

AGREEMENT

&

**PENSION
AND
INSURANCE
AGREEMENT**

Between

NORTHROP GRUMMAN CORPORATION,

ELECTRONIC SYSTEMS SECTOR

BWI SITE

And

LOCAL 1805

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO**

AUGUST 30, 2015

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Between

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

And

**LOCAL 1805
INTERNATIONAL BROTHERHOOD
Of
ELECTRICAL WORKERS, AFL-CIO**

INTRODUCTION

AGREEMENT entered into as of August 30, 2015 between Northrop Grumman Corporation, Electronic Systems Sector, BWI Site hereinafter called the "Company" and Local 1805, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO, hereinafter called the "Union."

ARTICLE I – A MODIFICATION

Section 1.

This Agreement expresses the entire understanding of the parties, 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 and will be altered only by the consent of the parties hereto. This Agreement replaces and supersedes all prior Agreements and understandings between the parties whether oral, written or by past practice and all such Agreements and understandings are hereby terminated, except for those listed in Appendix C.

Section 2.

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 and opportunity are set forth in this Agreement (except to the extent they are set forth in the Pension and Insurance Agreement). Therefore, 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 even though such subjects or

matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement or any Supplement.

Section 3.

The Company and the Union agree that neither of them will request consideration of any proposed changes in or additions to this Agreement before July 1, 2021. If this Agreement continues in effect for any subsequent contract year or years, beginning on or after August 30, 2021, the provisions of the last sentence above shall apply (substituting the year to which the Agreement is renewed for the figures 2021 wherever they appear).

Section 4.

If the parties do not reach agreement prior to August 30, 2021, with respect to any requested contractual changes or additions or wage and 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 year with respect to any requested contractual changes or additions or wage and salary adjustments submitted on or after July 1 of such subsequent contract year, the Union may strike after the beginning of the next succeeding contract year in support of any such request made by it. Such strike shall not be a violation of Article III 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 and all of the supplements hereto.

ARTICLE I – B TERMINATION

Section 1.

This Agreement entered into as of August 30, 2015 shall continue and remain in full force and effect from year to year thereafter, provided that either party may terminate this Agreement as of midnight, August 30, 2021, or at the end of any succeeding contract year 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.

ARTICLE II RECOGNITION

Section 1.

The Company recognizes the Union as the exclusive collective bargaining agent with respect to rate of pay, wages, hours of employment or other conditions of employment for the following unit.

“All hourly paid production and maintenance employees of the Northrop Grumman Corporation, ES in the East Building of the BWI complex, Baltimore, Maryland, but excluding all salaried employees, technical, professional, confidential, and industrial relations employees, production expeditors, expeditor helpers, and inspectors, buyers, nurses, physicians, time study employees, guards and supervisors as defined in the Act.”

“All salaried inspectors, control specialists, machine repairman, maintenance coordinators,

manufacturing coordinators, manufacturing operations maintenance technicians, electronic technicians, and electronic technicians maintenance of the Northrop Grumman Corporation, ES, East Building, BWI complex, Baltimore, Maryland, but excluding all other salaried employees, technical, professional, confidential and industrial relations employees, production expeditors, expeditor helpers, buyers, nurses, physicians, time study employees, production and maintenance employees, guards and supervisors as defined in the Act."

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

Section 2.

The Union recognizes that it is the responsibility of the Company and its Plant Management to maintain plant efficiency and agrees that Management shall have the freedom necessary to discharge its responsibility for the successful operation of the Company. This responsibility includes, among other things, the determination of the number and location of its plants; the

selection of those with whom it will do business and 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 and to conduct its operations in a safe and effective manner. This section does not limit or modify the rights of the parties under any other provisions of this Agreement.

Section 3.

The right to hire, lay off (temporary or permanent) and discharge for cause and the determination of work to be performed by employees and the number of the work force shall rest solely and exclusively with the Company except as provided in the Agreement but each employee covered by this Agreement having completed his probationary period shall have the right of appeal through the grievance procedure as provided herein.

Section 4.

The parties to this Agreement recognize that a continuing improvement in the standard of living of employees depends upon technological progress, upon better tools, methods, processes and equipment; and upon a cooperative attitude on the part of all parties in achieving such progress. They further recognize the principle that to produce more with the same amount of human effort is a sound economic and social objective.

Section 5.

This Agreement is entered into in consideration of the mutual performance thereof in good faith by both parties. The intention of this Agreement is to establish harmonious relations between the Company and the Union and its membership and to promote the general welfare of the Company and the employees. The parties to this Agreement agree to cooperate in every reasonable way in carrying out the provisions hereof and to exchange such information with respect hereto as is mutually deemed essential for the furtherance of harmonious relations.

ARTICLE II-A DISCRIMINATION

Section 1.

There will be no discrimination by any supervisory personnel of the Company against any employee because of membership or activities in the Union. Neither will the Company tolerate such discrimination by any other employee.

Section 2.

The Union agrees that it, nor its respective officers and members, nor persons employed directly or indirectly by the Union, will discriminate against any employee. The Union further agrees that there will be no solicitation of members, dues or funds during the working hours of employees involved.

Section 3.

The Union and the Company reaffirm their intention that the provisions of this Agreement will continue to be applied without discrimination

because of race, creed, color, sex, age, national origin, disability, veteran status, or because of citizenship status, except citizenship status which is otherwise required in order to comply with law, regulation or federal executive order, or required by Federal, State or local government contract, or which the Attorney General of the United States determines to be essential for an employer to do business with an agency or department of the Federal, State, or local government. The parties recognize and accept that any term of gender in this Agreement is intended to include and does include both feminine and masculine as appropriate.

**ARTICLE III - STEWARDS
ORGANIZATION AND GRIEVANCE
PROCEDURE**

Section 1. Stewards Organization

The Company shall recognize a shop steward appointed by the Union for each shop area for handling grievances with the Company. The Company agrees that the choice and removal of stewards is a function of the Union. The Union agrees to furnish the Company with a list of its Officers, Negotiating Committee and Shop Stewards, and shall furnish the Company with notice, in writing, of any new appointments or change in its Shop Stewards, Officers or Negotiating Committee prior to the date they are to be recognized as representatives.

**Section 2. Definition of a
Grievance/Suspension/Disciplinary Notice**

A. The term grievance shall apply and be limited to questions (1) concerning the interpretation, application or claimed violation of this Agreement; (2) any subject that the Agreement provides shall become a grievance; or (3) questions involving discipline, release or discharge of bargaining unit employees who have completed their probationary period.

B. Other questions not involving a specific grievance may be presented by the parties at the Negotiating Committee level. The Negotiating Committee shall consist of not more than seven (7) representatives each of the Company and of the Union.

Suspensions

C. Notification of Employee Suspensions

In case of an infraction of posted Company rules, Management may suspend immediately the employee involved. The Section Steward or Chief Steward shall be notified, wherever possible, before the employee leaves the area. If this is not possible, the Section Steward, Chief Steward or President will be notified within twenty-four (24) hours. In cases where an employee has been suspended or discharged, a grievance thereafter submitted contesting the suspension or discharge may be entered at the second step within five (5) working days of notification.

D. If it is determined that an employee is given a disciplinary penalty or is discharged without just cause, the employee's record shall be cleared of such charges and he shall be reimbursed for time lost, if any, except where the arbitrator makes an award requiring other action than reimbursement for time lost under the provisions of Section 8 of Article III and in such case, the arbitrator's award shall govern.

Disciplinary Notices

E. Disciplinary notices

Disciplinary notices which are issued three years or more before an event which may give rise to formal discipline will not be used against an employee for purposes of the formal disciplinary process. However, such notices will not be removed from personnel files.

Section 3. Procedure for Conducting Union Business

A. When an employee has a problem he may discuss it with his supervisor or he may request the presence of the area steward. When a steward has been requested, the supervisor will issue the area steward the appropriate time report and indicate that an employee wishes to discuss a problem with him pursuant to Article XVIII, Section 1.E and Section 2. In the event the area steward is in a section other than that of the requesting employee,

the supervisor will arrange with the steward's supervisor for the presence of the steward as soon as possible. If the steward cannot be made immediately available, the reasons for such delay shall be transmitted to the requesting employee. Upon entering an area where he has been requested, the steward will have the time slip countersigned by the supervisor of the area to which he has been called, and again when he leaves the area.

B. A steward may request permission from his supervisor to leave his job to investigate a problem concerning rates of pay, wages, hours of employment or other conditions of employment. The steward will inform the supervisor which employee or group of employees he intends to contact. The employee or group of employees must be in the area the steward represents. The supervisor will grant permission as provided in Paragraph A.

C. If the steward and the supervisor are unable to settle a grievance, the steward may request the presence of a Union representative next in line above him in the Union's organization to further investigate and consult with him concerning the problem and this permission will be granted. It is not intended that this will be done in every case but only when the steward considers it necessary. If such a request is made, the Union representative requested will be permitted to leave his area as outlined in

Paragraph B. above.

D. Grievance Procedure

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 will be presented within thirty (30) days of the date of the incident causing a complaint unless the situation involves facts that can be substantiated through official records.

E. The prescribed period for processing grievances will be adhered to by both parties at all levels.

Section 4. Grievance Procedure. Step 1

If a question, having been discussed by the supervisor and the steward to assure an understanding, is not satisfactorily resolved, the steward will prepare a written statement and present it to the supervisor. Management will meet as soon as possible within three (3) working days to discuss the question with the section steward and the steward involved and give an answer in writing as soon as possible within four (4) working days after such discussion.

Section 5. Grievance Procedure. Step 2

If the grievance is not resolved under the preceding section to the satisfaction of the Union, the Union will return the grievance to the Labor Relations Manager of the East Building

within ten (10) working days. The Labor Relations Manager of the East Building will meet as soon as possible within ten (10) working days from the time of the presentation of the grievance together with such members of Management* as may be necessary to discuss the question with the Union's Grievance Committee and provide an answer as soon as possible within ten (10) working days of the date of the last meeting held at this level of the procedure. The Union's Grievance Committee will consist of not more than five (5) employees as may be determined by the Union, of which the Chief Steward will be the Chairman. However, the Union may have one non-employee Union representative at such meeting. The grievance will be considered closed if written notice to the contrary is not received within thirty (30) working days of the date of the written reply.

***NOTE:** A list of such Management personnel shall be maintained by the Company and furnished to the Union prior to the effective date of their designation as authorized representatives. An initial list will be provided with this Article. All replacements to this list will be of a comparable level to those originally assigned.

Section 6. Grievance Procedure. Step 3

If, in the opinion of the President of Local 1805 or the Director of Union Relations, it is deemed advisable to review a grievance on which the Union has advised the Company that the second step reply is unsatisfactory, before any other

action under the applicable provisions of this Agreement may be taken, a meeting will be held within thirty (30) calendar days at a mutually agreed upon location and time. At the conclusion of this Appeal Level meeting, Management will provide a verbal response to the grievance. As soon as possible and within twenty (20) working days following such meeting, a written answer will be given to the Union. The grievance will be considered closed if written notice to the contrary is not received by the Company within thirty (30) working days of the date of the written reply. It would not be expected that the full Grievance Committee would attend such a meeting, but either party may request the presence of those deemed essential to review the grievance, including the International Representative of IBEW and the Vice President of the Company.

Section 7. Grievance Time Limits

Any of the time limits shown in the above sections may be extended by mutual agreement. Such extensions will be in writing and signed by the Union representative and the Company representative.

Section 8 - Arbitration

A. Any grievance which remains unsettled after having been fully processed pursuant to the provisions of Article III, and which involves either,

- (1) The interpretation or application of a provision of this Agreement, or,

- (2) A disciplinary penalty (including discharge) imposed on or after the effective date of this Agreement, which is alleged to have been imposed without just cause, may be submitted to arbitration upon written request of either the Union or the Company, provided such request is made within sixty (60) days after the final decision of the Company has been given to the Union pursuant to Article III, Section 6. Employees in bargaining units covered by this Agreement cannot, except through the Union, initiate or invoke the arbitration procedures set forth in this Article III. For the purpose of proceedings within the scope of Section 2. above, the standard to be applied by an arbitrator to cases involving disciplinary penalties (including discharge) is that such penalties shall be imposed only for just cause.
- B. A request for arbitration shall state in reasonable detail the nature of the dispute and the remedy requested. A copy of the request shall be sent to the American Arbitration Association.
- (1) Within thirty (30) days after receipt of a request to arbitrate, the receiving party will give its response thereto in writing, with a copy to the Association, stating whether or not it believes the stated dispute to be arbitrable. If the receiving party believes the dispute not to be

arbitrable, it will state its reasons in reasonable detail.

- (2) If the response agrees to the arbitrability of the dispute, the Association will proceed to process the request in accordance with Paragraph C.
 - (3) If a response to a request for arbitration disagrees as to arbitrability of the dispute, either party may request a conference to discuss the arbitrability of the dispute, and to seek to resolve the differences between the parties.
 - (4) No persons not a party to this Agreement shall be permitted to attend or participate in any arbitration proceeding held hereunder except by agreement between the Company and the Union in advance of the hearing date, with the exception of the grievant, witnesses and duly authorized agents and representatives of the Company and Union.
- C. When a request for arbitration involves only relief from a disciplinary penalty or discharge alleged to have been imposed without just cause, or involves a dispute which the Company admits to be arbitrable, or when a final court judgment shall have ordered arbitration of a request, the parties shall attempt to reach mutual agreement on the arbitrator. If the parties fail to reach such mutual agreement on the arbitrator within a

fifteen (15) day period, either party may, but only within ten (10) days thereafter, request the American Arbitration Association to submit a list of names from the Association's Panels, from which an arbitrator may be chosen. No arbitrator shall be appointed by the Association who has not been approved by both parties unless and until the parties have had submitted to them three (3) lists of arbitrators from the Association's Panels, and have been unable to select a mutually satisfactory arbitrator therefrom.

In the event the arbitrator requests the parties to supply him with a stenographic record of the arbitration proceeding, the parties shall equally divide the cost of one copy for him. The arbitrator shall have no authority to issue any subpoena or other form of legal process or award to compel either party to produce new evidence (not already presented during processing of the grievance in the grievance procedure) considered by such party to be confidential or not relevant or material to the proceeding, or which is not available. This shall not limit the arbitrator's authority to compel the production of information which this Agreement requires either party to provide the other.

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

- (1) Only one request shall be scheduled for the same arbitration hearing, except by mutual agreement of the parties.
 - (2) In the selection of an arbitrator and the conduct of an arbitration hearing, the applicable provisions of the Voluntary Labor Arbitration Rules of the Association shall control, except that either party may, if it desires, be represented by counsel.
 - (3) The dispute as stated in the request for arbitration shall constitute the sole and entire subject matter to be heard by the arbitrator, unless the parties agree to modify the scope of the hearing.
- D. In the event the receiving party has asserted that the dispute contained in a request for arbitration is not arbitrable, the Association shall have authority to process the request for arbitration and appoint an arbitrator in accordance with the procedure set forth in Paragraph C. (2) above only after a final judgment of a Court has determined that the grievance upon which arbitration has been requested raises arbitrable issues and has directed arbitration of such issues. The foregoing part of this paragraph shall not be applicable if the request for arbitration involves only relief from a disciplinary penalty or discharge alleged to have been imposed without just cause.
- (1) In the consideration and decision of any

question involving arbitrability (including any application to a court for an order directing arbitration), it is the specific agreement of the parties that:

a. Some types of grievance disputes which may arise during the term of this Agreement shall be subject to arbitration as a matter of right, enforceable in court, at the demand of either party (see Paragraph F. below).

b. Other types of disputes shall be subject only to voluntary arbitration, i.e., can be arbitrated only if both parties agree in writing, in the case of each dispute, to do so (see Paragraph H. below).

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

d. In the consideration of whether a matter is subject to arbitration as a matter of right, a fundamental principle shall be that the Company retains all its rights to manage the business, including (but not limited to) the right to determine the methods and means by which its operations are to be carried on, to direct the work force and to conduct its operations in a safe and effective manner, subject only to the express limitations set forth in this Agreement executed under the provisions of Article I-A, Section 3, thereof;

and it is understood that the parties have not agreed to arbitrate demands which challenge action taken by the Company in the exercise of any such rights, except where such challenge is based upon a violation of any such express limitations (other than those set out in Paragraph H. below).

e. No matter will be considered arbitrable unless it is found that the parties clearly agreed that the subject involved would be arbitrable in light of the principles of arbitrability set forth in this Section and no court or arbitrator shall or may proceed under any presumption that a request to arbitrate is arbitrable.

(2) If a final judgment of a court has determined that a request raises arbitrable issues, the court's decision shall specify in reasonable detail the issues as to which arbitration is directed. The arbitration shall thereafter proceed only upon the issues specified in such final court judgment and the arbitrator shall have no authority or jurisdiction to consider issues other than those specified.

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

- F.** Arbitration as a matter of right includes only requests to arbitrate which involve:
- (1)** Disciplinary action (including discharge) but with certain exceptions spelled out in this Section;
 - (2)** The claimed violation of a specific provision or provisions of the Agreement (with the limitations and exceptions set out in this Section);
 - (3)** The claimed violation of a provision or provisions of a signed supplement entered into in accordance with Article I, Section 4, of this Agreement.
- G.** A request for arbitration, in order to be subject to arbitration as a matter of right under the provisions of subsection F.(2) and F.(3) above, must allege a direct violation of the express purpose of the contractual provisions in question, rather than of an indirect or implied purpose. For example, a request which claims incorrect application of the method of computing overtime pay under the provisions of Article IX would be arbitrable as a matter of right, whereas a request which questioned the right of the Company to require the performance of reasonable overtime work, on the claimed ground that Article IX contains an implied limitation of that right, would be subject only to voluntary arbitration. A request that Article XV had been violated by the layoff of a

senior employee in preference to a junior employee would be arbitrable as a matter of right but a request that subcontracting of work in the plant while bargaining unit employees are on layoff violated a claimed implied limitation of Article XV would be subject only to voluntary arbitration.

- H.** All requests for arbitration which are not subject to arbitration as a matter of right under the provisions of Paragraph F., above, are subject only to voluntary arbitration. In particular, it is specifically agreed that arbitration requests shall be subject only to voluntary arbitration, by mutual agreement, if they:
- (1)** Involve the existence or alleged violation of any agreement other than those described in Paragraph F. above;
 - (2)** Involve issues which were discussed at negotiations, but which are not expressly covered in this Agreement (e.g., subcontracting);
 - (3)** Involve claims that an allegedly implied or assumed obligation of this Agreement has been violated;
 - (4)** Involve claims that Article II or Paragraph 3 of Article II-A of this Agreement has been violated;
 - (5)** Would require an arbitrator to consider, rule on or decide the appropriate hourly

or salary rate at which an employee shall be paid, or the method (day or salary) by which his pay shall be determined; (See footnote)

- (6) Would require an arbitrator to consider, rule on or decide any of the following:
- (a) The elements of an employee's job assignment,
 - (b) The level, title or other designation of an employee's job classification,
 - (c) The right of Management to assign or reassign work or elements of work; (See footnote)

Footnote: Subsections (5) and (6) above reflect the fact that this Agreement does not set out specific rates or classifications for jobs, and are designed to confirm the intent that disputes over individual job classifications, rates of pay, etc., are not subject to arbitration.

- (7) Pertain in any way to the establishment, administration, interpretation or application of Insurance, Pension or other Benefit plans in which employees covered by this Agreement are eligible to participate (subject to the provisions of the opening paragraph of Article XV);
- (8) Involve discipline or discharge imposed on probationary employees and

provided further that nothing in this subsection shall limit the authority of an arbitrator with respect to disciplinary penalties or discharge imposed in violation of Section 1 of Article II-A;

- (9) Pertain in any way to the Layoff Income and Benefits Plan or its interpretation or application.
- I. In any case which involves discipline (including discharge) effected on the grounds that an employee has refused, orally or otherwise, to perform an assigned task, either party may, at any time before the arbitration hearing is closed, request that the arbitrator decide the matter without an opinion, in which event the arbitrator must simply determine and announce an award without stating any grounds or reasons for his decision. If an award is issued by an arbitrator in any such case, it shall be final and binding on the parties, but, to the extent that the arbitrator's opinion in support of his award interprets or applies to any provisions of this Agreement, such opinion shall not be considered binding upon the parties, and shall not constitute a precedent for the purpose of interpreting or applying that provision of the Agreement in the future.

Section 9.

Grievances filed on or after the effective date of this Section which are arbitrable under this Agreement and allege that an employee has

been disciplined or discharged from the active rolls without just cause may be processed into arbitration from Step 2 of the grievance procedure; provided, however, that the party requesting arbitration does so in writing within ten (10) working days after the date of the Company's final reply to the grievance at the plant level. Both parties must agree that the dispute does not involve the interpretation of a contract provision or a procedural question. In the event there is no such agreement, the grievance may be advanced to the Appeal Level of the grievance procedure within thirty (30) days of the date of the determination that it is not to be processed under Section 9.

In arbitration hearings held under this Section 9 only, the parties agree that no transcript nor other formal record of the proceedings shall be required, 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) 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 Article III, Sections 8 and 10, shall otherwise apply to arbitration under this Section.

Section 10.

In view of the mutual interest of the parties in uninterrupted production, the parties agree as

follows:

- A.** That the IBEW and the Union shall not cause or sanction their members to cause or take part in any stoppage of or interference with work (including strikes, sitdowns, stayins, slowdowns, concerted refusal to work overtime or any other form of work stoppage) during the life of this Agreement, except only as specifically permitted hereafter in Paragraph B. of this Section.

- B.** When the grievance procedure has been exhausted as provided for in Section 6, the Union may authorize a strike of the employees in the bargaining unit in support of a grievance involving such bargaining unit. Such a strike, when so authorized, shall not be a violation of this Section if all of the following conditions are satisfied:
 - (1)** If written notice has been given that Management's reply at Step III is unsatisfactory;

 - (2)** If the grievance is not subject to arbitration under Section 8;

 - (3)** If the IBEW has authorized such strike by the Union and the Company has received written notice of such authorization which identifies the grievance or grievances involved in the dispute;

 - (4)** The strike is commenced within ninety

(90) days after the Company has refused in writing to refer the grievance to arbitration. The Company will be given not less than twenty-four (24) hours advance notice of the time at which a strike would start. It is further agreed that should any condition arising during the period of this Agreement lead to a stoppage of productions, the Union will, at the request of the Company, keep their members engaged on such work in connection with the maintenance of properties as may be necessary to protect the properties from damage or destruction;

- (5) When the Company has denied the arbitrability of a grievance under Section 8, the Union shall have the right to strike in support of such grievance after satisfying (3) above and provided the Company has been given not less than twenty-four (24) hours advance notice as provided in (4) above.
- C. That so long as there is no stoppage of or interference with work by the IBEW, the Union or the employee(s), the Company will not lock out any employees because of any dispute with the IBEW during the life of this Agreement.

ARTICLE IV - UNION SECURITY

Section 1. Bulletin Boards

The Company shall, for a reasonable time, post

a bulletin board notice quoting the provisions of this Section for the information of affected employees.

Section 2. Employees Who Are IBEW Members

All employees in any job in any unit covered by this Agreement who were members of the IBEW on July 21, 1985, shall as a condition of employment remain members of the IBEW 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 IBEW in good standing insofar as the payment of periodic dues, uniformly required, is concerned, they shall as a condition of employment pay to the IBEW a service fee equivalent to the periodic dues required of members in good standing.

Section 3. Employees Who Are Not IBEW Members

All employees (i) who are hired or rehired after July 21, 1985, in any job in any unit covered by this 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 IBEW, 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 IBEW in good standing

insofar as the payment of periodic dues and initiation fees, uniformly required, is concerned, or in lieu of such membership, pay to the IBEW a service fee equivalent to the IBEW's initiation fee and periodic dues uniformly required.

All other employees in any job in any unit covered by this Agreement who on July 21, 1985, are not members of the Union will be required beginning on August 21, 1985, to become and/or remain members of the IBEW in good standing insofar as the payment of periodic dues and initiation fees, uniformly required, is concerned, or in lieu of such membership, pay to the IBEW a service fee equivalent to the IBEW's initiation fee and periodic dues uniformly required.

Section 4. Withdrawal from the Union

Notwithstanding any other provisions of this Article, every employee who is otherwise required under this Article to obtain and/or maintain membership in the Union shall have the right, after having obtained such membership, to resign from the Union by giving written notice thereof, by registered mail, to the Company and to the Union during the period from October 25 to October 31 of each year this Agreement remains in effect (such period is hereafter referred to as "withdrawal period"). Such notice shall be deemed to have been properly given if it is postmarked, or is received by the Company and the Union during the withdrawal period. Any employee who resigns

from the Union during a withdrawal period shall not thereafter be obligated to obtain or maintain membership in the Union unless he shall, thereafter, during the life of this Agreement, again become a member of the Union, in which case he shall maintain his membership as a condition of employment thereafter, subject to his right to resign during any subsequent withdrawal period as provided in this Section 4.

Section 5. Failure to Obtain Membership

The Company shall be obligated under this Article to terminate the employment of any employee by reason of his failure to obtain or to maintain membership in the Union and for an employee who fails to obtain and/or maintain membership, his failure to pay service fees equivalent to dues and initiation fees as required by this Article upon receipt of written request for such termination from the Union; except that the Company shall have the right to refuse such request if it has reasonable grounds for believing (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 and initiation fees uniformly required as a condition of acquiring or retaining membership.

Section 6. Indemnification

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.

**Section 7. Definition of “Employee”,
“Initiation Fee” and “Dues”**

A. The term “employee” means any person on the active payroll or the disability payroll of the Company or on leave of absence from the Company. It does not include persons who have been laid off, whether or not they are on the inactive list, and such persons shall, when recalled to work be considered as newly hired employees (see Section 3).

B. Initiation Fee

The term “initiation fee” means such amount as may be uniformly charged by the Union as a condition of granting membership in the Union, providing, however, that no amount in excess of \$25.00 shall be considered as an initiation fee for purposes of this Article.

C. Dues

The term “dues” shall not be deemed to include any fine, assessment, contribution, tax or other form of payment required from the Union members except the payment required in equal amounts from every member once during each month, or once during each week if dues are deducted weekly pursuant to the applicable provisions of Article V.

ARTICLE V—CHECKOFF

Dues/Service Fees Deduction Authorization

A. Dues/Service Fees Deduction Authorization

For the duration of this Agreement, the Corporation shall deduct from each week's pay Union dues or service fees for employees who are not IBEW members and promptly remit same to the Financial Secretary of the Union for those employees in the bargaining units whose written and signed authorizations are received by the Corporation. Such authorizations shall be valid only if submitted on the forms set forth in Paragraphs B or C of this Article, or on the form set forth in this Agreement prior to the 1966 Agreement; provided, however, that within the same bargaining unit all employees who authorize the deduction of dues or service fees shall use the same form of authorization.

IBEW DEDUCTION AUTHORIZATION

(1) Weekly Dues Deduction Authorization

If Union dues are established on a weekly basis, the Union, upon written notice to Management, may elect to have such dues 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 Union initially presents Management with signed weekly dues deduction authorizations. The following weekly dues deduction authorization form, with all blanks properly filled in, will be used:

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

Weekly Deduction Authorizations

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

Effective Date _____ Employee Number _____

To NORTHROP GRUMMAN CORPORATION - ES

Please deduct from my pay each week my weekly dues as a member of Local Union No. 1805, International Brotherhood of Electrical Workers, AFL-CIO, in the amount certified to you as being the membership dues of such Union. Remit the amount so deducted to such Union in accordance with this authorization and assignment. In addition, please deduct my initiation fee of \$ _____ as part of the first week's deduction of membership dues and remit same to said Union. I further authorize the deduction of any delinquent dues as determined by the Union from any of my paychecks.

This assignment and authorization shall be irrevocable, except that it may be revoked by my giving written notice to you by individual registered mail postmarked, or received by the Company, either (a) during a period from the first October 25 to the first October 31, both inclusive, after the effective date of this authorization, (b) during the same period of each year thereafter, or (c) after the termination date of the Agreement (dated August 30, 2015) between Northrop Grumman ES and the Local 1805, International Brotherhood of Electrical Workers, AFL-CIO. This assignment and authorization supersedes all authorizations and assignments previously signed by me with respect to union dues and/or initiation fees.

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

Employee's Signature

Date: _____

Address: _____

Zip Code: _____

Home Phone: _____

Work Phone: _____ Hire Date: _____

IBEW DEDUCTION AUTHORIZATION

(2) Weekly Service Fee Authorization

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

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

Name (Print) _____
(First) (Middle Initial) (Last)
Effective Date _____ Employee Number _____

To NORTHROP GRUMMAN CORPORATION - ES

Please deduct from my pay each week my weekly service fees to Local Union No. 1805, International Brotherhood of Electrical Workers, AFL-CIO, in the amount certified to you as being the membership dues of such Union. Remit the amount so deducted to such Union in accordance with this authorization and assignment. In addition, please deduct the equivalent of the initiation fee of \$ _____ as part of the first week's deduction of service fees and remit same to said Union. I further authorize the deduction of any delinquent service fees as determined by the Union from any of my paychecks.

This assignment and authorization shall be irrevocable, except that it may be revoked by my giving written notice to you by individual registered or certified mail postmarked or received by the Company, either (a) during a period from the first October 25 to the first October 31, both inclusive, after the effective date of this authorization, (b) during the period of each year thereafter, or (c) after the termination date of the Agreement (dated August 30, 2015) between Northrop Grumman ES and Local 1805 International Brotherhood of Electrical Workers, AFL-CIO. This assignment and authorization supersedes all authorizations and assignments previously signed by me with respect to union 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

Date: _____

Address: _____

Zip Code: _____

Home Phone: _____

Work Phone: _____ Hire Date: _____

B. All valid Dues Deduction Authorizations previously submitted to Westinghouse Electric Corporation and assumed by Northrop Grumman Corporation upon acquisition of ESSD shall remain valid and in effect unless withdrawn by the employee under Section 4 or upon termination of employment.

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

D. Notice of Changes in Dues

The Union shall notify the Company by certified mail of any change in the sum of money to be deducted as dues pursuant to the authorizations set forth in Paragraphs B. and C. above at least sixty (60) days prior to the requested effective date.

E. Starting Deductions

(1) Weekly Deduction Authorizations

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 deductions for any employee will be the responsibility of the Union and will not be the subject of payroll deductions. To the extent permitted by law, the Company will also deduct any back dues or service fees owed at the time of starting deductions, if (i) the Union certifies in writing that such back dues or service fees are owed, and the amount of such back dues or service fees, and (ii) the employee has authorized in writing such additional deductions.

F. Delinquencies

(1) Weekly Deduction Authorizations

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 Union; and the Union shall 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 Article 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 in the same bargaining unit 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 such deductions on the authorization form. In all cases, however, reinstatement of the dues or service fees deduction authorization will be made only if the authorization form previously signed is that which is currently in use in that bargaining unit.

I. Transfers

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

J. Contact with the Union

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

K. Report and Remittances to Union

(1) Weekly Deduction Authorizations

On or before the 20th day of each month a check for the total deductions made since the last remission shall be sent to the Union together with a substantiating list. Each list sent to the Union shall show for all employees on the active roll from whom deductions have been made: (a) name, (b) shop location, (c) Social Security Number, (d) amount of deduction from each individual employee for the period covered, and (e) reason for non-deduction, if known.

Attached to the list will be a summary indicating the total amount deducted and the number of employees from whom dues or service fees deductions were made.

(2) On or before November 15th of each year, Management will furnish the Union with a list of employees who have revoked their deduction authorization during the preceding revocation period of October 25 to October 31.

L. State Laws

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

M. Deductions for IBEW COPE

For the duration of this Agreement, the Company will deduct from each week's pay voluntary contributions to IBEW COPE for those employees where signed authorizations for such deductions in the form set forth below are received by the Company. The Company will transmit to the Union on a monthly basis, in one check, the total amount deducted along with the name of each employee on whose behalf a deduction is made and that amount deducted from the employee's paycheck.

The following is the form of authorization:

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

TO NORTHROP GRUMMAN CORPORATION
IBEW COPE

Name (Print) _____ Employee Number _____

Street Address _____ City/State _____ Zip _____

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

\$.50 \$1.00 \$1.50

\$2.00 \$2.50

Other \$ _____ (whole dollars)

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

Signature _____

Date _____

ARTICLE VI - NIGHT TURN ADJUSTMENT

When the regular quitting time of a shift is after nine o'clock (9:00) p.m. and up to and including nine o'clock (9:00) a.m. of the following day, the shift is recognized as night turn. Employees working such shift shall receive an extra compensation of ten percent (10%) of their earnings on night turn. However, employees hired after August 26, 1991, who have no record of prior Westinghouse service will receive the lesser of (a) the ten percent (10%) extra compensation described above, or (b) an extra compensation of one dollar (\$1.00) if paid hourly, and forty dollars (\$40.00) per week if paid weekly salary 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 Article for work performed on such shifts.

ARTICLE VII - HOURS OF WORK

Section 1. Basic Work Week

The basic work week shall be forty (40) hours based on eight (8) hours per day, five (5) days per week, Monday to Friday, inclusive. However, where three shift operations are required, the basic work week shall be thirty-seven and one-half (37-1/2) hours based on seven and one-half (7-1/2) hours per day, five (5) days per week, Monday to Friday, inclusive. An employee's work

day is the twenty-four (24) hour period beginning with his regularly assigned starting time of his work shift, and his day of rest starts at the same time on the day or days he is not scheduled to work. An employee's workweek starts with his regularly assigned work period on Monday.

Conditions may make it desirable to create a basic workweek different from the standard basic workweek for all or a portion of the employees. Example of such an alternate arrangement is contained in the AWA agreement listed in Appendix C of the contract. Such AWA 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.

Section 2. Established Shifts

Starting and stopping times of shifts and lunch periods shall be determined by Management after discussion with the Union, and shall be posted for each shift established and any questions concerning hours so established shall be subject to the grievance procedure.

Section 3. Shifts

The established shifts are:

- A. 8:15 A.M. to 5:00 P.M.
- B. 7:00 A.M. to 3:30 P.M.
- C. 3:30 P.M. to 12:00 A.M.
- D. 11:00 P.M. to 7:30 A.M.
- E. 7:00 A.M. to 3:00 P.M.
- F. 3:00 P.M. to 11:00 P.M.
- G. **3:00 P.M. to 11:30 P.M.**
- H. 11:00 P.M. to 7:00 A.M.
- I. 5:00 P.M. to 1:30 A.M.
- J. 7:30 A.M. to 4:00 P.M.
- K. **11:15 A.M. to 7:45 P.M.*** (MDC area only)
- L. 4:00 P.M. to 12:30 A.M.
- M. 6:45 A.M. to 3:15 P.M.

Swing Shift - 8 hours per day, any five days of the week.

* Classified as second shift.

Section 4. Twenty-Four Hour WorkSchedule

When twenty-four (24) hour coverage of an operation is required, and a three-shift operation is not feasible, the operation may be covered in two twelve (12) hour working schedules. The first scheduled hours of such a schedule will be 7:00 A.M. to 7:00 P.M. and the second scheduled hours of such a schedule will be 7:00 P.M. to 7:00

A.M. The pertinent provisions of this Agreement pertaining to overtime will apply.

Section 5. Non-established Shifts

Production conditions may require the supervisor to request employees to work hours differing from any established shift schedule. The section steward will be notified of the conditions as quickly as possible after they are known.

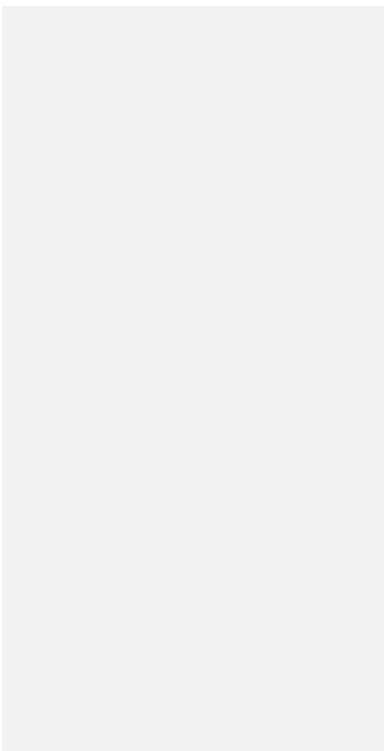
Section 6. Notice of Shift Change

It is the policy of the Company to give as much advance notice as possible, to the employees involved, of any change in shift assignments.

Section 7. Make-up Time

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

- A.** The employee must have received approval from Management prior to the start of his scheduled start time and Management shall have the discretion to deny such requests.
- B.** The amount of make-up time shall not exceed four (4) hours per day, not to restrict a person from making up eight (8) hours or more of missed time per week.
- C.** The make-up time must be worked in the same work week.
- D.** Make-up time shall only be permitted for occasional non-recurring situations; it is not the intent of this provision to permit flextime.



ARTICLE VIII - SECURITY

Section 1.

The Company has certain obligations under its contract with the Government, which pertain to security. Therefore, if the Government agency concerned with the Company's security regulations notifies the Company that any employee of the Company covered by this Agreement is denied access to classified information or material, the Union will not present or prosecute a grievance because the Company conforms to such notification, but shall not be precluded from prosecuting a grievance concerning any action of the Company which exceeds security requirements.

Section 2.

The Union and the Company agree that they will protect the security of classified information and will not reveal such information to any person not specifically cleared for and required to have the information by the Government. No person will be cleared for such information except where the information is necessary for performance of work desired by the Government or where he may have access to such information. It is recognized that the Company has agreed not to employ any person designated by the Government whose employment is considered prejudicial to the Government and to remove from the work and exclude from the plant any person whose continued employment is deemed by the Government to be prejudicial to the interest of the

Government. Furthermore, all members of the Union, the Company and all employees of the Company are required to comply with all protective security regulations now in effect or as may be promulgated in the East Building. The Company and the Union through their committees and officers shall not make decisions that conflict with security regulations as required by Government contracts.

ARTICLE IX - OVERTIME

A. Balancing and Distribution

Overtime work will be balanced as equitably as practicable on a shift and distributed as equitably as practicable between shifts among those qualified employees normally performing the work involved within either the group or section and who are able to perform and maintain the continuity of the job without instruction. Overtime records will be reviewed at reasonable intervals by the Supervisor with the steward for the purpose of determining those eligible employees (those qualified and normally performing the work involved) with lesser amounts of overtime who should be scheduled first for subsequent overtime. To meet the objectives of this Article and to be consistent with the provisions of Article II of this Agreement and whenever production conditions permit, a reasonable attempt will be made to assign those employees within the overtime unit (i.e., the Job Number within the group or section on the same shift) involved from one task to

another in order to acquaint them with the task being performed by those "normally performing the work involved."

B. Advance Notice Required

Overtime refused will be considered as hours worked for crediting overtime when not less than three (3) hours advance notice of overtime to be worked is given, or in the case of Saturdays, Sundays and holidays if notice is given by the middle of the shift on the preceding regular work day. The Union agrees to give recognition to the problems presented by the consistent refusal of an employee to work overtime after receiving reasonable advance notice and/or by the consistent refusal of an employee to report for work after accepting an overtime assignment.

C. Employees shall not be required to take time off for the purpose of offsetting overtime worked.

D. The Company will give as much advance notice as possible to employees for work on overtime hours required.

E. Crediting Employees with Overtime Hours

An employee shall be credited with an average of overtime, excluding all double charged overtime hours as set forth below in this Article IX, Paragraph J, and all overtime hours charged as a result of temporary loans to other sections, on a shift within the group or section by Job Number under the following conditions:

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

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

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

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

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

overtime hours as recorded and slotted accordingly;

(3) Return from Inactive Seniority List;

(4) Return from Personal or Military Leave.

F. An employee shall maintain his differential of overtime hours from the average of the group or section involved on a shift upon return from the disability roll.

G. Except for the instance outlined in Paragraph F. above an employee unavailable to work overtime hours for which he would have been scheduled will be credited with such hours. Employees who have been absent from work during their regular work week, may or may not be asked to work overtime on the weekend at the discretion of management without regard to the overtime balancing requirements.

H. Employees who are requested to work overtime in a different group or section will not be charged with overtime hours refused but will be charged with overtime hours accepted. Those chargeable hours are credited on the employee's record in his home group or section.

I. Production conditions may require some employees to report to work prior to the start of their established shift. The section steward will be notified of the conditions as quickly as possible after they are known. First shift employees will not be scheduled to report to work prior to the start of their shift except on an infrequent basis unless it is voluntary.

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

K. At the end of each calendar year, the overtime balancing records for each employee will be brought back to zero.

L. Facility Closed & Essential Employees

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

HOURLY EMPLOYEES

Section 1.

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

Section 2.

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

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

(1) All hours worked in excess of the number of hours in the employee's regularly assigned shift, but less than twelve (12) in any day (Monday to Friday, inclusive);

(2) All hours worked less than twelve (12) on Saturday;

(3) All hours worked less than the number of hours in the employee's regularly assigned shift on observed holidays for which the employee receives additional payment under Article X.

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

(1) All hours worked on Sundays;

(2) All hours worked on calendar Sundays outside of the employee's established shift;

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

(4) All hours worked on observed holidays for which the employee is not eligible for payment under Article X;

(5) All hours worked on observed holidays in excess of the number of hours

in the employee's regularly assigned shift for which the employee received additional payment under Article X.

C. In the case of employees whose regular days of work vary from the normal Monday to Friday pattern, including employees on swing shifts, the words "Saturday and Sunday" used in Paragraphs A. and B. above shall be replaced by the words "the first scheduled day off of the employee's work week" and "the second scheduled day off of the employee's work week," respectively.

SALARY EMPLOYEES

Section 1.

All hours worked, except hours worked on Sunday, in excess of eight (8) hours but less than twelve (12) in any one (1) day or forty (40) hours in one week, shall be paid for at the rate of one and one-half (1-1/2) times the straight-time hourly rate.

Section 2.

Hours actually worked in excess of twelve (12) hours in any day will be paid for at an overtime rate of two (2) times the employee's straight-time hourly rate. In determining hours worked for purposes of this Section 2, Section 5 below will not be applicable. Hours worked in excess of twelve (12) in any day that are not payable under this Section 2 will be paid pursuant to the provisions of Section 1 above if applicable.

Section 3.

Hours worked by employees on Sunday, after forty (40) straight time hours, will be paid for at an overtime rate of two (2) times the employee's straight-time hourly rate.

Section 4.

Hours worked on observed holidays by non-exempt employees will be paid at an overtime rate of one and one-half (1-1/2) times the employee's average earned hourly rate. Such payment is in addition to the employee's salary.

Section 5.

Absent hours considered as involuntary will be considered as hours worked for determining overtime. Involuntary absences are defined as follows:

- Funeral or death per Article XII Section 3 Death in Immediate Family
- Jury duty and court appearances as contemplated in Article XII - Leave, Section 1.C
- Injury or illness of the employee
- Furloughs for which deduction from pay is made except in case of disciplinary furlough
- Holidays and vacation days
- Union activities by elected representatives as contemplated in this Agreement
- Military Service as contemplated in the Company Command Media Procedure H252

Section 6.

Employees shall not be required to take time off for the purpose of offsetting overtime previously worked.

ARTICLE X - HOLIDAYS

Section 1. Observed Holidays

Holidays observed by the Company will be New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, day after Thanksgiving, Christmas, the day before Christmas and two days designated each year by management in accordance with Section 3. 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.

Section 2. Holidays on Weekends

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

Section 3. Designated Holidays

Management will, prior to January 1, of each

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

Section 4. Eligibility Requirement for Holiday Payment

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

Section 5. Holidays Paid at Rate of Record

Hourly paid employees shall be paid for such hours at their rate of record including night turn bonus on the date immediately preceding the holiday.

Section 6. Must be on Active Roll; Hourly and Salary

The above payment will be made only to hourly paid employees who are on the active roll, which in no case includes the disability roll, on the last working day before the observed holiday, and who earned some wages during the week in which such holiday falls or any of the four preceding weeks, provided that employees who are separated at any time during December 31 in any

year shall not be entitled to holiday pay for New Year's Day in the following year.

Section 7.

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

Section 8. Swing Shift

In the case of employees whose regular days of work vary from the normal Monday to Friday pattern, including employees on swing shifts, holidays falling on the first and/or second scheduled day(s) off of the employee's work week shall be observed on the first work day(s) following the employee's scheduled days off.

ARTICLE XI- BULLETIN BOARDS

The Company will permit the use of factory bulletin boards for the purpose of posting Union notices or other information of interest to members of the Union, provided that all such notices will be subject to the Management's approval and arrangements made by the Management for posting.

ARTICLE XII - LEAVE

Section 1. Court Appearances

- A. When called for jury duty, hourly paid employees will be paid as if the employee has worked his regularly scheduled straight-time

hours in the period involved, exclusive of overtime but including group leader or night turn remuneration, where applicable. No wages will be paid for jury service during non-scheduled workdays, furloughs or days that would have been furloughs.

- B. Salaried employees will be paid their regular salary for such period, but will be expected to report for their regular duties when temporarily excused from attendance at court, for a period of one-half workday or greater. No salary will be paid for jury service during non-scheduled workdays, furloughs or days that would have been furloughs.
- C. Employees will be reimbursed in the manner set forth in sub-section A. and B. of this Section when time is lost because of attendance at a proceeding of a court or governmental agency at the request of the Company or in response to a subpoena served on the employee. However, when subpoenaed by other than the Company, the employee will not be reimbursed if the employee, the Company, or the Union is a party in the case, or the employee has any direct interest or financial interest in the case.

Section 2. Military Service Leave

Employees shall be subject to the Company's Military Service Leave 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 IBEW represented employees, the IBEW shall be provided notice of any such change prior to its implementation.

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

domestic partner or child of domestic partner he will be compensated for an additional two (2) work days within a period of seven (7) days starting on the day designated by the employee within seven (7) days of the day of the death for time lost by reason of each such absence. In 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 including 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.

ARTICLE XIII - FOUR HOURS OF WORK

Section 1.

Employees who report to work at the regular starting time of their shift and have not been advised at least five (5) hours beforehand not to report, and those who report to work at other times at Management's request, will be guaranteed four (4) hours work at their guaranteed jobs or the rate of pay for the job on which they work, whichever is higher. If work is not provided during some or all of such four (4) hours, the employee will be paid at his daywork rate for such period. If the employee has qualified for overtime in accordance with the overtime

provisions of the Agreement, overtime rates based on the provisions of this Agreement will be paid for hours not worked.

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

- An employee on furlough who reports without being called will not be subject to this guarantee.
- An employee who does not desire to remain for the full four hours of work will be paid only for actual hours worked.
- When an employee reports in later than the designated starting time (when called in at other than regular starting time the designated starting time is that time agreed upon between employee and supervisor at time employee is called), the guarantee of four hours' work will be considered to have been met at the end of four hours from the designated starting time.
- When an employee reports to work who was absent at the time a general notification of temporary suspension of operations was given.

Section 2.

Employees working on the third shift will not be sent home at other than their regular quitting time, unless assurance of transportation is first obtained.

ARTICLE XIV—VACATION, PAID TIME OFF, VACATION ACCRUAL

Section 1. Definitions

The vacation year will be a calendar year, and during the first quarter of the year, departmental heads shall consult with all employees entitled to vacations and establish the schedule for vacations. In determining vacation schedules, the Company shall respect the seniority and wishes of the employees as to the time of vacation insofar as the needs of the Company will permit. The Company may schedule vacation shutdowns for vacation purposes, at all or a portion of BWI operations. The vacations will run concurrently with the vacation shutdown periods. Employees who become eligible for vacation subsequent to the vacation shutdowns, but before the end of the year, will be granted vacation pay, when they become eligible, if they were absent during the vacation shutdown periods, without additional time off. It is recognized that some employees will be requested to work during the vacation shutdown periods.

The Company will notify the Union of vacation shutdowns of four (4) days or less; vacation shutdowns of five (5) days or more will be a matter for negotiations. The Company shall be required to designate the time of the vacation shutdown or shutdowns before January 1 of the vacation year. No more than two (2) vacation shutdowns of five (5) continuous working days (beginning Monday)

or one shutdown of ten (10) continuous working days shall be scheduled in any vacation year unless mutually agreed otherwise. Employees entitled to vacation pay during a vacation shutdown, who are on the disability roll on the last working day prior to the vacation shutdown and are receiving Accident and Sickness Benefits under the Northrop Grumman Benefits Plan shall not be placed on vacation for the period of the scheduled shutdown unless the individual employee makes a request for said vacation period in writing prior to the shutdown. If such a request is made, Accident and Sickness Benefits will be suspended during the vacation shutdown. Under no circumstances, except where mandated by law, will an employee receive both vacation and Accident and Sickness Benefits for the same period, and if necessary before the end of the calendar year the payment of Accident and Sickness benefits to the employee will be suspended for the period of vacation remaining to the employee and he will receive vacation pay in lieu thereof.

Vacation payment shall be at the rate effective at the time the employee became disabled plus any intervening keysheet changes.

Section 2.

When the vacation period of a salaried employee includes one of the observed holidays as set forth in Section 1 of Article X, in his regularly scheduled work week, or the vacation period of an hourly paid employee includes one of such observed holidays (for which he receives pay) an additional day of vacation shall be granted with pay, in lieu of

the holiday.

Section 3.

Where an employee is removed from the active roll for any reason, payment for vacation not taken for the current year will be made if the employee has qualified for vacation.

Section 4.

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.

Section 5.

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

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

Section 6. Laid Off Employees

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

Section 7. Vacation Eligibility

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

Employees meeting the requirement of thirty (30) days continuous employment described in Section 4. 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.

Section 8. 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 retirement) 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.

Section 9. Vacation -Six Minute Increments

Employees will be permitted to utilize their vacation eligibility in six minute (.1 hour) increments, provided they are scheduled in advance.

Section 10. Prescheduling of Vacation

Vacation must be prescheduled. Employees may not retroactively designate time off as vacation after they return to work. Vacation time of three days or more must be scheduled at least five (5) working days in advance. Employees shall, wherever practicable, provide notice at least twenty-four hours in advance of the start of the regularly scheduled shift of vacation of less than three (3) scheduled days. If an employee fails to notify his immediate supervisor 30 minutes prior to the start of his shift, the Company shall have the discretion to deny vacation pay for such absence. Management shall have the right to reschedule vacation which has been prescheduled under the rules if such rescheduling is necessary due to operating requirements.

Section 11. Employees who are Retiring

Employees who are retiring will not be required to take their vacation prior to the effective date of their retirement, but may elect, instead, to receive at their retirement date vacation pay in lieu of time off.

Section 12. Paid Time Off (PTO) for Salaried 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

C. 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 Article XIV, Section 10. Employees must notify immediate management in the event of unplanned PTO/Absence as defined in Article XVII, Section 2.

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

D. 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.

E. 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.

F. 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.

G. 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.

H. 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 13. Vacation Accrual for Hourly Employees Hired on or After 1/1/2016

A. Vacation Accrual

Hourly employees hired on or after January 1st, 2016 shall accrue vacation time each week in which pay is received or for unpaid time off during a mandatory plant shutdown.

B. Accrual Schedule

Full-time employees shall accrue vacation time based on length of service with the company as follows:

Vacation Accrual Schedule for ES-Hourly/Non-Exempt Employees			
Years of Service	Total vacation hours	Vacation accrual rate (hrs per week)	Maximum vacation bank hours (accrual cap)
< 1	80	1.54	NA
1-4	96	1.85	192
5-9	112	2.16	224
10-14	128	2.47	256
15-19	144	2.77	288
20-24	160	3.08	320
25+	176	3.39	352

C. Maximum Accrual Schedule

Employees may carry accrued vacation time up to two times the employee's annual full time accrual rate. Once the two time accrual rate is reached, an employee no longer accrues additional vacation until the accrued balance falls below the maximum allowance.

D. Vacation Use

Vacation may be taken in 0.1 hour (6 minute) increments. Employees shall enter all vacation hours in accordance with approved timekeeping procedures.

The use of vacation must be approved by the employee's management in advance whenever possible, i.e., a planned vacation as defined in Article XIV, Section 10. Employees must notify immediate management in the event of unplanned PTO/Absence as defined in Article XVII, Section 2.

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

E. Leaves of Absences and Vacation

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

Employees on leave do not accrue vacation 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 vacation each pay period, up to the maximum allowable, while receiving pay from the company.

F. Vacation Cash Out for Medical Leave of Absence (LOA)

Employees on a medical LOA are eligible to request a vacation cash-out one time per month once the employee is no longer receiving 100 percent 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 vacation hours, the employee can request between 20 hours, or the current accrued vacation 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 vacation balance is cashed out.

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

G. Termination of Employment

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

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

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

H. Company-Initiated Closures and Shutdown

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 vacation accrual balances may be required to use vacation.

Employees who have not accrued enough vacation to cover the closure may borrow vacation up to a negative balance of 40 hours. Employees with a negative vacation balance who do not borrow vacation are required to take time off without pay during the closure/shutdown, when permitted by applicable law.

I. Change to or Cancellation of Vacation Use

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

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

ARTICLE XV - SENIORITY

Seniority as used herein is designated as the right accrued to employees who transfer from an ES Maryland based, non-represented position into a position covered by this Agreement, through accumulated length of service with the Company. Accumulated length of service will be:

- For former Westinghouse employees whom the Company had an obligation to employ on or after March 1, 1996, pursuant to the Asset Purchase Agreement between Westinghouse Electric Corporation and Northrop Grumman Corporation, the total number of years, months and days of seniority as defined under the Union's predecessor agreement with Westinghouse as of March 1, 1996.
- All individuals who are not employed at an ES Maryland location as of the effective date of this Agreement will only be credited with

seniority accrued as an employee in a position covered by this Agreement.

- Employees represented by either the SEA or IUE will be credited with the total number of years, months and days of employment by Northrop Grumman Corporation.
- For Maryland based ES employees employed as of the date of this Agreement who transfer into a position covered by this Agreement, seniority shall begin to accrue at zero (0) for the first four (4) years 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; plus

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 of any kind at or before the end of such leave; after two (2) continuous years on the disability rolls; or removal from the Inactive Seniority list as specified below. Seniority lost pursuant to this paragraph will not be restored upon any subsequent reemployment with the Company. Employees who are removed from the Inactive Seniority list as specified below will, upon rehire, have their union seniority as of the date they were separated, restored.

Section 1. Probationary Employees

The initial four (4) months of employment for newly hired or recalled employees shall be

considered as a probationary period. This period shall also apply to any rehired employee who experienced a break in service from the Company of one (1) year or greater.

Probationary employees will not be eligible to take vacation unless they receive prior approval from their manager.

During the probationary period, the Company retains the right to lay off, terminate, transfer, or discipline employees without recourse by them to the Grievance Procedure. Upon completion of the probationary period, the employee shall be placed on the seniority list as a regular employee and immediately credited with the time which has accumulated during the probationary period.

Section 2. Shift Preference

In the assignments resulting from administration of this procedure, Management will give shift preference to the most senior employee involved in each instance to the extent that previously unforeseen operating conditions permit except in those cases where temporary shift changes are made for the purpose of obtaining qualified replacement in which event reassignment to the previous shift will be made when the replacement has acquired sufficient skill to perform the job.

In the event of realignment of existing forces or reassignment from one job to another (transfer, upgrading, downgrading) shift preference may be exercised on the job within the job classification and section on the basis of seniority at the time

the employee involved is reclassified or reassigned and placed on such job.

NOTE: A "job" is not defined as a specific task.

Section 3. Departments

A. Upgrading and Downgrading

Seniority within each seniority unit will be on a departmental basis by occupational lines. It is agreed that the following are lists of the present departments:

- (1) Manufacturing
- (2) Test
- (3) Maintenance
- (4) Stores and Receiving
- (5) Tool Room and Tool Cribs
- (6) Inspection

The Company may establish additional departments as the need arises after discussion with the Union.

B. Increase in Force

1. Management recognizes that in order to build an efficient working force, upgrading of present employees is desirable. In all cases of upgrading, seniority will govern if the employee's experience indicates that he can do the job. A final decision as to acceptance or refusal of a job under this increase in workforce procedure will not exceed one (1) working day commencing on the date of the

initial interview. The following procedure will be followed in sequence:

(a) The most senior qualified employee in the same occupational line from the next lower labor grade in the department, and thereafter, in successively lower labor grades in the same occupation in the same department.

(b) The most senior qualified employee in any other department in the same occupation in the next lower and successively lower labor grades.

(c) (i) Those jobs not filled by application of (a) and (b) above will be posted on the shop bulletin boards reserved for this purpose for a period of seven (7) days. The job title, labor grade, primary function and number of openings will be indicated. 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. The job will be filled in succession by:

a. the most senior qualified employee who bid on the job and who has satisfactory recorded experience on the job.

NOTE: The word "job" as used in this Article XV, B. (1) (c) (i) a., specifically excludes those jobs contained in job

groups recognized as having interchangeable skills.

b. an employee being displaced for lack of work who has not been placed after exhausting section C(4) of the Decrease in Force procedure.

NOTE: An active roll employee will be offered a job under this Article XV, B. (1) (d), before recalling from the Inactive Seniority List.

c. the most senior qualified employee to transfer from within or outside the bargaining unit who bids on the job during the seven (7) day posting period will be offered the opening. Qualified bargaining unit members shall receive preference over non-bargaining unit active roll employees. Employees who have been issued formal discipline (3 day suspension or above) within the last six (6) months may not be considered eligible for a posting.

NOTE: The word "job" as used in this Article XV, B. (1) (c) (i) c., specifically includes those jobs contained in job groups recognized as having interchangeable skills as well as other jobs.

d. the most senior qualified employee on the Inactive Seniority List who held the job.*

***NOTE:** The word "job" as used in this Article XV, B. (1) d, shall include those job groups that are recognized as having interchangeable skills. A list of interchangeable skills shall be supplied by the Company every six (6) months on June 30 and December 31, and shall remain in effect for that six-month period except for additions to the list.

- e. the most senior qualified employee on the Inactive Seniority List covered by this Agreement.

- (ii) Employees who are eligible for transfer who plan to be away from the plant must apply electronically via the Northrop Grumman website.

- (iii) If an employee has been moved under this Paragraph (c) in the previous three (3) month period, he will not be eligible to apply for posted jobs except where:

- a) he has been removed from the posted job involuntarily or

- b) he has applied for another posting while on the job from which he had been moved involuntarily.

- (iv) An employee who files an application for a job and refuses the opening for which he has been accepted

will not be eligible to apply for the same job during the ensuing six (6) months.

(v) If an employee fails to demonstrate that he is qualified to do the job on which he was accepted, he will be returned to his previous job and handled in line with the procedures of Decrease in Force of this Article, providing further that this paragraph will not be construed as automatically establishing trial periods to try out jobs for upgrading.

(vi) Employees shall notify the Company of any new training or additional skills acquired during the employee's layoff which the Company will take into consideration in filling open jobs from the Inactive Seniority List.

(vii) When vacancies cannot be filled under the above paragraphs, new employees may be hired. Such vacancies shall be valid for a period not to exceed three (3) months.

C. Decrease in Force

In all cases of downgrading or layoffs resulting from the following procedure, seniority will govern if the employee involved, or those remaining after such downgrading or layoff, can do the assigned job with only such training as an employee with previous experience on such job would

require.

(1) At the time of decrease in force, the foreman will remove the least senior employee on the job affected.

(2) Such employee may displace the least senior employee in the same or thereafter successively lower labor grades in his occupation in his department. If this is not possible,

(3) displace the least senior employee in the same or thereafter successively lower labor grades in the same occupation in any department. If this is not possible,

(4) displace the least senior employee in any department on a job on which he has either obtained the C rate of the job or has satisfactorily worked a six (6) month period. In the event the employee has worked on more than one job of equal labor grade under the conditions outlined above in this paragraph, he will displace the least senior employee working on such jobs. In the event he has held more than one job of different labor grades under the above conditions, he will displace the least senior employee on the job of the highest labor grade. If this is not possible,

(5) having exhausted his occupational progression, he may then displace starting at labor grade 6 and successively lower labor grades, the least senior employee on

those jobs designated by the Company as having interchangeable skills, and thereafter starting at labor grade 6 and successively lower labor grades, an employee on probation, or if none are on probation, then the employee with the least seniority of those having less seniority on a job he can do with only such training as an employee with previous experience on that particular job will require. A list of interchangeable skills shall be supplied by the Company every six months on June 30 and December 31 and shall remain in effect for that six (6) month period except for additions to the list.

NOTE: An employee up for disposition will be placed in accordance with Article XV, B. (1) (d) before recall from the Inactive Seniority List provided he has more seniority than an employee on the Inactive Seniority List who has previously held the job as defined in Article XV, B. (1) (d).

(6) When an employee cannot be placed through the above procedure due to lack of qualifications or seniority, he will be laid off and his name placed on the Inactive Seniority List.

(7) The seniority date for employees entering the bargaining unit on the same date will be established by alphabetical order, A-Z, by legal name, last, first, and middle of those involved. For those employees hired on or after September 1, 2009 and in the case of a tie, the tie will be

broken as follows: the most senior will be that individual with the highest last number in his social security number (zero being the lowest). If their last number comparison produces a tie among all employees being so compared, then the next-to-last numbers will be compared, and so forth, until the tie is broken.

(8) Under no circumstances at the time of layoff can an employee displace another employee in a higher labor grade, except as provided in Paragraph C.(4) above.

(9) In the event that an employee refuses a job of lower labor grade to which he is entitled under the provisions of this decrease in working force procedure, he shall be considered laid off, and his name shall be added to the Inactive Seniority List. However, he will not be considered for recall to a job of lower labor grade than that which he indicates he will accept at the time he refuses downgrading, or higher than any job previously held.

(10)LAYOFF NOTIFICATION

HOURLY EMPLOYEES

Employees to be laid off for lack of work will be advised of the reasons thereof at least three (3) working days before such layoff becomes effective. The steward in the section will be notified at the same time. Employees will be given three (3)

days work or pay if work is not provided. In case of an infraction of Company rules, no notice will be given and the pertinent provisions of Article III, Section 2, will apply.

SALARY EMPLOYEES

(a.) Employees laid off because of lack of work shall receive the following advance notification:

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

(b.) Employees released shall receive the following advance notification:

- Over one year of service - two (2) weeks
- Less than one year of service - without notice.

(c.) Employees discharged for cause need not be given advance notice.

- (11) At the time of layoff, an employee on personal leave of absence or on the disability roll will be laid off and his name will be added to the Inactive Seniority List when, because of his seniority status under this seniority procedure, he would have been laid off if he were actively at work. Notice of such layoff will be given to the Union

and to the employee involved at his last known address, but the usual notice periods outlined above shall not apply. Any objection to such layoff must be made by filing a grievance within two (2) weeks following the giving of such notice to the Union. Layoff pursuant to this provision shall not affect any rights to benefits or coverage under the ES Benefits Plan to which the employee has already become entitled prior to the layoff, either for himself or his dependents, by reason of his total disability or leave of absence. It shall be the obligation of such disabled employee to notify the Company of his availability for re-employment, and until such notification, the Company will have no obligation to offer such disabled employee re-employment. Such disabled employee on the Inactive Seniority List who is still disabled at the time he is recalled will be returned to the disability roll if he so requests at that time. The period on disability prior to layoff and the period during which he is returned to the disability roll will be considered as a single continuous period.

NOTE: Whenever possible, at any step in the Decrease in Working Force Procedure employees being displaced for lack of work will be offered open jobs in lieu of displacing other employees.

NOTE: When a reduction of force will involve the reassignment and/or separation of a number of employees, the Union will recognize the problems incident to accomplishing such a reduction, and at the request of Management, will discuss with Management a procedure not inconsistent with this Section 3.C. through which the reduction can be accomplished with the minimum number of moves.

Section 4. Inactive Seniority List

Employee's names will be removed from the Inactive Seniority List under the conditions outlined below:

- A.** When an employee fails to acknowledge the recall within three (3) working days from date of receipt of a certified letter to the employee's last known address on file with the Company or refuses to report to work within seven (7) calendar days thereafter unless an extension of time is agreed upon by the Company and the employee, but when an employee refuses at the time of recall by the Company to accept any job other than the one from which he was laid off for which he is entitled by seniority under this Article XV, his name will be continued on the inactive list subject to recall in accordance with Section 3. C.(9).
- B.** When an employee refuses at the time of recall by the Company to accept the job from which he was laid off.

NOTE: If an employee was laid off from an interchangeable skill job, the word "job" as used in this Article XV, Section 4.B. specifically includes those jobs contained in job groups recognized as having interchangeable skills.

- C. When an employee is not recalled from the inactive list after layoff unless the employee is subsequently rehired under Section 5.B. of this Article. Employees who have been laid off will have their names removed from the Inactive Seniority List according to the following schedule:

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

Section 5. New Hires and Rehires

- A. Newly hired employees shall be added to the seniority list after completion of four (4) months probationary period, with full service credit from their date of employment.
- B. After completion of six (6) weeks, rehired union employees who have had their names removed from the Inactive Seniority List under the provisions of Section 4.C. above, will be given the seniority credit they had at the time of their layoff.

Section 6. Work Assignments - Graduate Student Training Course

It is recognized that practical work experience is necessary for the proper training of Graduate Students; therefore, work assignments will be made in line with the following provisions:

- A. During such assignment, the student will not replace a regular employee. He will not be subject to the seniority provisions of this Agreement.
- B. Each job assignment will not exceed six (6) weeks.

Section 7. Seniority Preference

At the written request of the Union, an appointed shop steward will be given seniority preference at the time when layoffs take place within the section, department or division for which he is acting as steward. Such seniority preference will be granted only to the extent necessary to enable him to retain a job within the section, department or division for which he is acting as steward provided such steward is otherwise entitled to such job by operation of the seniority provision of this Agreement. If their duties qualify them under the law, elected officers, upon written request of the Union, will be given at the time of reduction in working force similar seniority preference within the bargaining unit in which they are employed.

- (1) A group of employees not to exceed one and one half (1.5) percent of the Active Seniority

List but not more than seven (7) employees in the bargaining unit, will be given preference as set forth below due to special skill in key occupations, or because of unusual ability for training purposes to fill key jobs either in the plants or field locations. The jobs requiring special skill in key occupations for which employees are to be given seniority preference, as differentiated from jobs for training purposes, are to be negotiated. The jobs for which employees are to be trained, the list of employees to be given such seniority preference and the reasons therefore will be supplied to the Union and will be kept up-to-date by Management. The list will be discussed with the Union prior to being made effective. Objections by the Union are subject to the grievance procedure.

- (2) Employees on this list may be upgraded or transferred to an open job for the purpose of specialized training. In case of competitive bidding with other employees for the open job, skill and ability will be the determining factor.
- (3) An employee on this list will be given seniority preference at the time when layoffs take place within the section, department or division in which he is employed. Such seniority preference will enable him to retain his job within the section, department or division so long as such job remains, and when the job no longer exists he will be given preference for another job in the same labor grade or

successively lower labor grades if he has had training for such jobs.

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

Section 8. Unreported Absence

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

Section 9. Furloughs

- A. It is expected that the normal operation of the plant will enable the Company to balance manufacturing schedules, and the working force so as to avoid furloughs and permit equalization of available work; however, in certain instances, temporary conditions may arise which necessitate temporary reduction of forces. When the activity falls to the extent that the hours per week for employees on the operation affected are consistently below the established shift hours for that activity, the matter will be reviewed by the supervisor with the Section Steward before determining whether furloughs should be continued or to proceed with a Decrease in Working Force.

Questions on this decision may be raised through the grievance procedure.

- B. Probationary employees on the operation affected will be furloughed first. If any additional temporary reduction is necessary, non-probationary employees on the operation affected will be furloughed in rotation starting with the least senior for a period not to exceed four (4) weeks unless some longer time is mutually agreed upon by the Union and the Company each time a temporary reduction is necessary.
- C. When prior to the end of a furlough period an employee(s) is called back to work, such recall on the operation affected will be on the basis of the most senior employee(s) being recalled first. If the Company is unable to contact the most senior employee(s) by telephone, a certified letter, special delivery, will be sent to his last known address and the next most senior employee will be alerted. If the most senior employee(s) has not reported within twenty-four (24) hours from the start of his shift on the date of the certified letter, special delivery, other employees will report to work as requested above.

Section 10. Union - Leave of Absence

Upon the written request of the Union, an employee elected to an International Union office or as a delegate to any International Union activity, or appointed as an International Union

representative will be granted a leave of absence without loss of seniority, not to exceed one (1) year unless an extension is granted, and the determination as to whether such extension will be granted will be reached through collective bargaining between the Union and the Company, but in no case shall a leave or leaves of absence or extensions thereof total more than two (2) years.

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

Section 11. Flexibility and Mobility within the IBEW

The parties jointly acknowledge that maintaining stable employment levels and meeting production requirements are crucial to job security. In order to achieve these mutual goals, the parties recognize that some business circumstances may necessitate temporary changes in work assignments between and among departments and occupational lines. The procedure for loans of a temporary nature between departments, between occupations within a department and between jobs within an occupation will be established and practiced under this Article XV.

Management shall retain the right to select the employees to be loaned and will provide the appropriate training necessary to perform the

function required for the loan. Management will advise the Union when such loans are necessary and will provide updates to the Union as requested. Management retains the right to determine the duration of the loan. Loans exceeding one (1) year in length will be discussed with the Union. Management agrees that this provision will not be utilized to avoid its obligation to promote or upgrade qualified employees or otherwise modify this Article XV, Section 3.B. Management further agrees to compensate loaned employees commensurate with the work performed for the duration of the loan.

Section 12. Transfers of Work and Employees into the Bargaining Unit

- A. The union acknowledges that management is actively seeking new work, including the transfer of work performed elsewhere by Northrop Grumman, into the BWI complex. The Company agrees that the employees performing such work, who may be permanently 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.

- B. The Union agrees that such employees 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 Article) for all purposes except for the

provisions of this Article governing increase and decrease in force. With respect to seniority for purposes of increase and decrease in force, the Company and the Union will bargain this issue in good faith at the time the movement of work and employees is contemplated to occur. In the event the parties are unable to reach agreement, seniority for these purposes will begin to accrue at zero for the first four (4) years of the transferred employees' employment at the BWI complex; after four (4) years these employees shall have seniority for all purposes as defined in the opening paragraph of this Article.

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

Section 13. Transfers of Work and Employees Into Other Bargaining Units

The Company may transfer work within the BWI complex accompanied by the employees historically performing such work. If such work and employees are moved across union jurisdictional lines, the Company shall notify the affected Union(s), in advance, and assign such work in accordance with applicable legal principles regarding jurisdiction; provided, however, that if IUE production work is relocated from the West Building to the East Building the Company will assign such work to the IBEW bargaining unit;

and if IBEW production work is relocated from the East Building to the West Building the Company will assign such work to the IUE bargaining unit, with the exception of the positions classified as follows: (crafts job descriptions). Any dispute arising from this movement shall not be made the subject of any strike or stoppage of work.

This Section shall apply to transfer of work and employees for a duration of twelve months or more. In the event of such a transfer for less than twelve months, Section 14 below, shall apply.

Section 14. Temporary Loans of Non-Bargaining Unit Employees

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

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

employee can continue to perform the job when there are extenuating circumstances.

- B. Employees so loaned will not displace any employees covered by this Agreement and such loans will not be used to avoid the promotions or upgrade of qualified employees covered by this Agreement.
- C. Employees so loaned will be paid their regular rate or the rate commensurate with the position whichever is higher.
- D. The representation status of such employees will not change as a result of such temporary loan.
- E. The Union will be notified, in advance, of the number of employees to be loaned, the expected duration of the loan and the reason therefore, as well as, any changes as may occur, in the status or duration of such assignment.
- F. Any employee assigned for more than 30 days pursuant to this provision who is not represented by a Union shall be subject to the provisions of Article IV - Union Security and Article V - Checkoff, for the duration of the loan excess of 30 days.

Management may also temporarily loan IBEW represented employees to work at locations outside of the East Building. If such location is

outside the BWI complex, or is within the BWI complex but involves a change in the employee's shift [meaning first, second, or third shift], Management shall first seek volunteers for the assignment; if there are no volunteers, Management shall select the least senior employee in the affected job. Otherwise, if such location is inside the BWI complex, Management shall have discretion to select which employee shall be temporarily loaned.

Section 15. Return From Disability

An employee who is returned from disability, if physically able, shall replace the least senior employee on the job held at the time of commencement of the disability, seniority permitting. Otherwise, the employee will be placed in accordance with the recall procedures.

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

work force to a job for which he is qualified.

ARTICLE XVI - WAGE AND SALARIES

Section 1. Wage and Salary Schedules

A. Hourly.

Employees will be paid a rate from the bottom of the keysheets attached, as Appendix A after the grade of the job to which they are assigned has been determined.

B. Salary.

Salaries will be paid according to the following schedules attached as Appendix B based upon the job classification system established by the Company.

Section 2. Job Classification

- A.** Job descriptions and classifications will be established by the Company, however, questions on established job classifications may be handled through the grievance procedure. If any new or changed classification is thus questioned, the Union will be furnished, upon request, the list of jobs to which it was compared in establishing the classification.
- B.** The Company will furnish the Union with information on new or changed jobs and meet with a Union committee in an effort to resolve any difference involving either the evaluation

of jobs or job descriptions before they are to be made effective.

- C. Established job classifications may be reviewed at any time to take into consideration changes in established methods, equipment or working conditions.
- D. Two copies of the new or revised job description will be mailed to the union office prior to the effective date.

Section 3. New-Hire Rates - Hourly Employees

- A. (1) New employees hired on or after the dates specified in jobs classified in grades 1 through 7 shall be paid at a rate as specified in A.(2).

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

Total Periods of Continuous Service After Hire Date	Hired on or After September 1, 1998
Up To 6 Months	70%
More Than 6 Months	75%
More Than 12 Months	80%
More Than 18 Months	85%
More Than 24 Months	90%
More Than 30 Months	95%
More Than 36 Months	100%

B. (1) Any employee upgraded, at any time to a job classified in grades 8 through 15 shall be paid the appropriate keysheet rate for such job, and for any job held thereafter.

(2) For purposes of this Section 3. only, time spent by employees on layoff, disability roll or leave of absence shall not be counted as continuous service.

(3) When an employee covered by this Section 3 reaches the minimum keysheet rate of any job to which assigned, but not before, further increases will be governed by Article XVI, Section 4.

Section 4. Hourly Rerate Plan

A. An employee will normally be hired at the lowest rate on the schedule for the grade to which the job is assigned and will be advanced to the B rate as soon as he demonstrates satisfactory performance within the specified time limit. The employee shall advance to the C rate when he performs the complete range of his job with productivity consistently at a full level of quality performance.

(1) It is expected that employees will qualify for advancement from the A rate to the B rate of a labor grade within a maximum time limit of three months.

(2) It is expected that the employees will qualify for advancement from the B rate to the

C rate within the following limits:

If the Job is in Labor Grade	Maximum Time in Months
1	1
2	2
3	3
4	4
5	6
6	7
7	8
8	8
9	8
10	9
11	9
12	10
13	11
14	12
15	13
IBECMH	9
IBWUMH	9
IBWCMH	9

(3) If at any point in this procedure the employee does not qualify for advancement within these time limits, or if his progress at any time is unsatisfactory, the supervisor will review the conditions and discuss the case with the steward before making a decision relative to an extension of time on the assignment, transfer, downgrading, or release. The above time limits will not be extended by reason of the temporary assignment of an employee for the Company's convenience to work outside of his occupational line.

B. Employees reassigned as a result of downgrading conforming to the seniority procedure will be paid at a rate determined as follows:

(1) Employees who have attained the B rate and who are downgraded in the same occupational line of work will be paid not lower than the B rate for the classification of the job to which they are assigned depending on their ability and performance. If the employee has held a C rate in a higher labor grade in the occupation or has previously had a C rate for the classification to which he is being assigned, he will receive the C rate.

(2) Employees downgraded to a job not in the same occupational line of work will be paid at a rate commensurate with the rate paid other employees with similarly demonstrated skill and ability, but not less than the B rate.

C. Employees reassigned as a result of upgrading conforming to the seniority procedure will be paid at a rate determined as follows:

(1) Employees upgraded will be paid at a keysheet rate commensurate with their skill and performance but not less than their present rate.

- (2) If an employee is receiving the A rate and is upgraded to a job of a higher classification, such employee will receive the A rate of the higher classification, subject to advancement to the B rate as provided herein.
 - (3) If an employee who is receiving the B rate for the classification is upgraded to a job in a higher classification, he shall receive the B rate of the higher classification subject to advancement to the C rate as provided herein.
 - (4) If an employee who is receiving the C rate for the classification is upgraded, he shall receive the B rate for the job in the higher classification, subject to advancement to the C rate of the classification as provided herein.
- D. Employees reassigned because of unsatisfactory performance on their given job will be paid at a rate commensurate with their expected performance on a new job assignment.
- E. Employees assigned to a swing shift will be paid a special twenty-five (25) cents an hour rate added to the present keysheet rate of the respective job classification. This special twenty-five (25) cents is not part of the keysheet, therefore no increases will be applied to the twenty-five (25) cents. Night turn adjustment and overtime will be applied to the twenty-five (25) cents. Twenty-five (25) cents will then be increased to fifty (50) cents

in the final year of the contract.

This rate will apply to only swing shift and will cease when an employee is transferred to an established shift as defined in Article VII, Section 3.

Section 5. Rate Reviews

- A. Rate Reviews will be held every April and October to review only those employees not at the top of the rate range in order to assure administration of wage policies, except that the Union and Management by mutual agreement may either change or omit the scheduled review.
- B. The Rate Review Listings and schedules of the rate reviews will be made by the Labor Relations Department in such a manner that the listings are as current as possible and the reviews are conducted during the specified months.
- C. Not more than three (3) representatives of the Union, two of whom shall be the Steward and Section Steward of the employees in the area represented, will review the listings with representatives of the Company.
- D. At the conclusion of the review, the official copy will be signed by those conducting the review and will be filed in the Labor Relations Department. Any exceptions noted through the above proceedings may be handled through the grievance procedure.

Section 6. Salary Schedules

- A.** The employee's capacity to handle the range of work of his position classification and the quality and quantity of work being performed are the factors which determine his rate as well as the granting of increases. His rate, or increase, will be of such amounts as to make his rate commensurate with his performance as related to these factors.
- B.** Salaried employees whose work is satisfactory will receive an increase within the rate range not later than the first of the twenty-seventh (27th) week after employment.
- C.** Other salary increases within a rate range will be based on work performance. An employee transferred to a higher class position whose work performance justifies it will receive an increase not later than the first of the twenty-seventh (27th) week after transfer. When an employee is upgraded to a higher class position in the same occupation performing similar work in the same department, he will receive an increase at the time of upgrading if it is known that his performance on the new position will warrant an increase as described in Paragraph A. above.

An employee whose rate before transfer is above the minimum of the new classification and whose work performance justifies it will receive a merit increase within the rate range not later than the first of the seventh month after transfer.

- D. All changes for any reason in an employee's position or rate after hiring except separation will be effective the first of the next payroll period.
- E. New employees may be placed at any level within the rate range commensurate with the employees' skill, ability and prior experience.
- F. Salaried employees, whose work and attendance is satisfactory (no formal discipline within the last 365 days), will receive a salary increase on the first Monday of March until they reach the maximum for the rate range, provided that each employee will reach the maximum within nine (9) years from entering the position. This provision does not preclude the employee from reaching the maximum of their current rate range prior to nine (9) years.

Section 7. Supplemental Compensation

IBEW 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 "Article III – Stewards Organization and Grievance Procedure". To any extent that such actions affect the eligibility of IBEW represented employees, Management will notify the union in

advance.

Section 8. 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 IBEW 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 Base Rate	Addition to the
2 to 5	5%
6 to 10	7.5%
11 to 20	10%

G. When the size of the 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 the 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.

Section 9. 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.

Section 10. Wage Payment

IBEW represented employees will be paid on a bi-weekly basis. To the extent that any change affects IBEW represented employees, the IBEW shall be provided thirty (30) days notice before any change is implemented. Effective 1/1/2010, paper paycheck stubs for IBEW 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.

ARTICLE XVII - PERSONAL BUSINESS AND SICKNESS

Section 1. Entitlement

A. Eligibility

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

B. Continuous Employment Requirement

All employees who are otherwise eligible to receive such pay and who have completed thirty (30) days continuous employment immediately preceding the day or days of absence will be paid for their established shift hours if the absence is of the type described in Section 1.A.(1) or (2) above; or if the absence is of the type described in Section 1.A.(3) above and pay has been requested for such day or days.

C. Rate of Payment

Employees will be paid for such hours at their rate of record, and in addition night time bonus, where applicable, the date immediately preceding the day or days for which payment under this Article is requested. In case of an employee on swing, rotating or continuous shift, such pay will be paid for the time lost during the employee's established five (5) day week. In all cases, such payment shall be calculated on a straight-time basis and shall not include any overtime premium payments.

D. Year to Year Accumulation

An employee who has any unused benefits under this Section remaining at the end of any calendar year, may have such unused benefits, up to a maximum of forty (40) days, carried forward to the following calendar year for use in the event of absences of the type described in Section 1.A. Employees who have been laid off and who are returned to the active roll in the same calendar year or the following year are entitled, effective upon reinstatement to the active roll, to all unused benefits earned under this Section up to the date they were placed on the inactive roll. Upon retirement from or death while on the active or disability rolls of the Company, an employee will be paid for all days of benefits accumulated under this Paragraph D. and which are unused as of the employee's last day of work, up to a maximum of forty-five (45) days.

E. Payment Limitation

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

F. P/S Leave

Employees otherwise eligible to receive pay under this Article may be paid 30 minutes pay for 30 minutes absence defined in Section 1.A. provided the employee informs his supervisor, in advance of an intent to be absent.

Section 2. Notification of Absences

Any employee who is voluntarily or involuntarily absent without advance permission or notification to the employee's supervisor must report the absence 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 procedure. Management will provide telephone number(s) which employees are required to call in order to satisfy their obligation under this provision.

**ARTICLE XVIII - UNION BUSINESS
ALLOWANCE**

Section 1. Officers and Stewards

- A.** All employees on the active roll will be subject to assignment of work by the Company. There will be no non-working union representatives on the active roll, except that stewards or designated union officials shall be considered as an active employee of the Company when engaged in the administration of this agreement, the adjustment of grievances and in the process of collective bargaining as authorized below.
- B.** The Company will permit up to two employees on the active roll, as designated by the Union, to receive up to forty (40) hours per week at his/her regular rate of pay for the performance of those functions of union office which provide a benefit to the labor-management relationship of the parties, and the administration of this contract. Such activities include but are not limited to:
- (1) Receiving complaints and the investigation, handling and adjustment of grievances;
 - (2) Attendance at meetings with management within the employee's basic working hours;
 - (3) Attendance at meetings with management for the purpose of collective bargaining; and

(4) Attendance at meetings held in the plant during regular working hours involving employee discipline at which the steward or designated union representative is entitled to attend.

- C. In addition to the persons designated under Paragraph B above, the Union shall have the right to designate working active roll employees as stewards. In addition to his regular assigned tasks as an employee, the steward shall have the right to receive complaints or grievances and to discuss and assist in the adjustment of the same with the employees' appropriate supervisor. If no resolution is achieved, the steward may participate in the grievance procedure as described.
- D. Stewards will not conduct any form of union business during working hours except after they have been granted permission to do so, as provided below. Before leaving work to conduct the type of union business described in Paragraph D., the steward will report to his supervisor or foreman and request permission to leave his job, which will be granted unless his departure would cause serious interference with operations. In such cases, the foreman or supervisor will make arrangements for the steward to leave his job as promptly as possible if warranted by the circumstances.
- E. Stewards who request release from work under Paragraph D. must secure a time report from their supervisor when released for

purposes of authorized union business and must return the report to the supervisor when the authorized union business is concluded. Such time will be considered as hours worked for the purposes of determining overtime.

Section 2. OSHA & MOSHA

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

ARTICLE XIX - INFORMATION TO THE UNION

Section 1.

The Union shall be furnished weekly with the lists of employees transferred, hired, retired, and released.

Section 2.

The Union will be advised by the Company in writing of their newly appointed representatives at the time of their appointment for the purpose of administration of the Agreement.

Section 3.

The Company will furnish the Union on each anniversary date of this Agreement:

- A. A list of names of employees in the Unit with their seniority dates and their home addresses.
- B. A list of names of employees who are then on the Inactive List. In addition to the above, the Company will also furnish the Union copies of any seniority or Inactive Lists of employees the Company may deem it necessary to make during the life of this Agreement for the purposes of administration of this Agreement.

ARTICLE XX - SAFETY

Safety rules and regulations established by the Company or governmental authority shall be strictly adhered to by all employees. Representatives of the Union and the Company shall meet at the request of either to discuss any pertinent matters concerning safety rules and regulations. Proposed changes of safety rules and regulations shall be discussed with the Union before being made effective. The Company shall be responsible for enforcement and implementation of all safety regulations.

APPENDIX A – HOURLY SCHEDULES

Effective September 7, 2015

Time in Position									
	0-6	7-12	13-18	19-24	25-30	31-36	A	B	C
IBCOMH	22.595	24.145	25.705	27.255	28.820	30.370	31.925	32.925	33.390
IBWUMH	22.595	24.145	25.705	27.255	28.820	30.370	31.925	32.925	33.390
IBWCMH	23.620	25.245	26.870	28.510	30.135	31.760	33.395	34.790	35.335

Time in Position									
	0-6	7-12	13-18	19-24	25-30	31-36	A	B	C
01	20.965	22.085	23.500	24.920	26.335	27.750	29.170	29.440	29.595
02	20.810	22.245	23.660	25.085	26.520	27.945	29.370	29.690	29.770
03	20.910	22.340	23.780	25.215	26.650	28.080	29.515	29.905	29.995
04	21.030	22.475	23.920	25.365	26.810	28.245	29.690	30.105	30.200
05	21.150	22.605	24.060	25.510	26.970	28.415	29.870	30.355	30.460
06	21.310	22.765	24.240	25.695	27.165	28.630	30.095	30.675	30.795
07	21.485	22.965	24.440	25.915	27.395	28.870	30.340	31.005	31.185
08	21.715	23.215	24.725	26.195	27.695	29.170	30.675	31.690	31.925
09	21.975	23.500	25.020	26.505	28.030	29.520	31.040	32.120	32.360
10	22.595	24.145	25.705	27.255	28.820	30.370	31.925	32.925	33.390
11	23.100	24.695	26.295	27.860	29.460	31.025	32.625	33.845	34.325
12	23.620	25.245	26.870	28.510	30.135	31.760	33.395	34.790	35.335
13	24.325	26.005	27.685	29.335	31.015	32.670	34.355	35.825	36.330
14	25.410	27.165	28.925	30.650	32.400	34.135	35.885	37.440	38.165
15	26.915	28.775	30.640	32.460	34.325	36.155	38.015	39.610	40.305

APPENDIX B - SALARY SCHEDULES

Effective September 7, 2015

10A502	Inspector B	767.48	1419.87
13A500	Inspector A	842.84	1559.30
13A502	Inspector A	842.84	1559.30
IBWCIS	Process Assessor	879.82	1627.71
14A600	Manufacturing Coordinator	922.20	1706.11
14A601	Maintenance Coordinator	922.20	1706.11
18A600	Control Specialist	922.20	1706.11
18A602	Manufacturing Operations Maintenance Technician	922.20	1706.11
18A603	Mechanical Tool Control Specialist	922.20	1706.11
877075	Electronics Technician A	922.20	1706.11
878035	Sr. Machine Repairman A	922.20	1706.11
IBWUTS	Sensors & Systems Technician- Uncertified	871.30	1611.94
IBWCTS	Sensors & Systems Technician – Certified	922.20	1706.11
IBWCMS		905.72	1538.69
IBWUMS		905.72	1538.69

Appendix C

Letters of Understanding

1. August 22, 1979 Job Enrichment
2. August 23, 1979 Continuing/Expanding Training
3. August 24, 1979 Subcontracting
4. July 24, 1982 1982 Bargaining Issues
5. January 1, 1986 Qualifications for Entry Level Technician Exam
6. May 19, 1986 Occupational Progression for Technicians
7. March 1, 1996 Purchase Westinghouse, ESG
8. February 6, 1998 Technician Upgrading Issues
9. June 30, 1998 Newly Created Job Descriptions
10. January 11, 1999 Maintenance Relocation
11. September 10, 1999 Relocation and Consolidation of Storerooms
12. September 28, 1999 Relocation and Consolidation of East & West Building Measurement Assurance Labs
13. October 28, 1999 Transfer of Work and Employees from Hunt Valley
14. May 23, 2000 Employee Referral Award Program (IBEW)
15. June 9, 2001 IBWCTS, IBWUTS, IBWUMH, IBWUMS Job Descriptions
16. July 12, 2002 Transfer of College Park Employees
17. March 3, 2003 Material Operator Qualifications
18. June 16, 2004 Electronic Manufacturing Specialist Maintenance Jobs
19. August 19, 2004 Clarification of the EMS Job Codes
20. January 4, 2005 Reduction in Force 2005
21. December 15, 2005 MTC Group Lead Remuneration
22. June 16, 2008 Process Assessor
23. August 14, 2009 Contractors/temporaries
24. August 14, 2009 Definition of Maryland Based Employees
25. August 25, 2009 Mandatory Overtime
26. August 28, 2009 Alternate Work Schedule
27. August 31, 2009 9/80
28. August 31, 2009 Part Time Employment
29. August 31, 2009 Technician Platform Recertification
30. September 1, 2009 Midshift
31. September 1, 2009

- 32. November 17, 2009 Manufacturing Operations
Maintenance Technician
- 33. April 15, 2010 The Relocation and Staffing of the
Calibration Department within the
Friendship Square Facility
- 34. April 15, 2010 Electronics Technician (Maintenance)
Level 2
- 35. April 15, 2010 Senior Machine Repairman Level 2
- 36. May 20, 2010 Anthony Pezza – Process Assessor
Posting #106011
- 37. December 15, 2014 Addendum to AWS – Pilot Program
- 38. August 18, 2015 Union Business
- 39. August 25, 2015 Movement of Work – Pilot Program
- 40. August 30, 2015 Alternate and Compressed Work
Week Schedules – Pilot Program
- 41. August 30, 2015 Organizing at Other Facilities
- 42. August 30, 2015 Certification/Licenses Fees
- 43. August 30, 2015 Carpenter Seniority Unit 876
- 44. August 31, 2015 Family Medical Leave Act

**NORTHROP GRUMMAN CORPORATION
ES
BWI SITE**

By: _____ /s/ Constance A. Soloway
Vice President
Human Resources and
Administration

By: _____ /s/ Ann R. Zick
Director
Labor Relations

By: _____ /s/ George B. Moore
Manager
Labor Relations –
IBEW

By: _____ /s/ John Price
Director
Baltimore
Manufacturing
Operations

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, A.F.L.- C.I.O.
LOCAL 1805**

By: _____ /s/ _____ Kenneth Morris
President
Local 1805

By: _____ /s/ _____ Andrew Bennett
Vice President
Local 1805

By: _____ /s/ _____ Albert VonMoose
Chief Steward
Local 1805

By: _____ /s/ _____ Bonnie Kuhn
Steward
Local 1805

By: _____ /s/ _____ Tracey Cleveland
Steward
Local 1805

By: _____ /s/ _____ Sabrina Wagener
Recording Secretary
Local 1805

By: _____ /s/ _____ Anthony Pezza
Treasurer
Local 1805

**2015 Wage Supplement
to
Agreement Dated as of
30th Day of August 2015
Between
Northrop Grumman Corporation Electronic
Systems Sector
And
Local 1805
International Brotherhood of Electrical
Workers
(AFL-CIO)**

Northrop Grumman Corporation Electronic Systems Sector (herein called the "Company") and International Brotherhood of Electrical Workers (AFL-CIO) (herein called the "Union") hereby mutually agree to supplement the Agreement made and entered into by them as of the 30th day of August, 2015, as follows:

WAGE AND SALARY ADJUSTMENTS

A. General Wage Increases

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

Increase	Effective Date	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

1) The guaranteed keysheet rates and pay of hourly paid daywork employees will be rounded to the nearest one-half (1/2) cent.

2) *The salary schedule maximums and pay of salaried employees will be rounded to the nearest whole cent.

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

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

B. The wage and salary increase referred to in Paragraph A above establish the amount and manner by which hourly daywork keysheets and pay and salary schedules and pay shall be increased, and will be applied for purposes of overtime, vacations, and night-turn bonus.

C. General Provisions

(1.) On the basis of the 2015 negotiations held between the Company and the Union pursuant to the modification provisions outlined in Article I of the Agreement dated August 30, 2015, as modified, which negotiations have been concluded by this Agreement (except to the extent they are set forth in the Pension and Insurance Agreement between the Company and the Union), all provisions of such Agreement as modified and amended, shall remain in full force and effect as modified herein.

(2.) The parties hereto agree that the Agreement dated August 30, 2015, as modified and amended, including the changes therein referred to in this Wage Supplement, shall be deemed to have been re-executed as a single document by the parties hereto contemporaneously with the execution of this Wage Supplement.

**PENSION AND INSURANCE
AGREEMENT**

Between

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

and

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO**

Local 1805

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 Local 1805 of the International Brotherhood of Electrical Workers, AFL-CIO, 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 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.

Commented [i1]: This gets you the "me too"

**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.

Commented [i2]: This language makes the Savings Plan a "me too" - do not need deleted language.

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

Section 2 - Location Closedown or Sale

(a) The Company will not announce or engage in any Location Closedown during the term of this Agreement unless all Employees affected by

such Location Closedown who are eligible for such benefits are offered Permanent Job Separation Benefits as set forth in Section 5 of this Plan.

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

1. Recognizes the Union as the representative of the Employees in the unit which is included in the sale; and
2. Agrees to provide comparable wages and benefits to all Employees in the unit who are offered continued employment by the successor.

Section 3 - Notice Provisions

(a) Location Closedown

1. The Company will give the Union notice of a decision to effect a Location Closedown as soon after such a decision as practical.
2. Such notice shall be given at least four (4) months in advance of the Location Closedown date unless, because of conditions over which the Company has no control, it is unable to do so.
3. Such notice shall include:
 - (i) Identification of the location to be closed;
 - (ii) The Union which represents the Employees involved;

(iii) The anticipated Location Closedown Date; and

(iv) The date when termination of represented Employees because of the Location Closedown is expected to begin.

(b) Job Movement or Product-Line Relocation

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

2. Such notice shall be given at least four (4) months in advance of the date on which the Job Movement or Product-Line Relocation will be completed, unless because of conditions over which the Company has no control, it is unable to do so.

3. Such notice shall include:

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

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

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

1. The Company will give the Union involved notice of a decision to Transfer Work or to begin use of a Robot, or an Automated Manufacturing Machine, or an Automated Office Machine in a

work area as soon after such decision as practical.

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

3. Such notice shall include:

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

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

(iii) The anticipated date of the Transfer of Work and use of the device for production.

Section 4 - Layoff Income and Benefits

(a) Eligibility

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

(i) is not on disability or leave of absence;

(ii) Is Laid Off;

(iii) Has not been recalled to work; and

(iv) Is determined by the Employer not to be eligible for Permanent Job Separation benefits because a reasonable expectation of recall exists.

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

3. Notwithstanding Subsection 4(a)1, above, a laid-off Eligible Employee who in accordance with the Increase in Work Force procedure is recalled to work, for placement in a salary code or labor grade the maximum keysheet rate for which is more than ten percent (10%) lower than the maximum keysheet rate for the salary code or labor grade in which the Employee was assigned on the day six months prior to his Layoff, the Employee may waive recall. Such waiver shall not affect his status on the inactive seniority list nor any eligibility he may have to

benefits under this Plan. For purposes of this Subsection 4(a)3, wherever an incentive labor grade is involved in percentage determinations, the maximum rate(s) used shall be the maximum day work keysheet rate at the same labor grade level.

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

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

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

(b) Total Maximum Sum

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

(c) Options

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

Within sixty (60) days after a Layoff which in management's opinion will exceed six (6) months in duration, an Eligible Employee may request payment of and receive his total maximum sum in a lump sum payment, in which case he will permanently sever his relationship with the Employer and relinquish recall rights and service credits for any purpose (except such rights as may exist under the Northrop Grumman 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 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.

Commented [i3]: What do we mean by "policy at the location from which he was separated"? There is no recall rights policy; recall rights are only provided by a CBA

Commented [i4]: The added language makes it unambiguous that there is no contractual right to these benefits.

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

Commented [15]: Defining the approval by reference to Ed-Assist is problematic in that Ed-Assist talks about eligible courses with reference to the employee's job duties with NG, not prospective job, and Ed-Assist requires repayment, if the employee terminates employment within 1 year of taking a course.

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

Commented [i6]: Don't we want to eliminate all references to Laid Off?

employment to the Employee. Continued employment means employment continued from the Employer to the successor employer without a break in employment. However, in the event a successor employer does not provide its employees a sickness and personal business day plan or its equivalent, or does not agree to the carry-over of accrued days of sickness and personal business days by an employee, the employee will receive a lump sum payment for any sickness and personal business days not used at the time his employment ceases with the Employer.

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

Section 9 - Review Procedure

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

**ARTICLE VI
EDUCATIONAL OPPORTUNITY PROGRAM**

Section 1

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

Section 2

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

- (a) He must have six (6) months or more credited service prior to the completion of any training course for which refund is requested;
- (b) He must obtain from a designated Company representative advance written approval of his participation in the training course; and
- (c) He must provide evidence that he completed the training course satisfactorily.

Section 3

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

Section 4

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

eligible former employee weekly only so long as he remains in the training course. The weekly training allowance will be charged against the Total Maximum Sum as defined in the Employee Security and Protection Plan, which may be due to the eligible former employee under the Plan.

ARTICLE VII MODIFICATION AND TERMINATION

Section 1

This Agreement shall become effective as of August 30, 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.

Commented [i7]: Correct date

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.

Commented [i8]: Correct date

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.

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, A.F.L.- C.I.O.
LOCAL 1805**

By: _____ /s/ _____ Kenneth Morris
President
Local 1805

By: _____ /s/ _____ Andrew Bennett
Vice President
Local 1805

By: _____ /s/ _____ Albert VonMoose
Chief Steward
Local 1805

By: _____ /s/ _____ Bonnie Kuhn
Steward
Local 1805

By: _____ /s/ _____ Tracey Cleveland
Steward
Local 1805

By: _____ /s/ _____ Sabrina Wagener
Recording Secretary
Local 1805

By: _____ /s/ _____ Anthony Pezza
Treasurer
Local 1805

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 (Hourly Employees Only)

Effective 1/1/16 modify the Short Term Disability plans to the following:

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

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

Short Term Disability (Salaried Employees Only)

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

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

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).

All current hourly short-term disability rules apply.

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

Benefit premiums (i.e Medical, Dental, Vision) will be direct billed from 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.