear to affect the judgment you exercise on behalf of Lockheed Martin, influence your actions or lead you to neglect Lockheed Martin's business interests.

Our Conflict of Interest policy covers many situations, including these examples:

- Owning, or having a substantial interest in, a company that is a customer, competitor or a supplier.
- Family members - Doing business with a firm owned or controlled by a Lockheed Martin employee or their family.

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We Avoid Individual Conflicts of Interest

- Family relationships with persons employed by a supplier or competitor.
- Gifts - Acceptance of gifts, payments or services from those seeking to do business with Lockheed Martin.
- Outside business interests - Owning your own business or working for another business while employed by Lockheed Martin, using the same or similar professional skills or training used in the course of your employment.
- Multiple roles - Acting as an independent consultant to a Lockheed Martin customer or supplier, while employed by Lockheed Martin.
- Using assets for personal gain - Using our assets, intellectual property or proprietary information for personal gain.
- Subordinate employees - Having a close, personal relationship with a subordinate employee.
- Charitable endeavors - Using work time selling products to benefit charitable organizations or soliciting donations for such organizations.
- Government employees - Discussing employment with government employees, giving them gifts in violation of applicable laws or regulations or assigning off-limits roles to Lockheed Martin employees who are former government employees.

POLICIES

- CPS-008 Gifts, Hospitality, Other Business Courtesies, and Sponsorships
- CPS-730 Compliance with Anti-Corruption Laws
- CRX-011 International Business Development Consultants
- CRX-013 Government and Competitor Information
- CRX-014 Individual Conflict of Interest



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We Avoid Conflicts of Interest due to Government Employment

WE SET THE STANDARD

- We comply with all laws and regulations covering employing or acquiring the services of government employees.
- We avoid conflicts of interest in connection with employing or acquiring the services of current or former government employees. This includes current or former military personnel and other government employees.

WHY WE DO IT

- Our continued success and ability to compete in the marketplace depend on ensuring that we do not hire or work with current or former government employees in a manner that creates a real or perceived conflict of interest.

These rules:

- Apply to contact or negotiations with current government employees to discuss their potential employment by the Corporation or their use as consultants or subcontractors.
- May restrict the roles and responsibilities that former government employees may perform on our behalf after joining the Corporation.
- Can be complex. Always consult Lockheed Martin policy and seek the advice of Human Resources or the Legal Department.

POLICIES

- CPS-008 Gifts, Hospitality, Other Business Courtesies, and Sponsorships
- CRX-014A Conflict of Interest — Government Employment



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We Avoid Organizational Conflict of Interests

WE SET THE STANDARD

- We identify, and avoid or mitigate, Organizational Conflicts of Interest (OCI) by screening new business opportunities appropriately.
- We abide by OCI restrictions.

WHY WE DO IT

Early identification and timely communication of potential conflicts of this nature:

- Builds customer trust.
- Reinforces our intention to conduct business with integrity.
- Allows Lockheed Martin to continue to participate in new business opportunities.
- Prevents disqualification and loss of business.

What is an OCI?

An OCI could occur if Lockheed Martin is unable or potentially unable to render impartial assistance, service or advice to a customer. The rules are intended to prevent both unfair competitive advantage and conflicting roles that might bias a company's judgment.

POLICIES

- CRX-014E People with Organizational Conflict of Interest Restrictions
- CRX-600 Organizational Conflict of Interest



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We Maintain Accurate Business Records

WE SET THE STANDARD

- When you prepare or submit business or financial records, they must be accurate.
- You must not include proprietary or confidential information in any public disclosures without obtaining the proper prior approval. Public disclosures include reports or documents filed with the Securities and Exchange Commission, other regulatory authorities and other public communications made by the Corporation.

WHY WE DO IT

- We have an obligation to the public and our stockholders to make accurate public disclosures.
- We are committed to operating in an environment of open communication while not compromising proprietary or confidential information.

If you prepare business or financial records or public communications on behalf of the Corporation, you must ensure that all information they contain is comprehensive, fair, timely, accurate and understandable. Public communications include external presentations.

If you have concerns about any aspect of our business or financial records or auditing matters, or you learn that others have such concerns, you should talk to your manager, the Finance organization, Internal Audit, the Legal Department or the Ethics Office.

POLICIES

- CPS-011 Internal Control
- CPS-020 Fair Disclosure of Material Information and Financial Information to the Investment Community and Public
- CPS-201 Release of Information
- CPS-730 Compliance with Anti-Corruption Laws
- CRX-011 International Business Development Consultants



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We Participate in Training

WE SET THE STANDARD

- Our training is designed to help employees learn to execute our values through examples based on real situations in our work environment.
- You are required to complete your training by the specified due dates.
- Ethics Awareness Training is required annually of all employees, consultants and the Board of Directors.
- Business Conduct Compliance Training educates employees about specific compliance requirements. The target audience for each course is often role-specific.
- Audits are conducted for effective execution.

WHY WE DO IT

- Training prepares us to recognize and react to situations requiring ethical decision making.
- Ethics Awareness Training allows us to talk about how ethics is part of the work we do.
- The courses improve our understanding of topics in this Code and teach us how to apply the training in practice.
- Training addresses the consequences of compliance violations for both Lockheed Martin and individual employees.
- Our courses help ensure that ethics is an integrated part of our business.

POLICIES

- CPS-001 Ethics and Business Conduct



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We are Committed to Security

WE SET THE STANDARD

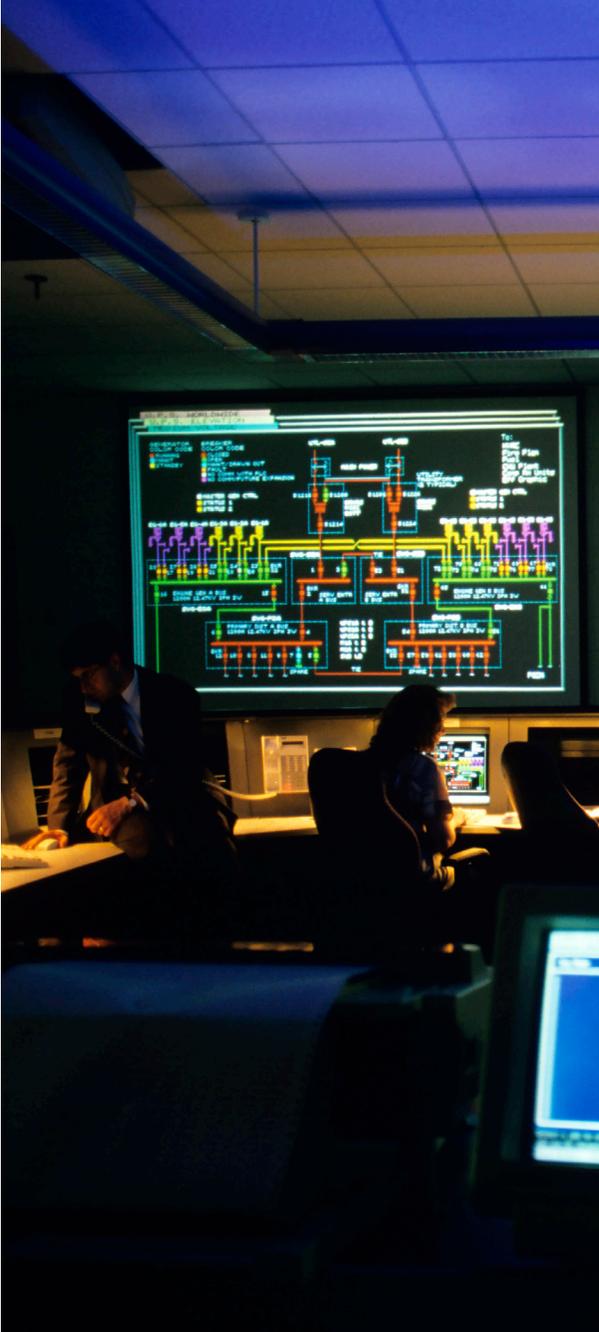
- We protect our people, operations and assets around the globe.
- We take action to mitigate threats to employee safety in our workplace.
- We properly safeguard all classified material and other information entrusted to us.
- We comply with and seek to exceed customer and national security policy requirements.
- We maintain dedicated counterintelligence and insider threat detection programs.
- We use a thorough and objective security investigative process.

WHY WE DO IT

- Our commitment supports the security of our employees, customers and business partners.
- Security compliance benefits our Corporation, customers, national security and global stability.
- Adhering to security requirements supports contract performance.
- Our customers entrust us to deliver products and services without security compromises.

POLICIES

- CPS-569 Security
- CRX-052 Crisis Management
- CRX-053 Workplace Security — Maintaining a Safe and Respectful Workplace Free from Threats and Violence
- CRX-055 Travel or Assignment to Elevated Risk Locations
- CRX-056 International Security Operations
- CRX-057 LMSecurity Procedures
- CRX-059 Insider Threat Detection Program



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We Have Zero Tolerance for Discrimination and Harassment

WE SET THE STANDARD

• We do not tolerate harassment or discrimination of any kind, especially involving race, ethnicity, religion, color, sex, pregnancy, national origin, age, military veteran's status, ancestry, sexual orientation, gender identity or expression, marital status, family structure, genetic information or mental or physical disability (and medical condition, for employees in California).

WHY WE DO IT

Lockheed Martin's goal is to maintain a professional work environment that is free from:

- Threats
- Violence
- Bullying
- Abusive or intimidating conduct
- Other similar behavior

Zero Tolerance

As a global enterprise, we recognize various countries where we operate may have different standards in the workplace. Our zero tolerance policy applies to all our employees, wherever they work.

POLICIES

- CPS-003 Nondiscrimination — Equal Employment Opportunity
- CPS-564 Harassment-Free Workplace
- CPS-734 Combating Trafficking in Persons
- CRX-053 Workplace Security — Maintaining a Safe and Respectful Workplace Free from Threats and Violence
- CRX-515 Employee Resource Groups and Employee Networks
- CRX-537 Military Leave



CODE OF CONDUCT

DO WHAT'S RIGHT

RESPECT OTHERS

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We Maintain a Safe and Healthy Work Environment

WE SET THE STANDARD

You must:

- Comply with applicable environmental, safety and health laws, regulations, policies and procedures.
- Observe all posted warnings and regulations.
- Report immediately to the appropriate management any accident or injury sustained on the job, or any environmental, safety or health concern you may have.

WHY WE DO IT

- We are committed globally to providing a safe and healthy work environment and protecting human health and the environment.
- We observe environmental stewardship practices throughout the world because it is the responsible thing to do and is good for business.
- Sustainable business practices benefit people and the planet and provide economic benefit.

POLICIES

- CPS-015 Environment, Safety and Health (ESH)
- CRX-053 Workplace Security — Maintaining a Safe and Respectful Workplace Free from Threats and Violence



CODE OF CONDUCT

DO WHAT'S RIGHT

RESPECT OTHERS

PERFORM WITH EXCELLENCE

We Maintain a Drug-Free Workplace

WE SET THE STANDARD

- We prohibit possession, use, sale, manufacture, transfer, trafficking in or being under the influence of illegal drugs, and abuse of legal drugs, in the workplace or when performing business on behalf of the Corporation.
- We prohibit being under the influence of alcohol in the workplace or when performing business on behalf of the Corporation.
- As a federal contractor, Lockheed Martin must maintain a drug-free workplace. State and local initiatives legalizing marijuana for medical or recreational purposes do not change this requirement.
- Our premises are tobacco-free and smoke-free. This includes E-cigarettes.

WHY WE DO IT

- Health and wellness initiatives directly relate to a productive work environment. We follow the Drug-Free Workplace Act of 1988 and equivalent acts in the other countries where we operate.
- Using an illegal substance can negatively impact your ability to perform safely, be productive and obtain or maintain a security clearance or continued employment.

POLICIES

- CRX-525 Tobacco- and Smoke-Free Environment
- CRX-545 Drug-Free Workplace



CODE OF CONDUCT

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PERFORM WITH EXCELLENCE

We Value Fair Competition

WE SET THE STANDARD

- Be fair in our dealings with customers, suppliers, competitors and employees.
- Make sure that all statements, communications and representations to prospective customers and suppliers are accurate and truthful.
- Perform all contracts in compliance with specifications, requirements and contract terms and conditions.
- Refuse offers of unauthorized contractor bid, proposal or source selection information.
- Never use, obtain, accept or receive any information to which Lockheed Martin is not clearly and legitimately entitled.

If you receive or release unauthorized information, or if you are uncertain as to the Corporation's legal right to use the information, do not copy, distribute or use it. Seek guidance from the Legal Department or Ethics Office.

WHY WE DO IT

- We value the integrity of the procurement process in bidding, negotiating and performing contracts.

POLICIES

- CPS-009 New Business Opportunity Management
- CPS-441 Cost Estimating/Pricing
- CPS-729 Compliance with United States Antiboycott Laws
- CPS-730 Compliance with Anti-Corruption Laws
- CRX-011 International Business Development Consultants
- CRX-013 Government and Competitor Information
- CRX-015 Protection of Sensitive Information



CODE OF CONDUCT

DO WHAT'S RIGHT

RESPECT OTHERS

PERFORM WITH EXCELLENCE

We Conduct International Business with Integrity

WE SET THE STANDARD

- We have zero tolerance for corruption.
- We adhere to all applicable export and import regulations.
- We do not engage in or support restrictive international trade practices or boycotts not sanctioned by the U.S. government.
- We comply with both the U.S. law and the laws of the countries where we do business (unless in conflict with U.S. law). When you encounter a conflict with U.S. law, you are required to address this conflict with your Element Legal Counsel.

WHY WE DO IT

- Our high standards of ethical business conduct are a key component of our business integrity strategy that enables us to build customer relationships and win programs around the world.
- Bribes, export and import violations, and illegal boycotts damage the trust and transparency needed to transact legitimate and long-term business.
- Corruption creates unfair competition, increases cost and jeopardizes the quality and capability of our products and services.
- Non-compliance can result in potential personal and corporate debarment, incarceration and monetary penalties, as well as irreparable reputational harm to our business.

Anti-Corruption

You must strictly comply with the anti-corruption laws that govern our operations in the countries where we do business. These laws include the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act and similar laws in other countries.

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CODE OF CONDUCT

DO WHAT'S RIGHT

RESPECT OTHERS

PERFORM WITH EXCELLENCE

We Conduct International Business with Integrity

What do these laws do?

- Prohibit direct or indirect bribery of U.S. and international government officials, political parties, party officials, or candidates for public office or employees of commercial organizations to obtain or retain business or an improper business advantage.
- Prohibit knowingly falsifying books and records or knowingly circumventing or failing to implement adequate internal accounting controls, which could facilitate or conceal bribery.

Our policy prohibits offering or making improper payments of money or anything of value. The policy applies to anyone conducting business on behalf of Lockheed Martin. This includes Lockheed Martin directors, officers, employees, consultants, representatives, distributors, offset brokers, suppliers, wholly owned subsidiaries and other business partners.

Our policy specifically prohibits facilitating payments. Facilitating payments include payments made to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance.

Export/Import and Other Trade Restrictions

- We require strict compliance with all export and import laws and regulations that cover the transfer of certain technical data, equipment and technology between countries.
- You may not obligate Lockheed Martin to engage in trade in any country subject to trade restrictions imposed by the U.S. government.
- Before you negotiate or enter into an international transaction, consult with the International Trade Compliance Office, Legal Department or Ethics Office.

These restrictions can include sanctions or embargoes that prohibit Lockheed Martin from engaging in certain business activities in specified countries, and with specified individuals and entities. For example, U.S. law prohibits interaction with identified terrorist states and organizations.

International trade laws and regulations are complex. Be careful to avoid even inadvertent violations.

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CODE OF CONDUCT

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We Conduct International Business with Integrity

Antiboycott

- Do not engage in or support restrictive international trade practices or boycotts not sanctioned by the U.S. government.
- Do not enter into an agreement, provide any information or take any action that would cause Lockheed Martin to refuse to deal with potential or actual customers, suppliers or others in support of an illegal boycott.

All requests, whether written or oral, must be reported immediately to the Legal Department or Ethics Office.

POLICES

- CPS-008 Gifts, Hospitality, Other Business Courtesies, and Sponsorships
- CPS-021 Good Corporate Citizenship and Respect for Human Rights
- CPS-310 International Trade Controls and Compliance
- CPS-729 Compliance with United States Antiboycott Laws
- CPS-730 Compliance with Anti-Corruption Laws
- CRX-011 International Business Development Consultants
- CRX-015 Protection of Sensitive Information

Contact your Legal Department or Ethics Office about conflicts with U.S. law or the specific laws and regulations that apply to your job.

CODE OF CONDUCT

DO WHAT'S RIGHT

RESPECT OTHERS

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We Do Not Engage in Insider Trading

WE SET THE STANDARD

We do not:

- Use or share material, nonpublic information for personal gain.
- Pass along such information to someone without a need to know.
- Trade Lockheed Martin's, or any other company's, securities while in possession of material nonpublic information about Lockheed Martin or such company.

WHY WE DO IT

- We believe in a fair and open market.
- We are obligated to comply with the securities laws and regulations of the United States and other countries.

What is material nonpublic information?

In the course of your employment, you may learn of material information related to Lockheed Martin or other companies, teammates, suppliers, vendors, subcontractors or others before the general public knows the information. Information, both positive and negative, is "material" if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to trade a security. Information is "nonpublic" until it is official, widely disseminated and has been assimilated by the general public. Information is considered "nonpublic" until it becomes widely disseminated. This means it has been in the news or released in the form of an official announcement and enough time has passed in the open market, privately or in company plans for the information to be assimilated by the general public (typically, the next business day). A business day is one on which the New York Stock Exchange (NYSE) is open. Thus, if information is released Tuesday, you may trade Wednesday. If released Friday, you may not trade until Monday.

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CODE OF CONDUCT

DO WHAT'S RIGHT

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We Do Not Engage in Insider Trading

What are securities?

The term “security” is defined very broadly by the securities laws and includes stock (common and preferred), restricted stock units, employee stock options, bonds, notes, debentures, put or call options, or similar instruments

What is trading?

Trading includes all transactions in securities, including fund transfers or fund reallocations into or out of the Lockheed Martin stock fund in your savings, benefit or deferred compensation plans; any purchase or sale of common stock (including the sale of shares received from vested restricted stock units); gifts of Lockheed Martin securities if the value of the gift is established for tax purposes at the time the gift is made; and the exercise of employee stock options. It also includes trades executed pursuant to limit orders, even if these were placed prior to your coming into possession of material, nonpublic information.

POLICIES

- CPS-016 Mergers, Acquisitions, Divestitures, Business Ventures, and Investments
- CPS-020 Fair Disclosure of Material Information and Financial Information to the Investment Community and Public
- CPS-722 Compliance with United States Securities Laws

Contact the Legal Department if you have a question about whether something is material nonpublic information.

CODE OF CONDUCT

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We Strictly Adhere to All Antitrust Laws

WE SET THE STANDARD

- Antitrust legislation has been enacted to protect trade and commerce from unlawful restraints and monopolies, or unfair business practices.
- Avoid engaging in or discussing any of the activities listed in the policy and summarized that may violate antitrust laws.
- Antitrust laws apply worldwide to our business dealings with competitors, suppliers and customers, and violations can result in civil and sometimes criminal penalties.

WHY WE DO IT

- We value open and fair competition.
- We do not knowingly enter into business arrangements that eliminate or discourage competition or that give us an improper competitive advantage.

Avoid engaging in or discussing any of the activities listed in the policy and summarized below that may violate antitrust laws:

- Price fixing.
- Boycotting suppliers or customers.
- Pricing intended to run a competitor out of business.
- Disparaging, misrepresenting or harassing a competitor.
- Teaming with companies in ways that create less competitive outcomes for customers, including trying to block competitors and prevent market entry.
- Bribery, kickbacks or stealing trade secrets.
- Entering into agreements or understandings with competitors to divide the market in which they compete by allocating bids, contracts, territories or markets and/or restricting the production or sale of products or product lines.
- Conditioning the sale of one product/service on the sale of another product/service.
- Conditioning the sale or purchase of products/services on the requirement that the seller or purchaser not do business with competitors of the Corporation.

POLICIES

- CPS-720 Compliance with the Antitrust Laws





We Properly Engage Third Parties

WE SET THE STANDARD

- We do not engage with third parties to conduct business in a manner that is contrary to law or to our policies or that would circumvent our values and principles. Consultants, representatives and third parties must certify that they will comply with the Corporation's requirements for doing business on its behalf.
- We are accountable for the actions undertaken on our behalf by third parties.

Actions we prohibit include:

- Offering or paying or receiving bribes or kickbacks
- Engaging in industrial espionage
- Obtaining the sensitive, proprietary or classified data of a third party without authority
- Improperly gaining inside information or influence

WHY WE DO IT

- The decisions and actions of third parties who conduct business on our behalf impact our Corporation's reputation and may result in criminal or civil liability for the Corporation.

POLICIES

- CPS-008 Gifts, Hospitality, Other Business Courtesies, and Sponsorships
- CPS-113 Acquisition of Goods and Services
- CPS-716 Compliance with the Anti-Kickback Act of 1986
- CPS-730 Compliance with Anti-Corruption Laws
- CPS-734 Combating Trafficking in Persons
- CRX-010 Domestic Business Development Consultants
- CRX-011 International Business Development Consultants
- CRX-025 Teaming Agreements
- CRX-106 Managing Major Subcontracts
- CRX-126 Counterfeit Electronic Parts and Material

**Seek advice
from Consultant
Services prior
to engaging an
international
or domestic
consultant.**

We Respect the Political Process

WE SET THE STANDARD

We follow corporate policy and the law concerning the political process in all countries where we do business.

WHY WE DO IT

- We uphold the spirit and letter of all laws relating to our participation in the political process.
- Laws governing political contributions, gifts and lobbying are complex. Even unintended violations can result in loss of business opportunities, damage to our reputation and civil and criminal penalties.

Prohibited

- Using any Lockheed Martin funds, assets or facilities for the benefit of political parties or candidates anywhere in the world without obtaining prior written approval of Government Affairs, or Lockheed Martin International for political activities outside of the United States.
- Many countries, in addition to the United States, may prohibit corporate political contributions. This may include donating corporate funds, goods or services, directly or indirectly, to political candidates, including employee work time.
- Local and state laws may limit corporate political contributions and activities.

Use Caution

Contact Government Affairs or Lockheed Martin International (for political activities outside of the United States) for any of the following issues:

- Public Office — Conflicts of interest can arise if you seek or hold public office or serve on commissions or advisory groups.
- Lobbying — Lobbying can be direct or indirect, but either way, it is highly scrutinized. You must follow all applicable rules and regulations, particularly avoiding violations — even unintentional — of corporate policy and federal rules concerning gifts and lobbying.

Continued on next page.



We Respect the Political Process

- U.S. Congressional and Executive Branch — It is important that Lockheed Martin present a single, consistent business message to our U.S. based customer community. Government Affairs works with business areas to develop a united approach to the Corporation's U.S.-based marketing initiatives and policy, regulatory and legislative strategies. To this end, Government Affairs must authorize any interaction with U.S. Congressional members or Executive Branch officials in Washington, D.C. or their employees and staff.
- State and Local Governments — Government Affairs must authorize any interaction with state and local government officials on behalf of Lockheed Martin.
- Non-U.S. Governments — You must know and follow corporate policies and procedures before contacting any member or employee of a non-U.S. entity.
- Individual Political Contributions — Some state and local laws may restrict, limit or require disclosure of personal political contributions made by individual employees or their immediate family members.

Permitted

You are encouraged to:

- Participate in the Lockheed Martin Employees' Political Action Committee, if eligible.
- Participate personally in civic affairs and the political process on your own time, and at your own expense.
- Support the political parties and candidates of your choice.

POLICIES

- CPS-004 Political Activity
- CPS-005 International Operations
- CPS-008 Gifts, Hospitality, Other Business Courtesies, and Sponsorships
- CPS-045 Government Affairs
- CPS-730 Compliance with Anti-Corruption Laws
- CRX-251 Charitable Contributions



We Take Action

Ask Yourself...

- ✓ Have I considered all the risks?
- ✓ Who gains from this and who could lose?
- ✓ Does this sound too good to be true?
- ✓ Why is this bothering me?
- ✓ How would this look to our customer or supplier?
- ✓ How would I feel if my family or friends knew what I was doing?
- ✓ Do I have valid data that may lead to a different decision?
- ✓ Is this fair and honest?
- ✓ Does my leadership know?
- ✓ What are the consequences of this solution?
- ✓ Do I need to ask more questions for a clearer picture?

WE SET THE STANDARD

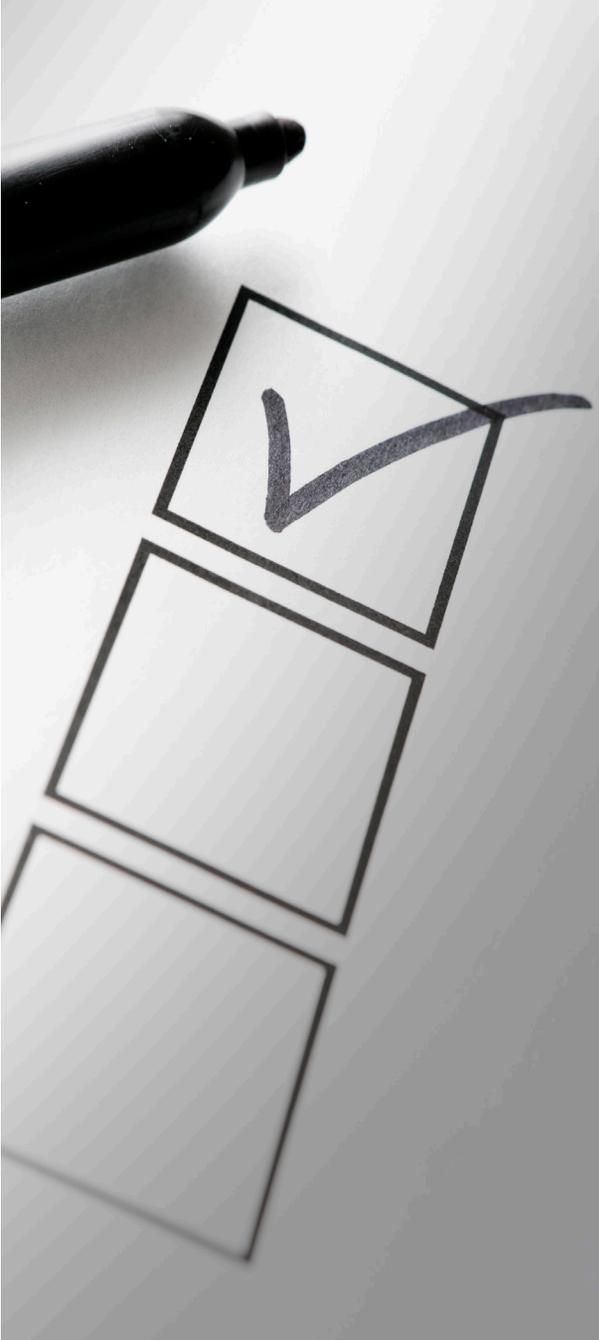
- We use the Voicing Our Values techniques to put our values into practice.
- We address values conflicts and potential violations of law or policy when they arise.
- We make ourselves aware of warning signs that our values are at risk.

WHY WE DO IT

- The integrity of the Corporation relies on each of us taking responsibility for living our values.
- Values conflicts are a normal occurrence in the work environment and must be resolved.
- Becoming familiar with warning signs helps us identify and correct potential problems before they grow.

POLICIES

- CPS-001 Ethics and Business Conduct
- CPS-718 Disclosures to the United States Government
- CPS-730 Compliance with Anti-Corruption Laws
- CRX-021 Internal Investigations



Receipt and Acknowledgment

I acknowledge that I have received my personal copy of *Setting the Standard*, the Lockheed Martin Code of Ethics and Business Conduct and that I have read, understand and will abide by the Code. I understand that each Lockheed Martin employee, member of the Board of Directors, consultant, contract laborer or other agent representing or acting for the Corporation is responsible for knowing and adhering to the principles and standards of the Code. I also understand that violations of the Code are cause for corrective action, which may result in disciplinary action up to and including discharge.

Signature: _____ Print Name: _____

Employee Number (if applicable): _____ Company: _____

Date: _____ Location: _____

Contact Human Resources or the Ethics Office for instructions on submitting this form. If you are not a Lockheed Martin employee contact your Lockheed Martin point of contact.

DO WHAT'S RIGHT

RESPECT OTHERS

PERFORM WITH EXCELLENCE

1-800-LM ETHIC (1-800-563-8442)

Caller ID not used

For the Hearing or Speech Impaired:

1-800-441-7457

Fax: 1-301-897-6442

*Internationally: when calling or faxing from outside the U.S.,
first dial the origin country's exit code*

Email: corporate.ethics@lmco.com

Mail:

Corporate Ethics Office
Lockheed Martin Corporation
6801 Rockledge Drive
Bethesda, MD 20817

