

Lockheed Martin UK Pension Plan

Statement of Investment Principles

April 2026

Defined Benefit Section

This Statement has been prepared in accordance with section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004), and the Occupational Pension Schemes (Investment) Regulations 2005.

The effective date of this SIP is March 2026. The Trustees of the Lockheed Martin UK Pension Plan (the "Trustees") will review this SIP after any significant change in investment policy.

1. INVESTMENT OBJECTIVE

The aim is to prudently invest the Scheme assets to ensure promised benefits are provided. The Trustees have fully insured these benefits to minimise the risk that the Scheme is unable to meet this objective.

2. STRATEGY

The Scheme invests primarily in a Bulk Purchase Annuity Agreement ("Annuity Policy") with L&G (the "insurer"), designed to fully match liabilities and minimise market-related risks and demographic risks from the Scheme.

The Trustees have elected to invest any surplus assets of the Plan (i.e. beyond the assets used to fund the Annuity Policy) in the Insight Liquidity Fund. This is a low-risk pooled fund which holds cash and cash-like securities and seeks to offer an income comparable to short-term sterling interest rates. The Insight Liquidity fund is benchmarked against the Sterling Overnight Index Average, or SONIA.

3. RISK MEASUREMENT AND MANAGEMENT

The Trustees recognise that the key risk to the Plan is that it has insufficient assets to make provisions for 100% of its liabilities ("funding risk"). The Trustees have identified a number of risks which have the potential to cause a deterioration in the Plan's funding level and therefore contribute to funding risk. These are as follows:

a) Annuity Policy default risk

The risk that L&G fail to make the pension payments covered by the Annuity Policy as they fall due. Having considered the credit strength of the insurer as part of its due diligence process, in addition to other factors such as the regulatory environment and other protections available (e.g., the Financial Services Compensation Scheme), the Trustees consider this to be an appropriate investment for the Plan.

b) Liability mismatching risk

The risk of a significant difference in the sensitivity of asset and liability values to changes in financial and demographic factors. The Trustees and their advisers considered this mismatching risk when setting the investment strategy, however this risk has reduced significantly with the Annuity Policy now in place.

c) Cash flow risk

The risk of a shortfall of liquid assets relative to the Plan's immediate liabilities. The Trustees and their advisers will manage the Plan's cash flows taking into account the timing of future payments in order to minimise the probability that this occurs. L&G are responsible for providing the cash for benefit payments covered by the Annuity Policy, the risk that it defaults on this obligation is covered under 'Annuity Policy default risk'.

d) Covenant risk

The possibility of failure of the Plan's sponsoring employer. The Trustees and their advisers considered this risk when setting the investment strategy and consulted with the sponsoring employer as to the suitability of the proposed strategy.

e) Operational risk

The risk of fraud, poor advice or acts of negligence. The Trustees have sought to minimise such risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced, and that suitable liability and compensation clauses are included in all contracts for professional services received.

Due to the complex and interrelated nature of these risks, the Trustees consider the majority of these risks in a qualitative rather than quantitative manner. The Trustees' policy is to monitor these risks periodically.

4. IMPLEMENTATION

Aon Investments Limited ("AIL") provides investment advice, ensuring the Trustees are informed and decisions are monitored.

The Annuity Policy is a qualifying insurance policy. The insurer is responsible for the management of its assets and is expected to invest in a prudent approach to meet required obligations under each policy.

5. GOVERNANCE

The Trustees set investment objectives and monitor strategy success, consulting with the sponsor and advisers.

6. RESPONSIBLE INVESTMENT

The strategy aims to act in the best financial interests of beneficiaries, considering Environmental, Social and Governance factors (ESG). The Trustees elected to invest the majority of the Scheme's assets in an Annuity Policy and has limited ability to influence the ESG policies and practices of the insurer.

The Trustees accept responsibility for how the insurer stewards assets on its behalf, including the casting of votes in line with its voting policies.

The Trustees considered ESG and stewardship policies of the insurer at the point of purchasing the Annuity Policy, to the extent it was practical, to ensure the policies were in line with the Trustees' beliefs.

7. COST AND PERFORMANCE MONITORING

As the Scheme's primary investment is the Annuity Policy, the Trustees' ongoing monitoring process of the insurer is limited. However, the Trustees would engage in such monitoring if it was deemed necessary.

8. AVC ARRANGEMENTS

The Trustees previously made a selection of funds available to members who wished to make Additional Voluntary Contributions. Members are no longer able to make contributions to these legacy AVC funds, but existing assets may remain invested until further notice.

From time to time the Trustee reviews the choice of investments available to members to ensure that they remain appropriate to the members' needs.

9. REVIEW

The Trustees will review this SIP following any significant change in investment policy. The Trustees will take investment advice and consult with the Sponsoring Employer over any changes to the SIP.

Dated: April 2026

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This Statement of Investment Principles is produced to meet the requirements of the Pensions Acts 1995 & 2004, the Occupational Pension Schemes (Investment) Regulations 2005 and to reflect the Government's Voluntary Code of Conduct for Institutional Investment in the UK. The Trustee also complies with the requirements to maintain and take advice on the Statement and with the disclosure requirements.