

AGREEMENT

&

**PENSION
AND
INSURANCE
AGREEMENT**

Between

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

And

**FEDERATION OF INDEPENDENT
SALARIED UNIONS**

**SALARIED EMPLOYEES
ASSOCIATION**

AUGUST 30, 2015

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A G R E E M E N T

BETWEEN

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

AND

**FEDERATION OF INDEPENDENT SALARIED
UNIONS**

SALARIED EMPLOYEES ASSOCIATION

INTRODUCTION

AGREEMENT, entered into as of the 30th day of August, 2015, between NORTHROP GRUMMAN CORPORATION, ELECTRONIC SYSTEMS SECTOR, BWI Site (“Company”), and the FEDERATION OF INDEPENDENT SALARIED UNIONS, (“Federation”), acting for itself and on behalf of the Salaried Employees Association (“SEA”), collectively hereinafter referred to as the “Union”

SECTION I -- RECOGNITION

1. The Company recognizes the Union for those units where the SEA, through a National Labor Relations Board certification has been lawfully designated as the exclusive bargaining agent. The units for which the SEA has been certified and which are included within this Agreement are set forth in Appendix A attached hereto and made a part of Agreement.

2. Any units composed solely of non-supervisory salaried employees in the manufacturing plants of the Company for which the Federation or the SEA 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. Such matters shall be resolved by collective bargaining.

SECTION II -- BARGAINING COMMITTEE

The Union has designated a committee of seven (7) of its representatives and the Company has designated a committee of seven (7) of its representatives, for purposes of collective bargaining or periodic meetings under Section XVIII for the certified collective bargaining units covered by this Agreement. Either party may at any time change said representatives, provided that neither party will be represented by more than seven (7) representatives.

SECTION III -- COOPERATION

1. The Company and the Union recognize that mutual respect and confidence will aid greatly in carrying out the provisions of this Agreement and will also go far toward bringing about the harmonious relations which both desire.

The Company and the Union further agree that collective bargaining can best succeed in a friendly atmosphere in which both parties bargain in good faith and with an honest desire to understand each other's point of view.

2. The Union recognizes that it is the responsibility and right of the Company to maintain discipline and efficiency and agrees that management shall have the freedom of action necessary to discharge its responsibility for the successful operation of the Company. These responsibilities and rights of the Company include, among other things, the determination of the number and location of its plants; the selection of those with whom it will do business including, for valid business reasons, the performance of work also performed by employees covered by this Agreement; the determination of the products to be manufactured and the production schedules; the right to promulgate reasonable rules and regulations and to amend or modify such rules from time-to-time with prior notice to the Union; the right to determine the methods and means by which its operations are to be carried on; the right to move and assign work within its facilities and to move work to off-site locations and to direct the work force and conduct its operations in a safe and effective manner, all limited only by specific provisions of this Agreement. The Union and the Company agree to administer the provisions of this Agreement in good faith.

3. The Company agrees that it or its supervisors or other managerial employees will not discriminate against any employee because of membership or activities in the Union. Neither will the Company tolerate such discrimination by any other employee.

4. The Union agrees that neither it, its officers, its members, nor persons employed directly or indirectly by it, will discriminate against any employee. The Union agrees not to solicit members, dues or funds during the working hours of employees involved.

5. A. 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, or disability, veteran status or because an employee is a disabled veteran or veteran of the Vietnam era, 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.

B. Nothing in this Agreement shall operate or be construed to restrict the Company in any manner whatsoever in complying with its obligations under the Americans with Disabilities Act, except as provided in this subparagraph B. After the Company determines that a reasonable accommodation will be made for a qualified person with a disability as defined in the Act, and where such person is or will be a member of the bargaining unit, the Company will notify the SEA in advance of implementing the accommodation, and explain the reasons, therefore, to the extent permitted by the Act. It is understood and agreed that where alternative reasonable accommodations exist, the Company will, wherever possible, select the alternative which avoids, or minimizes, violation of the express terms of this Agreement. The Company's implementation of a reasonable accommodation may be made the subject of a grievance under Section XV-Settlement of Disputes, Paragraph 2. Grievance Procedure; provided, however, that except as may be authorized by the accommodated individual involved, the Company shall not be required to provide or reveal confidential information regarding such individual's disability.

6. The Company recognizes that it is the responsibility of the Union to represent the employees covered by this Agreement effectively and fairly.

SECTION IV -- CONSIDERATION

This Agreement evidences the understanding reached through collective bargaining between the Company and the Union. Both parties share the belief that publication of these provisions will tend to eliminate misunderstanding and promote accord, and the SEA and the Company will work in unison to that end. The Company will, upon execution of this Agreement, provide a reasonable number of copies to be made available to all Union officers and Representatives upon request.

SECTION V -- AGENCY SHOP AND CHECKOFF

1. Agency Shop

A. Employees Who Are SEA Members

Subject to the provisions of Paragraphs 2.E. and 2.F., all employees in any job in any unit covered by this Agreement who were members of the SEA on August 30, 2015, shall, as a condition of employment, remain members of the SEA in good standing insofar as the payment of periodic dues is concerned or if thereafter at any time such members resign, or otherwise fail to remain members of the SEA in good standing insofar as the payment of periodic dues, uniformly required, is concerned, they shall as a condition of employment pay to the SEA a service fee equivalent to the periodic dues required of members in good standing.

B. Employees Who Are Not SEA Members

(1) Subject to the provisions of Paragraphs 2.E. and 2.F., all employees (i) who are hired or rehired after August 30, 2015, in any job in any unit covered by the Agreement and (ii) who are either returned to the active roll from layoff, disability or leave of absence, or are transferred into a unit covered by this Agreement, and at the time of such hire,

rehire, return, or transfer are not already members of the SEA 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 SEA in good standing insofar as the payment of periodic dues, uniformly required, is concerned, or in lieu of such membership, pay to the SEA a service fee equivalent to periodic dues uniformly required.

(2) All other employees in any job in any unit covered by this Agreement who on August 30, 2015, are not members of the SEA Affiliate, will be required, beginning on August 30, 2015, to become and/or remain members of the SEA in good standing insofar as the payment of periodic dues, uniformly required, is concerned, or in lieu of such membership, pay to the SEA a service fee equivalent to the SEA's 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 SEA and for any employee who fails to obtain and/or maintain membership, his failure to pay service fees equivalent to dues, upon receipt of written request for such termination from the SEA except that the Company shall have the right to refuse such request if it has reasonable grounds for believing (i) that such membership is not available to the employee on the same terms and conditions generally applicable to other members, or (ii) that membership has been denied or terminated for reasons other than the failure of the employee to tender the periodic dues 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 the term "dues" shall mean that payment required in equal amounts from every member once during each week, as defined in this Section V, Paragraph 2.C., "Membership Dues".

2. Checkoff

A. Dues/Service Fees Deduction Authorizations

For the duration of this Agreement, the Company shall deduct from each week's pay SEA dues or an equivalent service fee and promptly remit same to the SEA for those employees working in the bargaining units 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 a form approved by the Company; provided, however, that within the same bargaining unit all employees who authorize the deduction of dues or equivalent service fees shall use the same form of authorization.

B. Weekly Deduction Authorizations

(1) Weekly Dues Deduction Authorization

The SEA, upon written notice to Management, may elect to have dues deducted on a weekly basis from the salaries of employees. Such weekly deductions shall commence in the first pay period ending thirty (30) days or more after the SEA initially presents Management with signed weekly dues deduction authorizations. Effective 2011, dues will be deducted bi-weekly. The following weekly dues deduction authorization form, with all blanks properly filled in, will be used:

Name (Print)

(First)

(Middle Initial)

(Last)

Effective Date _____ Badge Number _____

TO: Northrop Grumman Corporation

Please deduct from my pay each week my weekly dues as a member of the Salaried Employees Association, hereafter called "the SEA," in the amount certified to you as being the membership dues of the SEA. Remit the amount so deducted to the SEA in accordance with this authorization and assignment.

This assignment and authorization shall be irrevocable, except that it may be revoked by my giving written notice to you by individual registered or certified mail, which must be either postmarked or received by the Company during any one of the following periods: (a) the period from June 23 to June 30, inclusive, of each year of the Agreement of August 30, 2015 between Northrop Grumman Corporation, Electronic Systems sector, BWI site and the Salaried Employees Association, Federation of Independent Salaried Unions; or (b) after the end of the then current term, or any subsequent term thereof. 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

(2) Weekly Service Fees Authorization

The SEA, 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 weekly-paid employees. Such weekly deductions shall commence in the first pay period ending thirty (30) days or more after the SEA initially presents Management with signed weekly service fees deduction authorizations. Effective 2011, dues will be deducted bi-weekly. The following weekly service fee deduction authorization form, with all blanks properly filled in, will be used:

.

Name (Print)

(First) (Middle Initial) (Last)

Effective Date _____ Badge Number _____

TO: Northrop Grumman Corporation

Please deduct from my pay each week my weekly service fees to the Salaried Employees Association, in the amount certified to you as being the membership dues of the SEA. Remit the amount so deducted to the SEA in accordance with this authorization and assignment.

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) the period from June 23 to June 30, inclusive, of each year of the Agreement of August 30, 2015, between Northrop Grumman Corporation, Electronic Systems sector, BWI site and the Salaried Employees Association, Federation of Independent Salaried Unions; or (b) after the end of the then current term, or any subsequent term thereof. This assignment and authorization supersedes all authorizations and assignments previously signed by me with respect to SEA service 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

(3) Service Fee Authorization for Temporary Assignments

The SEA, upon written notice to Management, may elect to have equivalent service fees for non-represented employees, who are on a "Temporary Assignment" to the BWI complex pursuant to Section IX.6.E. deducted on a weekly basis from the wages of the "loaned" employees for the duration of the temporary assignment exceeding thirty (30) days. Effective 2011, dues will be deducted bi-weekly.

**SEA SERVICE FEE DEDUCTION AUTHORIZATION FOR
TEMPORARY ASSIGNMENTS**

Name (Print):

(First) (Middle Initial) (Last)

Effective Date:

Employee Number:

Pursuant to Section IX 6.E. of the collective bargaining agreement dated August 30, 2015, between the Northrop Grumman Corporation, Electronic Systems sector BWI site ("the Company") and the Federation of Independent Salaried Unions/Salaried Employees Association ("the Union"), relating to the temporary assignment of non-represented employees 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

Within the meaning of the dues deduction authorizations, membership dues will include only that regular payment required equally of all members which has been designated as membership dues pursuant to appropriate Federation and SEA 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 payments, which will not be imposed on any member by the Federation or the SEA during the term of this Agreement.

D. Notice of Changes in Dues

The SEA shall notify Management by certified mail of any change in the sum of money to be deducted as dues 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 SEA.

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.

G. Adjustment of Errors

Except where the Company has made a clerical error in the deduction for 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 SEA; and the Federation and the SEA 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 V 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.

I. Transfers

Deductions will be automatically discontinued when an employee is transferred from any bargaining unit covered by this Agreement to a bargaining unit represented by another bargaining agent or is not represented by any bargaining agent.

J. Contact with the Union

One (1) employee in the Accounting Department will be designated to confer with an individual designated by the SEA and clear all questions regarding the detail of record and reconciliation of deduction of dues or service fees.

K. Report and Remittances

(1) The Company will attach a substantiating list to each dues or service fees check sent to the SEA, and a copy of each list will be sent at the same time to the Federation.

(2) Management will notify the SEA immediately upon receipt of a notice of revocation of dues or service fees authorization by an employee.

L. State Laws

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

SECTION VI -- SALARIES

1. Salary Schedules

A. Salaries will be paid according to the schedule set forth in Appendix B.

B. Any employee will, unless otherwise mutually agreed upon, receive a salary rate within the established rate range for the position and the salary paid will be based on merit.

C. All changes for any reason in an employee's position or rate after hiring, except separation, will be effective the first of a payroll period.

2. Position Description and Evaluation

A. The SEA agrees that the duties to be covered by a position, the preparation of position descriptions, and evaluation of new or changed positions, are functions of Management.

B. Management acknowledges that the duties described in Salaried Job Descriptions set forth the primary functions, working procedure and frequency of contacts for SEA members to perform.

C. The Company agrees to notify the SEA president and present him with any new or changed position descriptions and their evaluation at least fifteen calendar (15) days prior to making them effective. However, such effective date may be extended by mutual agreement.

D. During the period prior to the effective date of any new or changed position, at the request of the SEA, the Company agrees to bargain with the SEA on (a) the proper description of the position, and (b) its evaluation.

E. In the event that the Company and the SEA fail to reach agreement on the position description, or its evaluation, or both, in the period prior to the effective date thereof, the Company shall have the right to make effective its most recent proposal, and the SEA shall have the right to process a grievance or grievances at the final step of the grievance procedure with respect thereto.

F. The Union will notify the SEA Labor Relations Manager of any material and substantial change in job duties of specific bargaining unit employee(s). Such notice shall be in writing and shall list the changes in duties or deviations from the job description relied upon. Labor Relations will investigate the Union's claim promptly and respond to the

Union within forty-five (45) calendar days. In the event that the Company and the SEA fail to agree on the evaluation, the SEA may process a grievance at the final step of the grievance procedure with respect thereto.

3. Group Leader Remuneration

A. 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, and who generally allocates the work.

B. The formation, division, or discontinuance of groups and the selection of a group leader will be determined by Management after discussion with the SEA representative.

C. In selecting group leaders, the ability to organize and direct a group will be the deciding factor, with seniority being the next consideration.

D. Some salary positions may of necessity include a minor amount of work which may normally be recognized as group leading where groups are not considered necessary.

E. When an employee is assigned the duties of a group leader by Management, he will be paid in accordance with the schedule set forth in Paragraph F. Any questions concerning the payment of employees for such duties may be made the subject of a grievance.

F. Group leaders' remuneration depends on the base rate of the group leader and the size of the group. 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%

G. When the size of a group is increased or decreased for a period of more than three (3) months, it will be presumed that there has been a change in the group's usual or normal size sufficient to effect a change in the addition to base rate for group leading, and the rate of additional payment shall be changed in accordance with the schedule. The effective date of the change in group leader remuneration shall be the beginning of the payroll period following the end of such three (3) months period.

H. When a group is formed, divided, or discontinued, the effective date of the change in group leader remuneration shall be the beginning of the payroll period following the change.

4. Salary Re-Rates

A. Salary rate increases are available to employees, who are not currently at the salary grade range maximum.

B. New employees may be placed at any level within the rate range commensurate with the employee's skill, ability and prior experience.

C. Salaried employees, whose work and attendance is satisfactory, will receive a salary increase up to the maximum of the rate range for their then current position on the first Monday of March. For the first three years of the Agreement the standard increase shall be 4.0 (*four*) percent of the employee's then base pay; with the rate for annual increases thereafter being the subject of negotiation. Rate increases will be provided on the first Monday in March, thereafter on the same schedule until the employee reaches

the maximum of the rate range.

D. Employees, who do not receive an increase on the basis that their work or attendance is not deemed satisfactory under the provisions of Paragraph C. above, will be informed in writing of the reasons therefore within 10 days following the due date of such increase. A copy of the notice will be provided to the Union. Any dispute as to a denial of re-rate increase shall be subject to the grievance procedure following notice.

E. An employee upgraded to a higher class position or new employee, whose performance justifies it, will receive an increase to at least ten (10) percent above the minimum rate of the new position not later than the first Monday of the 27th week after upgrading to a new wage grade. The re-rate process and schedule will apply, as described above, with respect to upgraded employees until they reach the maximum of their rate range. Nothing in this paragraph shall preclude a salary adjustment within the rate range at the time of promotion.

5. Night Turn Bonus

A. Employees working night turn will receive an extra compensation of ten percent (10%) of their earnings on night turn when the regular quitting time is after nine o'clock in the evening (9:00 P.M.) and up to and including nine o'clock (9:00 A.M.) of the following day.

B. However, employees hired after August 26, 1991 who have no record of prior service at any BWI site location will receive the lesser of (a) the ten percent (10%) extra compensation described above, or (b) an extra compensation of sixty cents (\$.60) per hour if assigned to night turn for less than forty (40) hours per week, or twenty-four dollars (\$24.00) per week for all work performed on such shifts until they have accumulated one (1) year of continuous service, after which they will receive the ten percent (10%) extra compensation provided by this

paragraph for work performed on such shifts.

C. Night turn bonus will be paid on hours actually worked and the following: vacation, holidays and field encampment only.

6. Reporting for Work

Employees who report to work at Management's request on regular furlough days and at times not regularly scheduled will be granted a minimum of four (4) hours of work or equivalent pay. If the employee has qualified for overtime in accordance with the overtime provisions of this Agreement, extra remuneration as provided in Section XI – Overtime will be paid for hours not 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.

7. Information

A. Information to the SEA

(1) Written interpretations of this Agreement, will, upon issuance by the Company, be sent to the SEA President or his designee. These interpretations do not constitute "binding" interpretations of any section of this contract.

(2) Once each month the SEA will be furnished with the names of bargaining unit employees who are placed on or removed from the active roll of the bargaining units covered by this Agreement or transferred, and the reason for such action, as well as a list of bargaining unit employees on the disability roll and on furlough.

(3) The SEA will be advised by Management as to the names of its authorized representatives for the administration of this Agreement.

(4) The SEA will be advised of any change in the position or code level of an employee before the individual is notified. When the SEA representatives question the proposed change, the change will not be made effective for at least two (2) working days during which time the SEA representatives may present the reasons for their position. At the termination of the two (2) days period the classification may be made effective and a grievance may then be filed.

(5) The SEA will be furnished at least annually, upon its request, a list of all employees covered by this Agreement, by order of seniority, including those on the Inactive Seniority List.

B. Information to Management

Management is to be kept advised by the SEA as to the names of its authorized representatives.

C. Information to Employees

Information will be given to an employee concerning his employment status at the time of employment, upon change in position, change in rate, transfer between departments and granting of a leave of absence. Notification of change in employment status will be given to the employee and the SEA representative not later than the end of the pay period in which the change is made.

8. Supplemental Compensation

SEA represented employees will be eligible to receive special monetary awards for significant and extraordinary accomplishments through applicable supplemental compensation programs.

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 XV – Settlement of Disputes". To any extent that such actions affect the eligibility of SEA represented employees, Management will notify the union in advance.

9. Payroll Administration

If an employee receives a paycheck for less than the equivalent of an eighty-hour pay-period and there is a shortage in such paycheck, the employee may, if he so desires, request an off cycle check for the shortage.

10. Wage Payment

SEA represented employees will be paid on a bi-weekly basis. Paper paycheck stubs for SEA represented employees will be replaced with electronic pay vouchers which the employee will be able to access through the Company's website and print on demand. If an employee elects to receive a paper paycheck, it will be mailed to the employee's address on file.

SECTION VII -- HOURS OF WORK

1. The basic workweek shall be forty (40) hours based on eight (8) hours per day for five (5) consecutive workdays. The standard basic work week shall be Monday through Friday but an alternate schedule may be established to address valid business reasons with advance notice to the Union. Examples of some such alternate arrangements are contained in the AWA agreements listed in Appendix C of the contract. The start day for an individual employee's work week is the twenty-four (24) hour period beginning with the regularly assigned starting time of the employee's regularly scheduled work shift and the day of rest starts at the start time of the employee's regularly scheduled work shift on the sixth consecutive day following the start day. Variations in hours of work and the schedules of hours of the several shifts are subjects for negotiations.

2. Conditions may make desirable a basic workweek different from the standard basic workweek for all or a portion of the employees. Such variations will be a matter for negotiations. Unusual situations may require modification of the established work schedules which may warrant special wage payment provisions which will be negotiated.

3. In computing hours worked on late arrivals, early departures and for overtime in connection with attendance control, an employee will be credited with time worked from the start of the one-tenth (1/10) hour interval in which the recorded starting time falls, and to the end of the one-tenth (1/10) hour interval in which the recorded time of departure falls.

4. Shifts

The following are the established shifts:

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

- First Shift - any time between 6:00 AM and 9:00 AM
- Second Shift - any time between 2:00 PM and 5:00 PM
- Third Shift - any time between 10:00 PM and 1:00 AM

A lunch period of either 30 or 45 minutes will be designated by the immediate supervisor.

Production conditions may require supervisors to assign employees to temporarily work hours differing from the established hours. Such temporary hours of work shall not exceed thirty (30) consecutive workdays duration. Any temporary hours of work scheduling will be discussed between the SEA Plant representative and the involved supervisor.

In the event the temporary work schedule situation exceeds thirty (30) consecutive workdays, the President of the SEA will be notified in writing of the hours of work change. The

hours of work schedule will be extended for an additional two (2) weeks during which time Management agrees to discuss with the SEA, at the SEA's request, objections regarding the proposed change. If agreement on the change is not reached at the end of this two (2) week period, the proposed change will be put into effect and the SEA may enter a grievance at the third level of the grievance procedure.

The Company will give as much advance notice as possible to the employees involved of any change in hours of work assignments; this shall not be less than one (1) week excluding emergency situations or compelling business reasons. The Union will be advised as soon as the situation is known and emergency situations will be communicated as soon as possible. It is Management's intent, however practicable, to effectuate shift changes to coincide with the beginning of the employee's regular work week.

5. Reporting Absences

A. Any employee who is voluntarily or involuntarily absent without advance permission or notification to the employee's supervisor must report the absence thirty (30) minutes 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 requirement. Management will provide telephone numbers which employees are required to call in order to satisfy their obligations under this provision.

B. An employee absent without permission for a period of five (5) consecutive working days, whose supervisor or, in his absence, the Medical Department, has not received a report during this period giving a satisfactory reason for such

absence, shall be terminated as having voluntarily quit, unless he/she can establish extenuating circumstances which made it impossible for him/her to so report.

C. Because confidential employee insurance records and personal medical information is, with certain limited exceptions, not normally available to either supervisors or the medical department, a request for insurance benefits or insurance forms or contacts with benefits administrators are not considered a report for purposes of this paragraph, regardless of the underlying medical condition of the employee.

SECTION VIII -- LEAVE OF ABSENCE

1. The term "Leave of Absence" applies to a continuous period of thirty (30) calendar days or more away from work without pay where the intent is to reinstate the employee at the expiration of the leave, subject to the prevailing conditions at that time, his return to work within the period of the leave of absence, and qualification under the usual employment standards including a physical examination.

2. The request for a leave of absence will be considered on the basis of workload and other business requirements, a satisfactory performance record, the reason for the request, and the length of service of the employee.

3. Where a request for leave of absence is made for a period of more than three (3) months, the leave will be granted for ninety (90) days and consideration may be given to an extension at the termination of the ninety (90) day period. In no case will the total period exceed twelve (12) months, except as outlined below.

4. Upon written request of the SEA, an employee elected to an office of the SEA or the Federation will be granted the usual leave of absence, without losing seniority, not to exceed one (1) year, unless an extension is granted. The

determination as to whether such an extension will be granted will be reached through collective bargaining between the SEA and Management, but in no case shall such leave or leaves of absence or any extension thereof total more than five (5) years. Such an employee, returning to his former position, will receive a rate commensurate with his rate immediately prior to his leave of absence.

SECTION IX -- SENIORITY

1. Probation Period

A. The initial six calendar months of employment for newly hired employees shall be considered as a probationary period. This period shall also apply to any former Northrop Grumman employee who experienced a break in service from Northrop Grumman ES of three (3) years or greater, and who is rehired into a position they have never held.

B. The Company may, at its own discretion, discipline or separate any probationary employee without regard to any other provision of this Agreement. Such action shall not be subject to the arbitration procedure. Grievance will start at third (3rd) step.

C. Employees during this probation period will not be eligible for upgrading or transfer except by written agreement between the Company and the SEA.

2. Seniority Credit

A. Seniority. For purposes of applying the increase and decrease in force procedures of this Agreement, and for purposes otherwise specified in this Agreement 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 ES Maryland based, non-represented position into the union and who will become covered by this Agreement:

(1) For individuals who are employed at an ES Maryland Based 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 is the total number of years, months and days of employment by Northrop Grumman Corporation, ES 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

(2) 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, if not a probationary employee, will have the right to be placed on the Inactive Seniority List and such other rights as are provided in this Section.

(3) 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.

(4) 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 lowest). If this 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.

(5) All employees who are not employed at an ES Maryland Based location as of the effective date of this

agreement will only have Union credited seniority at the date of transfer into the bargaining unit.

(6) All ES non-represented Maryland based employees hired after the date of the Agreement, will only have union credited seniority at the date of transfer into the bargaining unit.

B. Loss of Seniority. An employee will lose all seniority if separated from employment for any of the following reasons: discharge for cause; quit; release; failure to return to work from a leave of absence by 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 3.D. below. Seniority lost pursuant to this paragraph will not be restored upon any subsequent return to employment with the Company.

3. Inactive Seniority List

A. The names of those laid off, except employees laid off during their probation period, will be placed on the Inactive Seniority List. There will be a single Inactive Seniority List for all bargaining units covered by this Agreement. The SEA will be notified when any employee's name is removed from or added to the Inactive Seniority List for any reason.

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

C. When a job is available for a former employee on the Inactive Seniority List, such former employee will be notified by express mail addressed to his last address on file with the Employment Office and the position will be held open for five (5) working days from the date of mailing of the notice. If the employee does not report within the five (5) day period

the former employee's name will be removed from the Inactive Seniority List. If, however, within a further ten (10) working day period the former employee reports and submits satisfactory evidence that he was unable to report during the five (5) day period, his name will be returned to the Inactive Seniority List and he will be notified when work is again available. Where the person to be recalled is employed by another employer at the time he reports, arrangements will be made wherever possible to permit sufficient time to give necessary notification to such other employer. It is the responsibility of former employees on the Inactive Seniority List to advise the Company of any change in address.

Former employees offered recall from the Inactive Seniority List to a position at a lower base salary level than that which they were receiving at time of layoff, and who refuse such position, need only thereafter be recalled to a position and salary level they indicate they are willing to accept.

D. 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 according to the following schedule:

- Less than five (5) years seniority – three (3) years
- Five (5) years but less than ten (10) years seniority – four (4) years
- Ten (10) years or more – five (5) years

(1) Former employees on the Inactive Seniority List as of August 30, 2015 will be continued on such list in accordance with the time schedule in effect as of the date of their layoff.

(2) A former employee will also be removed from the Inactive Seniority List when:

(a) He refuses to accept a job offer at the same or higher base salary as he was receiving at the time of his layoff on a job which he is able to perform with only such training as an employee with previous satisfactory experience on such job would require.

(b) He fails to report for work or otherwise fails to respond to notice of recall. If, at the time of recall, the Company determines that a former employee is unable to be returned to the available job in question because of a physical or mental impairment, his name will remain on the inactive seniority list for the applicable period specified in Paragraph D. above and he will remain subject to recall to jobs as may subsequently become available during that period for which he is qualified, in accordance with seniority and recall procedures.

4. Return of Employees to Bargaining Unit

A. An employee who left a position which is within a bargaining unit included in Appendix A to this Agreement, or a position which, if presently existing would be within such bargaining unit, to accept a supervisory position or other position at the BWI site not in a bargaining unit, may be returned to a bargaining unit included in Appendix A to this Agreement with the same seniority credit as when transferred out, plus seniority credit for the period of Company employment out of the bargaining unit. For those employees promoted to supervision or transferred to a position classification not in a bargaining unit on or after August 1, 1976, Management will retain the right to return them to the bargaining unit only for a period of three (3) years from the effective date of the promotion or transfer. Those employees in supervision and those employees who have been transferred to a position classification not in a bargaining unit who may be eligible to return to the bargaining unit, may be returned by Management at any time during the three (3) year period after August 1, 1976.

B. An employee returning from leave of absence or disability, or returning to the bargaining unit pursuant to Paragraph A. above, will be placed by agreement with the SEA or will replace the least senior employee in his former position in the same seniority unit unless such position no longer exists or is held by a more senior employee. If it is not possible to place the employee in accordance with the above, he will be placed in accordance with the disposition procedures set forth in Paragraph 6. of this Section IX, as if he had been replaced in his most recent position in a bargaining unit.

5. Certifications & Occupational Progressions

Various occupational progressions are established within the respective certifications for purposes of administering the Increase and Decrease in Work Force provisions of this Section IX. Positions in the occupational progressions will be established in accordance with Paragraph A. and B. below:

A. Management will determine positions requiring occupational skill and assign them to occupational progressions. Management may add or delete positions from or otherwise re-arrange occupational progressions from time to time and agrees to bargain with the SEA before making any such change effective. If agreement is not reached, the change will be made effective and the SEA shall have the right to grieve the change at the third step of the grievance procedure.

B. After discussion with the S.E.A, Management will designate the occupational progression for a new or changed position description at the time it is given to the SEA. The SEA shall have the right to process a grievance with respect to the assigned occupational progression. Records reflecting positions in each occupational progression will be maintained by the Human Resources

Department, with copies provided to the SEA.

6. Adjustment in Work Force Procedures

A. General:

The acquisition, development and improvement of job-related knowledge, skills and suitability by employees, including their flexible application and use when and where needed by the business, is recognized as an essential requirement of an efficient, work force. The timely assignment of employees between and among organizations, programs and facilities of the BWI site is necessary to achieve and maintain such a work force during changes in the nature and amount of work to be done. Such movement will be done in accordance with procedures contained in this Section IX.

Job-related knowledge, skills and suitability will be the criteria used to determine qualifications for placement into any position covered by this Agreement. Employees meeting these criteria for a particular position will be considered qualified for placement on such position.

The following definitions shall be used in determining whether an employee possesses job-related knowledge, skills and suitability for a particular position or opening.

- **Job-related:** Knowledge, skill or suitability is job related if it is necessary to perform the actual work in question at the required level of performance.
- **Knowledge:** Information acquired through successful general or specific formal education and academic study, work experience, training or a combination thereof which is necessary to carry out the duties of the position in question at the required level of performance.
- **Skill:** The ability to perform a particular task or group of tasks of a physical, mental and/or interpersonal relations nature required by the work in a position or

occupational progression.

- **Suitability:** An individual's demonstrated judgment; initiative; and ability to relate to and work effectively and cooperatively with others as required in the course of the work.

Knowledge, skill and suitability required and their degree of job-relatedness may be determined from such sources as: position descriptions, certifications, licenses or clearances required for persons performing the work; typical work instructions, directives, procedures, policies, and other working information; job posting notices; tools and equipment utilized; functions, tasks or responsibilities assigned to or problems encountered by those in the position; and the nature of the work itself.

B. Assignment of Employees

Management will determine the size and composition of the work force and the need to fill any particular position. Before increasing the number of employees in any position, Management may first elect to assign bargaining unit employees covered by this Agreement currently holding the same or similar position and code level in any BWI organizational unit. Such transfers may be made without regard to seniority.

C. Increase in Work Force

Where Management does not transfer employees and determines that additional employees are needed, or that the vacancies created by re-assignment or normal attrition must be back filled, the following sequence will be used to fill regular open positions within occupational progressions.

(1) The position will be filled by the most senior employee of either (a) or (b) below:

(a) The employee who formerly held the specific position satisfactorily and as a result of reduction in force

within the past 30 months, has been downgraded or transferred to other work ["Specific position" is defined as the same position and code level], or

(b) The most senior satisfactory employee in the next lower level within the occupational progression, or

(2) If the position is not filled by (1) (a) or (b) above, then the most senior satisfactory employee from successively lower code levels within the occupational progression will be upgraded.

(3) (a) If a position in an occupational progression cannot be filled by Paragraphs (1) and (2) above, it will be posted on all job posting Bulletin Boards for seven (7) days. 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. Job postings will contain the following information:

- Position title;
- Position number;
- The number of openings;
- Salary code level;
- Organization, department or project;
- Occupational progression number;
- Knowledge, skills and suitability requirements;
- A statement of the primary function of the position; and
- Shift.

(b) All non-exempt employees on the active roll at the BWI site will be eligible to bid on a posted position. The most senior qualified employee who submits a written bid on the position during the five (5)-day period of posting will be considered for the position subject to the following qualifications and post and bid procedures.

(c) Bids from employees represented by the SEA will be considered for posted openings before those from employees who are not. If no SEA-represented employee is qualified, non-exempt employees whose current position is being eliminated will be considered for these openings. Then former employees on the Inactive Seniority List will be recalled in accordance with their seniority, provided they are qualified by knowledge, skill and suitability. If no employees are qualified on the Inactive Seniority List, then all non-exempt employees would be considered regardless of their job status.

(d) Any employee who has been granted a job change through the posting procedure shall not be eligible to bid on another posting for a six (6) month period if the change was to a position of code 10 or higher; nor bid for a three (3) month period if the change was to a position up through code 9.

(e) Consideration will be given to bids which would result in assignments not involving upgrading, providing such a move has not taken place in the last eighteen (18) months for the employee involved, or if the move would lead to a position in an occupational progression in which the employee could obtain a higher code level than would be possible in his present occupational progression.

(f) If a position is posted for which no bids are received, the identical position will not again be posted for any further openings during the ensuing ninety (90) days. The notice posted of disposition of the position will indicate the earliest date after which the position will again be posted announcing further openings.

(g) Management will place on the job posting bulletin boards only the name and seniority date of the least senior employee selected for the posted job.

(4) Specific Position

(a) Prior to any “specific position” being posted the General Employment Office will offer the “specific position” to the most senior dispositioned employee on the Specific Position Recall List who formerly held said position in accordance with the procedures outlined below.

Employees who are on the “Specific Position” Recall List from different coded jobs in the same progression will be joined together and offered any available lower coded job by descending order of seniority when higher coded jobs are not available. For example:

- (i.e.) Code 15 and 13 personnel are dispositioned from a common progression and are placed on the “Specific Position” Recall List. Code 13 jobs become available, all former code 15 and 13 personnel are joined as a group and the code 13 jobs are offered by seniority to this group of individuals.
- (i.e.) Using the above example, should Code 15 jobs become available then only those on the “Specific Position” Recall List who held this specific job would be offered the job by seniority.

(b) Employees on these “Specific Position” Recall Lists will be removed from their list after turning down three (3) offers or after thirty (30) months elapse from being put on the lists, whichever comes first.

(5) If the position is not filled by the application of steps (1), (2), and (3) above, former employees on the Inactive Seniority List will be recalled in accordance with their seniority, provided they are qualified by knowledge, skill and suitability. It is the sole responsibility of former employees on the Inactive Seniority List to notify the Employment Office of any changes in their record of knowledge, skills or suitability as may be the result of verifiable additional schooling or work experience.

(6) An employee upgraded, transferred or who successfully bid a position under the Increase in Work Force procedure who cannot fulfill the requirements of the new position at any time within a six (6) month period after upgrading will replace the least senior employee on the position which he previously held satisfactorily, provided he has sufficient seniority to make such replacement, or may be placed in accordance with Paragraph 11. of this Section IX. If the position previously held is in a bargaining unit not covered by this Agreement, he will be returned to that position only if the collective bargaining agreement then in effect in that bargaining unit so permits.

(7) Employees accepted for an open position will generally be placed on such position not later than thirty (30) calendar days following the date of formal notification of acceptance by the Employment Office. In those cases where it is not possible to actually move the individual to the position within that time, the effective date of the placement, for pay and employment record purposes, will be no later than the end of such thirty (30) day period.

D. Transfers of Work Into the Bargaining Unit

(1) The SEA 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 employee(s) performing such work, who may be transferred to the BWI complex, will be covered by this Agreement if performing work of a type and at a location, performed by members of the bargaining unit.

(2) The Union agrees that such employee(s) already performing work transferred into the unit covered by this Agreement will have a preferential right for transfer into the bargaining unit and shall be granted seniority (as defined in the opening paragraph of this Section) for all purposes

except for the provisions of this Section governing Increase and Decrease in Work Force. With respect to seniority for purposes of Increase and Decrease in Work 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, seniority for these purposes 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 for all purposes as defined in the opening paragraph of this Article.

(3) 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.

(4) The Company may transfer work within the BWI complex accompanied by the employees historically performing such work. If such work is 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 unit certification[s]. The Union agrees that any such dispute shall not be made the subject of any strike or stoppage of work.

E. Workload Fluctuations

In order to bridge fluctuations in workload and in conjunction with Paragraph B., Management may temporarily assign employees covered and not covered by this Agreement regardless of seniority or union affiliation to staff such work and to keep SEA represented employees productively employed to the maximum extent possible. It is agreed between the parties that assignments of available SEA represented personnel across job progressions and/or

bargaining units would be permitted.

(1) Procedure

(a) All assignments will be discussed with the appropriate Plant Representative(s) in advance when establishing the administrative details, i.e. location of assignment, expected duration and employee(s) involved, and specific assignment.

(b) Such assignment will be for an initial assignment of up to twelve (12) months and may be extended if workload necessitates. The Increase in Work Force procedures will be initiated in the event that Management determines that the temporary assignment has become permanent. Temporarily assigned employees will hold the position until the Increase in Work Force process is completed.

(c) The respective Plant Representative will be notified of the need for an extension in advance of the continuation of the assignment. Any extension of an employee(s) not covered by this Agreement must be agreed to by the Plant Representative except for the completion of the Increase in Work Force procedure.

(2) Assignment Criteria

(a) Union Representatives as listed on the Seniority Preference lists will not be reassigned out of their respective group or district.

(b) If the assignment is within the BWI complex and, involves a shift change (first, second or third) in the loaned employees shift, Management will first seek volunteers from among the available qualified population. If there are no volunteers, Management shall assign the least senior.

(c) Hours of Work - changes in the assigned employee's hours of work will be considered under hardship

circumstances.

(d) Employee(s) assigned out of their progression, certification or organization will be returned immediately in the event of a reduction-in-work force or furlough.

(e) There will be no denial of upgrade opportunities to any employee that is assigned out of their progression or to employees residing in the progression in which such temporary assignments are made.

(f) Employees so assigned will not displace any employees covered by this Agreement.

(g) Employees so assigned will be paid his/her regular rate or the rate commensurate with the position whichever is higher.

(h) Any non-represented employee assigned to an SEA bargaining unit from outside the BWI complex for more than thirty (30) days pursuant to this provision shall be subject to the provisions of Section V.2.B.(3), Agency Shop and Checkoff, for the duration of the temporary assignment exceeding thirty (30) days.

F. Shift Preference

(1) When Management determines that a vacant position on a particular shift (first, second or third) will be filled, the employee having the greater seniority of (1) the senior employee currently classified on the same position classification or (2) employee qualified in accordance with Paragraph 6.C.1. will be granted shift preference taking into consideration the necessity to maintain the continuity of the job. Shift preference may not be exercised as between different hours of work within first, second or third shifts.

(2) At the time of a decrease in force or a realignment of personnel, the senior employee within the occupational progression will have a choice of shifts in the same position classification on which said employee is currently classified.

(3) When staffing a new shift operation, if a vacancy is not filled in accordance with Paragraph (1) or (2) above, the least senior employee currently assigned to the position in the occupational progression where the vacancy exists may be reassigned to fill the vacancy.

(4) An employee accepted into a position under the Increase in Work Force posting procedure will be assigned to the position and shift designated on the posting notice.

G. Decrease in Work Force

(1) The decision to decrease the size of the work force in any department, program or BWI organizational unit, or on any position(s) in the Bargaining Unit, is recognized to be the sole responsibility of Management.

(2) When a reduction in force will involve the disposition of a number of employees, the SEA 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 a minimum number of moves and disruption to operations, under the authority granted the parties under Section IX, Paragraph 11.

(3) At a time designated by Management, the least senior employees in the affected position(s) in the progression affected by a decision to reduce the size of the work force will be removed from such position(s) and considered to be up for disposition with the following placement rights:

(a) An employee up for disposition may be transferred to any open position for which he is deemed qualified by virtue of knowledge, skills and suitability. Employees offered such transfers will have twenty-four (24) hours to decide whether to accept, and thereafter their placement rights shall be determined as provided below.

(b) An employee up for disposition, who refuses transfer or who cannot be transferred may replace the least senior employee in the same level in his occupational progression.

(c) An employee unable to be placed under (b) above may replace, in accordance with seniority, the least senior employee in the next, and then successively lower levels in his occupational progression.

(d) (i) If disposition is not successful under sub-paragraphs (a), (b), or (c) above, an employee may replace another employee on a position in another occupational progression in his current or previous certification in accordance with seniority provided he has satisfactorily held the position of the employee to be replaced (excluding temporary assignments), if such replacement will result in a higher code for the employee than would a replacement in his own occupational progression. Placement in a previous certification will apply only to those employees who bid or transfer from their current certification after September 1, 1998.

(d) (ii) An employee may, if qualified by knowledge, skill and suitability, replace another employee in another occupational progression on a lower position level, in accordance with seniority, if such replacement will result in a higher code for the employee than would a replacement in his own occupational progression.

(4) Employees working on special access assignments that would be materially affected by a replacement may be temporarily retained on their job until the assignment is completed or, through training or other means an adequate replacement can be made; whichever occurs first, provided, that such special access assignments may not be a subterfuge for circumventing the normal seniority based decrease in force process.

(5) Employees who have exhausted their seniority rights within the established occupational progressions may replace employees in a common seniority pool within their seniority unit or bargaining unit on the basis of effective seniority date, provided their occupational experience, education, and suitability indicate that they can acceptably do the job. Positions considered to be in the pool will be negotiated.

(6) Employees within the pool may at a time of decrease in force, replace the least senior employee in the same or lower position level in the pool, on the basis of effective seniority date, provided their occupational experience, education, and suitability indicate that they can acceptably do the job.

H. Employees on Leave of Absence/Disability at the time of a Layoff

An employee on a 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. Written notice of such layoffs will be given to the SEA and to the employee involved at his last known address, but the usual notice periods outlined below in paragraph 7. shall not apply. Any objection to such a layoff must be made by filing a grievance within thirty (30) working days following the giving of such notice to the SEA. It shall be the obligation of an employee laid off from the disability roll to notify the Company of his availability for re-employment, and until such notification, the Company will have no obligation to consider such disabled employee for re-employment.

Any disabled employee on the Inactive Seniority List who is still disabled at the time he is recalled will be kept on 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.

It will continue to be the practice and policy of the Company that employees shall be terminated after two (2) continuous years on the disability roll, without right of recall.

7. Notice Periods

A. Employees laid off because of lack of work shall receive the following advance notification:

- Over one (1) year of seniority -- 2 weeks
- Less than one (1) year of seniority -- 1 week

B. Employees released shall receive the following advance notification:

- Over one (1) year of seniority -- 2 weeks
- Less than one (1) year of seniority -- without notice.

C. Employees discharged for cause need not be given advance notice.

D. In the event of a layoff or release, the SEA representative shall be notified before notice is given to the employee. In the case of discharge, the SEA representative will be notified with the reasons within one (1) working day after the incident causing the discharge.

8. Furloughs

When furloughing of employees becomes necessary, the SEA representatives will receive such reasonable advance notice as is practicable under the circumstances. Furloughs are of three (3) types:

A. Regular Furloughs are a number of days off per week or per month without pay given employees as a part of the program of sharing work in lieu of a reduction in force. Temporary reductions in activity are bridged through

furloughs. Where Management determines that a furlough is required, it will notify the SEA representative for the area or activity from which employees will be furloughed. Before any employee is involuntarily furloughed Management will seek volunteers from among those employees performing the affected work, and where there are more volunteers than necessary, more senior volunteers from those performing the work will be furloughed first. If an involuntary furlough is necessary, the least senior employees on the positions affected shall be furloughed first. While a furlough is in effect, the SEA will be provided a monthly list of those furloughed, including their seniority dates and whether they are volunteers. When there is other than a temporary reduction in activity employees will be laid off to maintain a full workweek.

B. Emergency Furloughs are periods off without pay resulting from material shortages, power failures, labor disturbances or other conditions where transfer of employees to provide work is not feasible. When such conditions are anticipated, the subject will be discussed with the SEA Negotiating Committee.

C. Disciplinary Furloughs (suspensions) are time off without pay as a punishment for misconduct of an employee. Reasons for the disciplinary furlough will be given to the SEA representative.

9. Graduate Students and Trainees

It is recognized that practical work experience is necessary for the proper training of Graduate Students. Work assignments, not to exceed three (3) months each, may be made with the understanding that other employees will not be laid off or furloughed as a result of such assignments. The designated SEA representative will be notified. Further extensions may be made by mutual agreement with the SEA. Graduate Students will not be considered in the bargaining unit during their training period.

10. Seniority Preference

A. If their duties qualify them under the law, then at the written request of the SEA during their term of office, (1) SEA Officers, (2) SEA Plant Representatives, (3) SEA District Representatives and (4) Group Representatives not to exceed ten percent (10%) of the bargaining unit (except for current incumbent positions which will be grand-fathered for their elected term of office) will be given seniority preference during a reduction in force only to the extent necessary for each to retain a position in his particular unit of representation to which he is otherwise entitled under the seniority provisions of this Agreement. Where more than one (1) officer or representative may be affected in the same reduction in activity and their units of representation overlap, consideration shall be given in the order they are listed in the first sentence above. The written request of the SEA will establish the order of ranking of the Officers of the SEA. The unit of representation for SEA Officers consists of all the bargaining units set forth in Appendix A.

B. A group of employees not to exceed three percent (3%) of the bargaining unit may be granted seniority preference due to special skill in key occupations because of outstanding abilities in certain work or because of unusual ability for training purposes to fill key positions either at BWI or other locations.

(1) The SEA will be given a list of the employees to receive seniority preference and such list will be kept up-to-date by Management. The list will include for outstanding employees the present position number and organization or budget where assigned, and for trainees the position for which the employee is to be trained. The lists of employees, and any changes therein, will be discussed with the SEA before being made effective and other essential information will be supplied. Objections may be presented through the grievance procedure within thirty (30) working days after receiving the list.

(2) Employees on this list may be upgraded or transferred to an open position for the purpose of specialized training or because of outstanding abilities in certain work.

(3) An employee on the seniority preference list will be given seniority preference at the time of a reduction in activity sufficient to enable him to retain his position so long as such work remains, but when the work no longer remains he will be given preference for another related position in the same salary level or successively lower levels if he has training for such a position. In such instance the ability, the purpose for which he is being retained or trained and the relative seniority of the employee on the list, will be considered before a decision is reached that he replace an employee of greater seniority. However, except by special agreement with the SEA, no employee will be given seniority preference during a reduction in force whose name has not been on the seniority preference list, as provided to the SEA, for a period of at least ninety (90) consecutive calendar days.

(4) If the name of any employee being trained is removed from the seniority preference list because seniority preference is no longer required, the employee will be placed in accordance with seniority procedures. When an open position exists under these circumstances it will be filled in accordance with all applicable seniority provisions. However, the names of employees who have been trained and are on the position for which they have been trained may be removed from the seniority preference list, and they shall remain on their position thereafter with the same seniority status as though they had never been on such list. The names of outstanding employees upgraded or transferred to open positions may be similarly removed from the seniority preference list after they have been on such list for one (1) year.

C. Questions of conflict between seniority preference granted in Paragraph A. and Paragraph B. will be resolved by agreement between the SEA and Management.

D. Employees working on special assignments of limited time duration that would be materially affected by a replacement and employees performing specialized work may be temporarily retained on their position until the assignment is completed or, through training or other means, an adequate replacement can be made. These situations are to be negotiated.

11. Special Situations

Notwithstanding the provisions of the established seniority procedure, the SEA and Management may, in special situations, work out by negotiation, individual cases where the SEA and Management agree that such special situations exist.

SECTION X -- MISCELLANEOUS PROCEDURES

1. Jury Duty

Salaried employees will be paid their regular salary while on jury duty but will be expected to report for their regular duties when temporarily excused from attendance at court for one-half day or more. No salary will be paid during furloughs or days that would have been furloughs while on jury duty.

2. Security Regulations

The Company has certain obligations in its contracts covering government work which pertain to security. Therefore, if any government agency concerned with the Company's security regulations advises the Company that any employee of the Company covered by this Agreement is restricted from work on or access to classified information or material, the SEA will not, after having seen the order,

present or prosecute a grievance because the Company restricts such employee from such work or from access to classified information or material, but shall not be precluded from prosecuting a grievance concerning any action of the Company which exceeds security requirements.

3. Military Service

SEA 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 the grievance procedure. To the extent that such actions affect the eligibility of SEA represented employees, the SEA shall be provided notice of any such change prior to its implementation.

4. Work Outside Continental Limits of the United States

Because of the special nature of their work, employees in bargaining units covered by this Agreement whose work is performed outside of the continental limits of the United States shall not be covered by Section XI—Overtime of this Agreement. Upon request of the SEA, any special salary payments to be made to such employees in substitution for overtime and/or night turn bonus will be a subject of negotiations at the time such employees are assigned work outside of the continental limits of the United States.

5. Surveys, Studies and Work Standards

A. Management will notify the appropriate SEA representative before a time study, including a survey, is started.

B. The SEA shall have the right to process grievances with respect to the reasonableness of any work standard or standards, now existing or established by Management in the future. In the event of a failure to resolve any such

grievance in the grievance procedure, the matter of such reasonableness may be subject to a request for arbitration under the arbitration procedures hereof. In proceedings involving such cases, the parties and the American Arbitration Association will seek skilled arbitrators with appropriate industrial engineering training and experience.

6. Personal Automobile Mileage Expense Reimbursement

An employee authorized by the Company to use his personal automobile on Company business shall be reimbursed at the prevailing IRS reimbursement rate provided, however, that where an employee's job regularly requires his business mileage to exceed 12,000 miles per year and such employee elects not to use a company car made available to him under terms and conditions applicable to such usage, reimbursement for use of a personal automobile shall be limited to 12,000 miles per year.

7. Death in Immediate Family

An employee with thirty (30) days continuous service who is absent from work because of the death of a foster child or relative 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 the employee's regularly scheduled straight-time shift hours of the employee's 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 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, or stepchild or domestic partner or child of domestic partner the employee 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 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 and in addition night-turn bonus where applicable, on the date before such absence.

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.

The in-law relationship will terminate for purposes of this Paragraph 7. 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 all cases the above payments shall be calculated on straight-time hours and shall not include any overtime premium payments.

SECTION XI -- OVERTIME

1. Hours worked by employees, except hours worked on

the seventh day of an employee's regular work week, in excess of eight (8) hours but less than twelve (12) hours in any day or forty (40) hours in any week, will be paid at 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 one-half (1/2) the employee's average earned hourly rate for the payroll period involved.

2. The following absent hours will be considered as hours worked for determining overtime eligibility:

A. Funeral or death in the immediate family, as described in Section X, Paragraph 9. above.

B. Jury Duty; or 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 in a case to which neither he nor the Company is a party and in which he has no direct or indirect interest.

C. Illness or injury of employee.

D. Furloughs for which deduction from pay is made except in cases of disciplinary furlough.

E. Holidays and vacation days.

F. Union activities by elected representatives as defined in Section XVIII.

For the purpose of correcting attendance records only, when an employee who has been voluntarily absent during the basic work week makes up the time by arrangement with the supervisor, without overtime compensation, the time voluntarily absent shall be considered as time worked and the attendance records modified accordingly.

3. Hours actually worked in excess of twelve (12) hours in any day will be paid at 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 the employee's average earned hourly rate for the payroll period involved.

4. Hours worked on the seventh day of their established work week after forty (40) straight-time hours (including involuntary absences) have been worked in the week will be paid at a overtime rate, i.e., the employee's salary converted to a hourly rate plus an additional payment for each hour so worked equal to the employee's average earned hourly rate for the payroll period involved.

5. Hours worked on observed holidays will be paid at 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 one-half (1/2) the employee's average earned hourly rate for the payroll period involved. Such payment is in addition to the employee's salary.

6. The above provisions apply to the standard basic workweek. Special conditions may require exceptions which may be made the subject of negotiations as such conditions arise.

7. The earned rate for overtime purposes will consist of straight-time earnings, including base rate, night turn bonus and group leader remuneration.

8. A. The Company will give as much advance notice as practicable to employees for work required on overtime hours.

B. Upon request, but in no case more often than every three (3) months, the distribution of overtime may be reviewed by the Representative and the Supervisor of the group involved, for the purpose of examining equalization.

C. Overtime shall be equitably divided as far as

practicable on a shift among employees in the same equalization group who are on the same position and code level and are able to perform and maintain the continuity of the job without instruction. To ensure that overtime is distributed in a consistent manner, it shall be equitably divided as far as practicable on a shift among those qualified employees normally performing the work. Overtime shall also be divided as equitably as practicable between shifts.

D. Employees on assignment away from their regular work area will be eligible to work overtime in the area to which they are temporarily assigned but will continue to be equalized for overtime purposes with the group to which they are permanently assigned. Employees on temporary assignment will be eligible to perform an overtime assignment in their regular work area provided the employee's services do not conflict with the temporary assignment.

E. Required Overtime

If no qualified volunteers are available, employees will be identified to work overtime on rotating basis beginning initially with the least senior qualified employee and continuing until all business needs are satisfied. The rotation will be continued with each subsequent need, moving upward on the seniority list, beginning with the name following the last appointed employee who worked.

If an employee who is scheduled to work is absent during the required overtime, that employee must follow Section VII 5.A (Reporting Absences) of the Agreement and will be considered to be the next employee in the rotation to be identified to work.

Management acknowledges that extenuating circumstances may arise which would cause the next qualified employee to miss his/her turn, but in such case, that person would be the

next assigned to work the necessary overtime.

Qualified is defined as an employee who is able to perform and maintain the continuity of the job with minimal additional instruction.

Management will provide advanced notification.

9. In the event that Management decides to close the BWI facility, employees directed to continue working or directed to report to work 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 the employees average earned rate for the payroll period) for the actual hours worked during the period that the BWI facility is closed.

SECTION XII -- HOLIDAYS

1. A. Holidays observed by the Company will be New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, day after Thanksgiving, the day before Christmas, and Christmas. Prior to January 1, Management will designate an additional two (2) holidays to be observed in the following calendar year, after the matter has been discussed between the SEA and Management. 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.

B. In any calendar year in which one (1) or more of such holidays falls 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 SEA and Management.

2. Salaried employees who are on the active roll as of the last working day before an observed holiday will be paid for the holiday. Employees who are separated at any time on or before December 31 in any year shall not be entitled to holiday pay for the New Year's Day in the following year. An employee who is on strike shall not be paid for any observed holiday which occurs during such strike.

3. Basic hours on an observed holiday will be credited as time worked for salaried employees.

SECTION XIII – VACATIONS, PAID TIME OFF

1. The vacation periods of employees will be arranged so that they do not unreasonably interfere with the operation of the plant or office. Insofar as practical, the employee will be permitted to take a period satisfactory to him. 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. However, in order to maintain orderly operations and facilitate work scheduling, and absent mutual agreement or extenuating circumstances, an employee will not be permitted to schedule or take three or more consecutive days of vacation without providing at least three working days notice to his immediate supervisor. Employees shall wherever practicable provide notice at least twenty-four hours prior to the start of their regularly scheduled shift of vacation of less than three consecutive days, and if an employee fails to notify his immediate supervisor of such vacation within thirty (30) minutes prior to the start of his shift, the Company shall have discretion to deny vacation pay for such absence.

2. A. Where Management determines that a vacation shutdown is appropriate for all or a portion of the BWI site,

the time of the year for vacation shutdowns will be designated by Management, which will provide six (6) months notice of the shutdown to the SEA. Vacations will run concurrently with the shutdown periods. Employees who become eligible for vacations subsequent to vacation shutdowns, but before the end of the year, will be granted vacation pay when they become eligible, if they were absent during the shutdown periods, without additional time off. It is recognized that some employees will be requested to work during the shutdown periods. Except as may otherwise be agreed between the SEA 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 Short Term Disability 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, Short Term Disability will be suspended during the vacation shutdown. Under no circumstances, except where mandated by law, will an employee receive both vacation and Short Term Disability for the same period, and if necessary before the end of the calendar year the payment of Short Term Disability 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.

3. It is the responsibility of employee and their supervisor to see that they take their allotted vacations before the end of the calendar year.

4. When an established holiday or its observance falls on a normal workday within the vacation period of an employee, an additional vacation day will be granted.

5. 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 or who go on military leave may elect to receive pay for unused vacation, to which they are entitled, at any time during the calendar year in which they are laid off or begin their military leave of absence.

6. 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.

7. For vacation purposes only, continuous employment is interrupted only when an employee's name is removed from the active roll, except that in cases where 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.

8. 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 Paragraph 6. 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.

9. In the case of a salaried employee where the one (1) year of service immediately preceding the vacation period is a combination of hourly and salary and includes at least three (3) months on the salary roll (not necessarily continuous), the vacation will be the same as for all qualified salaried employees. An employee will be entitled to vacation for which he would have been entitled as an hourly paid employee up to the time he has completed three (3) months of service on the salary roll. If not qualified for vacation at the time of transfer, he will be entitled to a vacation on an hourly basis if he qualifies before completion of three (3) months of service on salary, and after completing his three (3) months of service he will qualify for any difference between salary and hourly paid vacation hours providing the three (3) months are completed on or before December 31 of the year in which the transfer occurs.

10. Employees will be permitted to use their vacation eligibility in ~~half-day~~ six minute (.1 hour) increments (~~i.e., four (4) hours~~). Employees intending to take ~~half-day~~ vacations must notify their immediate supervisor (or designee) of their expected absence in accordance with the notification provisions in Paragraph 1 of this Section.

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.

12. BORROW AND CARRYOVER

Subject to Management's approval employees may be authorized to borrow and carryover vacation.

- **BORROW VACATION:** Employees may borrow up to five days (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.
- **CARRYOVER VACATION:** Employees may carryover up to five days (40 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 five-day vacation carryover is used.

13. PAID TIME OFF (PTO) FOR EMPLOYEES HIRED ON OR

AFTER 1/1/2016

a. Paid Time Off

Salaried 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 employees shall accrue PTO time based on length of service to the company, as follows:

Electronic 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 Section XIII, 1. Employees must notify immediate management in the event of unplanned PTO/Absence as defined in Section XIII, 1.

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 XIV -- BULLETIN BOARDS

The Company will permit the use of bulletin boards for the purpose of posting SEA and Federation notices or other information of interest to SEA members. All such notices will be subject to Management's approval and arrangements made by Management for posting.

SECTION XV -- SETTLEMENT OF DISPUTES

1. Responsibility

A. During the life of this Agreement, the Federation and the SEA, except, however, as provided in Paragraph B. of this Section, will not cause, or officially sanction, their members to cause or take part in any strike or any other organized or concerted interference with the work of employees (including sit-downs, stay-ins, slow-downs, or any other stoppage of work which restricts or interferes with production), nor will the Company lock out any employee or permanently transfer work from the BWI site, because of any dispute, including any and all disputes which are within the proper scope of the grievance procedure provided herein until such grievance procedure has been exhausted (or earlier in the event of a strike or any other organized or

concerted interference with work).

B. The Federation may authorize the SEA to strike a bargaining unit in which a grievance arises provided the grievance procedure has been exhausted, a written request has been made for arbitration by the SEA and denied in writing or a response agreeing to arbitrate is not made within fifteen (15) calendar days after receipt of the request, and the SEA notifies the Company, in writing, that it does not intend to pursue legal action seeking to compel arbitration. The right to strike shall not include the right to strike any bargaining unit or units in support of a grievance arising in another bargaining unit. The Federation will notify the Company in writing at least seven (7) calendar days before it grants authorization to the SEA to strike. This notification will be considered valid for a period not to exceed the remaining term of the Agreement in effect when such notice is given or one (1) year whichever is greater. The Federation agrees that, upon receipt of notice that a strike in violation of this Agreement is in progress, or is about to begin, it and the SEA will immediately take all appropriate steps to terminate or prevent such strike.

C. Causing or taking part in any action or failure to act which is in violation of this Section is just cause for disciplinary action by the Company.

D. The foregoing provisions in Paragraph A. of this Section XV shall not limit any rights expressly conferred on either party under Section XIX of this Agreement.

2. Grievances

A. The parties recognize that the prompt settlement of grievances is important to a sound relationship between the Union, the employees and the Company, and it is therefore agreed that grievances must be presented within ninety (90) calendar days of the date the incident underlying

the grievance became known or reasonably should have become known to the Union or its Representatives.

B. The term grievance is defined to mean (a) any dispute as to the interpretation, application, or claimed violation by the Company of this Agreement covering the bargaining units set forth in Appendix A to this Agreement, (b) any subject that this Agreement provides shall become a grievance, or (c) questions involving discipline, release or discharge of employees.

3. Grievance Procedure

A. It is the intention of this Agreement that Management and the SEA shall make every effort to settle all problems before they become grievances or, failing that, at the earliest step of the grievance procedure.

B. There will be three (3) steps in the grievance procedure. The lead spokesperson and maximum number of representatives of the parties at each step are as follows:

- **First Step:** The immediate SEA Representative and the immediate Supervisor.
- **Second Step:** The SEA Plant Representative and the Manager of Salaried Union Relations, or their designees, and up to two (2) additional attendees each.
- **Third Step:** The SEA President and the Director of Union Relations, or their designees, and up to four (4) additional attendees each.

C. The SEA representative will present the written grievance to the designated Management representative at each step. A meeting will be held within ten (10) working days at the first step, ten (10) working days at the second step, and ten (10) working days at the third step, at a mutually convenient time to discuss the grievance. An answer will be given by the Management representative following the final meeting (if more than one (1) meeting is necessary) within a maximum of ten (10) working days at the first step, ten (10) working days at the second step, and

ten (10) working days at the third step.

D. The above time limits (Paragraph C., above) at each step may be extended by mutual agreement of the Management and SEA representatives at that step of the grievance procedure. If extension is not granted and the time is exceeded, the grievance may be advanced to the next step of the procedure.

E. The answer, in writing, will be given to the designated SEA representative at each step. If the answer is satisfactory the representative will so indicate on the grievance form and return one (1) copy to the Management representative answering the grievance. If the answer is unsatisfactory the SEA representative will so indicate on the form, attach the reason why he considers the answer unsatisfactory, and may forward it to the designated Management representative at the next step.

F. Failure of the Federation, the SEA, or the Company to advance any argument or contract provision, orally or in writing, at any step of the grievance procedure, shall not prejudice either party at a later step of the grievance procedure or in any arbitration proceeding.

G. The grievance procedure shall be considered as having been fully exhausted if not advanced to the next step within the time period allotted and with respect to a decision at Step 3, unless a demand for arbitration is made within thirty (30) days of the date of the Step 3 answer, except that the Federation President, or his designee, may request a meeting with the Director of Union Relations within such thirty (30) days. The meeting shall be scheduled at their earliest mutual convenience, in which case, the time period for submitted the grievance procedure then the provisions of Section XVI- Arbitration shall apply.

H. Should the parties fail to settle any grievance after exhausting the grievance procedure then the provisions of

Section XVI - Arbitration shall apply.

I. A reply to a grievance will be considered final at any step of the grievance procedure and the grievance closed on the basis of the Company's last answer, if written notification to the contrary is not received by the Company within thirty (30) calendar days of the date of such reply.

SECTION XVI -- ARBITRATION

1. Grievances, other than those concerning probationary employees, which remain unsettled after the grievance procedure has been exhausted, shall be arbitrable upon a 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 such request is made by the Federation response at the final step of the grievance procedure or following the meeting with the Federation President under Section XV, 3.G. above. 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.

2. When a dispute is to be arbitrated, the parties shall first attempt to select an arbitrator by mutual agreement. If they fail to do so within 30 days from the demand for arbitration, either party may request the American Arbitration Association to submit a list of names from which an arbitrator may be chosen. The other party shall receive copies of all such correspondence sent to the Association. The parties may request up to three (3) proposed arbitration panels from the AAA. If an arbitrator cannot be selected by mutual agreement from any of the three panels, the arbitrator shall be designated by the alternate strike method from the third and final panel.

3. No more than one (1) dispute that may involve one or more employees may be scheduled before any one (1)

arbitrator in any one (1) case, except by mutual agreement of the parties; it being understood, however, that the grievances of all employees resulting from the same incident or series of incidents may be submitted to a single arbitrator in one (1) case.

4. All arbitration hearings hereunder shall be held at dates, times, and places mutually agreed upon by the parties, but in the event of failure to reach agreement thereon, the disputed date, time, and/or place shall be determined by the arbitrator.

5. Except as provided in Paragraph 10 of this Section, a transcript shall be made of the proceedings at every arbitration hearing, with the original to be furnished to the arbitrator and the cost thereof to be divided equally between the parties. The cost of additional copies of the record shall be paid by the party requesting them. All other arbitration costs will be shared equally by both parties.

6. A copy of any document furnished to the arbitrator by either party shall also be furnished simultaneously to the other party. If no copy of a document furnished at the hearing is available, a copy will be made and furnished to the other party as soon as practicable.

7. 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, or other benefit plans 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.

8. In the selection of an arbitrator and the conduct of any arbitration proceeding, the Voluntary Labor Arbitration Rules of the American Arbitration Association, as amended and in effect on September 1, 1993, (and which have remained in effect until the effective date of this Section) shall control, but only to the extent that they do not conflict with this Agreement or any Submission Agreement executed hereunder. No modification of such rules of the Association shall be controlling in any arbitration proceeding under this Agreement without mutual agreement in writing by the Company and the SEA, except that both parties will comply with the modifications to the extent that they involve the amount of the administrative fees of the Association.

9. The decision of an arbitrator in any arbitration hearing hereunder shall be final and binding upon the parties to this Agreement. The employee(s) involved in the grievance; provided, however that no arbitrator shall have any authority or jurisdiction to add to, detract from, or in any way alter or abridge the provisions of this Agreement or any submission made under this Section.

10. In arbitration hearings involving grievances where both parties agree that the dispute does not involve the interpretation of a contract provision or a procedural question the parties agree that no transcript nor other formal record of the proceedings shall be required except by mutual agreement, and that no post-hearing briefs will be filed; either party may, however, present oral or written summations. 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. No award issued under this procedure may be considered as establishing a precedent.

All provisions of Section XVI shall otherwise apply to arbitration under this paragraph.

SECTION XVII -- PAYMENT FOR NEGOTIATING TIME

It is agreed that negotiating time will be kept to a minimum commensurate with good practice and in the interest of efficiency. Unless of such nature as to be termed urgent, negotiating time will be scheduled by Management and the Federation or SEA representatives in advance and in such manner as to least interfere with regular work schedules.

The following procedure will apply:

1. Officers and other representatives of the Union, must give notification to and secure a time report from their respective supervisors when stopping work to conduct union business, whether or not with management (including, without limitation, investigation of complaints that may lead to grievances, handling and adjustment of grievances and attendance at meetings of Union committees) and must return the report to the supervisors when again ready to start work.
2. Payment will be made by the Company at the representative's salary rate only for such time reports covering time spent in:
 - A. Investigation of complaints that may lead to grievances.
 - B. Handling and adjustment of grievances.
 - C. Attendance at meetings with Management within the employee's basic work week.
 - D. Attendance at meetings with Management outside the employee's basic work week where such attendance is not voluntary.

E. Meetings held in the plant during the regular working hours of the employee which are requested by Management.

F. Salary, working conditions and contract disputes.

Time covered by the above reports (sub-paragraph 2.) will be considered as hours worked for the purpose of determining overtime.

SECTION XVIII -- PERIODIC MEETINGS

1. The parties recognize that during the period in which this Agreement is in effect, problems of administration of this Agreement may arise which are not now anticipated by either party. They also recognize that, during such period, more mutually constructive and productive relationships are likely to exist between the Company, the SEA and the Federation, and among both Management and non-Management employees, if both the Company, the SEA and the Federation continue and enlarge their respective efforts to gain a better appreciation and understanding of each others' problems and objectives. They recognize that frequently what at first appear to be problems or areas of conflict and disagreement are actually the result of misunderstandings which are cleared away upon a complete and frank exchange of viewpoints and ideas. Finally, they believe that even though limitations are being placed upon formal collective bargaining negotiations during the extended period of this Agreement, a better atmosphere in which to achieve improved day-by-day relations between the parties, which they both desire, can be created through meetings of the kind described below.

2. Upon the written request of either party, meetings will be held during the term of this Agreement between the committees referred to in Section II. It is understood that such meetings will be held for the purpose of appraising and discussing the problems, if any, which may arise concerning

administration, interpretation or application of this Agreement, or other matters which either party believes will contribute to improvement in the relations between them within the framework of this Agreement. It is understood that such meetings shall not be for the purpose of handling grievances or conducting continuing collective bargaining negotiations, nor for any other purpose which will in any way modify, add to or detract from the provisions of this Agreement. In agreeing to such meetings, the parties are providing concrete evidence of their sincere desire to encourage friendly, cooperative relationships between their respective representatives at all levels and with and between all employees covered by this Agreement, and to find ways to overcome difficulties, influences or attitudes which interfere with such relationships. The agreement to hold such meetings will also give assurance that the Company, SEA and Federation officials whose duties involve negotiation of this Agreement are neither anti-union nor anti-company, but are sincerely concerned with the best interest and well-being of the Company's business and of all employees covered by this Agreement.

3. Unless the parties otherwise mutually agree, such meetings shall be held at the BWI site within thirty (30) calendar days after a request is received, shall not exceed one (1) working day's duration, and shall not be held more often than once during each calendar quarter year. The parties recognize that discussions will be expedited and facilitated if the party requesting the meeting includes in such request a description of the subject or subjects which it desires to discuss.

SECTION XIX -- MODIFICATION

1. This Agreement expresses the complete understanding of the parties in respect to all matters deemed by them to be applicable to the bargaining units, 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.

2. This Agreement replaces and supersedes all prior agreements and understandings between the parties, whether oral, written or by past practice, except for those listed in Appendix C.

3. The parties acknowledge that during the negotiations which resulted in this Agreement each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that all agreements arrived at by the parties after the exercise of that right are set forth in this Agreement (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 subject or matters which were discussed during the negotiation of this Agreement.

4. 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, 2021. If this Agreement continues in effect for any subsequent contract term or terms beginning on or after August 30, 2021, the provisions of the last sentence above shall apply (substituting the year to which this Agreement is renewed for the figures 2021 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.

5. If the parties do not reach agreement prior to August 30, 2021, with respect to any requested contractual changes or additions or salary adjustments submitted on or after July 1, 2021, 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 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 in violation of Section XVI 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 having been in full force and effect since March 1, 1996, and having thereafter been renewed and extended, is further extended and renewed until August 30, 2021, and shall continue and remain in full force and effect from year to year thereafter (such period ending August 30, 2021, 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, 2021, 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.

**APPENDIX A – UNITS FOR WHICH
THE SALARIED EMPLOYEES ASSOCIATION
HAS BEEN CERTIFIED AND WHICH ARE COVERED
BY THIS AGREEMENT.**

ITEM 1

Location: COMMAND AND
CONTROL DIVISIONS

BARGAINING REPRESENTATIVE:

Salaried Employees Association
of the Baltimore Division

UNIT: All clerical and technical employees of the employer in its Command and Control Divisions at Baltimore-Washington International Airport, Anne Arundel County, Maryland, excluding all employees of the engineering and service department, all hourly paid employees, all inspectors and testers, all confidential employees, all employees in the departments comprising Materials Acquisition in the employer's Operations Division, and guards, professional employees, and supervisors as defined in the Act.

ITEM 2

Location: BALTIMORE AEROSPACE DIVISION

BARGAINING REPRESENTATIVE:

Salaried Employees Association
of the Baltimore Division

UNIT: All salaried, technical and clerical employees of the Employer's Aerospace Divisions located at 7323 Aviation Blvd. Baltimore-Washington International Airport, Fort Meade Road, Anne Arundel County, Maryland, of the Employer's Advanced Technology Division located at the Elkridge Maryland facility, excluding inspectors; time and motion analysts; buyers; general sub-contract specialists; secretaries to: the division manager, the assistant division manager and the assistant to the division manager, the manager of manufacturing, the contract administrator, the supervisor of Human Resources departmental managers, sub-division managers other than Section managers, and to the assistant application engineering manager; scholarship employees while in training; human resources assistants and interviewers; administrative assistants to: the division manager, the manager of manufacturing; departmental managers; and sub-division managers other than Section managers; all professional employees, including but not limited to, engineers, application engineers, manufacturing engineers, test engineers, flight engineers, engineering writers and nurses; pilots and co-pilots, all employees in the departments comprising Materials Acquisition in the employer's Operations Division, and guards, and supervisors as defined in the Act.

ITEM 3

Location: BALTIMORE

Management Services Building
BARGAINING REPRESENTATIVE:
Salaried Employees Association
of the Baltimore Division

UNIT: All salaried technical and clerical employees of the Management Services Unit located at Baltimore-Washington International Airport, Anne Arundel County, Maryland, and at the Company's Friendship Square location, Elkridge Landing and Nursery Road, Linthicum, Maryland, excluding all professional employees, all hourly-paid employees, all employees of the Engineering and Service Department, all Executive Assistants, all inspectors and testers, all shop clerical employees, all confidential employees, Human Resources Assistants, interviewers, buyers, all employees in the departments comprising Materials Acquisition in the employer's Operations Division, and guards, and supervisors as defined in the Act.

ITEM 4

Location: Baltimore

BARGAINING REPRESENTATIVE:
Salaried Employees Association
Of the Baltimore Division

UNIT: All salaried clerical and technical employees employed at the Employer's Friendship Square location at Elkridge Landing and Nursery Roads, Linthicum Heights, Maryland, 21090, and Government Property Administration Building located at 1328 Charwood Road, Hanover, Maryland, who are classified as clerk typists, storage clerks, utility workers-general, storekeepers and warehouse persons/drivers, but excluding all salaried clerical and technical employees of the Employer's Command and Control Divisions; Aerospace Divisions; Management Services Unit; the Contracts Department and all Material Acquisitions Departments of the Operations Division; and all guards, professional employees, supervisors as defined in the Act as amended.

UNIT: All full-time and regular part-time storekeepers, warehouse workers, drivers and government property coordinators and clerks employed by the Employer at its Troy Hill Drive, Elkridge, Maryland facility but excluding all other employees; professionals, office clerical employees, guards and supervisors as defined in the Act.

ITEM 5

Location: BALTIMORE-MATERIALS

ACQUISITION CENTER
BARGAINING REPRESENTATIVE:
Salaried Employees Association
of the Baltimore Division

UNIT: All non-exempt salaried clerical and technical employees of the employer's Material Acquisition Center who are located at 314 S. Hammonds Ferry Road, Linthicum, Maryland, and additionally those employees of the Material Acquisition Center who may be assigned to work in the employer's Command and Control Divisions, Aerospace Divisions, or in the Management Services Building, Baltimore-Washington International Airport, Anne Arundel County, Maryland, or in the employer's Magothy Manor location in Anne Arundel County, Maryland, excluding, all hourly paid employees, inspectors and testers, time and motion analysts, human resources assistants, interviewers, executive assistants, confidential employees, professional employees, guards and supervisors as defined in the Act.

APPENDIX B – SALARIED KEYSHEETS

Maryland
Salaried
S.E.A.



Effective: September 7,
2015

Current Number: 58

01	600.45	1110.86
02	607.68	1124.24
03	615.25	1138.24
04	624.41	1155.18
05	635.42	1175.55
06	647.22	1197.38
07	661.18	1223.22
08	676.29	1251.16
09	692.80	1281.71
10	712.57	1318.29
11	733.11	1356.29
12	755.98	1398.60
13	779.42	1441.96
14	805.11	1489.49
15	831.70	1538.69
16	859.03	1589.24
17	888.88	1644.47
18	922.20	1706.11

Issued
By:

T. Thomas, Director Compensation

NORTHROP GRUMMAN PROPRIETARY

Maryland
Salaried
S.E.A.
Effective: September 7,
2015



Current Number: 47

99	1016.60	1783.42	1880.75
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This salary schedule is divided into two (2) phases which will be administered as follows:

PHASE I

This is the lower portion of the salary schedule applicable to Numerical Control Programmers who do not possess a two year degree, but have demonstrated proficiency and satisfied the practical experience required by the position description.

PHASE II

This is the upper portion of the salary schedule applicable only to those Numerical Control Programmers who have satisfied the educational and experience requirements of the position description.

Issued
By:

T. Thomas, Director Compensation

NORTHROP GRUMMAN PROPRIETARY

**Maryland
Salaried
S.E.A.**



**Effective: September 7,
2015**

Current Number: 58

99 1084.86 1800.84 2007.05

This salary schedule is divided into two (2) phases which will be administered as follows:

PHASE I

This is the lower portion of the salary schedule applicable to Aircraft Mechanics who possess an FAA Airframe and Powerpoint Certificate. Employees will be paid a salary within this range based upon merit and will progress through Phase I on merit upon total individual performance.

PHASE II

This is the upper portion of the salary schedule applicable only to those Aircraft Mechanics specifically and permanently assigned to perform duties typical of Crew Chiefs and/or Aircraft Inspectors and who are charged with aircraft sign-off responsibility.

Issued

By:

T. Thomas, Director Compensation

NORTHROP GRUMMAN PROPRIETARY

APPENDIX C – SIDE LETTERS

SEA Letters of Understanding

This appendix incorporates the various side letters, side agreements and understandings that remain in full force and effect as of the date of this agreement and will continue throughout its term unless otherwise stated.

1. November 25, 1970 Attendance at Meetings
2. June 14, 1978 Tech Pubs Agreement
3. September 12, 1980 Airport Plaza
4. November, 26, 1984 Reclassification and Reassignment
5. September 4, 1989 Aerospace Drafting Department
6. January 1, 1990 West Building Drafting Department
7. November 30, 1990 Purchasing Agreement
8. May 12, 1993 Tool Crib Inventory Clerk Letter
9. November 15, 1996 Casual Employees
10. March 24, 1997 Material Acquisition Code 10/12 Staffing Letter
11. May 27, 1997 Numerical Control Programmer Memo of Agreement
12. October 17, 1997 Repair & Calibration Agreement
13. August 30, 1998 Job Security
14. January 7, 1999 Flight Test Loans Letter
15. January 10, 2000 Technical Specialist/Solid State Technician Work Assignment
16. May 1, 2000 New Hires, Rehires and Transfer of Employees to the Code OAA200 – Aircraft Mechanic
17. May 18, 2000 Employee Referral Award Program
18. May 7, 2001 Memo of Agreement - Initial Staffing of Occupational Progression - PM09
19. October 28, 2002 Reduction in Force - Special Situations
20. October 13, 1995 Shift Preference

- | | | |
|-----|--------------------|---|
| 21. | August 12, 2005 | Office Assistants/Administrative Assistants Agreement |
| 22. | February 13, 2006 | Aircraft Mechanic Assignment of Duties |
| 23. | August 19, 2008 | Occupational Progression PA05 |
| 24. | April 15, 2009 | Relocation of Calibration to Friendship Square |
| 25. | August 27, 2009 | Definition of MD. Based Employees for purposes of Seniority |
| 26. | August 27, 2009 | Required OT (JSF Program) |
| 27. | August 28, 2009 | Contractors/Temporaries |
| 28. | September 14, 2010 | Vacation Donor Program |
| 29. | October 10, 2011 | Job Descriptions – Material and Process Specialists |
| 30. | September 9, 2013 | Material and Process Specialist Positions |
| 31. | August 18, 2015 | Virtual Orientation Program |
| 32. | August 18, 2015 | Clearance Related Compensation |
| 33. | August 18, 2015 | Union Business |
| 34. | August 30, 2015 | Organizing at Other Facilities |
| 35. | August 31, 2015 | Family Medical Leave Act |

Additionally, the following Alternate Work Schedule (AWS) agreements are in effect as of the date of this Agreement:

- | | | |
|----|--------------------|---|
| A. | May 13, 1998 | AWA - ATL
Facilities/Maintenance (Rev. A) |
| B. | May 13, 1998 | AWA - RF/Power Systems |
| C. | December 10, 1998 | AWA - Drafting - Budget Center
EL |
| D. | March 22, 1999 | AWA – ATL
Facilities/Maintenance (Rev. B) |
| E. | April 17, 2000 | AWA -Test Design Engineering
Drafting Department |
| F. | July 1, 2000 | AWA - Estimating & Pricing |
| G. | April 9, 2001 | AWA - Troyhill Government
Property Warehouse |
| H. | September 21, 2001 | AWA – Security Personnel |

- I. February 14, 2005 AWA - Shifts - Shipping –
REPLACED 9/1/2007
- J. April 4, 2005 AWA - Shifts
- K. June 6, 2005 AWA – Shifts – Proposal
Support Center
- L. September 1, 2007 AWA – Shifts – Shipping –
REPLACES 2/14/2005
- M. January 5, 2009 9/80 Work Schedule
- N. February 22, 2010 AWA – Numerical Control
Programmers
- O. May 3, 2010 AWA – Shifts PA35/PA53

2015 SALARY SUPPLEMENT
between
NORTHROP GRUMMAN CORPORATION
ELECTRONIC SYSTEMS SECTOR
BWI SITE (Company)
and
FEDERATION OF INDEPENDENT SALARIED UNIONS
and
SALARIED EMPLOYEES ASSOCIATION
(Collectively the Union)

The Company and the Union hereby agree to the following compensation increases for the period September 7, 2015 through August 30, 2021:

1. General Wage Increase

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	Applied to Rates in Effect on
Two & one-half percent (2.5%)	September 7, 2015	September 4, 2015
One-quarter percent (0.25%)	November 30, 2015	November 27, 2015
Three percent (3%)	September 5, 2016	September 2, 2016
Two & one-half percent (2.5%)	September 4, 2017	September 1, 2017
One-quarter percent (0.25%)	November 27, 2017	November 24, 2017
Two & three-quarters percent (2.75%)	September 3, 2018	August 31, 2018
Two & three-quarters percent (2.75%)	September 2, 2019	August 30, 2019
Three percent (3%)	September 14, 2020	September 11, 2020

The salary schedule maximums and pay of salaried employees will

be rounded to the nearest whole cent.¹

2. The wage and salary increases referred to in paragraph 1 above establish the amount and manner by which salary increases and pay shall be increased, and will be applied for purposes of overtime, vacation, night-turn bonus and group leader remuneration.

¹ Wherever reference is made throughout this Supplement to increases for salaried employees, such increase will be based on 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.

FEDERATION OF INDEPENDENT SALARIED UNIONS
Salaried Employees Association

By: /s/ Damian R. Testa
Federation President

By: /s/ Dennis B. Wilderson, Sr.
Federation Vice President
SEA President

By: /s/ William F. Frye, Sr.
Executive Vice President - SEA

By: /s/ Vicki L. Johnson
Secretary/Treasurer - SEA

**PENSION AND INSURANCE
AGREEMENT**

Between

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

and

**FEDERATION OF INDEPENDENT SALARIED UNIONS
SALARIED EMPLOYEES ASSOCIATION**

August 30, 2015

INTRODUCTION

AGREEMENT made and entered into as of the 30th day of August, 2015, by and between NORTHROP GRUMMAN CORPORATION, ELECTRONIC SYSTEMS SECTOR, BWI SITE, hereinafter called the "COMPANY," and the FEDERATION OF INDEPENDENT SALARIED UNIONS, ("Federation"), acting for itself and on behalf of the Salaried Employees Association ("SEA"), collectively 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 Electronic Systems sector ("ES") 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, 2015 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 ES 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 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, 2015, 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, 2015 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 ES 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 Electronics 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 Exhibit B, C, D and E.

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, 2021, 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 be eligible to continue to participate in the Pension Plan, as modified by Exhibit A, and in accordance with Section 2(b) of Article I. Effective January 1, 2005, the Pension Plan was amended to provide the following Pension Plan participants with a Northrop Grumman benefit formula ("Benefit Formula") in lieu of the existing Pension Plan formula: Pension Plan participants covered by this Agreement who were first hired or re-hired at the BWI site on or after January 1, 2005. The Benefit Formula was the same as the standard benefit formula under Section 7.20(a)(1) of the July 1, 2003 Restatement of the Northrop Grumman Corporation Pension Plan and will be further modified effective January 1, 2010 to a new formula called, Modified Standard.

Effective January 1, 2010 a retirement program for those employees hired as of that date and forward will be established within the Northrop Grumman Savings Plan (401K). The formula is detailed 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, 2015, 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 were 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 Electronic 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 Electronic 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, 2021, 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 ES 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 Corporation, Electronic 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 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 Corporation, Electronic 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 Corporation, Electronic Systems sector Employee Security and Protection Plan, as herein set forth.

(q) Plan Administrator means Northrop Grumman 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

(Use same language as PJS)

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 Electronic Systems Union Represented Employees Pension Plan and the Northrop Grumman Electronic 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 Electronic 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 Electronic 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, at its sole discretion, 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 Electronic Systems Sector Educational Opportunity Program in lieu of benefits under this Subsection 5(h) 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 no 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, 2015.

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, 2021, 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, 2021, 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, 2015, 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, 2021, 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, 2015, as amended, has also been terminated in its entirety.

Exhibit A

The Union Represented Employees Pension Plan

- Effective 1/1/2010 all employees hired before 1/1/05 remain in the current Union Represented Employees Pension Plan
- Increase employee contribution to 3.5% effective 1/1/12
- Effective 1/1/2010 all employees hired between 1/1/05 and 12/31/09 move the Northrop Grumman Modified Standard Cash Balance Schedule.

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%

- All new hires effective 1/1/10 move to the Defined Contribution Plan
- The Defined Contribution Plan is a new retirement account in the Northrop Grumman Savings Plan
- Company Contributions are age based
 - <Age 35 3%
 - Age 35 – 49 4%
 - Age 50+ 5%

Exhibit B
Medical Benefit Contributions

BWI Rep Costs 2016/2017				
	VALUE	PREM	PREM PLUS	KAISER MID-ATLANTIC
Single	10.16	13.81	38.57	63.59
Child	21.63	34.66	79.23	144.64
Spouse	25.02	39.88	88.87	165.49
Family	33.10	48.48	118.58	224.13

BWI Rep Costs 2018				
	VALUE	PREM	PREM PLUS	KAISER MID-ATLANTIC
Single	11.12	15.11	42.20	69.57
Child	23.67	37.92	86.68	158.25
Spouse	27.37	43.63	97.23	181.05
Family	36.21	53.03	129.73	245.20

BWI Rep Costs 2019				
	VALUE	PREM	PREM PLUS	KAISER MID-ATLANTIC
Single	12.01	16.32	45.58	75.14
Child	25.56	40.96	93.61	170.90
Spouse	29.56	47.12	105.01	195.54
Family	39.11	57.28	140.11	264.82

BWI Rep Costs 2020				
	VALUE	PREM	PREM PLUS	KAISER MID-ATLANTIC
Single	12.97	17.63	49.22	81.15
Child	27.60	44.23	101.10	184.57
Spouse	31.93	50.89	113.41	211.18
Family	42.24	61.86	151.32	286.01

BWI Rep Costs 2021				
	VALUE	PREM	PREM PLUS	KAISER MID-ATLANTIC
Single	14.01	19.04	53.16	87.64
Child	29.81	47.77	109.19	199.34
Spouse	34.48	54.96	122.48	228.07
Family	45.62	66.81	163.43	308.89

Exhibit B
Dental Benefit Contributions

BWI Rep Costs 2016/2017				
	Preventive	Care	Care Plus	CIGNA
Single	1.15	1.97	3.75	1.44
Child	2.60	5.39	8.12	3.76
Spouse	2.33	5.25	8.24	3.76
Family	5.49	8.27	12.62	6.37

BWI Rep Costs 2018				
	Preventive	Care	Care Plus	CIGNA
Single	1.24	2.13	4.04	1.54
Child	2.79	5.80	8.74	4.03
Spouse	2.49	5.65	8.87	4.03
Family	5.88	8.90	13.58	6.82

BWI Rep Costs 2019				
	Preventive	Care	Care Plus	CIGNA
Single	1.31	2.27	4.30	1.63
Child	2.96	6.18	9.31	4.27
Spouse	2.64	6.02	9.44	4.27
Family	6.23	9.48	14.47	7.23

BWI Rep Costs 2020				
	Preventive	Care	Care Plus	CIGNA
Single	1.39	2.42	4.58	1.73
Child	3.14	6.58	9.91	4.53
Spouse	2.80	6.41	10.06	4.53
Family	6.61	10.10	15.41	7.66

BWI Rep Costs 2021				
	Preventive	Care	Care Plus	CIGNA
Single	1.48	2.57	4.87	1.84
Child	3.33	7.01	10.56	4.80
Spouse	2.97	6.83	10.71	4.80
Family	7.01	10.75	16.41	8.12

Exhibit B
Vision Benefit Contributions

BWI Rep Costs 2016/2017	
	VSP
Single	.61
Child	.93
Spouse	.93
Family	2.18

BWI Rep Costs 2018	
	VSP
Single	.66
Child	.99
Spouse	.99
Family	2.34

BWI Rep Costs 2019	
	VSP
Single	.69
Child	1.05
Spouse	1.05
Family	2.48

BWI Rep Costs 2020	
	VSP
Single	.74
Child	1.12
Spouse	1.12
Family	2.63

BWI Rep Costs 2021	
	VSP
Single	.78
Child	1.18
Spouse	1.18
Family	2.78

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

ES Rep Cost - 2015/2016	
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 year beginning 7/1/15 and ending 6/30/16	
Age	
<25	.037
25-29	.045
30-34	.058
35-39	.065
40-44	.072
45-49	.109
50-54	.167
55-59	.320
60-64	.481
65-69	.954
70+	1.528

- 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

Group Legal	
Basic	6.75/month
Advantage	13.75/month

Exhibit D
Optional Life Insurance - Child

- Below are the rates for Child Life.

Optional Child Life Rates For plan year beginning 7/1/15 and ending 6/30/16			ES Represented
Option	Amount	Group	Total Premium Per Employee Per Month
02	\$10,000	NGHP	.900
03	\$20,000	NGHP	1.800
04	\$30,000	NGHP	2.700

Exhibit E
**Short Term Disability
and
Long Term Disability**

Short Term Disability

- 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)

This modified plan has no tie to years of service. Every employee will receive the same benefit regardless of time with the company.

All STD claims paid by a third party administrator (currently UNUM).

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

Benefit premiums (i.e Medical, Dental, Vision) will be direct billed from Hewitt 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	ES Rep Cost 2015/2016 (monthly)
50% LTD	.406/100
60% LTD	.623/100

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.