

AGREEMENT

&

**PENSION
AND
INSURANCE
AGREEMENT**

Between

**NORTHROP GRUMMAN SYSTEMS
CORPORATION MISSION SYSTEMS
SECTOR BWI SITE**

And

LOCAL 82130

**INTERNATIONAL UNION OF
ELECTRONIC, ELECTRICAL, SALARIED,
MACHINE AND FURNITURE WORKERS /
COMMUNICATIONS WORKERS OF
AMERICA (A.F.L. – C.I.O., C.L.C.)**

AUGUST 30, 2021

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AGREEMENT

Between

**NORTHROP GRUMMAN SYSTEMS
CORPORATION ELECTRONIC SYSTEMS
SECTOR BWI SITE**

And

**INTERNATIONAL UNION OF ELECTRONIC,
ELECTRICAL, SALARIED, MACHINE AND
FURNITURE WORKERS / COMMUNICATIONS
WORKERS OF AMERICA (A.F.L. – C.I.O.,
C.L.C.) AND ITS LOCAL 82130**

INTRODUCTION

AGREEMENT, entered into as of the 30th day of August, 2021 between NORTHROP GRUMMAN SYSTEMS CORPORATION, MISSION SYSTEMS SECTOR, BWI SITE, hereinafter referred to as the "Company," and the INTERNATIONAL UNION OF ELECTRONIC, ELECTRICAL, SALARIED, MACHINE AND FURNITURE WORKERS / COMMUNICATIONS WORKERS OF AMERICA, A.F.L.-C.I.O.,C.L.C. (the "International") and its LOCAL 82130 ("the Local"), which are collectively hereinafter referred to as the "Union."

SECTION I - RECOGNITION

A. The Company agrees to recognize the Union as the exclusive bargaining representative for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment, for employees in the following bargaining unit:

All production and model shop employees of the Company in the West Building of the Company's manufacturing facility at the Baltimore-Washington International Airport, Baltimore, Maryland, and production employees at the radar range, including group leaders, shop clerical employees, janitors and technicians, but excluding other technical employees, maintenance employees, all salaried office and office clerical employees, salaried time study clerks, clerical employees in the production planning department, guards, professional employees, and supervisors as defined in the Act.

B. Any units for which the International or any of its Locals shall be lawfully certified by the National Labor Relations Board as exclusive bargaining representative, shall upon assent in writing to this Agreement by such representative, be included in and covered, by this Agreement as of the date of certification, except that either party may withhold the application of those portions of this Agreement considered inapplicable to such units by giving written notice to the other party within thirty (30) days of such representative's assent.

SECTION II - COMMITTEE

A. The Union has designated a committee of six (6) as its representatives, and the Company has designated a committee of six (6) as its representatives, for purposes of collective bargaining. Either party may, at any time, change its representatives, provided that neither party will be represented by more than six representatives at any one time.

B. Payment for time spent in negotiating meetings in the plant during working hours by employee members of the Union negotiating committee shall be made in accordance with the provisions of Section XIV, Paragraph 8 of this Agreement.

C. Either the Local or the Company, or both, may have one additional representative present at meetings of the Negotiating Committee.

D. Sufficient copies of agreements reached shall be made available for distribution to all officers of the Local and Stewards of the Bargaining Unit. Additional copies for all members of the local shall be made available if requested by the Local.

E. The committee will meet to discuss rates of pay, working conditions and hours of work.

SECTION III - CONSIDERATION AND COOPERATION

Both parties enter into this Agreement in consideration of the mutual performance thereof in good faith. The intention of this Agreement is to establish harmonious relations between the Company and the Union and its membership and to promote the general welfare of the Company and the employees. The parties to this Agreement agree to cooperate in every reasonable way in carrying out the provisions hereof and to exchange such information with respect hereto as is mutually deemed essential for the furtherance of harmonious relations. The Union recognizes that it is the responsibility of the Company to maintain plant efficiency and agrees that Management shall have the freedom of action necessary to discharge its responsibility for the successful operation of the Company. This responsibility includes, among other things, the right to determine the number and location of its plants; the right to select those with whom it will do business; the right to determine the products to be manufactured and the production schedules; the right to determine the methods and means by which its operations are to be carried on; the right to direct the workforce; and the right to conduct its operations in a safe and effective manner, all subject only to the express limitations set forth in this Agreement.

SECTION IV - DISCRIMINATION

A. There will be no discrimination by the Company or its supervisory personnel against any employee because of membership or activities in the Union, nor will the Company tolerate such discrimination by any other employee.

B. The International agrees that neither it, nor its Local, nor their respective officers and members, nor persons employed directly or indirectly by it or its Local, will discriminate against any employee. The Union further agrees that there will be no solicitation of members, dues, or funds during the working hours of employees involved.

C. The Union and the Company reaffirm their intention that the provisions of this Agreement will continue to be applied without discrimination because of race, creed, color, sex, age, national origin, disability, veteran status, or because of citizenship status, except citizenship status which is otherwise required in order to comply with law, regulation or federal executive order, or required by Federal, State or Local government contract, or which the Attorney General of the United States determines to be essential for an employer to do business with an agency or department of the Federal, State, or Local government. The parties recognize and accept that any term of gender in this Agreement is intended to include and does include both feminine and masculine as appropriate.

SECTION V - STRIKES, STOPPAGES AND LOCKOUTS

A. Subject to the provisions of Section XIX hereof, the Union will not cause or officially sanction its members to cause or take part in any strike (including sit-downs, stay-ins, slow-downs, or any other stoppage of work) over any dispute during the life of this Agreement. This includes, without limitation, disputes which are within the proper scope of the grievance procedure provided in this Agreement (a) until such grievance procedure has been fully exhausted, and (b) thereafter except as provided in paragraph B. below. The Company will not lock out any employee, nor will the Company transfer work from any job because of a dispute which is within the proper scope of the grievance procedure provided herein, until such grievance procedure has been fully exhausted.

B. When the grievance procedure has been exhausted as provided for in Section XIV, the International may authorize a strike of the employees in the bargaining unit. Such a strike, when so authorized, shall not be a violation of this Section if all of the following conditions are satisfied: (a) if written notice that Management's reply at Step 3 of the grievance procedure is unsatisfactory, (b) if a written request to arbitrate such a grievance has been made under Section XIV-A and denied in writing, and (c) if written notice of the International Union's authorization to the Local to strike has been given to the Company not less than seven (7) days prior to the strike.

SECTION VI - AGENCY SHOP

A. Employees Who Are Union Members

All employees in any job in the bargaining unit covered by this Agreement who were members of the Union on August 30, 2021, shall as a condition of employment remain members of the Union in good standing insofar as the payment of an amount equal to periodic dues is concerned or if thereafter at any time such members resign, or otherwise fail to remain members of the Union in good standing insofar as the payment of an amount equal to periodic dues, uniformly required, is concerned, they shall as a condition of employment pay to the Union a service fee equivalent to the periodic dues required of members in good standing.

B. Employees Who Are Not Union Members

1. All employees (a) who are hired or rehired on or after August 30, 2021, in any job in the unit covered by this Agreement and (b) who are either returned to the active roll from layoff, disability or leave of absence, or are transferred into the unit covered by this Agreement, and at the time of such hire, rehire, return, or transfer are not already members of the Union, will be required as a condition of employment, beginning on the thirty-first (31st) day following their date of hire, rehire, return, or transfer, either to become and/or remain members of the Union in good standing insofar as the payment of an amount equal to periodic dues and initiation fees, uniformly required, is concerned, or in lieu of such

membership, pay to the Union a service fee equivalent to the Union's initiation fee and periodic dues uniformly required.

2. All other employees in any job in the unit covered by this Agreement who on August 30, 2021, are not members of the Union will be required beginning on August 30, 2021, to become and/or remain members of the Union in good standing insofar as the payment of an amount equal to periodic dues and initiation fees, uniformly required, is concerned, or in lieu of such membership, pay to the Union a service fee equivalent to the Union's initiation fee and periodic dues uniformly required.

C. Procedure for Termination of Employment

1. The Company shall be obligated under this Section to terminate the employment of any employee by reason of his failure to obtain or to maintain membership in the Union and for an employee who fails to obtain and/or maintain membership, his failure to pay service fees equivalent to dues and initiation fees, upon receipt of written request for such termination from the Union; except that the Company shall have the right to refuse such request if it has reasonable grounds for believing (a) that such membership is not available to the employee on the same terms and conditions generally applicable to other members, or (b) that membership has been denied or terminated for reasons other than the failure of the employee to tender the periodic dues and initiation fees

uniformly required as a condition of acquiring or retaining membership.

2. The Union agrees to indemnify and save harmless the Company from any payment the Company may be required to make in favor of any employee whose employment is terminated pursuant to any such request.

D. Definitions

For the purpose of this Section:

1. The term "initiation fee" means such amount as may be uniformly charged by the Local as a condition of granting membership in such Local and in the Union; providing, however, that no amount in excess of twenty-five dollars (\$25) shall be considered as an initiation fee for purposes of this Section.

2. The term "dues" or "service fee" shall not be deemed to include any fine, assessment, contribution, tax or other form of payment required from Union members except the payment required in equal amounts from every member once during each week pursuant to Section VII, Paragraph B.

E. State Laws

This Section shall not apply to employees employed in any state during any period (a) while the laws of such state provide, in substance, that it is illegal or against public policy to make union membership, or the payment to a union of any dues, fees or other charges by a non-member, a

condition of employment, or (b) while such laws impose restrictions upon the making of union security agreements which have not been fully complied with. To the extent permitted by law, the Company will also deduct any back dues or service fees owed at the time of starting deductions, if (a) the Union certifies in writing that such back dues or service fees are owed, and provides the amount of such back dues or service fees, and (b) the employee has authorized in writing such additional deductions.

SECTION VII - CHECKOFF

A. Dues/Service Fees Deduction Authorizations

For the duration of this Agreement, the Company shall deduct from each week's pay Union dues, or equivalent service fee, and promptly remit same to the Local for those employees in the bargaining unit whose written and signed authorizations are received by the Company. Such authorizations shall be valid only if submitted on one of the forms set forth in paragraph B. of this Section, or on one of the forms in use in the bargaining unit prior to March 1, 1996.

B. Deduction Authorizations

1. Dues Deduction Authorization

Weekly deductions shall commence in the first pay period ending thirty (30) days or more after the Local initially presents Management with signed weekly dues deduction authorizations.

The following weekly dues deduction authorization form, with all blanks properly filled in, will be used:

NOTE: Effective in 2011, dues will be deducted bi-weekly.

Name (Print) _____
(First) (Middle Initial) (Last)

Effective Date _____ Employee No. _____

NORTHROP GRUMMAN SYSTEMS CORPORATION

Please deduct from my pay each week my weekly dues as a member of Local 82130, International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers/Communications Workers of America, A.F.L.-C.I.O., C.L.C., in the amount certified to you as being the membership dues of such Local. Remit the amount so deducted to such Local in accordance with this authorization and assignment. In addition, please deduct my initiation fee of \$_____ as part of the first week's deduction of membership dues and remit same to said Local. I further authorize the deduction of any delinquent dues as determined by the Union from any of my paychecks.

This assignment and authorization shall be irrevocable, except that it may be revoked by my giving written notice to you by individual registered mail postmarked, or received by the Company, either (a) during a period from the first June 4 to the first June 11, both inclusive, after the effective date of this authorization, (b) during the same period of each year thereafter, or (c) after the termination date of the Agreement (dated August 30, 2021) between Northrop Grumman Systems Corporation, Mission Systems sector, BWI Site and Local 82130 of the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers/Communications Workers of America, A.F.L.-C.I.O., C.L.C. This assignment and authorization supersedes all authorizations and assignments previously signed by me with respect to union dues and/or initiation fees.

I agree to waive any claim against the Company, other than one based upon a clerical error, that may arise because of this assignment and authorization.

Employee's Signature: _____ Date: _____
Address: _____ Zip Code: _____
Home Phone: _____ Work Phone: _____
Hire Date: _____

I.U.E. DEDUCTION AUTHORIZATION

2. Union Service Fees Authorization

The Local, upon written notice to Management, may elect to have equivalent service fees for employees who are not members deducted on a weekly basis from the wages of employees. Such weekly deductions shall commence in the first pay period ending thirty (30) days or more after the Local initially presents Management with signed weekly service fee deduction authorizations. The following weekly service fee deduction authorization form, with all blanks properly filled in, will be used:

NOTE: Effective in 2011, dues will be deducted bi-weekly.

Name (Print) _____
(First) (Middle Initial) (Last)

Effective Date _____ Employee No. _____

NORTHROP GRUMMAN SYSTEMS CORPORATION

Please deduct from my pay each week my weekly service fees to Local 82130, International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers/Communications Workers of America, A.F.L.-C.I.O.,C.L.C., in the amount certified to you as the weekly service fee of such Local. Remit the amount so deducted to such Local in accordance with this authorization and assignment. In addition, please deduct the equivalent of the initiation fee of \$ _____ as part of the first week's deduction of service fees and remit same to said Local. I further authorize the deduction of any delinquent service fees as determined by the Union from any of my paychecks.

This assignment and authorization shall be irrevocable, except that it may be revoked by my giving written notice to you by individual registered mail postmarked, or received by the Company, either (a) during a period from the first June 4 to the first June 11, both inclusive, after the effective date of this authorization, (b) during the same period of each year thereafter, or (c) after the termination date of the Agreement (dated August 30, 2021) between Northrop Grumman Systems Corporation, Mission Systems sector, BWI Site, and Local 82130 of the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers/Communications Workers of America, A.F.L.-C.I.O.,C.L.C. This assignment and authorization supersedes all authorizations and assignments previously signed by me with respect to union fees.

I agree to waive any claim against the Company, other than one based upon a clerical error, that may arise because of this assignment and authorization.

Employee's Signature: _____ Date: _____
Address: _____ Zip Code: _____
Home Phone: _____ Work Phone: _____
Hire Date: _____

I.U.E. DEDUCTION AUTHORIZATION

3. I.U.E. Deduction Authorization

All valid Dues Deduction Authorizations previously submitted to Westinghouse Electric Corporation and assumed by Northrop Grumman Systems Corporation upon acquisition of ESSD shall remain valid and in effect unless withdrawn by the employee or upon termination of employment.

4. Service Fee Authorization for Temporary Assignments

It will be management's responsibility to have equivalent service fees for non-represented employees, who are on a "Temporary Assignment" to the BWI complex pursuant to Section XII.1.6 deducted on a weekly basis from the wages of the "loaned" employees for the duration of the temporary assignment exceeding thirty (30) days.

The following service fee deduction authorization form for temporary assignments, with all blanks properly filled in, will be used:

NOTE: Effective in 2011, dues will be deducted bi-weekly.

Name (Print) _____
(First) (Middle Initial) (Last)

Effective Date _____ Employee
No. _____

Pursuant to Section XII, 1.6f of the collective bargaining agreement dated August 30, 2021, between the Northrop Grumman Systems Corporation, Mission Systems Sector BWI Site ("the Company") and Local 82130 of the Local 82130, International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers / Communications Workers of America, (A.F.L.-C.I.O.-C.L.C.), ("the Union"), relating to the temporary assignment of non-represented employee to perform the work of a position within the bargaining unit for which the Union is the certified representative, the undersigned hereby authorizes the Company to deduct from his/her paycheck, starting with the pay period beginning on the effective date specified above, the amount certified to the Company as the weekly service fee for the Union. The Company will remit the amount so deducted to the Union in accordance with this authorization and assignment.

This assignment and authorization shall be effective with the first pay period beginning after the commencement of the temporary assignment triggering the obligation to withhold the service fees and shall terminate with the first pay period beginning after the completion of the temporary assignment.

The undersigned agrees to waive any claim against the Company that may arise because of this assignment and authorization and understands his/her represented status does not change as a result of this temporary assignment.

Employee's _____ Signature: _____
Date: _____

C. Membership Dues and Service Fees

Within the meaning of the dues and service fees deduction authorizations, membership dues and service fees will include only that regular payment required equally of all members which has been designated as membership dues, pursuant to appropriate Union and Local constitutions and by-laws. All such authorizations

will be in the same dollar and cents amount. Excluded specifically from such authorizations are fines, penalties, contributions, assessments, strike assessments, taxes of any kind, or any other type of payment.

D. Notice of Changes in Dues and Service Fees

The Local shall notify Management by certified mail of any change in the sum of money to be deducted as dues or service fees pursuant to the authorizations set forth in Paragraph B. above.

E. Starting Deductions

Deductions for employees whose weekly authorizations are received after the effective date of this Agreement will be commenced with the second week starting after receipt of the respective authorizations. The date of receipt will be recorded on the authorization by the Company, and such record shall be conclusive on all parties concerned. All weekly authorizations received by Friday in any week will be included in the deduction for the second week following. Collection of any back dues or service fees owed at the time of starting deduction for any employee will be the responsibility of the Union.

F. Delinquencies

If an employee does not have sufficient earnings for payment of dues or service fees after other deductions, dues or service fees for that week will not be deducted by the Company from

pay in any subsequent week, unless notified by the Union.

G. Adjustment of Errors

Except where the Company has made a clerical error in the deduction of dues or service fees which will be adjusted promptly by the Company, any question as to the correctness of the amount deducted shall be settled between the employee and the Local; and the International and Local shall jointly and severally indemnify the Company and save it harmless against any and all suits, claims, demands and liabilities that shall arise out of or by reason of any action that shall be taken by the Company for the purpose of complying with the provisions of this Section VII or in reliance on any authorization form or information furnished to the Company under such provisions.

H. Reinstatements

Employees who return to the active payroll from sickness, leave of absence, or who are recalled from the Inactive Seniority List shall have dues or service fees deductions automatically reinstated upon return to work, providing their individual written and signed authorizations for the deduction are still in effect. When an employee is rehired but not from the Inactive Seniority List, his deduction authorization (if in effect at time of separation) shall be reinstated only if he signs a request for continuation of such deductions on the reverse side of the authorization form. In all cases, however, reinstatement of the dues or service fees

deduction authorization will be made only if the authorization form previously signed is that which is currently in use in the bargaining unit.

I. Transfers

Deductions will be automatically discontinued when an employee is transferred to work outside of the bargaining unit covered by this Agreement; except that where the transfer is to a newly created position at the BWI Site which the Local considers to be a part of the existing bargaining unit, the deduction will be continued until a determination has been made as to whether or not the new position is in the bargaining unit.

J. Contact with the Union

A Company designee who is an internal employee will confer with an individual designated by the Local and clear all questions regarding the detail of record and reconciliation of deduction of dues or service fees.

K. Reports and Remittances to Union

On or before the twentieth (20th) day of each month a check for the total deductions made since the last remission shall be sent to the Local together with a substantiating list. Each list sent to the Local shall show for all employees on the active roll from whom deductions have been made: (1) name, (2) shop location, (3) social security number, (4) amount of deduction from each individual employee for the period covered, and (5) reason for non-deduction if known. Attached to the list will be a summary indicating

the total amount deducted and the number of employees from whom dues or service fees deductions were made.

1. Union Summary

A summarization of local remittance summaries will be forwarded on or about the twentieth (20th) of the following month to the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers/Communications Workers of America, AFL - CIO, CLC in Washington D.C. The street address will be provided by the IUE-CWA Local 82130, AFL-CIO, CLC.

2. Withdrawal Report

On or before June 18 of each year, Management will furnish the Local with a list of employees who have revoked their deduction authorization during the preceding revocation period of June 4 to June 11.

L. State Laws

This Section shall apply only to the extent that its provisions are consistent with applicable State laws.

M. Deductions for IUE COPE

For the duration of this Agreement, the Company will deduct from each week's pay voluntary contributions to IUE COPE for those employees where signed authorizations for such deductions in the form set forth below are

received by the Company. The Company will transmit to the Union on a monthly basis, in one check, the total amount deducted along with the name of each employee on whose behalf a deduction is made and that amount deducted from the employee's paycheck.

The following is the form of authorization:

NOTE: Effective in 2011, contributions to COPE will be deducted bi-weekly.

TO NORTHROP GRUMMAN SYSTEMS CORPORATION

IUE COPE

Name (Print)

Badge Number

Street Address

City/State

Zip

I hereby voluntarily assign to IUE COPE, from any wages earned or to be earned by me as your employee, the weekly sum of: (check one)

\$.50 \$1.00 \$1.50

\$2.00 \$2.50

Other \$ _____ (whole dollars)

each pay cycle. I hereby authorize and direct you to deduct such amounts from my pay and remit same to IUE COPE at such times and in such manner as may be agreed upon between you and the IUE at any time while this authorization is in effect. I understand that IUE COPE will use the money it receives to make political contributions and expenditures in connection with Federal, State and Local elections. This authorization is revocable upon two weeks advance written notice to: Northrop Grumman Systems Corporation

Signature

Date

SECTION VIII - WAGES

Wage and salary schedules applicable to employees in the bargaining unit, and changes therein during the term of this Agreement, are set forth in Appendix A & B.

A. Payroll Administration

If an employee receives a paycheck for less than the hours worked, the Company shall issue an off-cycle check for any shortage when requested.

B. Night Turn Adjustment

1. Employees assigned and working on a 2nd shift schedule will have ten percent (10%) added to their base rate;

2. Employees assigned and working on a 3rd or 5th shift schedule will have fifteen percent (15%) added to their base rate.

C. Four Hours of Work

Hourly employees who report to work at the regular starting time of their shift and have not been advised at least ten (10) hours beforehand not to report, and those who report to work at other times at Management's request, will be guaranteed four (4) hours work at their guaranteed rate or the rate of pay for the job on which they work, whichever is higher. If work is not provided during some or all of such four (4) hours, the employee will be paid at his keysheet

rate for such period. If the employee has qualified for overtime in accordance with the overtime provisions of this Agreement, overtime rates based on the provisions of this Agreement (Section X - Overtime) will be paid for hours not worked.

An employee who does not desire to remain for the full four (4) hours of work will be paid only for actual hours worked.

NOTE: The foregoing provisions will not apply in the case of an emergency such as fire, flood, power failure, or work stoppage by employees in the plant.

D. Group Leaders' Remuneration

A group leader is a non-supervisory employee who is a working member of a group, without disciplinary authority, who works under a minimum of supervision, who regularly leads, instructs, and guides employees in the group. Group leading is in addition to an employee's regular assigned job, and the deciding factor in their selection will be that of the senior employee who has the ability to organize and direct a group.

1. Hourly

The remuneration for hourly group leaders depends for the most part on the work performed and the size of the group. Additional compensation paid for hourly group leaders is set forth in the schedule below.

2. Salary

Appropriate groups for salaried employees based on securing better operations will be determined by Management and will be a subject for negotiation before they are established. Duties of a group leader will not be assigned to an employee where less than three (3) employees are involved. No group of more than twenty (20) exclusive of the leader will be formed. Additional compensation for group leaders will be based on the following schedule:

SCHEDULE

Size of Group Exclusive of the Leader	Addition to Base Rate
2 to 5	5%
6 to 10	7.5%
11 to 20	10%

E. Salary Schedules; Hourly and Salary Reviews

1. Wages will be paid according to the schedule set forth in Appendix A and B.
2. Salary reviews will be held every April and October to review only those employees not at the top of the rate range in order to assure administration of wage policies, except that the Local and Management by mutual agreement may either change or omit the scheduled review.

F. Information

The Local will be furnished a schedule of rates or keysheets, applying to the employees in

the bargaining unit. The Local will be furnished bi-weekly a list of transfers, hires, rehires, and releases, with the employee number and department for each name on such list. Job descriptions will be made available, upon request, for examination by Local representatives. New or revised job descriptions, including the classifications by labor grade or rate range of the job and the seniority unit designation, will be furnished to the Local at least thirty (30) calendar days prior to making such job descriptions effective. During such thirty (30) calendar day period, management will, at the request of the Local, meet to discuss the job description and its evaluation.

G. General Wage and Salary Principles

1. The principle of a fair day's work for a fair day's pay is recognized by the Union, the employees and the Company. Where production standards are established, they will be in line with the foregoing principle and will be based on established methods, remaining on the job for the normal periods during the entire shift, subject to all customary allowance time, and the application of effort equivalent to the normal and reasonable capacity of normal operators working on the job under the prevailing conditions. In grievance and arbitration proceedings resulting from claims that any such production standard is unreasonable or unsound, the principles and yardsticks set forth in this paragraph will be controlling.

2. Surveys and time studies may be made for measuring or improving production, methods analysis or for budget purposes. The Company

may apply individual production standards only to direct dayworkers. Direct dayworkers are those engaged directly in the making or building of a product of a factory department or section, together with such others as may be agreed upon. All other dayworkers in a plant are indirect workers.

3. Management agrees to keep the appropriate local Union representatives informed in advance, so far as possible, of the programming and purpose of such studies.

4. Any grievance claiming that an individual employee has been disciplined or downgraded for failure to meet production standards established for productive daywork operations will be subject to arbitration under the provisions of Section XIV-A. The arbitrator shall not have authority to modify production standards; but in deciding whether there was just cause in a case arising under this paragraph, he may consider whether the standard involved is proper under the fair day's work or pay principle mentioned above. If the arbitrator sustains the grievance on the ground that the standard involved is not proper, Management will review it with the appropriate Local representative. Unless and until such standard is revised in accordance with the arbitrator's decision or is accepted by the Local, no employee shall be subject to discipline or downgrading for failure to meet such standard.

5. If any grievance is filed claiming that a production standard established for an employee's work is unreasonable, and the supervisor is unable to adjust the matter, the

standard will be reviewed, and re-studied within a reasonable time if the operation is continuing, and if the standard is incorrect it will be revised. If, after such review and re-study, the employee still protests the standard, the supervisor, upon request of the steward, will review with the steward the facts of the case, including the time study, review or re-study, or other basis for the standard. If the matter is not adjusted, the steward may, together with one other union representative, observe the operations to determine whether the standard conforms to the guides and principles of Paragraph G.1. above. If there is still a question concerning such standard the question may be handled in accordance with the grievance and arbitration procedures, leading to final and binding decision in arbitration. An arbitrator with industrial engineering qualifications will be selected from panels of the American Arbitration Association.

6. If any grievance is filed concerning a job on which no production standard has been established, claiming that the pace at which an employee is working does not conform with the principle of a fair day's work for a fair day's pay, such a grievance will be handled in accordance with the grievance procedure set forth in Section XIV.

H. Changes in Wage Payment Plans

When the established plan of payment of employees is to be changed, it will be a matter of negotiations. If in any instance the Local unreasonably withholds its consent to the proposed change, then after a period of

negotiations of not less than two (2) weeks, Management may elect to put the change into effect, but the Local will thereupon have the right to strike over this issue. The question whether consent was withheld unreasonably shall not be arbitrable.

I. Leave - Death in Immediate Family

An hourly paid employee with thirty (30) days' continuous service who is absent from work because of the death of a foster child residing in the home, or of the employee's parent, brother, sister, child, spouse, mother-in-law, father-in-law, brother-in-law (which includes the employee's sister's husband, the employee's spouse's brother, and the husband of the employee's spouse's sister), sister-in-law (which includes the employee's brother's wife, the employee's spouse's sister, and the wife of the employee's spouse's brother), son-in-law, daughter-in-law, grandparent, grandparent-in-law, stepparent, stepbrother, stepsister, stepchild, grandchild, domestic partner or parent or child of domestic partner will be compensated for time lost by reason of such absence from his regularly scheduled straight-time shift hours during Monday to Friday of his work week, excluding holiday, and furlough days, up to a maximum of three (3) days for each such absence. Such paid leave will be limited to three (3) regular work days within a period of five (5) days starting on the day designated by the employee within seven (7) days of the day of the death. In no case shall payment be made for more than the three (3) days described above; provided, however, that in the event an employee meeting the requirements

listed above is absent from work because of the death of a foster child residing in the home, or of the employee's child, spouse, stepchild, or domestic partner or child of domestic partner, he will be compensated for an additional two (2) work days for time lost by reason of each such absence within a period of seven (7) days starting on the day designated by the employee within seven (7) days of the day of the death. In the case of an employee on swing, rotating or continuous shift, the above payment will be made for time lost during the employee's established five-day week. Employees will be compensated on the basis of their rate of record on the date before such absence.

In all cases, the above payments shall be calculated on straight-time hours and shall not include any overtime premium payments.

The in-law relationship will terminate for purposes of this Paragraph I. upon divorce or annulment (i.e., legal dissolution) of the connecting marriage which creates the in-law relationship to the employee; and the in-law relationship will terminate upon death and remarriage - that is, in the event of the death of the party with the connecting in-law relationship to the employee, the in-law relationship will not terminate until the remarriage of the surviving spouse.

In order to qualify as a domestic partner, the relationship must meet the definition of Domestic Partner as defined in the NGC Domestic Partner Plan Details.

J. Paid Parental Leave

Employees shall be eligible to participate in the Company's Paid Parental Leave (PPL) (USHR 3-57) effective August 31, 2021.

Paid Parental Leave may be granted to employees who require time off for the following covered events:

- Birth and care of a newborn child or children (i.e., single or multiple child pregnancy)
- Placement of a child or children with the employee for adoption (i.e., single or multiple adoption at one time)

PPL will consist of two weeks (up to 80 hours) for each covered event, and within one year following the covered event. Employees receive their base rate for PPL.

PPL is subject to changes as administered by the Company under USHR 3-57

K. New-Hire Rates - Hourly Employees

- 1. a.** New employees hired on or after the dates specified below in jobs classified in the lower half of the keysheet shall be paid at a rate as specified in 1.b. for such jobs.

- b.** Newly hired employees will be paid a percent of the minimum keysheet rate for jobs to which they are assigned based on the table below.

Total Periods of Continuous Service After Hire Date	Hired on or after August 26, 1991
Up to 6 months	70%
More than 6 months	75%
More than 12 months	80%
More than 18 months	85%
More than 24 months	90%
More than 30 months	95%
More than 36 months	100%

- 2. a.** Any employee upgraded, at any time, to a job classification in the upper half of the keysheet shall be paid the appropriate keysheet rate for such job, and for any job held thereafter.
- b.** For purposes of this paragraph J. only, time spent by employees on layoff, disability roll or leave of absence shall not be counted as continuous service.
- c.** When an employee covered by this paragraph J. reaches the minimum keysheet rate of any job to which assigned, but not before, further increases will be governed by paragraph d(2) or e. below, whichever is applicable.

d. Hourly Re-Rate Plan

- (1)** Hourly employees who have demonstrated satisfactory performance on their assigned jobs will have their pay increased to the qualifying “B” rate of the keysheet no later than the Monday following the date the employee has worked thirteen calendar weeks on the job. If performance is unsatisfactory during this period, the supervisor will discuss the case with the Local Union Office with regard to transfer to an open job or release.

- (2)** Employees paid at the qualifying rate will have their pay increased to the standard “C” rate of the keysheet when they are satisfactorily performing the full range of the job. Employees who fail to satisfactorily perform the full range of their job within the period specified below will be processed in accordance with paragraph (3) below.

Labor Grade	Maximum Period Allowed
1	1 month
2	2 months
3	3 months
4	4 months
5	6 months
6	7 months
7, 8, or 9	8 months
10 or 11	9 months
10 A (IUENEW)	9 months
10 B (IUEUMH)	9 months

12	10 months
12 A (IUECMH)	10 months
13	11 months
14 or 15	12 months

(3) Failure to Qualify for Rerate - If an employee fails to qualify on the basis of ability for the next higher rate within his classification at the expiration of the time specified in Paragraph (2) above, his case will be discussed before the expiration of the period with the Section Steward and the Union Office with regard to:

- (a) Extension of time on his existing rate, or
- (b) Transfer to an open job, or
- (c) Displacing the least senior employee on the job he held immediately prior to being upgraded provided he has sufficient seniority, or
- (d) Decrease in work force procedure.

(4) Upgrading

- (a) If an employee is receiving probationary rate and is upgraded to a job of a higher classification, the employee will receive the probationary rate of the higher classification, in which the new job falls and shall be paid until the

expiration of the probationary period, but not less than six weeks on the new assignment. **Note:** The “probationary rate” is the “A” rate of the keysheet.

- (b) If an employee who is receiving the qualifying rate for the classification is upgraded to a job in a higher classification, he shall receive the qualifying rate of the higher classification subject to advance to the standard rate, as provided herein.
- (c) If an employee who is receiving the standard rate for the classification is upgraded, he shall receive the qualifying rate for the job in the higher classification, subject to advance to the standard rate of the classification, as provided herein.

(5) Lateral Transfers and Downgrading to a Different Occupation

- (a) Employees assigned for any reason to a different occupation of the same or lower labor grade shall receive the same rate that other employees with similar skill and experience would be paid, but not less than the qualifying rate of the job unless the employee is receiving, at the time of the change, a probationary rate, in which case the probationary rate for the grade in which the new job falls shall be paid

until the expiration of the probationary period, but not less than six (6) weeks on the new assignment.

(b) Within the Same Occupation. Employees downgraded in the same occupation for any reason other than inability to perform the job will receive the standard rate of the new job. Before determining the rate to be paid to an employee downgraded because of inability to perform a job, the Supervisor will discuss the matter with the Section Steward if such rate will be other than the standard rate.

(6) Re-assignments to Jobs Previously Held
- An employee returning to a job previously held will normally again be paid at the last rate level he/she held on such job. If Management believes a lower rate is more appropriate, the matter will be discussed with the Section Steward before such lower rate is made effective.

e. Hourly Re-Rate Plan – Employees Hired After 8/31/2021

- A. An employee will normally be hired at the lowest rate on the keysheet for the grade to which the job is assigned;
- B. All hourly employees, excluding IUEJ09 and IUEJ10, will receive a rate increase of no less than four (4) percent on the first full pay period in March until they

reach the top of code, not to exceed nine (9) years;

- C. An employee reassigned due to unsatisfactory performance on their assigned job will be re-rated in accordance with the Agreement; and,
- D. All changes to an employee's position or rate will be effective the first Monday of a payroll period closest to the change.
- E. Absent a prior agreement, the Company agrees to discuss with the Union before hiring an external candidate at a rate other than the lowest rate on the keysheet.

g. Salary Re-Rate Plan

(1) The employee's capacity to handle the range of work of his position classification, and the quality and quantity of work being performed, are the factors which determine the granting of increases.

(2) Salaried employees whose work is satisfactory will receive a yearly salary increase on the first full pay period in March of at least 4% until they reach the maximum for the rate range, provided that each employee will reach the maximum within nine (9) years from entering the position.

(3) All changes for any reason in an employee's position or rate after hiring,

except separation, will be effective the first Monday of a payroll period.

L. Wage Payment

IUE/CWA represented employees will be paid consistent with applicable law. To the extent that any change affects IUE/CWA represented employees, the IUE/CWA shall be provided thirty (30) days notice before any change is implemented. Effective 1/1/2022, paper paycheck stubs for IUE/CWA represented employees will be replaced with electronic pay vouchers which the employee will be able to access through the intranet and internet and print on demand. If an employee elects to receive a paper paycheck, it will be mailed to the employee's address on file.

L. Supplemental Compensation

IUE represented employees will be eligible to receive special monetary awards for significant and extraordinary accomplishments through applicable supplemental compensation programs. Upon request, Labor Relations will provide the names of the recipients who receive supplemental compensation.

Management retains the authority to award, alter, amend, modify or terminate any or all supplemental compensation programs and any such decision will not be subject to Section XIV – Grievance Procedure or negotiation. To any extent that such actions affect the eligibility of IUE represented employees, management will notify the union in advance.

SECTION IX - HOURS OF WORK

A. Basic Work Week

The basic workweek will be forty (40) hours based on eight (8) hours per day, five consecutive days, Monday to Friday inclusive. An employee's work day is the twenty-four (24) hour period beginning with his regularly assigned starting time of his workshift, and his day of rest starts at the same time on the day or days he is not scheduled to work. His work week starts with his regularly assigned work period on Monday, except that, where agreed upon, the basic work week of a third shift employee may start with a regularly assigned work period which begins before Sunday midnight and extends into Monday under the provisions of this Section IX (Hours of Work) and Section X (Overtime) of this agreement. Variations in hours of work and the schedules of hours of the several shifts are subject to negotiations.

B. Established Shifts

Management shall establish shift start times for each of the below shifts within the hours set forth below:

- First Shift - between 5:00 AM and 7:00 AM
- Shipping Floor Shift* - between 11:00 AM and 12:00 PM
- Second Shift* - between 3:00 PM and 5:00 PM

- Third Shift* - between 9:00 PM and 11:00 PM

NOTE: **(a)** Schedules for employees assigned to swing shifts will be published for two (2) weeks at a time.

(b) One-half hour lunch period will be assigned.

(c) *Eligible for Night Turn Adjustment.

(d) Employees shall be granted two (2) ten (10) minute breaks. One (1) before the lunch break, and one (1) after the lunch break, as scheduled by management to meet operational requirements.

(e) Management will establish a standard start time that falls within the defined shift window. The start time will be based upon business needs, and exceptions to the start times will be discussed with the Union. Employees will be asked to volunteer for these exceptions. If there are no volunteers, the least senior qualified employee will be assigned to the start time. Management will give thirty (30) days' notice prior to changing any employee's start time, absent an agreement with the Union to make the change in a shorter time period. At the time a new employee starts, an employee on the shift exception will be given the opportunity to switch to the standard start time, depending on qualifications.

(f) The Company may adjust a shift start during the first quarter of the calendar year. The Company will provide ninety (90) days advance notice regarding a change in shift start times

based upon the needs of the business. Additional shift changes will be done by mutual agreement with the Union.

C. Non-Established Shifts

Shifts and/or work weeks other than the above (including Rotating, Fixed, or Swing Shifts), will be covered through negotiations and where application of such special shifts becomes necessary, such will not be made until a minimum of two weeks (unless the employee is willing to go sooner) after the start of negotiations. Disagreement with the shift so established may be raised under the grievance procedure.

D. Notification of Shift/Lunch Period Changes

When production conditions require, the supervisor may request the employees to work hours differing from any established shift schedule. The Section Steward, or in his absence, the Local Representative next in line, will be notified of the conditions as quickly as possible after they are known. Before assigned lunch periods are changed, the Local will be notified. Management will notify employees of permanent shift changes at least two (2) weeks prior to the start of the newly assigned shift.

E. Continuous Shift

The provision for payment of night turn adjustment (Section VIII, Paragraph B.) and overtime (Section X) shall be inapplicable to employees on continuous shift operations. Such provisions for payment of night turn adjustment shall also be inapplicable to any special groups of employees who have not heretofore received extra compensation for working night turn hours; and such provisions for payment of overtime shall also be inapplicable to any special group of employees who have not heretofore received overtime pay for work on particular days as such.

F. Notification of Absence

Any employee who is voluntarily or involuntarily absent without advance permission or notification to the employee's supervisor must report the absence prior to the start of the employee's assigned shift on the day of the absence so that Management can reassign/reschedule work assignments. Any employee who regularly fails to adhere to this policy may be addressed through the established progressive disciplinary procedures unless the employee can demonstrate extenuating circumstances, which made it impossible to comply with this procedure. Management will provide telephone numbers which employees are required to call in order to satisfy their obligations under this provision.

G. Unreported Absence

1. An employee absent without permission is obligated to notify his supervisor of the reason for his absence.

2. Any employee who is absent without permission for a period of five (5) working days without having during that time reported a reason for his absence to the Company shall be terminated, unless at the time of his return he can show extenuating circumstances which made it impossible for him to so report.

H. Make-Up Time

Employees may make-up missed time under the following conditions:

1. The employee must have received approval from Management prior to the start of his scheduled start time and Management shall have the discretion to deny such requests.

2. The amount of make-up time shall not exceed four (4) hours per day.

3. The make-up time must be worked in the same workweek.

4. Make-up time shall only be permitted for occasional non-recurring situations; it is not the intent of this provision to permit flextime.

SECTION X - OVERTIME

A. For overtime purposes the average earned rate will consist of straight time earnings, including key sheet rate of record, night turn bonus, group leader remuneration, and incentive payments.

B. Overtime shall be equitably distributed as far as practicable on a shift among employees in the same section (such as FA, FB, WA, WM, QT, etc.) who are in the same job classification. Overtime shall be distributed as equitable as practicable between shifts.

- 1.** When requested, supervisors will advise the steward of the section involved of the names of employees scheduled to work overtime.
- 2.** The supervisor shall maintain a record of overtime in the section and will periodically review the record with the section steward.

C. All hours worked in a regular working day in excess of the number of hours of the employee's assigned shift will be paid at overtime rates.

D. The following will apply to assure a uniform maintenance of overtime records:

- 1.** If at least two (2) hours advance notice is given and the overtime is refused, it will be considered as overtime hours worked for the purpose of overtime equalization.
- 2.** Employees should also be given two (2) hours advance notice for Saturday and Sunday overtime

hours (i.e., two hours before the end of the shift on Friday or Thursday if the employee will be absent on Friday due to 9/80 scheduled absence) before they can be charged with overtime hours refused.

3. If an employee is absent due to illness or any other reason, he will be charged for overtime hours that would have normally been requested of him if he had been actively at work. Employees who take an unpaid absence from work during their regular work week, may or may not be asked to work overtime on the weekend at the discretion of management without regard to the overtime balancing requirements.

4. All overtime hours worked or accepted will be recorded regardless of section on the employee's overtime record. Employees who are requested to work overtime in a different section will not be charged with overtime hours refused, but will be charged with overtime hours accepted.

5. Employees on loan shall be eligible for overtime as follows: All employees assigned to the section, and present at work, shall be asked to work overtime prior to asking any employee on loan. The loaned employee shall be charged with overtime hours in accordance with D.4. above. The above does not preclude management from asking employees on loan from working overtime in their home section should overtime be available.

E. The maintenance of overtime records of employees reassigned to another overtime distribution group and the assignment of newly hired employees to an overtime distribution group, shall be as follows:

1. Newly hired employees will be charged with overtime hours equivalent to the average overtime hours of the overtime distribution group at least by the end of the employee's second week of active employment in the group.

2. Employees transferred into an overtime distribution group, or classification will be charged with overtime hours in the following manner:

a. If the employee has less overtime hours charged to his or her record than the employee of the group with the lowest number of hours of overtime, the "transferred-in" employee will then be charged with having the same number of hours as the employee of the group with the lowest overtime hours.

b. If the employee has more overtime hours charged to his record than the employee of the group with the highest number of overtime hours, the "transferred-in" employee will be charged with having the same number of hours as the employee of the group with the highest overtime hours.

c. If the employee enters the overtime distribution group with overtime hours charged to their record, that fall between the lowest and highest charged overtime of the group, the employee will be charged with overtime hours as recorded and slotted accordingly.

F. At the end of each calendar year, overtime records for all employees will be reduced to zero (0).

G. 1. An employee who agrees to work overtime on weekends and holidays and does not work at least five (5) of the overtime hours accepted will be credited with twice the number of hours rounded to the nearest one-half (1/2) for all hours not worked.

2. It is further agreed that at the time an employee is asked to work overtime on weekends or holidays, he/she will indicate whether they want to work 5 hours (for which he/she will be charged 8 hours if offered, for purposes of overtime equalization), which does not include lunch, or they want to work 8 hours, which will include a lunch period.

3. It is clearly understood that anyone working more than five (5) hours on weekends or holidays is required to take a lunch period.

H. Essential Employees

In the event that Management decides to close the BWI facility, employees directed to continue working or directed to report to work by Management will be paid an overtime rate, i.e., the employee's salary converted to an hourly rate plus an additional payment for each hour so worked equal to double time of the employees average earned rate for the payroll period. The foregoing applies to both salaried and hourly employees.

I. Hourly Overtime

Overtime payments will be made to hourly-paid employees under the following conditions:

1. Time and one-half - i.e., hourly earnings plus one-half (1/2) the employee's average earned rate for the payroll period involved - for:

a. All hours worked in excess of eight (8) hours but less than twelve (12) in any day (Monday to Friday, inclusive).

b. All hours worked less than twelve (12) on Saturday.

c. All hours worked less than eight (8) on observed holidays for which the employee receives additional payment under Section XI.

2. Double time - i.e., hourly earnings plus the employee's average earned rate for the payroll period involved - for:

a. All hours worked on Sundays.

b. All hours worked on calendar Sundays outside of the employee's established shift.

c. All hours worked after twelve (12) hours in any day (Monday to Saturday, inclusive)

d. All hours worked on observed holidays for which the employee is not eligible for payment under Section XI.

e. All hours worked on observed holidays after eight (8) hours for which the employee receives additional payment under Section XI.

J. Salary Overtime

1. All hours worked by salaried employees in excess of eight (8) hours but less than twelve (12) in any day or forty (40) hours in any week will be paid at overtime rate, i.e., the hourly earnings plus an additional payment for each hour so worked equal to one-half (1/2) the employee's average earned hourly rate for the payroll period involved.

2. Hours actually worked by salaried employees in excess of twelve (12) hours in any day will be paid at an overtime rate i.e., the hourly earnings plus an additional payment for each hour so worked equal to the employee's average earned hourly rate. Hours worked in excess of twelve (12) in any day that are not payable under this paragraph will be paid pursuant to the provisions of Paragraph I.1. above if applicable.

3. Hours worked on the seventh day of work in the work week after forty (40) hours have been worked, will be paid at the employee's hourly earnings plus an additional payment for each hour so worked equal to the employee's average earned hourly rate.

4. Hours worked on observed holidays, by salaried employees who are paid overtime on hours worked, will be paid for at the employee's hourly earnings plus an additional payment for

each hour so worked equal to one-half (1/2) the employee's average earned hourly rate. Such payment is in addition to the employee's salary.

K. Hours Worked

Absent hours considered as involuntary will be considered as hours worked for determining overtime for both hourly and salaried employees. Involuntary absences are defined as follows:

- Funeral or death per Death in Immediate Family
- Jury duty and court appearances as contemplated in Section XVI – Court Appearances
- Injury or illness of the employee
- Furloughs for which deduction from pay is made except in case of disciplinary furlough
- Holidays, vacation, PTO, and personal/sick days
- Union activities by elected representatives as contemplated in this Agreement
- Military Service as contemplated in the company Military Leave Policy

SECTION XI – HOLIDAYS, VACATIONS, PAID TIME OFF, VACATION ACCRUAL

A. Holidays

1. Holidays observed by the Company will be New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, day after Thanksgiving, Christmas, and the day before Christmas and two days designated each year by Management in accordance with Paragraph 3 below. Holidays except for the day before Christmas falling on Sunday will be observed on Monday. If the day before Christmas falls on Saturday, or Sunday, the last regular working day before Christmas shall be the designated holiday.

2. In any calendar year in which one or more of such holidays fall on Saturday, such holiday or holidays will not be an observed holiday in such year within the meaning of this Agreement, but another day or days between Monday and Friday, both inclusive, will be observed during such year in place of the Saturday holiday or holidays. Management shall be required to designate such alternative day or days before January 1 of such calendar year after the matter has been discussed between the Local and Management.

3. Management will, prior to January 1, of each calendar year, designate the days that the two elective holidays will be observed during the following year. Such holidays will be designated by Management pursuant to the procedures for designating an alternate day when a scheduled holiday falls on Saturday as set forth in Paragraph 2 above.

4. All hourly paid employees who have completed thirty (30) days continuous service immediately preceding an observed holiday will be paid for their established shift hours on such holiday. Hourly paid employees who were laid off for lack of work and are rehired within one (1) year after layoff, who completed thirty (30) days continuous service prior to their layoff, will receive the above holiday payment.

5. Employees will be paid for holiday hours on the basis of their rate of record, and in addition night turn bonus and group leader remuneration where applicable, on the date immediately preceding the holiday.

6. The above payment will be made only to hourly paid employees who are on the active roll, which in no case includes the disability roll, on the last working day before the observed holiday, and who earned some wages during the week in which such holiday falls or any of the four (4) preceding weeks, provided that employees who are separated at any time during December 31 in any year shall not be entitled to holiday pay for New Year's Day in the following year.

7. Salary employees on the active roll, which in no case includes the disability roll, on the last working day before the observed holiday will be paid for each of the observed holidays as set forth in paragraph A. 1., above.

B. Vacations

1. The Company will permit vacations to be taken as desired by employees as far as practical, consistent with efficient operations and subject to the following rules: Employees may not retroactively designate time off work as vacation after they return to work. Vacation time of three days or more must be scheduled at least five (5) working days in advance. Employees shall whenever practicable provide notice at least twenty-four hours prior to the start of their regularly scheduled shift time of vacation of less than three consecutive days, and if an employee fails to notify his/her immediate supervisor of such vacation prior to the start of his/her shift, unless the employee can demonstrate extenuating circumstances, the Company shall have discretion to deny vacation pay for such absence. Where more employees in the same position desire the same vacation period than can be permitted to be absent, preference will be based on seniority.

2. When the vacation period of a salaried employee includes one of the observed holidays as set forth in Paragraph A., above, in his regularly scheduled work week, or the vacation period of an hourly paid employee includes one of such observed holidays, an additional day of vacation will be granted with pay, in lieu of the holiday.

3. a. Management may schedule vacation shutdowns for vacation purposes for all or a portion of the BWI operations. The Company will notify the Union of vacation shutdowns of four (4) days or less; vacation shutdowns of five (5) days or more will be a matter for negotiations.

Vacations will run concurrently with the vacation shutdown periods. Employees who become eligible for vacations subsequent to the vacation shutdowns, but before the end of the year, will be granted vacation pay, when they become eligible, if they were absent during the vacation shutdown periods, without additional time off. It is recognized that some employees will be requested to work during the vacation shutdown periods. Management shall be required to designate the time of the vacation shutdown or shutdowns before January 1 of the vacation year. Except as may otherwise be agreed between the Local and Management, the total of all periods of vacation shutdowns in any vacation year shall not exceed ten (10) working days (exclusive of Saturdays, Sundays, and observed holidays).

b. Employees entitled to vacation pay during a vacation shutdown, who are on the disability roll on the last working day prior to the vacation shutdown and are receiving Accident and Sickness Benefits under the Northrop Grumman Insurance Plan shall not be placed on vacation for the period of the scheduled shutdown unless the individual employee makes a request for said vacation period in writing prior to the shutdown. If such a request is made, Accident and Sickness Benefits will be suspended during the vacation shutdown. Under no circumstances, except where mandated by law, will an employee receive both vacation and Accident and Sickness Benefits for the same period, and if necessary before the end of the calendar year the payment of Accident and Sickness Benefits to the employee will be suspended for the period of vacation remaining to the employee and he will

receive vacation pay in lieu thereof. Vacation payment shall be at the rate effective at the time the employee became disabled plus any intervening keysheet changes.

4. Where an employee is terminated from employment for any reason, payment for vacation not taken for the current year will be made if the employee has qualified for vacation. Employees who are laid off may elect to receive pay for unused vacation, to which they are entitled, any time during the calendar year in which they are laid off.

5. The right to vacation with pay shall vest as follows:

a. Each employee who is on the active roll and who has completed at least thirty (30) days continuous employment immediately preceding the close of business of the calendar year immediately prior to the beginning of the vacation year shall be entitled to that vacation in the vacation year for which he has qualified at such close of business, and

b. Each employee who is on the active roll and who has completed at least thirty (30) days continuous employment at the close of business on his last working day immediately preceding the time of starting his vacation shall be entitled to such additional (or initial) vacation for which he has qualified at such close of business.

6. For vacation purposes only, continuous employment is interrupted only when an employee's name is removed from the active roll,

except that in case the removal is the result of disability, such removal does not interrupt continuous employment unless and until the employee's name has been removed from the active roll for two (2) years.

7. Vacation Eligibility

Employees hired prior to 1/1/2016 are eligible for ten days (80 hours) of vacation in the first calendar year of employment. If a vacation shutdown period is scheduled in the initial calendar year of employment, an applicable number of vacation days must be used to cover the shutdown. In the second calendar year of employment, an employee is eligible for ten days (80 hours) of vacation on January 1. Upon completion of one year of service, the employee is eligible for an additional five days (40 hours) of vacation.

Employees meeting the requirement of thirty-(30) days continuous employment described in Section 5. above will be granted vacation as follows:

0 but less than 1 year	10 days (80 hours)
1 year but less than 15	15 days (120 hours)
15 years but less than 20	20 days (160 hours)
20 years or more	25 days (200 hours)

Incumbent employees on the rolls as of 12/31/09, who have 30 or more years of service with the Company will retain their 6th

week (30 days) of vacation for the duration of their employment.

8. Borrow and Carryover

Employees will be authorized to borrow and carryover vacation.

1. **Borrow Vacation:** Employees will be allowed to borrow up to 40 hours of vacation from the next calendar year or during the calendar year, before they have actually met the service requirement and have earned the vacation. Employees who terminate employment (including retiring) before meeting the service milestone necessary to have earned their borrowed vacation are required to pay for the vacation at termination. The required amount will be deducted from the final paycheck.
2. **Carryover Vacation:** Employees will be allowed to carryover up to 80 hours of vacation to the next calendar year. At year-end, vacation payment, in lieu of taking vacation, at management's request, will not be approved until the maximum vacation carryover is used.

9. Employees who are laid off may elect to receive pay for unused vacation, to which they are entitled, any time during the calendar year in which they are laid off.

10. Employees may utilize their vacation eligibility in six-minute (.1 hour) increments, under the following terms and conditions and must be scheduled by the employee and approved by the employee's supervisor in advance.

11. Employees who are retiring will not be required to schedule their remaining vacation prior to the effective date of their retirement but may instead elect to receive pay for any unused vacation remaining in that calendar year as of the effective date of their retirement.

C. PAID TIME OFF (PTO)/VACATION ACCRUAL

1. PTO FOR SALARIED AND HOURLY EMPLOYEES HIRED ON OR AFTER 1/1/2016

a. Paid Time Off

Salaried and hourly employees hired on or after January 1st, 2016 will be assigned to Paid Time Off (PTO). The company provides a PTO bank where vacation, sick, and personal time is combined into a set number of annual hours based on years of service and is accrued at the beginning of the pay period.

As PTO is a capped benefit, defined maximum is set as at two (2) times annual accrual. Upon reaching the cap, an employee no longer accrues additional PTO until the accrued balance falls below the maximum allowance.

b. PTO Accrual Schedule

Full-time salaried and hourly employees shall accrue PTO time based on length of service to the company, as follows:

Mission Systems PTO Schedule			
Years	Total annual PTO hrs	PTO accrual rate (hrs per week)	Maximum PTO bank hours (accrual cap)
< 1	120	2.31	NA
1-4	136	2.62	272
5-9	152	2.93	304
10-14	168	3.24	336
15-19	184	3.54	368
20-24	200	3.85	400
25+	216	4.16	432

(1) PTO Use

PTO may be taken in 0.1 hour (6 minute) increments. Employees must enter all paid time off hours in accordance with approved timekeeping procedures.

The use of PTO must be approved by the employee's management in advance whenever possible, i.e., a planned vacation as defined in the CBA. Employees must notify immediate management in the event of unplanned PTO/Absence as defined in the CBA.

Employees must use all accrued PTO hours prior to taking time off without pay.

(2) Termination of Employment

Employees receive payment for all accrued and unused PTO upon termination from the company.

PTO cannot be used to extend a termination date unless approved by the cognizant head of HR.

Terminating employees must repay the company if they have a negative PTO balance at the time of termination.

(3) Leaves of Absences and PTO

Employees on an approved LOA, paid or unpaid, retain their benefit service date for the purpose of determining annual PTO allowance upon return from LOA.

Employees on leave do not accrue PTO if they are not receiving pay from the company, except as noted below for military LOA.

Employees on a military LOA with reemployment rights under applicable laws and regulations accrue PTO each pay period, up to the maximum allowable, while receiving pay from the company.

(4) PTO Cash Out for Employees on Medical LOA

Employees on a medical LOA are eligible to request a PTO cash-out one time per month once the employee is no longer receiving 100 percent of pay from all combined income sources, including state disability, the

company short term disability plan provider, and pay from the company.

If the employee has the requisite number of PTO hours, the employee can request between 20 hours, or the current accrued balance if it is less than 20 hours, up to a maximum of 100 hours per monthly request.

When an employee on an approved medical LOA is out for a period of six months or is approved for long term disability benefits, whichever occurs first, the accrued PTO balance is cashed out.

Employees must contact the HRSC LOA team to request a cash-out and complete Form C-809, Request for Paid Time Off/Vacation Cash-Out While on Medical Leave of Absence.

(5) Company-Initiated Closures and Shutdowns

Under certain conditions, or when work schedules require, company operations may be closed down in a specified area for a period of time with the prior approval of the cognizant lead of HR.

Affected employees with positive PTO accrual balances may be required to use PTO.

Employees who have not accrued enough PTO to cover the closure may borrow PTO up to a negative balance of 40 hours.

Employees with a negative PTO balance who do not borrow PTO are required to take time off without pay during the closure/shutdown, when permitted by applicable law.

(6) Change to or Cancellation of PTO Use

Company or customer requirements may necessitate changes to or cancellation of an employee's previously approved/planned PTO. The company reserves the right to modify, reschedule, or deny specific dates or time of requested PTO.

Reasonable attempts are made to notify the employee of any modifications, rescheduling, or denial of PTO requests in advance of the start date of the time off.

SECTION XII - SENIORITY

A. Seniority Credit

For purposes of applying the increase and decrease in force procedures of this Agreement, determining vacation entitlement, exercising shift preference and for other purposes not directly related to determination of rights or entitlements under any negotiated benefit plan, seniority (accumulated length of service) is defined as follows for employees transferring from an MS location into the union and who will become covered by this Agreement:

- 1.** For individuals who are employed at an MS Maryland location as of the effective date of this

Agreement and who subsequently become covered by this Agreement, Seniority shall begin to accrue at zero (0) for the first four (4) years (48 months) of the transferred employee's employment at the BWI complex; after four (4) years the employees shall recapture prior seniority which the total number of years, months and days of employment by Northrop Grumman Systems Corporation, Mission Systems sector, on or after March 1, 1996, in any position in or out of a bargaining unit covered by this Agreement, including all time spent on the active roll; the disability roll up to a total of two (2) years; on disciplinary or other furlough; and on military leave up to the maximum required by law, plus

(1a.) All employees who are not employed at an MS Maryland location as of the effective date of this agreement will only have Union credited seniority at the date of transfer into the bargaining unit.

2. For former Westinghouse employees who the Company had an obligation to employ or re-employ on or after March 1, 1996, pursuant to the Asset Purchase Agreement between Westinghouse Electric Corporation and Northrop Grumman Systems Corporation, the total number of years, months and days of seniority accumulated as credited service as of March 1, 1996, under the predecessor collective bargaining agreement between the Union and Westinghouse Electric Corporation.

3. Consistent with Paragraph 1., above, an employee laid off is not on the active roll, will not accumulate seniority while laid off, and is for all

purposes considered as separated from the employ of the Company, but will have the right to be placed on the Inactive Seniority List and such other rights as are provided in this Section.

4. An effective seniority date for each employee will be established at the time of the employee's re-employment, recall or transfer to a bargaining unit covered by this Agreement.

5. In cases where two or more employees have the same seniority date, the most senior will be that individual with the highest last number in his social security number (zero being the lowest). If their last number comparison produces a tie among all employees being so compared, then the next-to-last numbers will be compared, and so forth, until the tie is broken.

6. A record of the seniority status of each active employee, and of the Inactive List, shall be maintained in the Labor Relations Department.

B. Loss of Seniority.

An employee will lose all seniority if separated from employment for any of the following reasons: discharge for cause; quit; failure to return to work from a leave of absence of any kind at or before the end of such leave; after two (2) continuous years on the disability roll; acceptance of any severance or layoff benefit which by its terms extinguishes all previously earned seniority; and removal from the Inactive Seniority List pursuant to Paragraph D.3. below. Seniority lost pursuant to this paragraph will not

be restored upon any subsequent return to employment with the Company.

C. Probationary Period

1. The initial one hundred twenty (120) calendar days of employment for newly hired employees shall be considered as a probationary period. This period shall also apply to any rehired employee who experienced a break in service from the Company of one (1) year or greater.

2. Probationary employees will not normally be eligible to apply for posted jobs during their probationary period, unless the employee's background and experience indicate they can perform the job with only such familiarization as an employee with previous experience on such a job would require.

3. During the probationary period, the Company retains the right to terminate or discipline employees without recourse by them to the grievance procedure.

D. Inactive Seniority List

1. The names of those laid off will be placed on the Inactive Seniority List.

2. The names of employees who voluntarily quit, who are released, or who are discharged will not be placed on the Inactive Seniority List.

3. Employees who are not probationary employees who are laid off after August 31, 1998 shall be retained on the inactive seniority list and

be eligible for recall for a period of sixty (60) months following their layoff. Former employees on the Inactive Seniority List as of August 31, 1998 will be continued on such list in accordance with the time schedule in effect as of the date of their layoff.

4. A former employee will be removed from the Inactive Seniority List when he is not rehired within five (5) years from the date of layoff, or on being called during this period, fails to reply within seven (7) working days from the date of mailing an expressed letter to his last known address, or refuses to report for work within seven (7) working days thereafter unless an extension of time is agreed upon by the Company. An employee's name will be removed from the Inactive Seniority List if he refuses a job in an equal or higher labor grade than that from which he was laid off. An employee will have the right to refuse any job on recall that he had originally refused during the decrease in working force procedure. The Union will be notified when a former employee's name is removed from the Inactive Seniority List for any reason.

5. Employees to be recalled will be notified in writing by express mail addressed to the last address on file with the Employment Office and the position will be held open for seven (7) days from the date of mailing of the notice. Employees shall be responsible for keeping a current address on file.

E. Decrease in Working Force

1. It is mutually recognized that to operate a plant or any part thereof, at a schedule that gives employees less than a full week of work is unsatisfactory to both the employees and the Company. Temporary reductions in production may be bridged by the furloughing of employees following discussion with the Union. When there is a definite reduction in the production schedule for a group or section, employees will be laid off to maintain a full workweek. The parties may negotiate at any time temporary modifications of this procedure and the periods of time during which they will be in effect.

2. In cases of temporary reduction, furloughs may take place among employees on the same shift, classification and labor grade who normally perform the work affected by the reduction. Unless otherwise agreed upon, furloughs shall not exceed a period of four weeks and will be based on seniority provided the remaining employees can do the job.

3. At the time of layoff, an employee on personal leave of absence or on the disability roll will be laid off and his name will be added to the Inactive Seniority List when, because of his seniority status under the established seniority procedure, he would have been laid off if he were actively at work. Notice of such layoffs will be given to the Union and to the employee involved at his last known address, but the usual notice periods outlined below in Paragraph H. shall not apply. Any objection to such layoff must be made by filing a grievance within two (2) weeks following the giving of such notice to the Local. Layoffs pursuant to this provision shall not affect any right

to benefits or coverage under the Northrop Grumman Insurance Plan to which the employee has already become entitled prior to the layoff, either for himself or his dependents, by reason of his disability or leave of absence. It shall be the obligation of such disabled employee to notify the Company of his availability for reemployment, and until such notification, the Company will have no obligation to offer such disabled employee reemployment. Such disabled employee on the Inactive Seniority List who is still disabled at the time he is recalled will be returned to the disability roll if he so requests at that time. The period on disability prior to layoff and the period during which he is returned to the disability roll will be considered as a single continuous period.

4. An employee up for disposition shall displace the least senior employee occupying a job previously held by the more senior employee (including a successor job to a superseded job previously held by the more senior employee), under one of the following options as set forth below, providing he can still perform the duties of the job with only such training as an employee with previous experience on such job would require. In addition, a senior employee shall have displacement rights to a job he has not previously held if (a) his work history card indicates he has previously performed the same or a substantially similar job, and (b) he successfully demonstrates during an interview with management that he can perform the duties of the job with only such training as an employee with previous experience on such job would require. Employee will be able to review their work history cards to make sure they are up to date.

- same seniority unit; same grade
- same seniority unit; any grade
- any seniority unit; any grade

5. Prior to involuntary disposition, an employee up for disposition may elect to be transferred to open jobs of the same grade, for which he is qualified, which are available following application of the posting procedure.

6. If the employee has exhausted his moves and is not placed in the above procedure, he shall be laid off and his name added to the Inactive Seniority List.

7. An employee who refuses a job for which he is eligible under the terms of this seniority procedure shall not be considered to have involuntarily separated, but his name will be added to the Inactive List. However, he will not be considered for recall to a job of lower labor grade than that which he indicates he will accept at the time he refuses downgrading.

8. It is understood and agreed that in all cases of layoffs due to decreasing forces, accumulated length of service will govern, and employees will be permitted to displace other employees only if the employee can perform the duties of the job with only such training as an employee with previous experience on such job would require.

F. Special Work Force Reduction Problems

In reductions in force involving the reclassification or separation of a number of employees having similar seniority moves, the Local will recognize the problems incident to such a reduction and at the request of Management will discuss with Management a procedure through which the reduction can be accomplished with the minimum number of moves consistent with the principles provided in this agreement.

G. Notice Period

- 1.** Employees released, or selected for layoff because of lack of work, shall be advised of the reason therefore at least three- (3) working days before such release or layoff becomes effective. The Steward shall be so notified before the notice is given to the employee involved. Such employees will be given three (3) days work, or pay if work is not provided.
- 2.** The provision in the last preceding paragraph does not apply in case of discharge due to a serious infraction of Company rules. The steward and the Local's office will be notified with the reasons therefore within one (1) working day.
- 3.** In cases where conditions require furloughing of employees, the Local 82130 office will receive reasonable advance notice in accordance with conditions as they arise, before the employees involved are notified. The employee will be given as much advance notice as practicable.

H. Increase in Working Force--Transfers and Upgrading

1. Open jobs will be filled by upgrading, posting and then transfers among all qualified active roll employees. Only after these processes have been exhausted will employees on the Inactive Seniority List be recalled. Seniority will govern if the employee's experience, although not necessarily on the same type of work, indicates that he can do the job (i.e., the employee must presently possess the minimum skill and knowledge necessary to perform the job, although some training may be required to adapt these skills to the particular job requirements).

2. The process for filling open jobs shall be as follows:

a. **Upgrades.** The first step is to upgrade the most senior qualified employee from a job in lower labor grades in the seniority unit in which the available job exists. By mutual consent, qualified employees, absent due to illness, will be given consideration at the time upgrading takes place.

b. **Posting.** When an opening occurs in the lowest labor grade in a seniority unit, or if a job cannot be filled in Step 1 noted in 2.a. above, it will be posted for five (5) working days. All non-exempt active roll employees at the BWI site will be eligible to bid on posted jobs. The most senior, qualified active employee who bids on the job during the five (5) day period of posting and who is eligible for transfer, will be considered for the job. Employees represented by the IUE-

Baltimore will be considered for posted openings first. If there are no qualified IUE-Baltimore represented employees, the Company will then go to the recall list (qualified employees), then all non-exempt employees would be considered. Employees who bid on the job and are accepted will be placed on the job. The job to be filled will be identified by job title, job number, labor grade, shift and seniority unit number. Employees who have been issued formal discipline (3 day suspension or above) within the last six (6) months may not be considered eligible for a posting.

(1) Whenever a specified job in the Plant is posted and the number of qualified applicants is fewer than the number of jobs posted, the same job will not again be posted for the remaining number of openings on that posting during the ensuing ninety (90) calendar days. Additional openings for the specified job will be posted.

(2) Any employee who has been granted a transfer through the posting procedure shall not be eligible to file another application for transfer for a six-month period except if an employee's previous experience indicates he can satisfactorily perform a higher grade job that later becomes open.

(3) Management will place on the bulletin board the name and seniority date of employees selected.

(4) The Union will be given copies of posting results, including copies of all application forms.

c. Transfer. If the open job is not filled through upgrade or posting, it may then be filled by transferring an employee up for disposition pursuant to Paragraph F.5 of the Decrease in Working Force Procedure.

If employee is not moved to the job within thirty (30) days the employee will be paid at the new rate.

3. Recall From the Inactive Seniority List.

If the job is not filled through the application of Paragraph 2. above the Company will seek recall candidates from the Inactive Seniority List but if there are none, may fill the job with other qualified candidates.

4. Transfers of Work and Employees into the Bargaining Unit

a. The Union acknowledges that management is actively seeking new work, including the transfer of work performed elsewhere by Northrop-Grumman, into the BWI complex. The Company agrees that the employees performing such work, who may be transferred to the West Building complex, will be covered by this Agreement if performing work of a type and at a location, performed by members of the bargaining unit.

b. The Union agrees that such employees have a preferential right for transfer into the bargaining unit and shall be granted seniority equivalent to

the accumulated service definition of Section XII Paragraph A.

c. The Increase in Work Force Procedures shall apply, in full, to those open positions available after the transfer of employees previously performing such work has been completed.

d. The Union agrees that such employees already performing work transferred into the unit covered by this Agreement will have a preferential right to transfer into the bargaining unit and shall be granted seniority (as defined in the opening paragraph of this Article) for all purposes except for the provisions of their Article governing decrease in force. With respect to seniority for purposes of decrease in force, the Company and the Union will bargain this issue in good faith at the time that the movement of work and employees is contemplated to occur. In the event the parties are unable to reach agreement, employees transferred to the BWI complex will not be credited with their previous Company seniority for their first four (4) years of employment at the BWI complex. Transferred employees will, however, accrue seniority during this four (4) year period. At the end of this four (4) year period, employees transferred under Section XII-I-4 will be credited with all their Company seniority for all purposes as defined in the opening paragraph of this Section.

5. Transfer of Work within the BWI Complex

The Company may transfer work within the BWI complex accompanied by the employees

historically performing such work. If such work and employees are moved across Union jurisdictional lines, the Company shall notify the affected Union(s), in advance, and attempt to secure mutual agreement on jurisdictional assignment. Failing agreement, the Company will assign the bargaining unit placement of such work in accordance with applicable legal principles. Dissatisfied Union(s) may seek resolution from the AFL-CIO, CLC Article XX procedures or from the NLRB. The Union agrees that any such dispute shall not be made the subject of any strike or stoppage of work.

6. Temporary Loans of Employees into and out of the Bargaining Unit

In order to bridge fluctuations in workload, Management may temporarily loan employees not covered by this Agreement to staff such work, under the following conditions:

a. Such temporary loans will not exceed one (1) year without further discussions with the Union. At the end of one year the Company may post the job, in which case, the loaned employee may continue to perform the work for sufficient time to train the employee who successfully bid on the job through the posting process. If the Company does not post the job at the end of twelve months, it will not have any loaned employee perform the job for at least three months following the end of the initial twelve months; provided, however, that by mutual agreement between the Company and the Union, a loaned employee can continue to perform the job when there are extenuating circumstances.

b. Employees so loaned will not displace any employees covered by this Agreement and such loans will not be used to avoid the promotions or upgrade of qualified employees covered by this Agreement.

c. Employees so loaned will be paid their regular rate or the rate commensurate with the position whichever is higher.

d. The representation status of such employees will not change as a result of such temporary loan.

e. The Union Office will be notified, in advance, of the number of employees to be loaned, the expected duration of the loan and the reason therefore, as well as, any changes as may occur, in the status or duration of such assignment. The union reserves the right at any time during the loan period to hold discussions on the loan.

f. Any employee assigned for more than 30 days pursuant to this provision who is not represented by a Union shall be subject to the provisions of Section VII - Checkoff, for the duration of the loan excess of 30 days.

g. Management may also temporarily loan IUE represented employees to work at locations outside of the West Building. If such location is outside the BWI complex, Management shall first seek volunteers for the assignment; if there are no volunteers, Management shall select the least senior employee in the affected job. Otherwise, if such location is within the BWI complex,

Management shall have the discretion to select which employee shall be temporarily loaned; provided, however, that if such location is within the BWI complex but involves a change in the loaned employee's shift, Management shall first seek volunteers, and if there are no volunteers shall select the least senior employee. For purposes of this paragraph, shift change is defined as first, second, or third regardless of starting times.

7. Flexibility and Mobility Within the Collective Bargaining Unit

a. In order to meet production schedules, or to cover emergency situations, or lack of work, it may be necessary to temporarily reassign an employee from his regular job and work assignment to another job in a different job classification.

b. Temporary assignments will not exceed twelve (12) months. The company retains the right to select employees based on availability, taking into consideration employee skills and production schedules in an effort not to disrupt ongoing operations and the efficient flow of work. If the temporary assignment exceeds the twelve (12) month period and the Company and the Union do not mutually agree on an extension, the employee will be returned to the original department.

c. Whenever such temporary assignment is to be made, the Local Steward shall be notified in advance.

d. When Management assigns an operator temporarily to a job other than his regular job, when his regular job is available, he will be paid a rate determined in advance of the assignment which takes into consideration his rate of record, or the rate of the job whichever is higher.

I. Changes in Shift

Scheduled shift preferences will be conducted every twelve (12) months on the last Monday in March. Shift preferences will be conducted by seniority within the job classification, with Management determining staffing needs for the area. Employees must be in their job classification for the duration of six (6) months to be eligible. At the time of the shift preference, all eligible active employees will be notified by Management and given two (2) weeks to respond.

During an increase in force, Management will hire into the shift for which there is a vacancy.

Additional shift preferences will be subject to mutual agreement between the Union and Management.

Janitorial will also conduct a shift preference during an increase in force.

J. Work Assignments - Graduate Student Training Course

It is recognized that practical work experience is necessary for the proper training of

Graduate Students; therefore, work assignments will be made in line with the following provisions:

1. During such assignment the student will not replace a regular employee. His time will be charged to the Educational Department and not to the group in which he is working. He will not be subject to the seniority provisions of this agreement.
2. Each assignment will not exceed six (6) weeks.

K. Seniority Preference

1. At the written request of the Local, an elected shop steward will be given seniority preference at the time when layoffs take place within the section, department or division for which he is acting as steward. Such seniority preference will be granted only to the extent necessary to enable him to retain a job within the section, department or division for which he is acting as steward provided such steward is otherwise entitled to such job by operation of the seniority provision of this Agreement. If their duties qualify them under the law, elected officers, upon written request of the Local, will be given at the time of reduction in working force similar seniority preference within the bargaining unit in which they are employed.
2. a. A group of employees not to exceed 2% of the active seniority list, but not less than four (4) employees will be given preference as set forth below due to special skill in key occupations, outstanding ability in certain work or because of unusual ability for training purposes to fill key jobs

either at the BWI site or other locations. The list of employees to be given such seniority preference and the reasons therefore will be supplied to the Local and will be kept up-to-date by Management. The list will be discussed with the Local prior to being made effective. Objections by the Local are subject to the grievance procedure. Such action shall not be subject to the arbitration procedure.

b. Employees on this list may be upgraded or transferred to an open job for the purpose of specialized training. In case of competitive bidding with other employees for the open job, skill and ability will be the determining factor.

c. An employee on this list will be given seniority preference at the time when layoffs take place within the section, department or division in which he is employed. Such seniority preference will enable him to retain his job within the section, department or division so long as such job remains, and when the job no longer exists he will be given preference for another job in the same labor grade or successively lower labor grades if he has had training for such jobs.

d. If the name of any employee is removed from the list, the job held by such employee shall be declared open and filled in accordance with all applicable seniority provisions as though there were no employee on the job.

L. Return from Disability

1. An employee who is returned from disability, if physically able, shall replace the least senior

employee on the job held at the time of commencement of the disability, seniority permitting. Otherwise, the employee will be placed in accordance with reduction in work force procedures.

2. The decision of the Medical Department on any question of any employee's physical ability to perform his work assignment shall be followed and reassignment considered. If the decision adversely affects the employee's status, the Company doctor will, at the request of the employee, advise the employee's doctor, relative to the basis for the medical decision, the employee's status as a qualified employee with an ADA covered disability and the availability of a reasonable accommodation which would enable the employee to perform the essential functions of the job. If job removal is determined, he shall be permitted to exercise his seniority privileges in accordance with the procedure for decrease in work force to a job for which he is qualified.

SECTION XIII - LEAVE OF ABSENCE

A. Upon the written request of the Local or Union an employee elected to a Local or a Union office or appointed as a full-time Union representative will be granted the usual leave of absence without loss of seniority, not to exceed one (1) year unless an extension is granted, and the determination as to whether such extension will be granted will be reached through collective bargaining between the Union and management, but in no case shall leave or leaves of absence or extensions thereof total more than two (2) years.

B. At the end of his or her mission such employee who has been granted a leave of absence will be restored on the basis of seniority to his or her former position or similar position at the going rate at the time of his or her return.

SECTION XIV - GRIEVANCE PROCEDURE/UNION BUSINESS ALLOWANCE

The procedure for the settlement of disputes handling of grievances is as follows:

1. Step One.

The first step shall involve a steward and the grievant's supervisor. Before a steward leaves work to investigate a grievance or to attend a meeting with management, the steward will first request permission from his supervisor. His supervisor will issue the appropriate time report, indicating the time the steward left his job and the employee or employees the steward intends to contact. Upon return to work the steward will sign the time report and return it to his supervisor, who will record the stopping time and complete the form, giving a copy to the steward and a copy to Labor Relations.

If the problem is not settled in oral discussions between the steward and the grievant's supervisor, a written grievance may be presented. The supervisor will arrange for a meeting to discuss the written grievance promptly, but no later than five (5) working days after receipt of the written grievance. The supervisor shall return a written Step 1 response

to the Steward promptly following this meeting, but no later than five (5) working days after the meeting has concluded.

2. Step Two.

If the Vice President, or equivalent desires to process the grievance further, he will forward the grievance to the Manager of Labor Relations, or designated representative within fourteen (14) working days of presentation to the Steward. The Labor Relations Manager or designated representative will arrange for a meeting promptly, but within ten (10) working days to include the Union representatives present at step one and such others, not exceeding five in total, as the Local feels can contribute to the constructive discussion of the issues involved. The Company representatives at step two, shall include those present at step one together with the Manager of Manufacturing, or equivalent, and the Labor Relations Manager or designated representative, not exceeding five in total. The reply by the Labor Relations Manager or designated representative shall be delivered to the President of the Local promptly, but within ten (10) working days following the meeting.

3. Appeal Level.

The appeal level shall involve the President and the Vice President of the Local. If the Union desires to process the grievance further, the Union must forward the grievance to the Company's Union Relations Director within thirty (30) working days of the Local's receipt of the step two response. The Union Relations Director

will arrange for an appeal meeting promptly, but no later than thirty (30) calendar days following the receipt of the grievance. A meeting will be held at a mutually agreed location and time. At the appeal meeting, the Union and the Company may have up to five (5) representatives each. The Union Relations Director will provide a written appeal response to the President of the Local promptly, but no later than twenty (20) working days following the appeal meeting.

4. It is expected that meetings and answers at all levels will occur as soon as possible within the time limits specified unless there is a mutual agreement in writing to extend the time limits.

5. The Company's reply to a grievance will be considered final at any level of the grievance procedure and the grievance closed, if written notification to the contrary is not received within forty-five (45) working days of the date such reply is delivered to the Local.

6. Should the parties fail to resolve any grievance after exhausting the grievance procedure, the provisions of Section XIV-A shall apply.

7. Failure to present an argument at any step of the grievance procedure shall not prejudice either party at a later step of the grievance procedure or in the arbitration procedure.

8. Disciplinary notices, except for Last Chance Letters, which are issued three years or more before an event that may give rise to formal discipline will not be used against an employee

for purposes of the formal disciplinary process. Last Chance Letters will be used when determining formal discipline for up to four years. However, such notices will not be removed from personnel files.

9. Where the Company or the Union believes that an emergency grievance dispute exists, following exhaustion of the local grievance procedure, an appeal level grievance meeting will be held within five (5) five working days of the communication between the respective Company and Union officials that such emergency exists, and a written answer will be given to the Union within three (3) working days following the conclusion of the meeting.

SECTION XIV-A – ARBITRATION

A. Any grievances, other than those concerning probationary employees, which remain unsettled after the grievance procedure has been exhausted, shall be arbitrable upon valid request by the Union. A request for arbitration shall be valid only if it (a) is in writing, and (b) is made within thirty (30) days after the Company receives notice that its final reply at the Appeal level is unsatisfactory. If no timely demand for arbitration is made, the grievance shall be resolved consistent with the disposition at the final step of the grievance procedure.

B. 1. When a request for arbitration is made, either party may, but only within 30 calendar days after the date of such admission, request the American Arbitration Association to submit a list of names from the Association's panels, from which an arbitrator may be chosen. Such request to the Association shall be accompanied by a copy of the original arbitration request. No arbitrator shall be appointed by the Association who has not been approved by both parties unless and until the parties have had submitted to them three (3) lists of arbitrators from the Association's panels, and have been unable to select a mutually satisfactory arbitrator therefrom.

In the event the arbitrator requests the parties to supply him with a stenographic record of the arbitration proceeding, the parties shall equally divide the cost of one (1) copy for him. The arbitrator shall have no authority to issue any subpoena or other form of legal process or award to compel either party to produce new evidence

(not already presented during processing of the grievance in the grievance procedure) considered by such party to be confidential or not relevant or material to the proceeding, or which is not available. This shall not limit the arbitrator's authority to compel the production of information which this Agreement requires either party to provide the other.

The arbitrator shall have no authority to make any award requiring payment to any employee for any period more than thirty (30) calendar days preceding the filing of a grievance.

2. Only one request shall be scheduled for the same arbitration hearing, except by mutual agreement of the parties.

3. In the selection of an arbitrator and the conduct of an arbitration hearing, the applicable provisions of the Voluntary Labor Arbitration Rules of the Association shall control, except that either party may, if it desires, be represented by counsel.

4. The dispute as stated in the request for arbitration shall constitute the sole and entire subject matter to be heard by the Arbitrator, unless the parties agree to modify the scope of the hearing.

C. This Agreement sets out expressly all the restrictions and obligations assumed by the respective parties, and no implied restrictions or obligations inherent in this Agreement or were assumed by the parties in entering into this Agreement.

D. The award of an arbitrator upon any grievance subject to arbitration as herein provided shall be final and binding upon all parties to this Agreement provided that no arbitrator shall have any authority or jurisdiction to add to, detract from, or in any way alter the provisions of this Agreement.

E. Absent specific agreement of the parties as expressed in a submission, an arbitrator shall have no authority or jurisdiction to hear any case or to review, revoke, modify, or enter any award with respect to any matter involving the interpretation or application of any pension, insurance, layoff income and benefit plan, or other benefit plan referred to by or made part of this Agreement, or otherwise negotiated between the parties, or with respect to the establishment, change, or administration of any such benefit plan, or to make any award requiring payment to an employee for any period more than sixty (60) days prior to the date when the Union knew or should have known of the incident giving rise to the grievance, a date to be determined by the arbitrator; or to compel either party to produce new evidence not already presented during the course of the grievance procedure considered by such party to be confidential, irrelevant, or immaterial to the proceeding, or which is not available.

F. Grievances filed on or after the effective date of this Section which are arbitrable under this Agreement and allege that an employee has been disciplined or discharged from the active

rolls without just cause may be processed specially into arbitration.

Any request for arbitration under this Paragraph F must be received by the Company within forty-five (45) calendar days after the date of the Company's Appeal Level response. The Company must respond within ten (10) calendar days after receipt of such request. If the parties agree as stated above, and they are unable to agree on an arbitrator, the Union will promptly obtain from the American Arbitration Association a panel of nine (9) qualified arbitrators, from which an arbitrator will be selected forthwith by agreement or alternate striking method.

In arbitration hearings held under this Paragraph F only, the parties agree that no transcript or other formal record of the proceedings shall be required, and that no post-hearing briefs will be filed unless otherwise mutually agreed upon. Either party may, however, present oral or written summations at the hearing. Hearings will be scheduled within sixty (60) calendar days of the appointment of an arbitrator, unless the parties agree upon a subsequent date, and awards with only a brief written opinion shall be issued within two (2) weeks after the hearing is closed, except as provided below. No award issued under the Paragraph F may be considered as establishing a precedent. All provisions of Section XIV-A shall otherwise apply to arbitration under the Paragraph.

In any arbitration under this Paragraph F involving discipline (but not discharge) of an employee, either party may, after all

presentation of evidence and summation is concluded, request that the arbitrator decide the matter without an opinion. In such case, the arbitrator shall, within one (1) hour thereafter, submit a written decision to the parties without stating any grounds of reasons for the award.

SECTION XIV - B - UNION BUSINESS ALLOWANCE

A. The President and the Vice President of the Local Union, while on the active employee role, will be permitted up to a maximum of forty (40) hours per week at his/her regular rate of pay for the performance of the functions of their office, including but not limited to:

- 1.** Receiving complaints and the investigation, handling and adjustment of grievances;
- 2.** Attendance at meetings with management within the employees basic working hours;
- 3.** Attendance at meetings with management outside the employees basic working hours where attendance is mandatory;
- 4.** Attendance at meetings with management for the purpose of collective bargaining; and
- 5.** Attendance at meetings held in the plant during regular working hours involving employee discipline at which the steward or designated union representative is entitled to attend.

B. The President and the Vice President shall not normally be eligible to work overtime. Each

of these employees will therefore be paid an amount corresponding to one and one-half times his or her regular rate of pay for the average number of overtime hours worked by employees in his/her job classification during the prior calendar year in addition to the 40 hours of pay set forth in Section A above. However, notwithstanding the foregoing, the Company reserves the right to mandate that either or both of these employees work overtime, when operational considerations warrant. In such instances, the employee will be paid for such time worked at his overtime rate of pay in addition to the other pay set forth above.

C. Stewards will not conduct any form of union business during working hours except after they have been granted permission to do so, as provided below. Before leaving work to conduct the type of union business described in Paragraph D. below, the steward will report to his supervisor and request permission to leave his job, which will be granted unless his departure would cause serious interference with operations. In such cases, the supervisor will make arrangements for the steward to leave his job as promptly as possible if warranted by the circumstances.

D. Stewards who request release from work under Paragraph E., below must secure a time report from their respective supervisor when released for purposes of authorized union business and must return the report to the supervisor when the authorized union business is concluded. Such time will be considered as

hours worked for the purposes of determining overtime.

E. In addition to the above, the Company will provide payment for one Union representative to meet with an OSHA or MOSHA Inspector for on-site inspections of areas in which employees covered by this agreement are assigned to work. Payment will be provided for the pre-inspection conference, to accompany the Inspector during the inspection and to participate in the final conference.

F. In addition to the persons designated under Paragraph A., the Union shall have the right to designate working active rolls employees as stewards. In addition to his regular assigned tasks as an employee, the steward shall have the right to receive complaints or grievances and to discuss and assist in the adjustment of the same with the employees' appropriate supervisor.

SECTION XV - BULLETIN BOARDS

The Company will permit the use of factory bulletin boards for the purpose of posting Union notices or other information of interest to members of the Union, provided that all such notices will be subject to the local Management's approval and arrangements made by the Management for posting. This process will remain until management and the union mutually agree to implement a newly formed electronic posting process. Following a pre-determined transition period, all jobs will only be posted electronically.

SECTION XVI - COURT APPEARANCES

A. When called for jury duty, employees will be paid as if the employee has worked his regularly scheduled straight time hours in the period involved exclusive of overtime but including group leader or night turn remuneration, where applicable. No wages will be paid for jury service during non-scheduled workdays, furloughs or days that would have been furloughs.

B. Employees will be reimbursed in the manner set forth in Paragraph A of this Section when time is lost because of attendance at a proceeding of a court or governmental agency at the request of the Company or in response to a subpoena served on the employee. However, when subpoenaed by other than the Company, the employee will not be reimbursed if the employee, the Company or the Local is a party in the case, or the employee has any direct interest or financial interest in the case.

SECTION XVII - MILITARY SERVICE LEAVE

A. IUE represented employees shall be subject to the Company's Military Service Leave Command Media Procedure. Management retains the authority to alter, amend, modify or terminate such procedure and any such change will not be subject to negotiation or the grievance procedure. To the extent that such actions affect the eligibility of IUE represented employees, the IUE shall be provided notice of any such change prior to its implementation.

SECTION XVIII - SICKNESS AND PERSONAL BUSINESS

A. Effective January 1, 2005, an hourly paid employee hired prior to January 1, 2016 with one (1) or more years of credited service, or a salary employee hired prior to January 1, 2016 who is absent from work because of personal illness for which weekly disability benefits are not payable under the Northrop-Grumman Insurance Plan, or under Workers' Compensation; (2) absent from work, with approval of Management, because of personal business; or (3) absent from work because of Management's decision to furlough, other than disciplinary suspension, or furlough resulting from disciplinary action to other employees, or slowdowns, or any other form of work stoppage in the plant, is eligible to receive a total of 5 days in each calendar year.

B. All employees who are otherwise eligible to receive such pay and who have completed thirty (30) days continuous employment immediately preceding the day or days of absence will be paid for their established shift hours:

- 1.** If the absence is of the type described in paragraph A.(1) or (2) above; or
- 2.** If the absence is of the type described in paragraph A.(3) above and pay has been requested for such day or days.
- 3.** Such payment shall be calculated on straight time hours and shall not include any overtime premium payments. Hourly paid daywork employees will be paid for such hours on the

basis of their rate of record, and in addition night turn bonus and group leader remuneration where applicable, on the date immediately preceding the day or days for which payment under this Section is requested.

C. An employee who has any unused benefits under this Section remaining at the end of any calendar year, may have such unused benefits, up to a maximum of forty (40) days, carried forward to the following calendar year for use in the event of absences of the type described in Paragraph A. above. Employees who have been laid off and who are returned to the active roll in the same calendar year or the following year are entitled, effective upon reinstatement to the active roll, to all unused benefits earned under this Section up to the date they were placed on the inactive roll. Upon retirement from or death while on the active or disability rolls of the Company, an employee will be paid for all days of benefits accumulated under Paragraph **D.** below and which are unused as of the employee's last day of work up to a maximum of 45 days.

D. Reimbursement under this Section will not be made for any day or days for which the employee receives any other type of monetary benefits from the Company.

E. Employees otherwise eligible to receive pay under this Section may be paid one-half (1/2) hour pay for a one-half (1/2) hour absence defined in paragraph A provided the employee informs his supervisor, in advance of an intent to be absent.

SECTION XIX - MODIFICATION

A. This Agreement expresses the complete understanding of the parties in respect to all matters deemed by them to be applicable to the collective bargaining unit and it will not be changed, modified or varied except by a written instrument signed by duly authorized agents of the parties hereto, and any negotiations relating to proposed changes in such provisions will be carried on between representatives as outlined in Section II.

B. This Agreement replaces and supersedes all prior agreements and understandings between the parties, whether oral, written or by past practice, and all such prior agreements and understandings are hereby terminated. The Company and the Union realize the immense effort made during these negotiations, at identifying those side letter agreements which remain in full force and effect was an extremely difficult one. Therefore, it is agreed by both parties, to leave open for the period of this contract, the possibility of unidentified items arising that could be considered part of the Appendix C.

C. The parties acknowledge that all agreements arrived at by them during the negotiations concluded by this Agreement are set forth herein (except to the extent they are set forth in the Pension and Insurance Agreement between the Company and the Union). Therefore, except as hereinafter specifically provided in this Section XIX, the Company and the Union, for the life of this Agreement, each voluntarily and

unqualifiedly waives the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter referred to or covered in this Agreement, or with respect to any subjects or matters not specifically referred to or covered in this Agreement which were discussed during the negotiation of this Agreement.

D. Except as herein before provided in this Section XIX, the Company and the Union agree that neither of them will request consideration of any proposed changes in or additions to this Agreement, including any general wage or salary adjustments, before July 1, 2025. If this Agreement continues in effect for any subsequent contract term or terms beginning on or after August 30, 2025, the provisions of the last sentence above shall apply (substituting the year to which this Agreement is renewed for the figures "2025" wherever they appear). When any such request is received, a conference will take place within fifteen (15) calendar days for the purpose of considering it.

E. If the parties do not reach agreement prior to August 30, 2025, with respect to any requested contractual changes or additions or wage and salary adjustments submitted on or after July 1, 2025, or if the parties do not reach agreement prior to the end of any subsequent contract term, with respect to any requested contractual changes or additions or wage and salary adjustments submitted on or after July 1 of such subsequent contract term, the Union may strike after the beginning of the next succeeding contract term in support of any such requests

made by it. Such strike shall not be a violation of Section V or any other provision of this Agreement, but either party may, upon not less than one (1) day's written notice given to the other during such strike, thereupon terminate this Agreement.

SECTION XX - TERMINATION


This Agreement entered into as of August 30, 2021, shall continue and remain in full force and effect from year to year thereafter, until August 30, 2025, and such succeeding periods of one (1) year being sometimes referred to herein as a "contract term", provided that either party may terminate this Agreement as of midnight, August 30, 2025, or at the end of any succeeding contract term, by giving the other party written notice of such termination not more than sixty (60) days and not less than thirty (30) days before the termination date.


Dated and signed August 30, 2021. Effective as of August 30, 2021.


**NORTHROP GRUMMAN SYSTEMS
CORPORATION
MISSION SYSTEMS SECTOR
BWI SITE**

By:  Paul Stoyell-Mulholland
Manager


BWI Labor Relations


By:  Mark Olmscheid
Manager
Labor Relations – IUE


By:  David Crandall
Director of Operations -
BWI


By:  Agarth Larbi
Director of HR,
Operations


**LOCAL 82130 - INTERNATIONAL UNION OF
ELECTRONIC, ELECTRICAL,
SALARIED, MACHINE AND FURNITURE
WORKERS/COMMUNICATIONS WORKERS
OF AMERICA (A.F.L.-C.I.O.,C.L.C.)**

By:  Mike Green
President
IUE-CWA Local 82130

By:  Mike Genco
Vice President
IUE-CWA Local 82130

By:  Rich Donophan
IUE-CWA Local 82130
Steward

By:  Willie Kinard
IUE-CWA Local 82130
Steward

By:  Matt Schreiner
IUE-CWA Local 82130
Steward

By:  Steve Haddaway
IUE-CWA Local 82130
Steward

APPENDIX A

August 31, 2021

LG	Time in Position						A	B	C
	0-6	7-12	13-18	19-24	25-30	31-36			
01	24.57	26.26	27.93	29.62	31.31	32.99	34.67	35.00	35.18
02	24.72	26.45	28.12	29.82	31.53	33.22	34.92	35.29	35.40
03	24.86	26.56	28.27	29.98	31.68	33.39	35.09	35.55	35.65
04	25.01	26.71	28.44	30.15	31.86	33.58	35.29	35.79	35.90
05	25.13	26.88	28.60	30.33	32.06	33.78	35.51	36.09	36.21
06	25.33	27.06	28.81	30.55	32.30	34.04	35.78	36.47	36.60
07	25.54	27.31	29.05	30.81	32.56	34.31	36.07	36.86	37.07
08	25.82	27.60	29.39	31.14	32.93	34.67	36.47	37.68	37.95
09	26.13	27.93	29.75	31.51	33.33	35.10	36.90	38.18	38.47
10	26.87	28.71	30.57	32.40	34.25	36.11	37.95	39.13	39.69
11	27.46	29.36	31.26	33.13	35.02	36.88	38.77	40.24	40.79
12	28.08	30.01	31.95	33.88	35.83	37.75	39.70	41.35	42.01
13	28.92	30.92	32.92	34.87	36.87	38.84	40.83	42.59	43.18
14	30.20	32.30	34.38	36.43	38.51	40.57	42.66	44.50	45.37
15	31.99	34.20	36.42	38.58	40.79	42.98	45.19	47.09	47.90

Ranged Keysheet

LG	Min	Max
01	24.57	35.18
02	24.72	35.40
03	24.86	35.65
04	25.01	35.90
05	25.68	36.21
06	25.33	36.60
07	25.54	37.07
08	25.82	37.95
09	26.13	38.47
10	26.87	39.69
11	27.46	40.79
12	28.08	42.01
13	28.92	43.18
14	30.20	45.37
15	31.99	47.90

LG	0-6	7-12	13-18	19-24	25-30	31-36	A	B	C
10A									
IUENEW	26.87	28.71	30.57	32.40	34.25	36.11	37.95	39.13	39.69
10B									
IUEUMH	26.87	28.71	30.57	32.40	34.25	36.11	37.95	39.13	39.69
12A									
IUECMH	28.08	30.01	31.95	33.88	35.83	37.75	39.70	41.35	42.01

Ranged Keysheet

	Min	Max
IUENEW	26.87	39.69
IUEUMH	26.87	39.69
IUECMH	28.08	42.01

Ranged Keysheet

	Min	Max
001010	26.86	39.69
004010	26.86	39.69
001012	28.08	40.78
004012	28.08	40.78
IUEM11	28.08	47.22

APPENDIX B - SALARY SCHEDULES EFFECTIVE August 31, 2021

01	635.60	1320.46
02	643.20	1336.12
03	651.20	1353.01
04	661.20	1373.20
05	672.80	1397.10
06	685.20	1423.05
07	700.00	1453.95
08	716.00	1486.91
09	733.60	1523.58
10	754.40	1566.84
11	776.00	1612.16
12	800.40	1662.42
13	825.20	1713.92
14	852.40	1770.37
15	880.40	1828.87
16	909.20	1889.02
17	940.80	1954.53
18	976.00	2027.87

IUECMS	958.80	1828.87
IUEUMS	958.80	1828.87

Position Title			
IUEUTS	Sensors & Systems Technician- Uncertified	922.40	1915.8
IUECTS	Sensors & Systems Technician- Certified	976.00	2027.87

Position Title			
10R500	Inspector B-Precision/Mechanical	812.40	1687.56
10R502	Inspector B-Assembly and Process	812.40	1687.56
13R500	Inspector A-Assembly	892.40	1853.18
IUECIS	Processor Assessor	931.20	1934.76
IUEDCT	Dimensional Calibration Technician	931.20	1934.76

APPENDIX C – EMS Level 12

Electronic Manufacturing Specialist – Hired Prior to 9/1/2021 at Top of Code on 9/01/2021

- a) Employees who are at the top of code on 9/01/2021 will be promoted to a Labor Grade 12 and receive a 2% increase to their current rate of pay, effective on the first full pay period of October; then,
- b) All hourly employees promoted to Labor Grade 12 will receive a yearly rate increase on the first full pay period in

March until they reach the top of code, not to exceed two (2) years.

Electronic Manufacturing Specialist – Hired Prior to 9/1/2021 Not at Top of Code on 9/1/2021

- a) Employees who are not at the top of code on 9/1/2021 will receive a yearly rate increase on the first full pay period in March until they reach the top of code, not to exceed four (4) total years of service as an EMS; then,
- b) Upon reaching their top of code will be promoted to Labor Grade 12; then,
- c) All hourly employees promoted to Labor Grade 12 will receive a yearly rate increase on the first full pay period in March until they reach the top of code, not to exceed two (2) years.

Electronic Manufacturing Specialists – Hired After 8/31/2021

- a) EMS employees hired after 8/31/2021 will be hired directly into Labor Grade 12 at the lowest rate on the keysheet.
- b) All Labor Grade 12 employees will receive a yearly rate increase of no less than four (4) percent on the first full pay period in March until they reach top of code, not to exceed nine (9) years.

APPENDIX D - LETTERS OF UNDERSTANDING

November 1, 1980	Overtime - 4 hrs. Of work
July 29, 1983	Feeder Subcontracting
March 13, 1996	Sale of Westinghouse
June 30, 1998	Process Assessor – Inspection Seniority Unit 23
June 30, 1998	Sensors and Systems Technician
June 30, 1998	Electronic Manufacturing Specialist Job Description Agreement
January 11, 1999	Maintenance Relocation Agreement (IBEW/IUE)
November 1, 1999	Transfer of Product Support Services Work and Employees into the IUE Bargaining Unit
October 30, 2000	Electronic Manufacturing Specialist (Supersedes 6/30/1998 Agreement)
October 30, 2000	Janitor Agreement
January 12, 2001	Savings & Investment Plan for Represented Employees (Viacom)
August 3, 2004	Manufacturing and Training Program Certification (Platform) Agreement **Revised on August 30, 2015**
July 31, 2008	EMS Platform Certification
August 17, 2009	Required Overtime
August 17, 2009	Midshift
August 27, 2009	Definition of Maryland Based Employees
August 31, 2009	9/80 Work Schedule
August 31, 2009	Janitor Agreement
September 6, 2010	Special Compensation for Top Secret-SCI w/Full Scope Polygraph **Revised on August 30, 2015**
October 4, 2010	Coordinate Measurement Machine (CMM) Incentive
October 25, 2010	Laser/CNC Prototype Assembler
September 9, 2011	Janitor Staffing Needs on Fridays
May 8, 2012	Structures Area – Model Shop (Pilot Program)
July 19, 2012	ERC Move to Troy Hill **Revised on February 25, 2013**
January 10, 2013	ERC Move to Troy Hill – Addendum to Appendix B
January 16, 2013	Janitor Staffing Needs on Fridays
August 1, 2013	Dimensional Calibration Technician
August 21, 2015	Alternate and Compressed Work Week Schedules
August 21, 2015	Movement of Work
August 21, 2015	Union Business
August 21, 2015	Inspection Seniority Unit 023
August 21, 2015	Finish Processor A; Mechanical Assembler/Fabrication A **Revised on September 3, 2015**
August 30, 2015	Organizing at Other Facilities
August 31, 2015	Family Medical Leave Act
January 1, 2016	Mission Systems (MS) Sector
November 9, 2016	GATOR Program Staffing – 2nd shift
April 3, 2017	Maintenance Department Agreement

April 17, 2017	Distribution Area Attendant Agreement
January 11, 2018	Mechanical Assembler Manpower
February 27, 2018	IUE Janitor transfers to IBEW Electronic Manufacturing Spec Position
December 13, 2018	Mechanical Assembler Manpower - Addendum
June 16, 2020	Addendum – Coordinate Measure Machine (CMM) Incentive
May 4, 2021	Addendum – Alternate and Compressed Work Week Schedules
May 4, 2021	Group Lead Pilot
July 15, 2021	Mech/Finisher MOA
August 27, 2021	Addendum – Hourly Pay Progression and Janitorial Agreement
August 27, 2021	Holiday Hours MOA

2021 Wage Supplement

to

Agreement Dated as of

30th Day of August 2021

Between

**Northrop Grumman Systems Corporation
Mission Systems Sector**

And

IUE CWA Local 82130

**International Union of Electronic, Electrical,
Salaried, Machine and Furniture
Workers/Communications Workers of
America
AFL-CIO, CLC**

Northrop Grumman Systems Corporation Mission Systems sector (herein called the "Company") and International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers/Communications Workers of America CWA Local 82130 (AFL-CIO, CLC) (herein called the "Union") hereby mutually agree to supplement the Agreement made and entered into by them as of the 30th day of August 2021, as follows:

1. General Wage Increase

The guaranteed keysheet rates and pay of hourly paid daywork employees and the salary schedule maximums and pay of salaried employees will be increased according to the schedule below and applied to the rates indicated:

Increase	Effective Date
Three percent (3%)	September 13, 2021
Three percent (3%)	September 12, 2022
Three percent (3%)	September 11, 2023
Three percent (3%)	September 9, 2024

- a. The guaranteed keysheet rates and pay of hourly paid daywork employees will be rounded to the nearest one-half (1/2) cent.
- b. *The salary schedule maximums and pay of salaried employees will be rounded to the nearest whole cent.

* Wherever reference is made throughout this Supplement to increases for salaried employees, such increases will be based on a regular forty (40) hour workweek. Proportionately smaller increases than those stated will be granted salaried employees on a regular workweek of less than forty (40) hours. Proportionately

smaller increases will be made in their salary schedules. Any increases for any salaried employees pursuant to this Supplement shall not exceed the amount of increase applicable to the maximum of the salary range for the classification on which the employee is then working.

2. Janitors

A. Janitors hired after August 30, 2021 will be assigned to the IUEJ09 job code. All employees on the active roll and classified as IUEJ09 will receive wage adjustments to their hourly base rate in accordance with the B02 keysheet as defined below:

B02 Keysheet		
	Min	Max
IUEJ09	\$15	\$17.50

Employees in the IUEJ09 Job Code will receive a \$.50 merit increase on the Monday of the first full pay period in March.

The IUEJ09 janitors are not eligible for night turn adjustment nor any of the general increases.

B. All IUE-represented Janitors currently classified as IUEJ09 Janitors as of August 30, 2021 will be reclassified as IUEJ10. All IUEJ10 will receive wage adjustments to their hourly base rate in accordance with the B01 keysheet as defined below:

B01 Keysheet

	Min	Max
IUEJ10	\$15	\$20.00

All IUEJ10 janitors will be eligible for night turn but are not eligible for general increases.

Employees in the IUEJ10 Job Code will receive a \$.50 merit increase on the Monday of the first full pay period in March until they reach the top of the keysheet.

IUEJ10 employees who have reached the top of the keysheet will receive a lump sum equivalent to that year's GI in accordance with the GI schedule in the CBA. If an employee receives any increase to their rate during the merit process that year they are not eligible for the lump sum payment.

3. General Provisions

- a. On the basis of the 2021 negotiations held between the Company and the Union pursuant to the modification provisions outlined in Article I of the Agreement dated August 30, 2021, as modified, which negotiations have been concluded by this Agreement (except to the extent they are set forth in the Pension and Insurance Agreement between the Company and the Union), all provisions of such Agreement as modified and amended, shall remain in full force and effect as modified herein.

- b.** The parties hereto agree that the Agreement dated August 30, 2021, as modified and amended, including the changes therein referred to in this Wage Supplement, shall be deemed to have been re-executed as a single document by the parties hereto contemporaneously with the execution of this Wage Supplement.

**PENSION AND INSURANCE
AGREEMENT**

Between

**NORTHROP GRUMMAN SYSTEMS
CORPORATION MISSION SYSTEMS SECTOR
BWI SITE**

And

**INTERNATIONAL UNION OF ELECTRONIC,
ELECTRICAL, SALARIED MACHINE AND
FURNITURE WORKERS/
COMMUNICATIONS WORKERS OF
AMERICA, AFL-CIO, CLC**

IUE-CWA LOCAL 82130

AUGUST 30, 2021

INTRODUCTION

AGREEMENT made and entered into as of the 30th day of August, 2021, by and between NORTHROP GRUMMAN SYSTEMS CORPORATION, MISSION SYSTEMS SECTOR, BWI SITE, hereinafter called the "COMPANY," and the IUE-CWA Local 82130 of the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers/Communication Workers of America, AFL-CIO, CLC, hereinafter referred to as the "Union."

ARTICLE I GENERAL

Section 1

The term "employees" as used herein means, unless otherwise clearly indicated, all employees of the Company who are within a bargaining unit which is or becomes and continues to be covered by this Agreement, as herein provided.

Section 2

(a) Subject to compliance with such laws and governmental regulations as the Company deems applicable, and receipt of such rulings and approvals of governmental agencies as the Company deems necessary or advisable, the Company and the Union agree that (i) the Northrop Grumman Mission Systems sector ("MS") Benefits Plan providing for medical, dental, vision and life insurance benefits for active employees in effect for employees covered by this Agreement as of August 30, 2021 shall be continued for the remaining duration of this Agreement. Medical, dental, vision and life insurance benefits for active employees shall be provided pursuant to the Health and Welfare Benefits Plan set forth in Article II of this Agreement.

(b) Subject to compliance with such laws and governmental regulations as the Company deems applicable, and receipt of such rulings and approvals of other governmental agencies as the Company deems necessary or advisable, the Company and the Union agree that the Northrop

Grumman MS Union Represented Pension Plan ("Pension Plan") in effect for Pension Plan participants covered by this Agreement shall, subject to Section 4(b) of Article I hereof, be continued in effect for the duration of this Agreement as to those participants first hired at the BWI site prior to January 1, 2005, with the changes summarized on Exhibit A hereto. Effective January 1, 2005, the Pension Plan will be amended to provide the following Pension Plan participants with a new benefit formula ("Benefit Formula") in lieu of the existing Pension Plan formula: Pension Plan participants covered by this Agreement who are first hired or rehired at the BWI site on or after January 1, 2005. The Benefit Formula will be the same as the standard benefit formula under Section 7.20(a)(1) of the July 1, 2003 Restatement of the Northrop Grumman Systems Corporation Pension Plan and further modified effective January 1, 2010 to a new formula, Modified Standard.

Effective January 1, 2010 a retirement program for those employees hired as of that date and forward was established within the Northrop Grumman Savings Plan (401K). The formula is detailed in Exhibit A.

(c) Subject to compliance with such laws and other governmental regulations as the Company deems applicable, and receipt of such rulings and approvals of governmental agencies as the Company deems necessary or advisable, the Company and the Union agree that effective August 30, 2021, and for the remaining duration of this Agreement, the savings plan benefit for employees set forth in Article IV of this

Agreement shall, subject to Section 4 (c) of Article I hereof, be continued for the duration of this Agreement.

(d) The Company and the Union agree that the following benefit plans in effect for employees covered by this Agreement as of August 30, 2021 shall be continued for the duration of the Agreement: Northrop Grumman Basic AD&D, Northrop Grumman Optional AD&D, Northrop Grumman Basic Life and Northrop Grumman Optional Life, Northrop Grumman Medical Plan, Northrop Grumman Dental Plan, Northrop Grumman Vision Plan, Retirement Healthcare Security fund (for those employees who left their account with Northrop Grumman), and the Northrop Grumman MS Employee Security and Protection Plan (“the Employee Security and Protection Plan”) shall be continued as provided for in Article II and Article V.

Section 3

(a) It is agreed that the benefit plans provided for in this Agreement are accepted by the Union, for the duration of this Agreement, as a complete insurance, pension, employment security and savings program. It is further agreed that both parties have had the unlimited right and opportunity to make demands and proposals, and otherwise bargain collectively with reference to all matters pertaining directly or indirectly to insurance, pension, savings, and employment security, and, subject to the provisions of Section 5 of Article II, Section 2(b) of Article VI and Section 3 of Article VIII of this Agreement, the parties unqualifiedly waive any rights they may

now have, or hereafter acquire, to bargain collectively with respect to anything covered by any of the benefit plans referred to herein or with respect to any benefits, the payment of which could or might be insured by the Company, whether or not such matters were within the knowledge or contemplation of either of the parties at the time of negotiation or execution of this Agreement. The Union also agrees that, during the term of this Agreement, there shall be no strike, slowdown, sit-down, or other form of stoppage of work arising out of or conducted in connection with any effort to induce modifications of or amendments or additions to the insurance, pension, employment security and savings programs or of other benefits provided for by this Agreement, or the terms or conditions under which such benefits and programs are provided.

(b) It is further understood that no matter respecting any plan provided by this Agreement or any differences arising under any such plan, or arising concerning any benefits payable by the Company under any such Plan or any benefits the payment of which could or might be insured by the Company, shall be subject to any grievance or arbitration procedure which may be established by agreement between the Company and the Union, or otherwise.

(c) Claims of employees concerning their rights under any plan provided by this Agreement may be presented in writing in accordance with the applicable claims review procedures of the various plans. Nothing herein shall be construed to deny an employee the assistance of the Union in the presentation of such claims. Payment for

time spent for the above purpose by Local representatives (who are in the active employ of the Company) within the Plant during their regular working hours while meeting with the representative designated by Management shall be made in the same manner, and such time shall for all purposes be considered in the same category, as time spent in the handling or adjustment of grievances. Neither the Union nor the Company shall have the right to strike or lockout with respect to any claims of employees under any of the Plans provided by this Agreement.

(d) Nothing in this Agreement shall be deemed to prevent the Company from making any of the benefits plans identified herein, in whole or in part, available to other represented employees of the Mission Systems sector as may be determined or negotiated by the Company.

Section 4

The Company agrees that, during the term of this Agreement, as to employees covered by this Agreement:

(a) Subject to Section 2 of this Article and to Article II, it will not amend or terminate the Health and Welfare Benefits Plan; and

(b) Subject to Section 2 of this Article and to Article III, it will not discontinue the Pension Plan/Retirement Program or make any amendment which would adversely affect the rights there under of the employees, nor suspend or reduce the payment of Company contributions

to the Pension Plan/Retirement Program below the level required by applicable law.

(c) Subject to Section 2 of this Article and to Article IV, it will not discontinue the Savings Plan or make any amendment to the Plan which would adversely affect the rights of employees under either of these plans; provided, however, that such amendments of the Savings Plan may be made by the Company as it deems necessary or advisable to secure the approval of the Commissioner of Internal Revenue and to obtain the rulings and approvals of other governmental departments, commissions and agencies and to comply with laws and regulations as referred to in Article I, Section 2(c) above; provided further, that the Company may make any amendments to the ~~New~~ Savings Plan as it deems desirable as long as such amendments (i) apply equally to both union represented and non-union represented employees participating in such plans, and (ii) do not adversely affect the Company match or vesting schedule for employees covered by this Agreement.

ARTICLE II HEALTH AND WELFARE BENEFIT PLANS

Section 1 – Health and Welfare Benefits Plan

Effective July 1, 2016, employees will only be eligible to receive benefits pursuant to a Health and Welfare Benefits Plan, the components of which are identified in the exhibits. Employee premium costs for the Health and Welfare Benefits Plan are set for in the exhibits.

Section 2 – Retiree Benefits

The Retirement Health Care Security Fund for Represented Employees shall be continued for those employees who left their account with Northrop Grumman.

Section 3 – Administration of Health and Welfare Benefit Plans

(a) The Company shall have the sole responsibility for the administration of the Health and Welfare Benefits Plan and the Retirement Health Care Security Fund for Represented Employees. The benefits of these plans may be provided under a group insurance policy or policies issued by an insurance company or companies selected by the Company, which policy or policies shall not be inconsistent with the terms of this Agreement and shall be in the general form of such policies customarily issued by the insurance company or companies; provided, however, that the Company may at its discretion at any time and from time to time cancel any such policy or policies and become a

self-insurer of any or all of the benefits of these plans for all or any group or class of active or former employees.

(b) The employees shall make the contributions to the Health and Welfare Benefits Plan, as specified in Exhibits B, C, D and E.

(c) By the collection of contributions and transmittal thereof to the insurance company or companies providing the policy or policies, the Company shall discharge its full obligation hereunder, and shall be relieved of any and all liability to employees or their representatives hereunder, with respect to such insured benefits of the Health and Welfare Benefits Plan.

(d) The Company agrees to furnish the Union for each calendar year in which this Agreement is in effect, a copy of all information which becomes a matter of public record concerning the Health and Welfare Benefits Plan, which is filed by the Company in accordance with Public Law 93-406, the Employee Retirement Income Security Act of 1974. The Union agrees that by furnishing such information the Company will fully comply with any statutory or other obligation to supply the Union with information concerning the operation of these plans, and the Union hereby expressly waives any right to receive further information concerning the operation of these plans for any purpose whatsoever; provided, however, that such waiver shall not apply to requests that further information be furnished not more than one hundred twenty (120) days prior to August 30, 2025, or August 30 of any subsequent contract year, for purposes of collective bargaining with respect to modification, extension

or renewal of this Agreement.

Section 4 – Non-Duplication of Benefits

(a) It is agreed that benefits under the Health and Welfare Benefits Plan (all of the foregoing are hereafter referred to as “Medical/Dental/Vision Benefits”) shall not duplicate any benefits provided or required under state or federal laws, regardless of whether the benefits under such laws are larger or smaller than those provided under the Medical/Dental/Vision Benefits.

(b) Notwithstanding any other provisions of this Agreement, any benefits under the Medical/Dental/Vision Benefits which are of the same type (although not necessarily of the same name or in the same amount) as one or more of the benefits provided under the laws of any state which shall have such laws, shall not become payable to employees in any such state who hereafter become covered by this Agreement, until the Company and the Union have agreed either (i) that no changes in such benefits under the Medical/Dental/Vision Benefits are necessary or desirable by reason of such legislation, or (ii) upon the modifications of the Medical/Dental/Vision Benefits with respect to such benefits which shall apply with respect to such employees; and further provided that, notwithstanding any other provision of this Agreement, where any state or federal legislation or regulation is adopted which mandates the provision of additional benefits to benefits already provided under the Medical/Dental/Vision Benefits to employees and their families/dependents, the reasonable cost of providing such additional mandated benefits, if

any, may after proper notification to the Union, be assessed to employees subject to such additional mandated benefits.

(c) If any state or federal legislation is hereafter adopted which will provide benefits of the same type (although not necessarily of the same name or in the same amount) as one or more of the benefits provided under the Medical/Dental/Vision Benefits, or if any presently existing or future state or federal legislation providing such benefits may be hereafter amended, any benefit or benefits under the Medical/Dental/Vision Benefits which are similar or related to the benefits provided or affected by such legislation shall, at the written request of either the Company or the Union, become a subject for collective bargaining, which shall be carried on, and completed if possible, sufficiently in advance of the effective date of the Northrop Grumman or amendatory legislation to permit the working out in good time of the administrative details which may be involved. If either party requests collective bargaining, but no agreement is reached during negotiations, prior to the effective date of such legislation, the Company may terminate or modify any such benefits provided under the Medical/Dental/Vision Benefits with respect to employees in the state involved (or employees in the United States in the case of federal legislation). Written notice of such termination or modification of benefits shall be given to the Union before it is announced generally to the affected employees. In the event of such termination or modification of benefits, an appropriate adjustment shall be made in the

employees' contributions under the Medical/Dental/Vision Benefits.

Section 5 – Amendments

The Company reserves the right during the term of this Agreement, as to the employees covered by this Agreement, to modify, amend, discontinue, change, add to or terminate the Health and Welfare Benefits Plan, the components of which are identified in Exhibit B, C, D and E, so long as such action does not discriminate against employees covered by this Agreement. In the event of any such action affecting benefits of employees under any of these plans, an appropriate adjustment shall be made in the rate of employee contributions.

ARTICLE III PENSION PLANS

Section 1

During the term of this Agreement, Pension Plan participants who were initially hired prior to January 1, 2005, shall have their pension benefit earned through December 31, 2009 frozen. Beginning January 1, 2010 this group of employees will have a new pension benefit formula for all future services. Those employees hired after January 1, 2005 and before December 31, 2009 will also participate in this same new pension benefit formula. The benefit formula will be the same as the modified standard benefit formula under the section titled "How the Program Works" of the April 1, 2009 restatement of the Northrop Grumman Systems Corporation Pension Plan. All employees hired after January 1, 2010, will participate in a new retirement program as described in Exhibit A.

Section 2

The Company agrees to furnish the Union with the following information for each full calendar year in which this Agreement is in effect, such information to be furnished by May 15 of the following year:

- (i) the number of persons retiring during the year, with their average age at retirement and the average pension of such persons who retired at their Normal Retirement Date during the year.

- (ii) a summary of the most recent Actuarial Valuation of the Pension Plan showing total assets of the trust, including the present value of prospective contributions for both prior and future

service, the present value of prospective pensions earned under the Pension Plan by all present active employees covered by the Pension Plan, and total liabilities of the Pension Plan.

(iii) a copy of all information which becomes a matter of public record concerning the Pension Plan which is filed by the Company in accordance with Public Law 93-406, the Employee Retirement Income Security Act of 1974.

The Union agrees that by furnishing it with the information listed in this sub-section (a) the Company will fully comply with any statutory or other obligation to supply the Union with information concerning the operation of the Pension Plan, and the Union hereby expressly waives any right to receive further information concerning the operation of the Pension Plan for any purpose whatsoever, provided, however, that such waiver shall not apply to requests that further information be furnished not more than one hundred and twenty (120) days prior to August 30, 2025, or August 30 of any subsequent contract year, for purposes of collective bargaining with respect to modification, extension or renewal of this Agreement.

Section 3

Subject to the provisions of Sections 3(c) of Article I of this Agreement, the Company shall have the sole responsibility for the administration of the Pension Plan, in accordance with its provisions. By payment of its contributions to the designated trustee or trustees and/or insurance company or companies, the Company shall be relieved of any further liability under the Pension Plan, and benefits shall be payable only from the

trust fund or funds and/or insured contract or contracts; provided however, that any trust agreement and/or insurance contract under which such payments are made shall not be inconsistent with any provision of this Agreement.

ARTICLE IV SAVINGS PLAN

Section 1

Employees shall be eligible to participate in the Northrop Grumman Savings Plan. Those who elect to participate shall be assigned to the same Sub-Plan within the Northrop Grumman Savings Plan as the non-union represented Mission Systems sector employees at the BWI site. The Union acknowledges that most of the employees in the Northrop Grumman Savings Plan are not represented by any labor union. As a condition to Union-represented employees participating in the Northrop Grumman Savings Plan, the Union agrees that the Company has the unilateral right, in its sole and absolute discretion, to amend or modify the Savings Plan without any notice obligation to or bargaining obligation with the Union, as long as the same amendment or modification applies to non-represented Mission Systems sector employees at the BWI site. The Union hereby waives and relinquishes, clearly and unmistakably, any and all rights it may have to bargain over any such amendment or modification. Notwithstanding the foregoing, the Company agrees that during the term of this Agreement, it will not (i) terminate the Northrop Grumman Savings Plan; or (ii) reduce the Northrop Grumman Savings Plan Company match that applies to contributions made by employees covered by this Agreement; or (iii) modify the vesting schedule in any way that adversely affects employees covered by this Agreement.

Section 2

(a) The Company shall have the sole responsibility for the administration of the Northrop Grumman Savings Plan, and for the payment of all administrative expenses thereof.

(b) By making payments as required by the Northrop Grumman Savings Plan to the designated trustee or trustees, the Company shall be relieved of any further liability under the Northrop Grumman Savings Plan, and distributions shall be payable only from the trust fund or funds; provided, however, that any trust agreement under which such distributions are made shall not be inconsistent with any provision of this Agreement.

(c) The Company agrees to furnish the Union for each calendar year in which this Agreement is in effect, a copy of all information which becomes a matter of public record concerning the Northrop Grumman Savings Plan which is filed by the Company in accordance with Public Law 93-406, the Employee Retirement Income Security Act of 1974. The Union agrees that by furnishing such information the Company will fully comply with any statutory or other obligation to supply the Union with information concerning the operation of the Northrop Grumman Savings Plan, and the Union hereby expressly waives any right to receive further information concerning the operation of the Northrop Grumman Savings Plan for any purpose whatsoever; provided, however, that such waiver shall not apply to requests that further information be furnished not more than one hundred and twenty (120) days prior to

August 30, 2025, or August 30 of any subsequent contract year, for purposes of collective bargaining with respect to modification, extension or renewal of this Agreement.

ARTICLE V EMPLOYEE SECURITY AND PROTECTION PLAN

Nothing in this Agreement shall be deemed to prevent the Company from making the Employee Security and Protection Plan (hereinafter the "Plan"), available in whole or in part to other represented employees of MS as may be determined or negotiated by the company.

Section 1 - Definitions

Whenever used in this Plan, masculine pronouns include both men and women unless the context indicates otherwise.

Whenever used in this Plan for the purposes of this Plan:

(a) Affiliated Entity means a subsidiary which is at least 50% owned by the Company or a partnership or a joint venture in which the Company is at least a 50% owner that has not been designated as an Employer.

(b) Automated Manufacturing Machine means a device for doing production which has programmable controllers (PC), numerical controls (NC), computer numerical controls (CNC) or direct numerical controls (DNC).

(c) Automated Office Machine means a computer-based device for doing office work related to processing information and includes words, data and image processors, electronic mail, business and engineering graphic devices, and similar equipment.

(d) Company means Northrop Grumman Systems Corporation, Mission Systems Sector.

(e) Decrease in Work Force means a reduction in the number of Employees assigned to a group, section or other organization unit through Layoff or Permanent Job Separation.

(f) Eligible Employee means an Employee who has two (2) or more full years of service.

(g) Employee means a person who is in the service of an Employer (except part-time or casual employees) who is represented by a labor organization or other representative (hereinafter referred to as the Union) which has entered into a written agreement (hereinafter referred to as the Agreement) with the Employer providing for participation in this Plan, provided such person is not employed in an Excluded Unit.

(h) Employer means Northrop Grumman Systems Corporation, Mission Systems Sector, a subsidiary company which has been designated by the Company as eligible to participate in the Plan or a joint venture in which the Company is participating which has been designated by the Company as eligible to participate in the Plan and which has entered into an agreement to participate in this Plan.

(i) Excluded Unit means a group of employees who have been designated by the Company or an Employer as not eligible to participate in this Plan.

(j) Increase in Work Force means the recall, rehire or hire of an Employee to fill an open job in a group, section or other organization unit.

(k) Job Movement or Product-Line Relocation means the permanent discontinuance of the manufacturing of a product at an Employer location provided that the product continues to be produced by an Employer but at a different Employer location. Permanent Job Separations or Layoffs due to adjustments in the work force caused by changes in production requirements, manufacturing processes, sales volume, inventory levels, make or buy decisions, decisions to discontinue a product line, or any other reasons associated with the business shall not be a Job Movement or Product-Line Relocation.

(l) Layoff means the termination of the employment of an Employee with an Employer through no fault of his own for lack of work for reasons associated with the business where the Employer determines there is a reasonable expectation of recall within one year.

(m) Location Closedown means the permanent cessation of all activities and operations by an Employer (except for that work necessary to protect the property, i.e., plant guard service, power house operations) at a specific location.

(n) Location Closedown Date means the date on which the permanent cessation of all activities and operations by an Employer occurs.

(o) Permanent Job Separation means the termination of the Employment of an Employee

with an Employer through no fault of his own for lack of work for reasons associated with the business for whom the Employer determines there is no reasonable expectation of recall. In no event does a Permanent Job Separation occur if the Employee is offered continued employment by an Employer, an Affiliated Entity, or a successor employer which is neither an Employer or an Affiliated Entity. An Employee who is on Layoff status shall not be deemed a Permanent Job Separation provided, however, that if such an Employee continues on Layoff for one year without an offer of employment by an Employer or Affiliated Entity, a Permanent Job Separation shall be deemed to occur one year from the original date of Layoff.

(p) Plan means the Northrop Grumman Systems Corporation, Mission Systems sector Employee Security and Protection Plan, as herein set forth.

(q) Plan Administrator means Northrop Grumman Systems Corporation.

(r) Reasons associated with the business means reasons such as changed customer ability and willingness to buy as reflected in adjusted production requirements, changed manufacturing processes, product discontinuance or plant closing.

(s) Robot means a programmable, multifunction manipulator designed to move materials, parts, tools or specialized devices through variable programmed motions for the performance of a variety of tasks.

(t) Transfer of Work means the discontinuance of ongoing work at an Employer location coupled with the assignment of the same work to another employer, if such assignment of work would directly cause a decrease in the number of employees performing the same work at the Employer location.

(u) A Week's Pay for a salaried Employee who is paid weekly shall be the Employee's normal straight time weekly salary including any applicable night turn bonus and group leader remuneration for the last full week worked by the employee. A Week's Pay for an hourly-paid Employee shall be calculated by multiplying his hourly rate including any applicable night turn bonuses and group leader remuneration at the time of Layoff or Permanent Job Separation by the number of hours regularly scheduled in his basic workweek, up to forty (40) hours.

Section 2 - Location Closedown or Sale

(a) The Company will not announce or engage in any Location Closedown during the term of this Agreement unless all Employees affected by such Location Closedown who are eligible for such benefits are offered Permanent Job Separation Benefits as set forth in Section 5 of this Plan.

(b) The Company will not sell any facility during the term of this Agreement unless the successor employer:

- 1.** Recognizes the Union as the representative of the Employees in the unit which is included in the sale; and

2. Agrees to provide comparable wages and benefits to all Employees in the unit who are offered continued employment by the successor.

Section 3 - Notice Provisions

(a) Location Closedown

1. The Company will give the Union notice of a decision to effect a Location Closedown as soon after such a decision as practical.

2. Such notice shall be given at least four (4) months in advance of the Location Closedown date unless, because of conditions over which the Company has no control, it is unable to do so.

3. Such notice shall include:

- (i) Identification of the location to be closed;
- (ii) The Union which represents the Employees involved;
- (iii) The anticipated Location Closedown Date; and
- (iv) The date when termination of represented Employees because of the Location Closedown is expected to begin.

(b) Job Movement or Product-Line Relocation

1. The Company will give the Union involved notice of a decision to effect a Job Movement or Product-Line Relocation as soon after such decision as practical.

2. Such notice shall be given at least four (4) months in advance of the date on which the Job Movement or Product-Line Relocation will be

completed, unless because of conditions over which the Company has no control, it is unable to do so.

3. Such notice shall include:

(i) Identification of the Job Movement or Product-Line Relocation that is to be made; and

(ii) The anticipated date on which the Job Movement or Product-Line Relocation will begin.

(c) Transfer of Work or Installation of Robots, Automated Manufacturing Machines or Automated Office Machines.

1. The Company will give the Union involved notice of a decision to Transfer Work or to begin use of a Robot, or an Automated Manufacturing Machine, or an Automated Office Machine in a work area as soon after such decision as practical.

2. Such notice shall be given at least sixty (60) days before a Transfer of Work or before use of a Robot, an Automated Manufacturing Machine, or an Automated Office Machine begins, unless because of conditions over which the Company has no control, it is unable to do so.

3. Such notice shall include:

(i) A description of the work to be transferred or the function of the device;

(ii) The expected decrease in the number of represented Employees as a direct consequence of the Transfer of Work or use of the device; and

(iii) The anticipated date of the Transfer of

Work and use of the device for production.

Section 4 - Layoff Income and Benefits

(a) Eligibility

1. An Eligible Employee will receive layoff income and benefits in accordance with Option 1 or 2 listed below in Subsection 4(c) from a total maximum sum available to him which is defined in Subsection 4(b). An Eligible Employee will receive layoff income and benefits if he

- (i) is not on disability or leave of absence;
- (ii) Is Laid Off;
- (iii) Has not been recalled to work; and
- (iv) Is determined by the Employer not to be eligible for Permanent Job Separation benefits because a reasonable expectation of recall exists.

2. Notwithstanding Subsection 4(a)1, above, when an Eligible Employee who in accordance with the applicable Decrease in Work Force procedure would be placed in a salary code or labor grade the maximum keysheet rate for which is more than ten percent (10%) lower than the maximum keysheet rate for the salary code or labor grade of record in which the Employee was assigned on the day six months prior to the placement in question, the Employee may elect to be Laid Off. Such employee who otherwise qualifies as an Eligible Employee will not affect his eligibility by his election of Layoff. For purposes of this Subsection 4(a)2, whenever an incentive labor grade is involved in percentage determinations, the maximum rate(s) used shall

be the maximum day work keysheet rate at the same labor grade level.

3. Notwithstanding Subsection 4(a)1, above, a laid-off Eligible Employee who in accordance with the Increase in Work Force procedure is recalled to work, for placement in a salary code or labor grade the maximum keysheet rate for which is more than ten percent (10%) lower than the maximum keysheet rate for the salary code or labor grade in which the Employee was assigned on the day six months prior to his Layoff, the Employee may waive recall. Such waiver shall not affect his status on the inactive seniority list nor any eligibility he may have to benefits under this Plan. For purposes of this Subsection 4(a)3, wherever an incentive labor grade is involved in percentage determinations, the maximum rate(s) used shall be the maximum day work keysheet rate at the same labor grade level.

4. In making the percentage determination in Subsections 4(a)2 and 4(a)3, above:

(i) If there has been in intervening pay schedule rate adjustment, such increase shall be added to the prior maximum pay schedule rate for purposes of making the above percentage determinations, and

(ii) If the Employee was not on active roll as of the prior six months' date, the salary code or labor grade applicable when the Employee first subsequently returned to the active roll shall be used.

(b) Total Maximum Sum

The total maximum sum available to an Eligible Employee shall be equal to one (1) Week's Pay for each of the Employee's full years of service except to the extent that such sum shall be affected by prior Layoffs and rehires in accordance with the provisions of Subsections 4(d) hereof. However, in no event shall the total maximum sum available to an Eligible Employee equal less than four (4) Week's Pay.

(c) Options

1. Lump Sum Payment up to Sixty (60) Days

Within sixty (60) days after a Layoff which in management's opinion will exceed six (6) months in duration, an Eligible Employee may request payment of and receive his total maximum sum in a lump sum payment, in which case he will permanently sever his relationship with the Employer and relinquish recall rights and service credits for any purpose (except such rights as may exist under the Northrop Grumman Mission Systems Union Represented Employees Pension Plan and the Northrop Grumman Mission Systems sector Personal Savings Plan) including the calculation of any Permanent Job Separation benefits. Vacation pay and any other sums due will also be paid in a lump sum payment.

2. Income Extension

An Eligible Employee who has not elected Option 1 above will be eligible to apply for weekly benefits in such amounts and upon such conditions as set forth in this subsection 4(c)2.

(i) Prior to the exhaustion of entitlements to federal and state unemployment compensation benefits, the employee will be paid a weekly benefit in an amount (if any) which, when added to the total federal and state unemployment compensation benefits received for that week, equals sixty percent (60%) of his Week's Pay, provided, however, that payment shall be made only if the Employee has applied for and received unemployment compensation benefits for that week and only if has provided the Employer with satisfactory proof of the total of such benefits received for the week.

(ii) After exhaustion of his entitlements to federal and state unemployment compensation benefits, the Employee will be paid a weekly benefit in an amount equal to sixty percent (60%) of his Week's Pay.

(iii) Weekly benefits as defined in this Subsection will be paid upon application by an Eligible Employee until the total maximum sum available to him has been exhausted in accordance with the provisions of the Plan, or until twelve (12) months have elapsed from the date of his Layoff, subject to the following provisions:

a. No payment will be made for any week which would have been a waiting week under any applicable state or federal unemployment compensation law or similar legislation.

b. If an Eligible Employee becomes eligible for additional unemployment compensation benefits after weekly payments have

commenced, payments will be adjusted in accordance with Subsection 4(c)2(i) above.

c. No payment will be made for any week in which an Employee is entitled to receive weekly accident and sickness benefits under the Northrop Grumman Mission Systems Sector Benefits Plan for Employees, or to receive benefits under any state or federal worker's compensation law, occupational disease law, or similar legislation, or to receive benefits under any state or federal temporary disability benefits law or similar legislation. If any such benefits are awarded retroactively, the Employee will reimburse the Employer for all weekly benefits received for the same time period under the Plan.

d. No payment will be made for any week in which an Employee is entitled to receive weekly retraining allowances under any applicable state or federal legislation. If any such benefits are awarded retroactively, the Employee will reimburse the Employer for all weekly benefits received for the same time period under the Plan.

e. Payments made under this Option 2 will not affect service credit or recall rights.

f. If an Eligible Employee who satisfies the requirements for an Early Retirement Pension or a Normal Retirement Pension under the Northrop Grumman Mission Systems Union Represented Employees Pension Plan at the time of Layoff or while on Layoff, retires prior to exhaustion of the total maximum sum available to him, no further payments from the total maximum sum will be thereafter paid.

g. Payments under this option are also subject to the provision that while receiving such payments the Employee must in fact be still unemployed and certify to this fact in writing on a form provided by the Employer.

(d) Repayment and Rebuilding

1. If the Employee elects to receive a lump sum payment pursuant to the option described in Subsection 4(c)1 above, service credits and recall rights which were lost may be restored upon subsequent rehire only if the Employee repays in full the lump sum payment received under such option. Arrangements to make repayment must be made within sixty (60) days of rehire, at which time the Employee may either make repayment in full, or arrange with local management for repayment in installments which will extend no longer than one (1) year after rehire.

2. Repayment is not required upon subsequent rehire by an Employee who elects Option 2 described in Subsection 4(c)2 above. If the total maximum sum available to an Employee under Option 2 has been reduced by payments received under Option 2, then, upon his return to work following a Layoff, the total maximum sum available will be fully restored at the time he is placed on the payroll.

Section 5 – Permanent Job Separation Benefits

(a) General

- 1.** Whenever the Company decides that a Permanent Job Separation will occur, the

Company shall give notice of its decision to the local Union(s) involved and the Employees affected.

2. Each Employee whose employment is terminated as a result of Permanent Job Separation shall be given notice as provided in the Northrop Grumman Severance Plan.

(b) Eligibility

Eligibility for Permanent Job Separation benefits is governed by the terms of the Northrop Grumman Severance Plan.

1. An Eligible Employee at the time of a Permanent Job Separation shall be eligible for those Permanent Job Separation benefits in effect on the date of separation.

2. An Eligible Employee who at the time of his termination of employment was classified as a Layoff, shall be eligible for Permanent Job Separation benefits effective one year after Layoff if the Employee has not been recalled to employment or employed by an Employer or an Affiliated Entity.

(c) Special Conditions

1. An Employee who is eligible for Permanent Job Separation benefits shall be entitled to the benefits for which he is eligible as set forth in this Section 5 as well as the full vacation allowance for which the employee might have qualified in the calendar year in which he is separated, provided that the employee, after being given notice of a permanent job separation,

continues regularly at work for the employer until the specific date of his separation. If the employee fails to continue regularly at work until the specific date of his scheduled separation due to verified personal illness or leave of absence, no permanent job separation benefits will be paid to such an employee unless and until he is available to return to work. An Employee on the disability roll is automatically separated from the Employer after two (2) continuous years on disability roll from his last day worked and is not eligible for Permanent Job Separation benefits. An Employee separated while on the disability roll is not eligible for Permanent Job Separation benefits unless he is available to return to work within two (2) years from his last day worked.

2. An Employee eligible for Permanent Job Separation benefits may request that the date of scheduled separation be advanced so that he can accept other employment. Local management will attempt to honor this request.

3. An Employee, otherwise eligible for Permanent Job Separation Benefits, will not affect his eligibility for such benefits by electing not to accept a job placement, if such election is exercised in accordance with the same limitations set forth for layoff income and benefits in Section 4(a)2 and 4(a)3.

(d) Permanent Separation Amount

Effective January 1, 2016 permanent job separation benefits will consist of two parts: a cash payment, and an extension of the eligible employee's existing medical, dental and vision

coverage as provided in the Northrop Grumman Severance Plan as defined in Exhibit F.

(e) Employment Continuation Program

An hourly-paid or nonexempt salaried Employee eligible for Permanent Job Separation benefits may elect to participate in the Company employment continuation program. In this event,

1. The Employee will select up to three (3) Company locations where he asks to be considered for employment the Human Resources representative will notify the local union of all selections made by the permanently separated employees as well as those received from other locations;

2. The Employee will be given preference in hiring at any one of the selected locations over Northrop Grumman hires provided he is qualified for the job opening;

3. The Employee, if hired, will retain credited service, as defined in the Northrop Grumman ES sector Union Represented Pension Plan, for benefit purposes but will utilize location or plant seniority for job retention, job movement and other seniority purposes at the Northrop Grumman location;

4. The Employee, if hired, will be provided relocation assistance up to five thousand dollars (\$5,000). Following relocation, reimbursement will be made for reasonable, necessary and documented relocation expenses up to these specified maximums;

5. The Employee, after thirty (30) days of continued employment on the Northrop Grumman job, will be eligible for reimbursement

of documented expenses incurred in traveling to the job interview up to a maximum of one hundred dollars (\$100);

6. The hiring preference will expire one year after the initial election to participate, but may be extended an additional year if a request is made within thirty (30) days of the initial expiration date;

7. The rejection of a valid employment offer will terminate the Employee's participation in the program.

(f) Recall or Re-Employment

1. An Employee who has received Permanent Job Separation benefits will retain any recall rights to which he may be entitled by policy at the location from which he was separated.

(g) Training and Outplacement Assistance

To assist Employees who are eligible for Permanent Job Separation benefits to find Northrop Grumman jobs and learn Northrop Grumman skills, local management will establish a training and outplacement assistance program following notice of a Permanent Job Separation. The training and outplacement assistance program will include education, retraining and job placement assistance.

1. Education and Retraining

(i) An Employee who is eligible for Permanent Job Separation benefits may receive education and retraining aid for courses approved by the Employer which contribute to or enhance the Employee's ability to obtain other

employment provided that the Employee begins the approved course within one year following the Permanent Job Separation. Approved courses will normally be given at schools which are accredited by recognized regional or state accrediting agencies and may include:

Occupational or vocational skill development; Fundamental reading or numerical skill improvement; High school diploma or equivalency achievement; and College level career oriented courses.

(ii) An Employee will be reimbursed up to a maximum of five thousand dollars (\$5,000) for authorized expenses which are incurred five (5) years following a Permanent Job Separation provided a passing grade is received in the course. However, if an Employee is employed by another employer at 75% or more of his hourly rate at the time of the Permanent Job Separation, no further authorization will be made by the administrator on or after the date of such employment.

(iii) Authorized expenses include verified tuition, registration and other compulsory fees, costs of necessary books, and other required supplies but excluding computer hardware and software. However, if tuition or other authorized expenses are covered by government benefits, other employers, or scholarships, the reimbursement by the Employer will not apply to that portion covered by such other plan. For courses which are not accredited by a recognized regional or state accredited agency, reimbursement will be made based upon similar

courses offered that are locally accredited or credited as determined by the administrator.

(iv) An Employee who elects to receive benefits under the Northrop Grumman Mission Systems Sector Educational Opportunity Program in lieu of benefits under this Subsection 5(g) will not be eligible for education and retraining aid.

2. Outplacement Assistance

(i) Job placement assistance will include job counseling as well as job information services. Examples of such services are counseling in job search and interviewing techniques, identification and assessment of skills, and employment application and resume preparation as well as providing Employees information on placement opportunities.

(ii) Management may also use the expertise and resources of public and private agencies in providing these services.

(iii) Other

1. An Employee who is eligible for Permanent Job Separation benefits will receive a lump sum payment for any sickness and personal business days not used at the time of separation.

2. An Employee who is eligible for Permanent Job Separation benefits will receive pay in lieu of vacation for any vacation days not used on the day of separation.

Section 6 - Transfer of Work; Robotics; Automated Manufacturing or Office Machines

An hourly-paid or nonexempt salaried Employee whose job is directly eliminated by a Transfer of Work, the introduction of a Robot or the introduction of an Automated Manufacturing or Office Machine and who is entitled to transfer or displace to another job shall be paid on any job to which transferred in the facility at a rate not less than the regular hourly rate or the salary received on the job eliminated for up to 52 weeks immediately following the transfer.

Section 7 - Voluntary Reduction-in-Force Benefit

In the event of a bona fide reduction in force by the Company, employees who satisfy the following conditions will be eligible for severance under the ES&PP:

1. Employee must be hourly-paid or nonexempt salaried;
2. Employee must be in a job classification in which a Permanent Job Separation occurs;
3. Employee must volunteer to be included in the reduction in force;
4. Employee must sign a Separation Agreement and Release.
5. Number of Employees accepted under this section will not exceed number of Employees affected by Permanent Job Separation. Selection will be made based upon seniority;
6. Application for participation must be made within 15 days of the announcement of the Permanent Job Separation;

Section 8 – Limitations

(a) The provisions of this Plan shall not be applicable where an Employer decides to close a plant, relocate product lines, move work or lay off an Employee because of the Employer's inability to secure production, or carry on its operations, as a consequence of a strike, slowdown or other interference with or interruption of work participated in by employees in the Employer's plant, service shop or other facility. However, the operation of this Section 7 shall not affect the rights or benefits already provided hereunder to an Employee Laid Off or Permanently Separated for lack of work, prior to and not in anticipation of the commencement of any such strike, interference or interruption.

(b) An Employee shall not be eligible for any benefits under the provisions of this Plan where the Employer has sold or transferred operations to a successor employer and such successor employer offers continued employment to the Employee. Continued employment means employment continued from the Employer to the successor employer without a break in employment. However, in the event a successor employer does not provide its employees a sickness and personal business day plan or its equivalent, or does not agree to the carry-over of accrued days of sickness and personal business days by an employee, the employee will receive a lump sum payment for any sickness and personal business days not used at the time his employment ceases with the Employer.

(c) The Company reserves the right to amend or terminate the Plan at any time. There is not consideration paid by the Employee for benefits and the benefits provided by the Plan are not vested.

Section 9 - Review Procedure

Employees are entitled to the claims and appeals procedures as set forth in the Northrop Grumman Severance Plan.

ARTICLE VI EDUCATIONAL OPPORTUNITY PROGRAM

Section 1

The company, through an Educational Opportunity Program, will refund tuition and compulsory fees up to a maximum amount of five thousand dollars (\$5,000.00) per calendar year to eligible hourly and non-exempt salaried employees and to eligible former employees who successfully complete a training course which relates to maintaining or improving employee skill in performing his job or contributes to the career development of the employee within the Company.

Section 2

An employee, to be eligible to participate in the Educational Opportunity Program, must meet the following conditions:

- (a) He must have six (6) months or more credited service prior to the completion of any training course for which refund is requested;

- (b) He must obtain from a designated Company representative advance written approval of his participation in the training course; and

- (c) He must provide evidence that he completed the training course satisfactorily.

Section 3

An eligible former employee is an hourly or non-exempt salaried employee who is not on disability or leave of absence, who has been laid off through no fault of his own for lack of work occasioned by reasons associated with the business (such as changed customer ability and willingness to buy as reflected in adjusted production requirements, changed manufacturing processes, product discontinuance or plant closing) and meets the conditions set forth in Section 2, above. In addition, an eligible former employee in order to participate in the Educational Opportunity Program must begin the training course within one (1) year after his layoff or permanent job separation.

Section 4

In addition to the refund of tuition and compulsory fees as set forth in Section 1, above, an eligible former employee who has at least two (2) years of service and who is participating in a training course under the Educational Opportunity Program, but who is not eligible to receive unemployment compensation benefits, will receive a weekly training allowance equal to fifty percent (50%) of his "Week's Pay" as defined in the Employee Security and Protection Plan. This weekly training allowance will continue until the Total Maximum Sum available to the eligible former employee under the Employee Security and Protection Plan has been exhausted, but for a maximum period of not less than eight (8) weeks; provided, however, that this allowance will be paid to the eligible former employee weekly only so long as he remains in the training course. The weekly training allowance will be charged

against the Total Maximum Sum as defined in the Employee Security and Protection Plan, which may be due to the eligible former employee under the Plan.

ARTICLE VII MODIFICATION AND TERMINATION

Section 1

This Agreement shall become effective as of August 30, 2021.

Section 2

This Agreement shall, subject to its terms, continue in full force and effect as to the Company and the Union, as provided in the first paragraph of this Agreement, until August 30, 2025, and from year to year thereafter, unless and until either party shall give notice in writing to the other party of its intention to terminate this Agreement upon such date or subsequent anniversary thereof, said notice to be given not more than sixty (60) days and not less than thirty (30) days prior to such date or subsequent anniversary thereof.

Section 3

Either the Company or the Union may terminate this Agreement as of midnight, August 30, 2021, or as of midnight August 30 in any subsequent contract term, by giving written notice of such termination to the other not more than sixty (60) days nor less than thirty (30) days prior to August 30, 2025, or August 30 of any such subsequent contract term. In the event of such termination, neither party shall have the right to strike or lock out with respect to any matter covered by this Agreement unless the collective bargaining agreement between the Company and the Union

effective August 30, 2021, as amended, has also been terminated in its entirety.

Section 4

(a) The Company and the Union agree that neither of them will request consideration of any proposed changes in or additions to this Agreement, unless one party gives written notice of its requests for such changes or additions which is received by the other party not more than sixty (60) days nor less than thirty (30) days before August 30, 2025, or August 30 of any subsequent contract term. Not more than fifteen (15) days following receipt of such written request, collective bargaining negotiations shall commence between the parties for the purpose of considering proposed changes in or additions to this Agreement, including proposed changes in any of the Plans provided by this Agreement which may be submitted by either the Company or the Union.

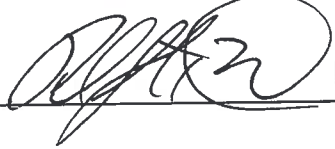
(b) If written notice is given as provided in Section 4(a) above, and the parties do not reach agreement prior to August 30, 2021, or August 30 of any subsequent contract term, with respect to the proposals submitted during the above-mentioned negotiations, this Agreement shall continue in full force and effect (provided written notice of termination has not been given under Section 3 of this Article) until the tenth (10th) day after written notice is received by either the Company or the Union of the other party's intention to terminate this Agreement. In the event this Agreement is terminated pursuant to the provisions of this Section 4(b), neither party shall have the right to strike or lock out with respect to any matters covered by this Agreement

unless the collective bargaining agreement between the Company and the Union effective August 30, 2021, as amended, has also been terminated in its entirety.


This Agreement supersedes and replaces all prior Pension and Insurance Agreements.

Dated and signed August 30, 2021; effective as of August 30, 2021.

**NORTHROP GRUMMAN SYSTEMS
CORPORATION
MISSION SYSTEMS SECTOR**

By:  Paul Stoyell-Mulholland
Manager

Labor Relations – BWI

By:  Mark Olmscheid
Manager

Labor Relations – IUE

By:  David Crandall
Director of Operations -
BWI


By:  Agarth Larbi
Director of HR,
Operations

**LOCAL 82130 - INTERNATIONAL UNION OF
ELECTRONIC, ELECTRICAL,
SALARIED, MACHINE AND FURNITURE
WORKERS/COMMUNICATIONS WORKERS
OF AMERICA (A.F.L.-C.I.O.,C.L.C.)**

By:  Mike Green
President
IUE-CWA Local 82130

By:  Mike Genco
Vice President
IUE-CWA Local 82130

By:  Rich Donophan
IUE-CWA Local 82130
Steward

By:  Willie Kinard
IUE-CWA Local 82130
Steward

By:  Matt Schreiner
IUE-CWA Local 82130
Steward

By:  Steve Haddaway
IUE-CWA Local 82130
Steward

Exhibit A
Retirement Benefits:
The Union Represented Employees Pension
Plan
And
The Northrop Grumman Savings Plan

- Effective 1/1/2010 all employees hired prior to this date move to the Northrop Grumman Modified Standard Cash Balance Schedule as follows:

Pay-Based Credits Modified Standards Schedule		
Points	All Pay	➤ SSWB
<25	3.50%	4.00%
25-34	4.00%	4.00%
35-44	4.50%	4.00%
45-54	5.00%	4.00%
55-64	5.50%	4.00%
65-74	6.00%	4.00%
75-84	7.50%	4.00%
>85	9.00%	4.00%

- Effective 1/1/10 all employees hired between 1/1/10 and 12/31/21 receive a Retirement Account Contribution in the Northrop Grumman Savings Plan
- Retirement Account Contributions are age based
 - <Age 35 3%
 - Age 35 – 49 4%
 - Age 50+ 5%
-
- Effective 1/1/22 all employees hired after 1/1/22 receive an enhanced company

matching contribution in the Northrop Grumman Savings Plan

- First five years of service: 100% match on first 4% plus 50% match on next 4% of contributions
- Five or more years of service: 100% match on first 4% plus 50% match on next 6% of contributions

Exhibit B
Medical Benefit Contributions (bi-weekly)

BWI Rep Costs 2022					
	VALUE	PREM	PREM PLUS	KAISER MID-ATLANTIC HMO	Kaiser MID-ATLANTIC HSA
Single	\$28.58	\$38.83	\$108.44	\$192.81	\$47.21
Spouse	\$70.34	\$112.10	\$249.85	\$501.75	\$138.09
Child	\$60.81	\$97.45	\$222.74	\$438.55	\$115.75
Family	\$93.05	\$136.28	\$333.38	\$679.56	\$168.55

BWI Rep Costs 2023					
	VALUE	PREM	PREM PLUS	KAISER MID-ATLANTIC HMO	Kaiser MID-ATLANTIC HSA
Single	\$29.72	\$40.39	\$112.78	*	*
Spouse	\$73.15	\$116.59	\$259.85	*	*
Child	\$63.25	\$101.35	\$231.65	*	*
Family	\$96.78	\$141.73	\$346.72	*	*

BWI Rep Costs 2024					
	VALUE	PREM	PREM PLUS	KAISER MID-ATLANTIC HMO	Kaiser MID-ATLANTIC HSA
Single	\$31.50	\$42.81	\$119.54	*	*
Spouse	\$77.54	\$123.58	\$275.44	*	*
Child	\$67.04	\$107.43	\$245.55	*	*
Family	\$102.58	\$150.24	\$367.52	*	*

BWI Rep Costs 2025					
	VALUE	PREM	PREM PLUS	KAISER MID-ATLANTIC HMO	KAISER MID-ATLANTIC HSA
Single	\$33.39	\$45.38	\$126.72	*	*
Spouse	\$82.20	\$131.00	\$291.96	*	*
Child	\$71.06	\$113.87	\$260.28	*	*
Family	\$108.74	\$159.25	\$389.57	*	*

*** Kaiser Permanente HMO and HSA plans are fully insured plans and annual increases are subject to annual increases negotiated with Kaiser Permanente but will be capped at 10% annually.**

Exhibit B
Dental Benefit Contributions (bi-weekly)

BWI Rep Costs 2022				
	Preventive	Care	Care Plus	CIGNA
Single	\$3.04	\$5.29	\$10.03	\$3.78
Spouse	\$6.10	\$14.06	\$22.06	\$9.88
Child	\$6.84	\$14.43	\$21.74	\$9.88
Family	\$14.42	\$22.15	\$33.79	\$16.72

BWI Rep Costs 2023				
	Preventive	Care	Care Plus	CIGNA
Single	\$3.13	\$5.45	\$10.34	\$3.89
Spouse	\$6.29	\$14.49	\$22.72	\$10.18
Child	\$7.05	\$14.87	\$22.39	\$10.18
Family	\$14.86	\$22.82	\$34.80	\$17.23

BWI Rep Costs 2024				
	Preventive	Care	Care Plus	CIGNA
Single	\$3.22	\$5.61	\$10.65	\$4.01
Spouse	\$6.48	\$14.92	\$23.40	\$10.48
Child	\$7.26	\$15.31	\$23.07	\$10.48
Family	\$15.30	\$23.50	\$35.85	\$17.74

BWI Rep Costs 2025				
	Preventive	Care	Care Plus	CIGNA
Single	\$3.32	\$5.78	\$10.97	\$4.13
Spouse	\$6.67	\$15.37	\$24.10	\$10.80
Child	\$7.48	\$15.77	\$23.76	\$10.80
Family	\$15.76	\$24.20	\$36.92	\$18.28

Exhibit B
Vision Benefit Contributions (bi-weekly)

BWI Rep Costs 2022	
	VSP
Single	\$1.61
Spouse	\$2.44
Child	\$2.44
Family	\$5.73

BWI Rep Costs 2023	
	VSP
Single	\$1.66
Spouse	\$2.49
Child	\$2.49
Family	\$5.90

BWI Rep Costs 2024	
	VSP
Single	\$1.71
Spouse	\$2.58
Child	\$2.58
Family	\$6.08

BWI Rep Costs 2025	
	VSP
Single	\$1.76
Spouse	\$2.66
Child	\$2.66
Family	\$6.26

Exhibit C
Optional AD&D, Optional Life Insurance,
Group Legal

Employees will pay the corporate negotiated rates (me-too). These rates are negotiated on a yearly basis

Optional AD&D

2022-2023	
Employee Only Contributions & Premium	Employee + Family Contributions & Premium
Rate per \$1,000 per Month	Rate per \$1,000 per Month
.014	.025

Optional Life Insurance

Optional Life Insurance Rates for plan years 2022 -2023	
Age	
<25	.030
25-29	.036
30-34	.046
35-39	.052
40-44	.058
45-49	.087
50-54	.134
55-59	.256
60-64	.385
65-69	.763
70+	1.222

- The rates for Optional Life for a spouse are the same as for the employee the only difference is in the amount of coverage allowed. An employee can select between 1 and 8x their Salary for themselves, but for a spouse the options are \$25,000, \$50,000 or between 1 and 4x their salary. This amount cannot be more than the lesser of 50% of the total amount of their own basic and/or option life combined or \$500,000.

Group Legal 2022 - 2023 (bi-weekly contributions)

Group Legal	
Basic	\$3.12/bi-weekly
Advantage	\$6.35/bi-weekly

Exhibit D
Optional Life Insurance - Child

Below are the rates for Child Life.

Optional Child Life Rates For plan year 2022 and 2023			
Option	Amount	Group	Total Premium Per Employee Per Month
02	\$10,000	NGHP	.720
03	\$20,000	NGHP	1.440
04	\$30,000	NGHP	2.130

Exhibit E
Short Term Disability
and
Long Term Disability

Short Term Disability (Hourly Employees Only)

- 70% pay for the first six weeks of disability (Paid by third party administrator)

- 60% pay for the next 20 weeks of disability (Paid by third party administrator)

Short Term Disability (Salaried Employees Only)

- 100% pay for the first six weeks of disability (Paid by third party administrator)

- 60% pay for the next 20 weeks of disability (Paid by third party administrator)

Salary continuation is available to employees hired prior to 2016 who have an approved disability claim. This period can be used to cover the period of elimination if applicable. Maximum benefits including salary continuation period and short term disability is 26 weeks with the first 6 weeks covered at 100% and the remaining weeks covered at 60%.

Every employee will receive the same benefit regardless of time with the company.

All STD claims paid by a third party administrator

All current hourly short-term disability rules apply.

401K deductions stop during this period (when employee goes off Company Payroll).

Benefit premiums (i.e Medical, Dental, Vision) will be direct billed from the benefits administrator while employee is off Company Payroll.

After an employee returns to work, if a subsequent disability is experienced within 18 months or less of the employee's return, the employee automatically defaults to the 60% level benefit. If the disability is related to or due to the same cause(s) as the prior disability for which STD benefits were paid, another elimination period does not need to be completed. Payments will resume up to the 26 week maximum.

Long Term Disability

Employees will pay the current negotiated rates until the Corporation renegotiates with the carrier at which time the new rates will be capped at no more than a 4% increase over the current rate.

Coverage Level	2022 (monthly)
50% LTD	.191/100
60% LTD	.406/100

Exhibit F
Severance Plan

Severance Benefit – Cash Portion

Formula Information	Terms	Examples
Cash formula	1 Week of Pay x Years of Service	<i>Example:</i> You are an exempt employee working full time. Your weekly rate is \$800, and you have 10 Years of Service. At time of your layoff, you would receive a lump-sum payment of \$8,000.
Minimum benefit	2 Weeks of Pay	<i>Example:</i> You have only one Year of Service at the time of your layoff. Your benefit will equal 2 Weeks of Pay.
Maximum benefit	26 Weeks of Pay	<i>Example:</i> You are a non-exempt employee working full-time. Your weekly rate is \$900, and you have 30 Years of Service. Your total benefit would be limited to \$23,400 (\$900 x 26 weeks), even though your benefit under the formula would be \$27,000.

* Includes any applicable night turn bonus and group leader remuneration.

Note: Cash payments are made in accordance with the Northrop Grumman Severance Plan Summary Plan Description.