

**Northrop Grumman Represented Employees
Pension Plan (Ryan Hourly)
Summary Plan Description**

April 2008

Table of Contents

Introduction	3
Overview	4
Eligibility.....	4
Participation.....	4
Important Pension Concepts	5
Service Hour.....	5
Vesting and Vesting Service.....	5
Credited Service.....	6
Breaks in Service.....	7
Offsets.....	7
Re-employment after Benefit Commencement Date.....	7
Applying for Your Benefit	8
Normal Retirement	9
Eligibility for Normal Retirement.....	9
Benefit Amount for Normal Retirement.....	9
Normal Retirement Benefit Example.....	9
Early Retirement	11
Eligibility for Early Retirement.....	11
Benefit Amount for Early Retirement*.....	11
Early Retirement Benefit Examples.....	12
Deferred Vested Benefits	14
Eligibility for Deferred Vested Benefits.....	14
Benefit Amount for Deferred Vested Benefit.....	14
Deferred Vested Benefit Example.....	14
Disability Retirement Benefits	16
Benefit Amount.....	16
Commencement Date.....	16
Duration of Benefit.....	16
If You Die Before Benefit Payments Begin	17
Married Participants.....	17
Unmarried Participants.....	18
Post-retirement Death Benefit.....	18

Payment Options	19
Spousal Consent	19
Forms of Payment	19
Tax Considerations	23
Maximum Benefits for Tax Purposes	23
When You Pay Taxes	23
General Plan Information	24
Facility of Payment	24
Payment of Benefits to Alternate Payees	24
Top Heavy Rules	24
Loss of Benefits	24
Your ERISA Rights	25
Prudent Actions by Plan Fiduciaries	25
Enforcing Your ERISA Rights	26
Assistance with Your Questions	26
Discretionary Authority of Plan Administrator	27
Incorrect Payment of Benefits.....	27
Claims and Appeals Processes	27
Pension Benefit Guaranty Corporation (PBGC)	29
Funding and Plan Assets.....	29
About this Guide and the Plan Documents.....	29
Future of the Program.....	30
Contact Information	30

Introduction

Effective July 16, 1999, Northrop Grumman acquired the Teledyne Ryan Aeronautical division of Teledyne, Inc. At that time, the Northrop Grumman Represented Employees Pension Plan (the "Plan") was created to provide benefits for certain participants who came to work for the Northrop Grumman Corporation at the time of the acquisition. If you were previously employed by the Teledyne Ryan Aeronautical division of Teledyne, Inc., you may also have a benefit under the Teledyne Ryan Aeronautical Hourly Pension Plan.

This guide is provided to help you learn how the Northrop Grumman Represented Employees Pension Plan works.

If you have questions about eligibility or anything else not answered in this guide, call the Northrop Grumman Benefits Center (NGBC) at 1-800-894-4194. If you are calling from outside the United States, please call 718-354-1338. Benefits service representatives are available to assist you Monday through Friday from 9:00 a.m. to 6:00 p.m. Eastern time, excluding holidays. If you are hearing impaired, you will need to use a relay service through your TTY/TDD service provider.

Northrop Grumman reserves the right to suspend and/or reduce benefit accruals under the Northrop Grumman Represented Employees Pension Plan. It also may amend or terminate the Plan at any time. You will be notified of any significant amendments to the Plan.

This guide is a summary of the main features of the Plan's benefit. It presents a summary only and does not contain all the details of all aspects of the Plan. It is not an official plan document, and neither the plan documents nor this guide constitute an implied or expressed contract of employment.

The actual terms of the Plan are contained in the plan document, which is available from the NGBC.

The official plan text and trust agreement govern the operation of the Plan and payment of all benefits. In the event of any ambiguity in or omission from this guide, or any conflict between this guide and the official plan text and trust agreement, the official plan text and trust agreement govern.

Northrop Grumman (also referred to as the "Company" in this guide) refers to Northrop Grumman Corporation and its 80%-owned subsidiaries and affiliates.

Overview

Eligibility

Employees covered by the collective bargaining agreements between the Northrop Grumman Corporation and UAW Local 506 and IBEW Local 569 are eligible to participate in the Plan.

Employees covered by a collective bargaining agreement that does not provide for participation are not eligible to participate in the Plan.

If you have a question about your eligibility, call the NGBC at 1-800-894-4194.

Participation

If you were a participant in the Teledyne Ryan Aeronautical Hourly Pension Plan on July 15, 1999, you automatically became a participant in the Plan on July 16, 1999 (the date Northrop Grumman acquired the Teledyne Ryan Aeronautical division of Teledyne, Inc.).

If you became eligible to participate in the Plan on or after July 16, 1999, you became a participant on the date on which you completed at least one service hour with the Company (or the date you became a member of an eligible class, if later).

Important Pension Concepts

The following basic pension plan concepts are necessary to understand the Plan's benefit.

Service Hour

You earn a service hour for each hour for which you are paid (or are entitled to be paid) by Northrop Grumman, while actively at work and during certain periods away from work, including vacation, holidays, illness, disability, layoff, jury duty, or a leave of absence.

In addition, if you receive payment due to back pay awarded by or agreed to by the Company, you will receive credit for service hours related to that payment.

Vesting and Vesting Service

Vesting means you have earned a non-forfeitable right to your Plan benefit. Vesting service is used to determine if you have a right to a vested or deferred vested benefit (see "Deferred Vested Benefits"). Generally, your vesting service includes employment with any member of the Company, subject to legal limitations. If you need help determining if your business unit is part of the Company, call the NGBC.

Effective July 16, 1999, you earn a year of vesting service for each calendar year in which you complete 1,000 or more hours for which you are paid (or are entitled to be paid) by Northrop Grumman. If you do not have 1,000 or more hours of vesting service in any calendar year, you do not earn vesting service for that year. However, you may earn vesting service if you are not actively at work but are on:

- An approved medical leave of absence for an illness or injury that occurred while working at the Company and for which you are receiving Workers' Compensation benefits
- An approved medical leave of absence for a non-work-related illness or injury (for up to 12 months)
- A qualifying military leave of absence (if you return to active employment in a timely manner following an honorable discharge)
- An approved leave of absence for union business
- Layoff (up to 13 weeks for each layoff).

Vesting service cannot be less than the credited service earned for any plan year. If you were a participant in the Plan prior to July 16, 1999, your total vesting service under this Plan is composed of your vesting service under this Plan starting July 16, 1999, *plus* your vesting service from the prior plan (The Teledyne Ryan Aeronautical Hourly Pension Plan) if you either:

- Became an employee of Northrop Grumman Corporation on July 16, 1999, or
- Were on layoff subject to recall on July 16, 1999, and you became an employee of Northrop Grumman Corporation before your recall rights expired.

You are vested in your Company-provided benefit after completing five years of vesting service or five years of credited service (see definition of credited service in next section).

You also become fully vested in your benefit when you reach normal retirement age while actively employed by Northrop Grumman, regardless of years of service.

Credited Service

Credited service is used to determine the amount of your benefit, and is credited once you become a participant in the Plan.

While you are covered by the Plan, your credited service is equal to your service as of July 16, 1999 (if eligible for Special Provisions as defined by the prior plan) *plus* your service on or after July 16, 1999.

Effective July 16, 1999, you earn one hour of credited service for each service hour in which you meet the Plan’s eligibility requirements and are paid (or entitled to be paid) by the Company, including hours for paid vacation, paid holidays, and paid sick leave. You also may earn credited service if you are not actively at work — see “Vesting and Vesting Service” for details.

You earn months of credited service depending on the number of service hours you earn in a calendar year, as shown in the table below.

Service hours earned in a calendar year	Months of credited service earned in a calendar year
0-155	1
156-310	2
311-465	3
466-620	4
621-775	5
776-930	6
931-1,085	7
1,086-1,240	8
1,241-1,395	9
1,396-1,550	10
1,551-1,705	11
1,706 and over	12

You earn one full year of credited service when you are credited with at least 1,706 hours in a calendar year. You cannot receive more than one year of credited service in a single calendar year.

No credited service is granted beyond the date of death, voluntary termination, discharge, divestiture of a business unit, or transfer to a nonparticipating entity or a joint venture that is not part of the Company. If you need help determining if your business unit is part of the Company, call the NGBC.

Breaks in Service

A break in service is a period during which you receive credit for less than 501 service hours in a calendar year (except for certain periods away from work, as described under “Vesting and Vesting Service”). If you experience five consecutive break-in-service years before you are vested:

- You forfeit your benefit under the Plan, and
- You are treated as a new hire upon subsequent rehire. You will accrue a new benefit, and your prior vesting and credited service will not be included in your service earned under the new employment period.

If you experience five consecutive break-in-service years after you are vested, your years of vesting service and credited service before your termination and after your rehire will be added together.

If you are on an approved Family and Medical Leave Act (FMLA) Leave of Absence, you **may not** incur a break in service. To keep from incurring a break in service, you can receive credit for up to 501 hours of service. Your hours of service for this purpose are equal to the amount you would have received if you had continued working. If that number cannot be determined, you receive eight hours for each day you are absent, up to a maximum of 501 hours of service, but you do not earn vesting service or credited service during this period. Hours of service for this purpose are usually credited during the calendar year in which your FMLA begins. However, if you do not need the hours of service to prevent a break in service during that year, the hours of service are credited toward the following calendar year.

Offsets

Offset for Teledyne Ryan Aeronautical Hourly Pension Plan

If you were employed by Teledyne Ryan Aeronautical division of Teledyne, Inc. prior to its acquisition by the Company, and your service credited under the prior plan (the Teledyne Ryan Aeronautical Hourly Pension Plan) also is credited under this Plan, the monthly value of your benefit under the prior plan will be subtracted from your benefit under this Plan. For example, if the monthly life only pension benefit for all years of service is \$800 and your monthly benefit under the prior plan is \$200, your net Plan benefit is \$600 (\$800 - \$200).

Non-Duplication of Benefits

You may participate in (meaning contribute to or accrue a benefit under) only one Northrop Grumman pension plan at any given time. If you are eligible to participate in two plans (for example, as a result of an acquisition), you will be covered by the plan specified by your payroll.

Re-employment after Benefit Commencement Date

In the event you terminate your employment and commence your benefit under the Plan, then you are reemployed in a position that is covered by the Plan, payment of your annuity benefit will continue. Upon your subsequent retirement, your benefit will be recalculated to reflect your additional accrued credited service, your age at your new retirement date, and the benefit formula in effect at that time. The total amount of your benefit will then be reduced by any payments previously received from the Plan.

Applying for Your Benefit

Once you decide on your retirement date, call the NGBC at 1-800-894-4194 or log in to *My Benefits Access* available through *Benefits OnLine* at <http://benefits.northropgrumman.com> to begin the retirement process. In general, you must provide notice of your intent to retire and request your retirement kit two months prior to the date you want your retirement to begin (which can be the first day of any month). For example, if you want to begin your retirement on June 1, 2008, you must request your retirement kit by April 1, 2008.

This applies to all types of retirement commencements, including early, normal, and postponed retirement. The notice requirement is waived in cases where a Company-organized layoff specified the applicable retirement date.

As a participant in the Plan, it is *your* responsibility (or your surviving spouse's responsibility, if applicable) to request your retirement kit and start the retirement process. Your retirement date is the date you want to begin your pension benefit payments. Failure to call the NGBC or apply for retirement online through *My Benefits Access* as described in this section may result in a delay in payment or even a forfeiture of benefits.

Please be prepared to provide the following information when you apply for retirement:

- Your name and home address
- Your telephone numbers (work and home)
- Your Social Security number
- Your current marital status
- Your spouse's name, Social Security number, and date of birth (if you are married)
- Your anticipated last day of work with the Company
- Your benefit commencement date (the date that you would like payments to begin)
- Your beneficiary information
 - If you would like to designate someone other than your spouse as a beneficiary, please provide the beneficiary's name, date of birth, and Social Security number; you must also provide your spouse's information even if you choose to have someone other than your spouse as a beneficiary*
 - If you are not married, you can name a beneficiary for some payment options.

** Written and notarized spousal consent is required if you elect a beneficiary other than your spouse.*

To complete the retirement process, you will need to sign a confirmation form with your date of birth, your marital status, your beneficiary's date of birth (if applicable) and other information relevant to your retirement.

If you have a qualified domestic relations order (QDRO) that awards any part of your pension benefit to a former spouse, such order should be submitted to the NGBC well in advance of your retirement date in order to avoid a delay in processing your retirement. You may obtain a copy of the Plan's procedures regarding QDROs free of charge by contacting the Domestic Relations Matters Group at 1-888-887-5078.

Normal Retirement

Eligibility for Normal Retirement

You are eligible for a normal retirement benefit if your Northrop Grumman employment ends on or after your normal retirement age, or if you terminate prior to normal retirement age with a vested benefit and defer payment until you reach normal retirement age. Your normal retirement date is the first day of the month coincident with or following your normal retirement age.

Normal Retirement Age for Your Benefit

Your normal retirement age for your benefit is the later of:

- Age 65, or
- Your age on the fifth anniversary of your participation in the Plan.

Benefit Amount for Normal Retirement

The monthly normal retirement benefit amount is equal to:

Your years of credited service <i>multiplied by</i> The applicable Plan rate in effect on your date of termination
--

The applicable Plan rate is determined by both your date of termination and your union membership, as shown in the table below.

Your Termination Date	The Plan Rate in Effect on Your Termination Date	
	UAW Local 506	IBEW Local 569
Through December 31, 1999	\$29.00	\$28.00
After December 31, 1999	\$30.00	\$30.00

Note: Your monthly normal retirement benefit as calculated above is reduced by your normal retirement benefit calculated under the Teledyne Ryan Aeronautical Hourly Pension Plan. See the "Offsets" section for more information.

Normal Retirement Benefit Example

See the example that follows. Although this illustration uses full years of age and service, your retirement benefit will be based on your actual years and months of age and service at the time of your retirement. This example is based on the "straight life annuity" form of payment.

Example

Let's assume you retire at age 65 on January 1, 2009, with 20 years of credited service, and you were a member of the UAW Local 506 union. Your benefit under the prior Teledyne Ryan Aeronautical Hourly Pension Plan is \$300. Your normal retirement benefit is determined as shown on the next page.

Northrop Grumman Represented Employees Pension Plan (Ryan Hourly)
Summary Plan Description
April 2008

1.	Normal retirement benefit without offset (\$30.00 x 20 years)	=	\$600
2.	Offset amount from prior plan	=	<u>-\$300</u>
3.	Monthly normal retirement benefit from the Plan (1 minus 2)	=	\$300

Early Retirement

Eligibility for Early Retirement

You are eligible for an early retirement benefit if you stop accruing service under the Plan on the earlier of:

- The first day of the month coincident with or following your 55th birthday if you have at least 10 years of vesting service or 10 years of credited service, or
- The first day of the month following your termination if the present value of your accrued vested benefit is less than \$10,000.

Your early retirement date can be the first day of any month coincident with or following the date you become eligible, subject to the rules described in “Applying for Your Benefit.”

Benefit Amount for Early Retirement*

If you terminate your employment after reaching age 55 with at least 10 years of vesting service or 10 years of credited service, you are eligible to receive an unreduced (normal retirement) benefit beginning at age 62.

If you elect to begin receiving your benefit before age 62 and have terminated after meeting the early retirement eligibility requirements described above, your early retirement benefit is determined as a normal retirement benefit and then is reduced to a percentage of that amount as shown in the table below.

Your age when payments begin	Percentage of your normal retirement benefit that you receive
62	100%
61	96%
60	92%
59	86%
58	80%
57	74%
56	68%
55	62%

The table is shown in percentages for whole ages. Partial years will be prorated in years and months.

Early Benefit Commencement for Accrued Benefit of Less than \$10,000

If the present value of your accrued benefit is less than \$10,000, you can begin receiving your benefit at any time prior to age 65. Your early retirement benefit is determined as a normal retirement benefit and then is reduced to a percentage of that amount as shown in the table on the next page.

* Your monthly early retirement benefit as calculated above is reduced by your early retirement benefit calculated under the Teledyne Ryan Aeronautical Hourly Pension Plan. See the “Offsets” section for more information.

Your age when payments begin	Percentage of your normal retirement benefit that you receive
65	100.0%
64	91.9%
63	84.5%
62	78.0%
61	72.2%
60	67.0%
59	62.3%
58	58.0%
57	54.1%
56	50.6%
55	47.4%

The table is shown in percentages for whole ages. Partial years will be prorated in years and months.

For the early retirement reduction on benefits commencing prior to age 55, call the NGBC.

Unreduced Benefit at Age 60

If you are between the ages of 60 and 65 at the time of your termination and have at least 20 years of vesting and credited service, you are eligible for an unreduced (normal retirement) benefit.

Early Retirement Benefit Examples

See the examples that follow. Although these illustrations use full years of age and service, your retirement benefit will be based on your actual years and months of age and service at the time of your retirement. These examples are based on the “straight life annuity” form of payment.

Example A — Retiring After Age 55 with 10 Years of Service

Let’s assume you retire on January 1, 2009, at age 60 with 15 years of credited service, and you were a member of the IBEW Local 569 union. Your early retirement benefit under the prior Teledyne Ryan Aeronautical Hourly Pension Plan is \$150. The present value of your accrued benefit is greater than \$10,000. Your benefit is calculated as follows:

- | | | | |
|----|--|---|--------------|
| 1. | Normal retirement benefit without offset
(\$30.00 x 15 years) | = | \$450 |
| 2. | Early retirement reduction at age 60
(\$450 x 92%) | = | \$414 |
| 3. | Early retirement offset amount from prior plan | = | <u>\$150</u> |
| 4. | Monthly early retirement benefit from the Plan | = | \$264 |

Example B — Retiring with Accrued Benefit of Less than \$10,000

Let's assume you retire on January 1, 2009, at age 60 with 9 years of credited service. The present value of your accrued benefit is \$9,500, and your normal retirement monthly benefit without offset is \$100. Your early retirement benefit under the prior Teledyne Ryan Aeronautical Hourly Pension Plan is \$50. Your benefit is calculated as follows:

1.	Normal retirement benefit without offset	=	\$100
2.	Early retirement reduction at age 60 (\$100 x 67%)	=	\$ 67
3.	Early retirement offset amount from prior plan	=	<u>\$50</u>
4.	Monthly early retirement benefit from the Plan	=	\$17

Deferred Vested Benefits

Eligibility for Deferred Vested Benefits

You are eligible to receive a deferred vested benefit if you terminate employment with a vested benefit before normal retirement age and do not meet the eligibility requirements for early retirement at that time. If you have less than ten years of vesting service or ten years of credited service, you can begin receiving your deferred vested benefit when you reach normal retirement age. Your benefit will be calculated as a normal retirement benefit.

Benefit Amount for Deferred Vested Benefit

You may begin receiving your deferred vested benefit in a reduced amount as early as age 55 if you have at least ten years of vesting service or ten years of credited service, or at any age if the present value of your accrued benefit is less than \$10,000. If you elect to begin payments between ages 55 and 65, your deferred vested benefit is calculated as a normal retirement benefit and then is reduced as shown in the table below.

Your age when payments begin	Percentage of your normal retirement benefit that you receive
65	100.0%
64	91.9%
63	84.5%
62	78.0%
61	72.2%
60	67.0%
59	62.3%
58	58.0%
57	54.1%
56	50.6%
55	47.4%

The table is shown in percentages for whole ages. Partial years will be prorated in years and months.

If the present value of your accrued benefit is less than \$10,000: For the benefit reduction on deferred vested benefits commencing prior to age 55, call the NGBC.

You must commence your benefit no later than April 1 following the year in which you reach age 70½.

Deferred Vested Benefit Example

See the example that follows. Although this illustration uses full years of age and service, your retirement benefit will be based on your actual years and months of age and service at the time of your retirement. This example is based on the “straight life annuity” form of payment.

Northrop Grumman Represented Employees Pension Plan (Ryan Hourly)
Summary Plan Description
April 2008

Example

Let's assume you leave the Company on January 1, 2009, at age 52 with 12 years of service, and elect to begin receiving your benefit at age 57. You were a member of the UAW Local 506 union. Your benefit under the prior Teledyne Ryan Aeronautical Hourly Pension Plan is \$100. The present value of your accrued benefit is greater than \$10,000. Your deferred vested benefit is calculated as follows:

1.	Normal retirement benefit without offset (\$30.00 x 12 years)	=	\$360
2.	Monthly deferred vested benefit after reduction without offset (\$360 x 54.1%)	=	\$194.76
3.	Offset amount from prior plan	=	<u>-\$100</u>
4.	Monthly deferred vested benefit retirement benefit from the Plan (2 minus 3)	=	\$94.76

Disability Retirement Benefits

If you retire due to disability, you are eligible for a disability retirement benefit if you:

- Have ten years of vesting service or ten years of credited service as of your date of disability,
- Have not reached age 65 as of your date of disability, and
- Have a condition that the Company-appointed disability manager determines is a disability for non-retirement disability benefit purposes.

Benefit Amount

Your monthly disability benefit will be equal to your normal retirement benefit* without a reduction for early retirement.

If you have completed ten years of credited service, you receive a temporary benefit in the amount of \$7.50 multiplied by your years of credited service, up to a maximum of \$187.50, up to the date on which you turn age 65 or begin receiving a Social Security disability insurance benefit, whichever is earlier.

Call the NGBC if you have questions about the offsets to your Company-provided disability benefit that may result if you commence a disability retirement pension benefit.

Commencement Date

After your termination of employment, you may begin receiving a disability benefit on the first day of the month following the date on which you meet the eligibility requirements described above.

Duration of Benefit

Your benefit is payable monthly until the earliest of the following:

- The date you no longer have a condition that the Company-appointed disability manager determines is a disability for non-retirement plan disability benefit purposes
- The date you return to active employment with Northrop Grumman
- Your death
- The first of the month coincident with or following your 65th birthday; at this point, your disability payments will stop and your normal retirement benefits will begin.

** Annuity equivalents for offsets are determined using factors based on your age at your termination date and not your normal retirement age.*

If You Die Before Benefit Payments Begin

Married Participants

If you die after your benefit is vested but before your retirement benefit commences, your spouse will be eligible for a pre-retirement death benefit from the Plan. Your eligible spouse is the individual to whom you are legally married at the time of your death.

Your spouse's eligibility for the pre-retirement death benefit remains in effect whether or not you leave the Company, but will end on the earliest of:

- Your retirement date
- The date on which you no longer have a legal eligible spouse.

A former spouse can be deemed an eligible spouse for all or part of any pre-retirement spouse benefit from the Plan, if provided under a Qualified Domestic Relations Order (QDRO).

Pre-retirement Death Benefit

If you die before your benefit payments are scheduled to begin, your spouse's benefit is equal to one-half the amount that would have been paid to you under this Plan had you elected the 50%* joint and survivor annuity form of payment. The amount of the benefit paid to your spouse will be based on your age at the time your spouse chooses to commence the benefit and will be reduced, as applicable, for early retirement and by the amount of the benefit payable under the Teledyne Ryan Aeronautical Hourly Pension Plan.

However, if you elect a 75% or 100% joint and survivor annuity form of payment within 90 days before your benefit payments are scheduled to begin, and then you die before your benefit payments begin, your spouse will receive the greater of your elected form of payment and your pre-retirement joint and survivor annuity. (Note: You must have elected your spouse as your beneficiary before your death.)

Your spouse's benefit is payable monthly for the duration of his or her life.

Note: In lieu of receiving a joint and survivor annuity benefit, your spouse may elect to receive the actuarial equivalent of the joint and survivor annuity payable upon your pre-retirement death as a single lump sum. Contact the NGBC for details.

** 55% joint and survivor annuity for deaths prior to April 1, 2008.*

Benefit Commencement Date

Your surviving spouse can begin receiving a benefit payment on or after the later of:

- The first day of the month following your death
- The first day of the month in which you would have been eligible for early retirement.

Your spouse may defer payment of benefits until the date you would have reached normal retirement age. In this case, the monthly benefit payable will be calculated as described above, and then increased by 1.25% for each month payment is deferred.

Unmarried Participants

There is no Company-provided benefit payable upon your death if you are *not* married and you die before your retirement benefit commences.

Post-retirement Death Benefit

Upon your death, your beneficiary will be entitled to receive a lump sum benefit of \$1,000 if all of the following are met:

- Your death occurs after you have begun receiving retirement or disability benefits
- You had completed at least one year of credited service and 10 years of vesting service
- No death benefit is payable from a Company-provided group life insurance plan.

Payment Options

The Plan provides several optional forms of payment to help meet your retirement needs. Your form of payment election cannot be changed on or after your retirement date.

Spousal Consent

If you are married when you retire, written and notarized spousal consent is required if you elect any option other than the 50%*, 75%, or 100% Joint and Survivor option with your spouse designated as the beneficiary.

** 55% joint and survivor annuity for benefit commencements prior to April 1, 2008.*

Forms of Payment

- ***Straight Life Annuity*** — You receive monthly payments for your lifetime. When you die, the Plan does not pay benefits to anyone else. If you are married when you retire, your spouse must consent in writing to this form of distribution. If you are single when you retire, your benefit normally will be paid as a straight life annuity, unless you elect one of the other forms of payment for which you qualify.
- ***Joint and Survivor Annuity (50%*, 75% or 100%)*** (effective for benefit commencements on or after April 1, 2008) — You receive a monthly benefit for your lifetime. When you die, your spouse or other named beneficiary receives a monthly payment equal to 50%, 75% or 100% of your monthly benefit (whichever you selected) for the rest of his or her lifetime. The monthly benefit you receive during your lifetime is smaller than the monthly benefit you would receive under the straight life annuity option, because benefits are paid over the joint lifetimes of you and your beneficiary. If your beneficiary dies before you but after your benefit payments are scheduled to begin, the Plan pays benefits for your lifetime only.

If you are married when you retire, your benefit normally will be paid on a 50% joint and survivor basis with your spouse as the designated survivor, unless you elect one of the other forms of payment for which you qualify. If you are married when you retire and choose a form of payment other than a 50%, 75% or 100% joint and survivor annuity with your spouse as beneficiary, your spouse must provide written, notarized consent.

If your spouse or beneficiary dies before your benefit payments are scheduled to begin, you should notify the NGBC immediately and select a different payment option. After the date your benefit payments are scheduled to begin, they will not be recalculated for a change in marital/beneficiary status.

If you elect a beneficiary other than your spouse, IRS rules may limit the level of the survivor benefit and may prevent the election of a joint annuitant who is significantly younger than you for joint and survivor annuity options other than the 50% option. Please contact the NGBC for more information.

** 55% joint and survivor annuity for benefit commencements prior to April 1, 2008.*

- **Level Income Annuity** (effective for benefit commencements on or after April 1, 2008)
— You receive a greater monthly payment for the months before you reach age 62, the Social Security early retirement age. At age 62, your monthly payment amount is reduced by an estimate of your age 62 Social Security benefit. If you commence your Social Security benefit at age 62 and it is approximately equal to the reduction provided in your retirement benefit calculation, this option enables your income to “level out” pre- and post-age 62. If you are married when you retire, your spouse must consent in writing to this form of distribution.

Here’s how your benefit would be calculated:

- **Your pre-62 monthly benefit**

equals

Your benefit calculated under the straight life annuity form of payment (reduced, as applicable, for early retirement)

plus

Your estimated Social Security benefit
multiplied by
A Level Income annuity factor based on your age

- **Your post-62 monthly benefit**

equals

Your pre-62 monthly benefit
minus
Your estimated Social Security benefit

Your first post-62 benefit payment will take place on the first of the month coincident with or following your 62nd birthday. You will not be offered this option if the monthly post-62 benefit using an estimated Social Security benefit is \$25 or less.

Example — Assume you retire at age 60 with a straight life annuity benefit of \$1,000 per month, and the Level Income annuity factor is 0.85. Further, assume the Plan estimate of your age 62 Social Security benefit is \$500 and your actual age 62 Social Security payment is \$550.

Your retirement benefit calculation will show Plan payments for a level income option as follows:

- **Pre-62 monthly benefit from the Plan**

Straight life annuity of \$1,000
plus
\$500 x 0.85 = \$1,425

- **Post-62 monthly benefit from the Plan**

\$1,425 – \$500 = \$925

If you elect this option and commence your actual Social Security benefit at age 62, your *total* monthly income will be as follows:

- **Pre-62 monthly benefit from the Plan** = \$1,425
- **Post-62 total monthly benefit**
Post-62 monthly benefit of \$925
plus
your actual Social Security benefit of \$550 = \$1,475

As a result, your pre- and post-62 income remains approximately level.

Note: The age at which you may begin your Social Security benefits depends on the year of your birth. Be sure to confirm your eligible start date with the Social Security Administration. Social Security benefits that start before age 65 are reduced, because payments are made over a longer period of time. Your actual Social Security benefit may be more or less than the estimate used to determine your Plan benefit under the level income option. However, your level income payments will not be adjusted if that is the case.

- **Ten Year Certain and Continuous** (effective for benefit commencements on or after April 1, 2008) — You receive a monthly benefit for your lifetime. Electing this form of payment means there will be a reduction in the amount of your straight life annuity benefit based on your age at retirement.

If you die before 120 payments have been made, the remainder of the 120 payments will be paid to your designated beneficiary. If your beneficiary dies after you but before 120 payments have been made, the remainder of the 120 payments will be paid to your beneficiary's estate in a lump sum. If your beneficiary predeceases you before the 120 payments have been made, you may designate another beneficiary, provided you obtain your spouse's consent, if applicable. You may designate your estate or a trust as your designated beneficiary for this payment option. If you are married when you retire, your spouse must consent in writing to this form of distribution.

- **Lump Sum** — If the present value of your accrued benefit is less than \$10,000, you can elect to receive your benefit as a lump sum.

Electing a lump sum payment means you are electing to receive, in a single payment, the actuarial present value of the straight life annuity benefit — there will be no further payments from the Plan.

If you are married when you retire, your spouse must provide written, notarized consent to this form of distribution. The lump sum amount will depend on your age at retirement, the interest rate used and a mortality table. For a list of the applicable interest rates, please access *Benefits OnLine* at <http://benefits.northropgrumman.com>, or contact the NGBC.

If you elect the lump sum form of payment for your benefit, you must make a direct rollover to an IRA or to another qualified plan in order to defer income taxes on the

Northrop Grumman Represented Employees Pension Plan (Ryan Hourly)
Summary Plan Description
April 2008

payment. Any taxable amount not directly rolled over will have 20% automatically withheld for federal income taxes.

Tax Considerations

Maximum Benefits for Tax Purposes

Plan benefits are limited to an annual maximum by federal law. In addition, federal tax law limits the amount of compensation that may be used to calculate your benefits. Those limits may be raised in accordance with Internal Revenue Service (IRS) regulations.

When You Pay Taxes

Generally, when you receive your monthly retirement benefit payments, you are subject to federal income tax and, in some states, state and local income tax.

If you receive a lump sum payment of your benefit before you have reached age 55, the payment may be subject to a 10% penalty tax in addition to the federal — and, if applicable, state and local — tax. You can delay paying taxes on your lump sum distribution — and avoid the additional 10% tax — by rolling over your lump sum payment to an individual retirement account (IRA) or another employer's retirement plan within 60 days of your lump sum payment date.

The additional 10% tax does not apply in the following situations:

- If your beneficiary receives a lump sum distribution as a result of your death
- If you receive a disability benefit in the form of a lump sum.

General Plan Information

Your benefits belong to you and, except in the case of a qualified domestic relations order (QDRO), Internal Revenue Service (IRS) levy, or garnishment orders under the Federal Debt Collection Procedures Act or the Mandatory Victims Restitution Act, may not be sold, assigned, transferred, pledged, or garnished. See “Payment of Benefits to Alternate Payees” for details about QDROs.

Facility of Payment

If you (or your beneficiary) are unable to manage your own affairs, any payments due may be paid to someone who is legally authorized to conduct your affairs, or deposited in your bank account or directly or indirectly paid for your comfort, support, and maintenance.

Payment of Benefits to Alternate Payees

The Employee Retirement Income Security Act (ERISA) requires the plan administrator to obey qualified domestic relations orders (QDROs). A QDRO is a legal judgment, decree, or order that recognizes the rights of someone other than the Plan participant (namely, an alternate payee) under the Plan with respect to child or other dependent support, alimony, or marital property rights.

If you become legally separated or divorced, a portion of your benefits under the Plan may be assigned to someone else to satisfy a legal obligation you may have to a spouse, former spouse, child, or other dependent. These payments may begin while you are still employed, but only after meeting the specific retirement eligibility requirements.

There are specific requirements that a QDRO must meet to be accepted by the plan administrator. In addition, there are specific procedures regarding the amount and timing of payments.

The Northrop Grumman Domestic Relations Matters Group administers QDROs. If you are or may be subject to such an order, call the Northrop Grumman Domestic Relations Matters Group at 1-888-887-5078 to request a copy of the Plan’s QDRO procedures and a model QDRO for your use. Issues pertaining to the qualified status of a domestic relations order may be pursued in federal court.

Top Heavy Rules

Certain tax rules — called “top heavy” rules — apply if a large percentage of the Plan’s benefits accrue in favor of key employees, as key employees are defined by the Internal Revenue Code. The administrator will notify you if your benefits are affected by top heavy rules.

Loss of Benefits

Certain circumstances result in a loss or delay of benefits, such as, among others, those described below:

- If you terminate employment with Northrop Grumman before becoming vested, you receive no Company-funded benefits from the Plan.
- If you move and do not notify the NGBC of your new address, you will not receive benefits until you contact the plan administrator. If you fail to notify the plan administrator of your new address and you cannot be located, in some cases you may forfeit your benefit. However, your benefit will be reinstated if you provide your new address to the plan administrator.
- Failure to notify the NGBC in a timely manner before your retirement date (as described in the “Applying for Your Benefit” section) may result in a delay in payment or even a forfeiture of benefits.
- If the Plan is terminated before you retire, you are unable to earn benefits after the date of plan termination. If there are not enough funds to pay all benefits at termination, the Pension Benefit Guaranty Corporation (PBGC) guarantees all or a portion of the benefit you earned before the Plan terminated.
- If you die before commencing benefit payments under the Plan, any Company-funded benefits you had earned will be forfeited unless it is payable to a qualifying spouse.

Your ERISA Rights

In 1974, Congress passed the Employee Retirement Income Security Act (ERISA) to safeguard the interests of participants and beneficiaries under employee benefit plans. As a participant of the Plan, you have certain rights and protections under ERISA, as outlined in the following statement adapted from regulations of the U.S. Department of Labor.

As a plan participant, under ERISA you have the right to receive information about your plan and benefits:

- Examine without charge, at the plan administrator’s office or other convenient location, all documents governing the Plan, including plan documents, trust agreements, and a copy of the latest annual report filed by the Program with the U.S. Department of Labor.
- Obtain copies of all plan documents and other documents governing the operation of the Plan, including copies of the latest annual report and updated SPD, by writing to the plan administrator. The plan administrator may charge a reasonable fee for the copies.
- Receive a summary of the Plan’s annual financial reports. You do not have to ask for your copy of the summary — the plan administrator sends it to you each year.
- Receive a written explanation of the reason for denial, if your claim for a pension benefit is denied by the plan administrator, in whole or in part, and obtain copies of documents relating to the decision without charge. As explained later, you have the right to have the plan administrator review and reconsider your claim within certain time schedules.
- Obtain a statement telling you if you have a right to receive a pension at normal retirement age and if so, what your estimated benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The plan administrator must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties on the Plan fiduciaries, the people responsible for operating the Plan. At Northrop Grumman, plan fiduciaries may include employees who make certain discretionary decisions about the

management or administration of the Plan. Fiduciaries also may include outside investment advisors and trustees.

Fiduciaries have a duty to operate the Plan prudently and in the interest of you and other plan participants and beneficiaries. Fiduciaries who violate ERISA may be removed and/or required to make good on losses that they caused the Plan.

No one, including Northrop Grumman or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforcing Your ERISA Rights

Under ERISA, there are several steps you can take to enforce your rights. For instance, if you request plan documents or the latest annual report from the Plan and you do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive them, unless the materials were not sent for a reason beyond the control of the plan administrator or the plan administrator otherwise had a reasonable basis for not providing them.

If you have a claim for benefits that is denied or ignored, in whole or in part, and you have been through all of the Plan's appeals procedures (as explained later in this document), then you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision (or lack of decision) concerning the qualified status of a domestic relations order, you may file suit in a federal court.

If a fiduciary misuses the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in federal court.

In addition to deciding what damages, if any, should be awarded, the court will decide who should pay the court costs and legal fees. If you are successful, the court may order the person you sued to pay them. If you lose, the court may order you to pay these costs and fees (for example, if it finds your claim to be frivolous).

Assistance with Your Questions

If you have any questions about the Plan, you should call the NGBC at 1-800-894-4194 between the hours of 9:00 a.m. and 6:00 p.m. Eastern Time. If you have any questions about your rights under ERISA or about this statement outlining your rights, or if you need assistance in obtaining documentation from the Plan administrator, you should contact the nearest regional office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory. You also may contact the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 1-866-444-3272.

Discretionary Authority of Plan Administrator

The Plan Administrator or its delegate shall have full and sole discretionary authority to interpret all plan documents and to make all interpretive and factual determinations as to whether any individual is entitled to receive any benefit under the terms of this Plan. The Plan Administrator or its delegate shall determine, exercising its discretion, appropriate courses of action in light of the reason and purpose for which this Plan is established and maintained. Any construction of the terms of any plan document and any determination of fact adopted by the Plan Administrator or its delegate shall be final and legally binding on all parties.

Incorrect Payment of Benefits

If the Plan Administrator or its delegates, in their full discretion, determine that the Plan made an incorrect payment of benefits, and that a correction is necessary or desirable under the law, the Plan may recover the amounts incorrectly paid either by requiring the payee to return the excess to the Plan, by reducing any future Plan payments to the payee, or by any other method deemed reasonable to the Plan Administrator or its delegates.

Claims and Appeals Processes

Claiming Benefits

If you believe you are entitled to benefits other than those provided to you, you may file a claim for benefits with the plan administrator. To do so, you must send a written notice to the plan administrator at the following address:

Administrative Committee — Northrop Grumman Represented Employees Pension Plan
Northrop Grumman Corporation
1840 Century Park East, 90/129/CC
Los Angeles, CA 90067

You will receive notice of the plan administrator's decision on your claim for benefits generally within 60 days after the plan administrator receives your claim. In special cases, the plan administrator may require an additional 90 days to consider your claim. In such case, you will receive, within the original 60-day time period, written notice of the need for additional time, the reasons the additional time is necessary, and the date the plan administrator expects to reach its decision.

If your claim for a benefit is denied, in whole or in part, you (or your beneficiary) must receive a written explanation of the reason for the denial from the plan administrator. This written notice will include:

- Specific reasons for the denial
- References to plan provisions on which the denial is based
- A description of additional materials or information that are necessary
- Procedures for appealing the decision, including applicable time limits
- A statement of your right to bring a civil action under Section 502(a) of ERISA following a denial of your claim on appeal.

You or your authorized representative may review all documents related to any denial of benefits.

Appealing Claims Decisions

If you disagree with the plan administrator's decision regarding your benefits claim, you have 65 days from the receipt of the original denial to request a review. This request should be made in writing and sent to the plan administrator at the following address:

Administrative Committee — Northrop Grumman Represented Employees Pension Plan
Northrop Grumman Corporation
1840 Century Park East, 90/129/CC
Los Angeles, CA 90067

Your request should state all the grounds on which your request for a review is based. You should state any facts, address any issues, and make any comments that support your request. Besides having the right to appeal, you or your authorized representative also has the right to examine, at locations and times convenient to the plan administrator, or to receive copies of, upon request and free of charge, any documents, records or other information relevant to your claim.

The claim appeal will be reviewed by the administrative committee, and ordinarily you will be notified, in writing, of a decision within 60 days. In special cases, the plan administrator may require an additional 60 days to consider your appeal. You will be notified within the initial 60-day period if extra time is required and the reason the extra time is required.

You will receive written notification of the final decision, including, for an adverse decision:

- Specific reasons for the decision
- References to specific plan provisions on which the decision is based
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records or other information relevant to your claim
- A statement of your right to bring a civil action under Section 502(a) of ERISA following a denial of your claim on appeal.

The final decision will be sent to you in writing, together with an explanation of how the decision was made. The decision of the plan administrator is final and conclusive.

If your claim appeal is denied, you may bring legal action in court provided you abide by certain time limitations. Specifically, you may not bring legal action against a party under the Plan after the latest of:

- One year from the time the claim arises
- 90 days from the final disposition of the claim by the Administrative Committee.

In addition, the action must be filed before the time limit described above and any otherwise applicable statute of limitations expires, whichever comes first. For details on when a claim arises, see the plan document.

Pension Benefit Guaranty Corporation (PBGC)

If the Plan is terminated, benefits under this plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal government agency. Generally the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain survivors' pensions. However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan was in effect for less than five years before it terminates, or if benefits were increased within the five years before plan termination, not all of the Plan's vested benefits or the benefit increase may be guaranteed. In addition, there is a ceiling on the amount of monthly benefit that the PBGC guarantees, which is adjusted annually.

You can receive more information on PBGC insurance protection and its limits from the PBGC directly at:

Office of Communication
Pension Benefit Guaranty Corporation
1200 K Street, N.W.
Washington, DC 20005-4026
202-326-4000

Funding and Plan Assets

The cost of the Plan is paid by the plan sponsor and through employee contributions. All plan sponsor contributions are actuarially determined.

All assets of the Plan are held in a master trust. Plan assets are held for the exclusive benefit of the Plan participants. The assets of the master trust can become the property of Northrop Grumman only after all Plan obligations have been satisfied. Contributions to a plan may be returned to Northrop Grumman if the Internal Revenue Service (IRS) fails to issue a favorable determination letter concerning the Plan, if the contributions were made in error, or if the IRS determines that the contributions are not deductible.

All reasonable and proper administrative expenses of the Plan, including counsel fees, may be paid from the Plan assets.

About this Guide and the Plan Documents

In accordance with the disclosure requirement of ERISA, this guide serves as a summary plan description (SPD) of the Northrop Grumman Represented Employees Pension Plan. As such, it is intended to provide you with a brief explanation of your pension plan. It is not an official plan document, and neither the plan documents nor this guide constitutes an implied or expressed contract of employment. The actual terms of the Plan are contained in the plan documents, which are available from the NGBC for a fee.

The official plan text and trust agreement govern the operation of the Plan and payment of all benefits. In the event of any ambiguity in or omission from this guide, or any conflict between this guide and the official plan text and trust agreement, the official plan text and trust agreement govern.

Future of the Program

The Company or its delegates may amend, suspend or terminate the Plan at any time by written resolution.

When plan amendments are made that materially affect benefits, a summary of the changes will be communicated to affected plan participants. If the Plan is terminated, plan benefits will immediately become vested for affected participants.

Contact Information

The following chart contains contact information, provided in accordance with ERISA, which may be helpful to you. For more information on your ERISA rights, see “Your ERISA Rights” and “Enforcing Your ERISA Rights.”

Plan Sponsor	Northrop Grumman Corporation 1840 Century Park East, 90/129/CC Los Angeles, CA 90067
Plan Sponsor EIN	95-4840775
Type of Plan	Defined benefit pension plan
Type of Funding	Under a trust
Plan Number	037
Plan Name	Northrop Grumman Represented Employees Pension Plan
Plan Administrator	Administrative Committee — Northrop Grumman Represented Employees Pension Plan Northrop Grumman Corporation 1840 Century Park East, 90/129/CC Los Angeles, CA 90067 1-800-894-4194
Agent for Service of Legal Process	Corporate Secretary Northrop Grumman Corporation 1840 Century Park East, 90/129/CC Los Angeles, CA 90067
Plan Trustee	State Street Bank and Trust Company Master Trust Client Services One Enterprise Drive - W6C North Quincy, MA 02171
Plan Year End	December 31