

K# 4107

NORTHROP GRUMMAN

CONTRACT EXTENSION

Between

**Northrop Grumman Shipbuilding, Inc.
Pascagoula Operations**

And

**The Metal Trades Department AFL-CIO
Pascagoula Metal Trades Council**

Expires March 11, 2012

**MEMORANDUM OF AGREEMENT
BETWEEN
NORTHROP GRUMMAN SHIPBUILDING, INC.,
GULF COAST OPERATIONS (PASCAGOULA FACILITY); AND THE
PASCAGOULA METAL TRADES COUNCIL, AFL-CIO**

Whereas, Northrop Grumman Shipbuilding, Inc. ("Company") and the Pascagoula Metal Trades Council, AFL-CIO entered into a collective bargaining agreement ("CBA") effective March 4, 2007 and covering the Company's facility in Pascagoula, Mississippi; and

Whereas, the CBA shall not be amended or supplemented except by mutual written consent of the parties hereto; and

Whereas, all such amendments or supplements must be reduced to writing and signed by both parties; and

Whereas, the following Memorandum of Agreement ("MOA") is entered into between the Company and the Pascagoula Metal Trades Council, AFL-CIO, including its affiliated and member unions ("the Union") for the purpose of extending the duration of the current collective bargaining agreement as follows:

By this MOA, the parties agree to extend the duration of the CBA (Article 30) beyond the current date of March 7, 2010 to March 11, 2012.

In addition to amending Article 30 to extend the duration of the CBA to March 11, 2012, this MOA modifies the CBA only as follows:

1. ARTICLE 8 - WAGES (APPENDIX A BASIC HOURLY WAGE RATE)

	<i>1st Extension Period Effective 01/04/10</i>	<i>2nd Extension Period Effective 03/07/11</i>
Blacksmith	\$21.75	\$22.30
Boilermaker	21.65	22.20
Bridge Crane Operator	21.65	22.20
Burner	21.65	22.20
Burner (Carbon Arc Gouger)	21.95	22.50
Burner (Flame Gouger)	21.80	22.35
Burner (Special)	21.80	22.35
Carpenter	21.65	22.20
Carpenter-Maintenance	21.65	22.20
Compressor Operator	21.65	22.20
CSA Machine Operator (Combination)	21.85	22.40
Fab Shop Machine Operator	21.65	22.20
Transportation Rigger	21.65	22.20
Furnace Mechanic	21.65	22.20

	1st Extension Period Effective 01/04/10	2nd Extension Period Effective 03/07/11
Gantry Crane Operator	22.73	23.31
Grinder-Driller	21.65	22.20
Heavy Equipment Technician	22.73	23.31
Heater-Straightener	21.65	22.20
Insulator	21.65	22.20
Joiner	21.65	22.20
Joiner (Combination)	21.85	22.40
Joiner - Insulator	21.65	22.20
Joiner - Insulator (Combination)	21.85	22.40
Launch Pontoon Technician	22.00	22.55
Loftsman (Optical)	22.00	22.55
Loftsman	21.80	22.35
Layout (Shop)	21.65	22.20
Machinist (Inside)	21.65	22.20
Machinist CNC (Inside)	23.82	24.42
Machinist (Outside)	21.65	22.20
Machinist (Outside Combination)	21.85	22.40
Machinist (Maintenance)	21.65	22.20
Machinist Technician (Maintenance)	22.00	22.55
Mechanic - Heavy Duty	21.65	22.20
Mechanic - Tool Room	21.65	22.20
Metal Processing Mechanic	21.65	22.20
Mobile Crane Operator	21.65	22.20
Painter	21.65	22.20
Pipefitter	21.65	22.20
Pipefitter-Maintenance	21.65	22.20
Pipefitter (Combination)	21.85	22.40
Pipewelder	21.95	22.50
Pipewelder-Maintenance	21.95	22.50
Rigger	21.65	22.20
Sheetmetal Worker	21.65	22.20
Sheetmetal Worker (Combination)	21.85	22.40
Shipfitter	21.65	22.20
Shipfitter (Combination)	21.85	22.40
Sign Painter	22.00	22.55
Straddle Carrier Operator	21.65	22.20
Template Maker	21.65	22.20
Test & Trials Mechanic	21.65	22.20
Test & Trials Technician	21.80	22.35
Tool Grinder Technician	22.00	22.35
Transportation Service Driver (2)	21.65	22.20

	1st Extension Period Effective 01/04/10	2nd Extension Period Effective 03/07/11
Transportation Dispatcher	22.73	23.31
Truck Crane Operator	22.73	23.31
Welder (Special) (Shell X-Ray, Submarine X-Ray, Lead)	21.95	22.50
Welder (Structural) (Semi-Automatic or Structural X-Ray Quality)	21.80	22.35
Welder (Gantry Machine)	21.95	22.50
Welder (Robotic)	21.95	22.50
Welder	21.65	22.20
Welder - Burner	21.85	22.40

Employees hired in the above classifications after February 4, 1990, will be hired at a rate of \$1.00 below the rate for that classification and after 2,000 work hours at the lower rate, they shall progress to the top rate of their classification.

Employees hired in the below listed classifications after February 4, 1990, will be hired at a rate \$1.00 below the rate for that classification, and after 2,000 work hours shall receive a \$.50 per hour increase and remain at \$.50 per hour below the classification rate.

Employees hired in the below listed classifications between September 25, 1983, and March 11, 2012, will remain at \$.50 per hour below the classification rate.

	1st Extension Period Effective 01/04/10	2nd Extension Period Effective 03/07/11
Air Hammer Operator	18.84	19.31
Boom Truck Driver	20.16	20.67
Fork Lift Operator - (1 st 90 days) (After 90 days)	17.99 18.84	18.45 19.31
Furnace Floor Helper	18.84	19.31
Transportation Rigger Helper (1 st 500 Hours)	18.84	19.31
Transportation Rigger Helper	19.61	20.11
Helper (1 st 6 Months) (After 6 Months)	17.07 17.99	17.50 18.45
Laborer	17.99	18.45
Machinist Set-up Man	20.65	21.18
Oiler	18.84	19.31
Pipe Helper (1 st 6 Months) (After 6 Months)	17.07 17.99	17.50 18.45
Rust Machine Operator (1 st 6 Months) (After 6 Months)	17.99 18.84	18.45 19.31
Sandblaster	19.61	20.11
Temporary Fan Operator	18.84	19.31

	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
Transportation Service Driver (1)	19.61	20.11
Warehouse Clerks:		
1 st 6 Months	17.99	18.45
2 nd 6 Months	18.84	19.31
After 1 Year	19.61	21.11
By Merit	20.49	22.01

The below listed classifications shall be paid as follows:

	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
Laborer Trainee 1	\$12.99	\$13.32
Laborer Trainee 2	14.09	14.42
Laborer Trainee 3	15.19	15.52
Laborer Trainee 4	16.29	16.62
Utilityman I	10.77	11.04
Utilityman II	13.85	14.20
Utilityman III	16.93	17.36

SECTION 9. COST OF LIVING ADJUSTMENT

The contract extension does not include a lump sum Cost of Living Adjustment (COLA) in February 2011. This contract provides the potential for a lump sum Cost of Living Adjustment (COLA) in February 2012 based on changes in the Annual Consumer Price Index for Urban Wage Earners and Clerical Workers for the South Region, All Items (CPI-W). A COLA will be calculated as follows:

February 2012 COLA

The percentage change from 2010 to 2011 in the Annual CPI-W will be multiplied by the journeyman rate in effect in the first year of the contract extension (\$21.65/hr) to calculate the CPI Prescribed Wage Increase for Period 2 of the CBA extension (rounded to the nearest 1¢). To the extent the CPI Prescribed Wage Increase exceeds the contract wage increase for Period 2 of the extension (55%), each employee will be paid the difference for all hours paid for pay periods in 2011 as a lump sum. Payment will be made in the 1st pay period of February 2012. Employees earning less than the journeyman rate will be paid a proportionate increase.

2. ARTICLE 28 – LIFE INSURANCE AND WELFARE PROGRAM

SECTION 1. The Company agrees to provide a \$25,000 Life Insurance and Accidental Death and Dismemberment benefit for all employees covered by this Agreement. An employee shall become eligible and receive the above described insurance coverage when he completes 30 days' employment with the Company.

SECTION 2. INSURANCE PROGRAM

The Company shall provide a program of insurance benefits (i.e., sickness and accident, surgical and hospitalization benefits) as set forth in the Summary Plan Description (SPD) booklet, which has been initiated by the parties. The portion of the premium for such insurance benefits to be paid by each employee shall be as follows: During the first period of the contract, the employee payment will be \$151 per month.

During the second period, the employee portion of the total premium will be \$177 per month.

During the third period, the employee portion of the total premium will be \$194 per month.

During the 2-year extension (through March 11, 2012), the employee portion of the total premium will remain at \$194 per month.

An employee shall become eligible for this insurance after completing 30 days' service, and upon enrollment, such insurance will go into effect and he or she shall be covered the first day of the following month. During the term of this Agreement, if it is necessary to change the third party administrator, it will be a subject of negotiation with the Joint Insurance Committee.

- Employees covered by this agreement shall be eligible to participate in the Northrop Grumman Financial Security and Savings Program (FSSP) and the 50% Company match on the FSSP Part II account. There are also improvements in the plan providing for early retirement at age 60 with 80 points (age 60 with 20 years of service).
- Full-time Union Representatives on leave of absence from the Company, or who are former employees of the Company, shall be eligible to participate in the Ingalls Hourly Retirement Plan including the right to make contributions and earn retirement credit while on such leave of absence.

SECTION 3. The Company agrees to administer the assets of the Ingalls Shipbuilding, Inc., Hourly Employees' Retirement Plan ("Ingalls Plan") solely for the benefit of the participants of the Ingalls Shipbuilding, Inc., Hourly Employees' Retirement Plan in accordance with the terms and conditions of the Plan.

3. ARTICLE 6 - OVERTIME AND HOLIDAYS

SECTION 2. The following days shall be considered as holidays: New Year's Day, Good Friday, Monday following Easter, Independence Day, Labor Day, Thanksgiving Day, Friday following Thanksgiving, Christmas Eve, Christmas Day, and three (3) floating holidays which will be observed as defined in the Christmas shutdown schedule. Since Independence Day falls on Sunday in 2010, Monday, July 5, 2010, will be observed as the holiday.

Christmas 2010: The Company will suspend normal operations from December 17, 2010 until January 3, 2011. Employees will be paid holiday pay for December 20, 21, 22, 23, 24, and 31, 2010. Employees will be off without pay December 27, 28, 29, and 30, 2010.

Christmas 2011: The Company will suspend normal operations from December 23, 2011 until January 9, 2012. Employees will be paid holiday pay for December 26, 27, 28, 29, and 30, 2011 and January 2, 2012. Employees will be off without pay January 3, 4, 5, and 6, 2012.

Except as expressly stated herein, this MOA does not modify any other term or condition of employment in the CBA, each of which shall remain in full force and effect through March 11, 2012, unless further extended by the parties.

This MOA becomes effective on January 4, 2010.

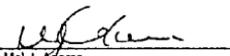
In witness whereof, the Union, after ratification by its members, and the Company, the sole parties hereto, have caused this Memorandum of Agreement be executed by their respective authorized agents this 16th day of December 2009.

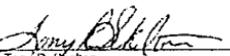
NORTHROP GRUMMAN
SHIPBUILDING, INC. - GULF COAST


Irwin P. Eberzon
Vice President and General Manager
Northrop Grumman Shipbuilding - GC


Kevin B. Amis
Vice President, Operations
Northrop Grumman Shipbuilding - GC


Edmond E. Hughes
Vice President
Human Resources and Administration
Northrop Grumman Shipbuilding - GC

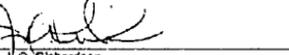

Mel J. Adams
Director, Labor Relations
Northrop Grumman Shipbuilding - GC


Tony R. Shelton
Manager
Labor Relations

THE METAL TRADES DEPARTMENT
AFL-CIO


M. S. Crawley
President
Pascagoula Metal Trades Council


Warren Fairley
International Vice President, Industrial Sector
Executive Assistant to the International President
Director, Shipbuilding and Marine Division
Services

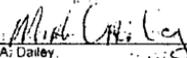

J. O. Richardson
The United Brotherhood of Carpenters and
Joiners of America, Local No. 303


Barry J. Kaufman
Construction and General Laborers,
Local 689


Joe Haffington
The International Association of Machinists and
Aerospace Workers, Local No. 1133

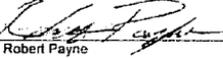

Frank Lidagood
The International Brotherhood of Boilermakers
Iron Shipbuilders, Blacksmiths, Forgers and
Helpers of America, Local No. 693

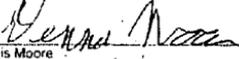

L. W. Smith
The International Union of Operating Engineers,
Local No. 824

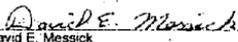

M. A. Daley
Business Agent
The International Union of Painters and Allied
Trades, Local No. 1225, District Council #80


Herbert Santos, Jr.
Business Manager
The International Union of Painters and Allied
Trades, District Council #80


Bruce D. Cochran
The United Association of Journeymen and
Apprentices of the Plumbing and Pipefitting
Industry, Local No. 436


Robert Payne
The International Association of Sheetmetal
Workers, Local No. 441


Dennis Moore
The International Brotherhood of Teamsters,
Chauffeurs, Warehousemen and Helpers of
America, Local No. 991


David E. Messick
The International Association of Heat and Frost
Insulators and Asbestos Workers, Local No. 55

NORTHROP GRUMMAN

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CONTRACT EXTENSION

Between

**Northrop Grumman Shipbuilding, Inc.
Pascagoula Operations**

And

**The International Brotherhood of
Electrical Workers, Local Union No. 733,
Unit 733.1, AFL-CIO**

Expires March 11, 2012

**MEMORANDUM OF AGREEMENT
BETWEEN
NORTHROP GRUMMAN SHIPBUILDING, INC.,
GULF COAST OPERATIONS (PASCAGOULA FACILITY); AND THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL UNION NO.
733, UNIT 733.1, AFL-CIO**

Whereas, Northrop Grumman Shipbuilding, Inc. ("Company") and the International Brotherhood of Electrical Workers, Local Union No. 733, Unit 733.1, AFL-CIO entered into a collective bargaining agreement ("CBA") effective March 4, 2007 and covering the Company's facility in Pascagoula, Mississippi; and

Whereas, the CBA shall not be amended or supplemented except by mutual written consent of the parties hereto; and

Whereas, all such amendments or supplements must be reduced to writing and signed by both parties; and

Whereas, the following Memorandum of Agreement ("MOA") is entered into between the Company and the International Brotherhood of Electrical Workers, Local Union No. 733, Unit 733.1, AFL-CIO ("the Union") for the purpose of extending the duration of the current collective bargaining agreement as follows:

By this MOA, the parties agree to extend the duration of the CBA (Article 26) beyond the current date of March 7, 2010 to March 11, 2012.

In addition to amending Article 26 to extend the duration of the CBA to March 11, 2012, this MOA modifies the CBA only as follows:

1. ARTICLE 8 - WAGES

	1st Extension Period Effective 01/04/10	2nd Extension Period Effective 03/07/11
Electronic Specialist - NC Maintenance	\$25.01	\$25.65
Electronic Specialist, Senior	25.01	25.65
Electronic Specialist "A"	22.84	23.42
Electronic Specialist "A" - Maintenance	22.84	23.42
Electronic Specialist "A" - Maintenance - HVAC	22.84	23.42
Electrical Specialist "A"	22.84	23.42
Electrical Specialist "A" - Maintenance	22.84	23.42
Electronic Specialist "B"	22.15	22.70
Electronic Specialist "B" - Maintenance	22.15	22.70
Electrical Specialist "B"	22.15	22.70
Electrical Specialist "B" - Maintenance	22.15	22.70
Electronic Technician	21.90	22.45

	1st Extension Period Effective 01/04/10	2nd Extension Period Effective 03/07/11
Electronic Technician - Maintenance	\$21.90	\$22.45
Electrical Technician	21.90	22.45
Electrical Technician - Maintenance	21.90	22.45
Launch Pontoon Tech - Electrician	22.00	22.55
Electronic Technician Combination	22.10	22.65
Electrical Technician- Combination	22.10	22.65
Electrician Combination	21.95	22.50
Electrician "A"	21.75	22.30
Electrician "A" Maintenance	21.75	22.30
Engraver	21.75	22.30
Material Scheduler – By Ment	21.75	22.30
Lead Man Technician	22.84	23.42

Employees hired in the below listed classifications between September 26, 1983, and March 11, 2012, shall be paid at the rates listed below. These rates have been adjusted to reflect a \$1.00 hire-in rate and a \$.50 recovery after 2,000 work hours.

	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
Cableman Working Crew Chief	\$19.99	\$20.51
Cableman	18.43	18.91
Cableman 3rd 1000 hours	17.42	17.88
Cableman 2nd 1000 hours	15.99	16.42
Cableman 1st 1000 hours	15.16	15.57
Electrical Identification Machine Operator:		
By Merit	20.79	21.33
After 5,000 hours	20.23	20.75
After 4,000 hours	19.53	20.04
After 3,000 hours	18.43	18.91
After 2,000 hours	17.36	17.81
After 1,000 hours	15.88	16.28
First 1,000 hours	14.79	15.19
Material Man - Electrical		
By Merit	20.25	20.77
After 1 Year	19.04	19.53
2nd 6 Months	17.23	17.66
1st 6 Months	16.40	16.81
Tool Room Man	18.93	19.43

Employees hired in the below listed classifications prior to September 26, 1983, shall be paid the rates listed below:

	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
Cableman Working Crew Chief	\$20.49	\$21.01
Cableman	18.93	19.41
Electrical Identification Machine Operator		
By Merit	21.29	21.83
After 5,000 Hours	20.73	21.25
Material Man		
By Merit	20.75	21.27
After 1 year	19.54	20.03
Tool Room Man	19.43	19.93

Employees hired into the Electrical Journeyman candidate classification shall be paid the rates listed below:

	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
1st 1,000 hours	\$18.25	\$18.80
2nd 1,000 hours	18.75	19.30
3rd 1,000 hours	19.25	19.80
4th 1,000 hours	19.75	20.30
5th 1,000 hours	20.25	20.80
6th 1,000 hours	20.75	21.30
Journeyman Candidate	21.25	21.80

Applicants accepted for the Regular Apprentice Program shall be paid the rates listed below:

Step	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
1 a.	\$16.53	\$16.95
b.	16.86	17.28
2 a.	17.18	17.62
b.	17.51	17.95
3 a.	17.84	18.29
b.	18.16	18.62
4 a.	18.49	18.96
b.	18.81	19.29
5 a.	19.14	19.62
b.	19.47	19.96
6 a.	19.79	20.29
b.	20.12	20.63
7 a.	20.45	20.96
b.	20.77	21.30
8 a.	21.10	21.63
b.	21.42	21.97

SECTION 9. COST OF LIVING ADJUSTMENT

The contract extension does not include a lump sum Cost of Living Adjustment (COLA) in February 2011. This contract provides the potential for a lump sum Cost of Living Adjustment (COLA) in February 2012 based on changes in the Annual Consumer Price Index for Urban Wage Earners and Clerical Workers for the South Region, All Items (CPI-W). A CCLA will be calculated as follows:

February 2012 COLA

The percentage change from 2010 to 2011 in the Annual CPI-W will be multiplied by the journeyman rate in effect in the first year of the contract extension (\$21.75/hr) to calculate the CPI Prescribed Wage Increase for Period 2 of the CBA extension (rounded to the nearest 1¢). To the extent the CPI Prescribed Wage Increase exceeds the contract wage increase for Period 2 of the extension (55¢), each employee will be paid the difference for all hours paid for pay periods in 2011 as a lump sum. Payment will be made in the 1st pay period of February 2012. Employees earning less than the journeyman rate will be paid a proportionate increase.

2. ARTICLE 25 - LIFE INSURANCE AND WELFARE PROGRAM

SECTION 1. The Company agrees to provide a \$25,000 Life Insurance and Accidental Death and Dismemberment benefits for all employees covered by this Agreement. An employee shall become eligible and receive the above described insurance coverage when he completes 30 days' employment with the Company.

SECTION 2. INSURANCE PROGRAM

- (a) The Company shall provide a program of insurance benefits (i.e., sickness and accident, surgical and hospitalization benefits) set forth in the Summary Plan Description (SPD) Booklet which has been initiated by the parties. The portion of the premium for such insurance benefits to be paid by each employee shall be as follows: During the first period of the contract, the employee payment will be \$151 per month for full family coverage.
- (1) During the second period, the employee payment will be \$177 per month for full family coverage.
 - (2) During the third period, the employee payment will be \$194 per month for full family coverage.
 - (3) During the 2-year extension (through March 11, 2012), the employee portion of the total premium will remain at \$194 per month
- (b) An employee shall become eligible for this insurance after completing 30 days' service, and upon enrollment, such insurance will go into effect, and he or she shall be covered the first day of the following month. During the term of this Agreement, if it is necessary to change the third party administrator, it will be a subject of negotiation with the Joint Insurance Committee.
- (c) Employees covered by this Agreement shall be eligible to participate in the Northrop Grumman Security and Savings Program (FSSP) and the 50% Company match on the FSSP Part II account. There are also improvements in the plan providing for early retirement at age 60 with 20 points (age 60 with 20 years of service).
- (d) Full-time Union Representatives on leave of absence from the Company, or who are former employees of the Company, shall be eligible to participate in the Ingalls Hourly Retirement Plan, including the right to make contributions and earn retirement credit while on such leave of absence. The Plan Benefits Program shall be administered by a Joint Labor/Management Retirement Committee composed of representatives of the various bargaining units participating in the retirement program, and representatives of the Company.

SECTION 3. The Company agrees to administer the assets of the Ingalls Shipbuilding, Inc., Hourly Employees' Retirement Plan ("Ingalls' Plan") solely for the benefit of the participants of the Ingalls Shipbuilding, Inc., Hourly Employees' Retirement Plan in accordance with the terms and conditions of the Plan.

3. ARTICLE 6 - HOLIDAYS

SECTION 1. The following days shall be considered as holidays: New Year's Day, Good Friday, Monday following Easter, Independence Day, Labor Day, Thanksgiving Day, Friday following Thanksgiving, Christmas Eve, Christmas Day, and three (3) floating holidays which will be observed as defined in the Christmas shutdown schedule. Since Independence Day falls on Sunday in 2010, Monday, July 5, 2010, will be observed as the holiday.

Christmas 2010: The Company will suspend normal operations from December 17, 2010 until January 3, 2011. Employees will be paid holiday pay for December 20, 21, 22, 23, 24, and 31, 2010. Employees will be off without pay December 27, 28, 29, and 30, 2010.

Christmas 2011: The Company will suspend normal operations from December 23, 2011 until January 9, 2012. Employees will be paid holiday pay for December 26, 27, 28, 29 and 30, 2011 and January 2, 2012. Employees will be off without pay January 3, 4, 5, and 6, 2012.

Except as expressly stated herein, this MOA does not modify any other term or condition of employment in the CBA, each of which shall remain in full force and effect through March 11, 2012, unless further extended by the parties.

This MOA becomes effective on January 4, 2010.

In witness whereof, the Union, after ratification by its members, and the Company, the sole parties hereto, have caused this Memorandum of Agreement be executed by their respective authorized agents this 16th day of December 2009.

NORTHROP GRUMMAN SHIPBUILDING.
INC. - GULF COAST



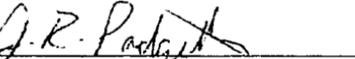
Irwin F. Edenton
Vice President and General Manager
Northrop Grumman Shipbuilding - GC



Kevin B. Amis
Vice President, Operations
Northrop Grumman Shipbuilding - GC

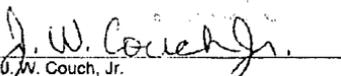


Edmond E. Hughes
Vice President
Human Resources and Administration
Northrop Grumman Shipbuilding - GC

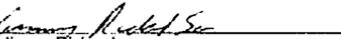


J. R. Padgett
Director, Electrical
Northrop Grumman Shipbuilding - GC

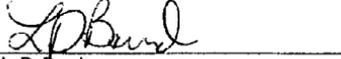
BROTHERHOOD OF INTERNATIONAL
ELECTRICAL WORKERS, LOCAL NO. 733



J. W. Couch, Jr.
Business Manager



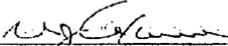
Jimmy Richardson
President/Committee Member



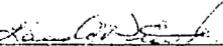
L. D. Bond
Committee Member



J. P. Mergenschroer
Committee Member



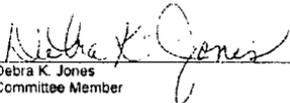
Mel J. Adams
Director, Labor Relations
Northrop Grumman Shipbuilding - GC



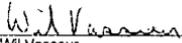
L. A. Pinto, Jr.
Committee Member



Tony R. Skelton
Manager, Labor Relations



Debra K. Jones
Committee Member



Wil Vasseur
Committee Member

NORTHROP GRUMMAN

NORTHROP GRUMMAN

CONTRACT EXTENSION

Between

**Northrop Grumman Shipbuilding, Inc.
Pascagoula Operations**

And

**The Local Lodge 1133 AFL-CIO
International Association of Machinists
and Aerospace Workers
AFL-CIO**

**Dept. 33 Non-Destructive Test
Dept. 29 Hydraulics Pre-Test**

Expires March 11, 2012

**MEMORANDUM OF AGREEMENT
BETWEEN
NORTHROP GRUMMAN SHIPBUILDING, INC.,
GULF COAST OPERATIONS (PASCAGOULA FACILITY); AND THE
LOCAL LODGE 1133 AFL-CIO
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS,
AFL-CIO,
DEPT. 33 NON-DESTRUCTIVE TEST,
DEPT. 29 HYDRAULICS PRE-TEST**

Whereas, Northrop Grumman Shipbuilding, Inc. ("Company") and the Local Lodge 1133 International Association of Machinists and Aerospace Workers AFL-CIO entered into a collective bargaining agreement ("CBA") effective March 4, 2007 and covering the Company's facility in Pascagoula, Mississippi; and

Whereas, the CBA shall not be amended or supplemented except by mutual written consent of the parties hereto; and

Whereas, all such amendments or supplements must be reduced to writing and signed by both parties; and

Whereas, the following Memorandum of Agreement ("MOA") is entered into between the Company and the Local Lodge 1133 International Association of Machinists and Aerospace Workers AFL-CIO ("the Union"), for the purpose of extending the duration of the current collective bargaining agreement as follows:

By this MOA, the parties agree to extend the duration of the CBA (Article 25) beyond the current date of March 7, 2010 to March 11, 2012.

In addition to amending Article 25 to extend the duration of the CBA to March 11, 2012, this MOA modifies the CBA only as follows:

1. ARTICLE 9 – WAGE RATES (APPENDIX A)

HYDRAULIC PRE-TEST

Lead Physical Calibration Specialist 5% Above Physical Calibration Specialist
Physical Calibration Specialist 5% Above Hydraulic Mechanic Rate
Hydraulic Technician 5% Above Hydraulic Mechanic Rate

	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
Hydraulic Mechanic	\$21.65	\$22.20
Physical Calibration Technician	21.65	22.20
Hydraulic Helper Apprentice		
Physical Calibration - Helper Apprentice		

Helper Apprentices hired after February 1, 1988 shall be paid wages for the applicable step of the program in accordance with the schedule listed below:

1 st 1000 Hours	60% of Hydraulic Mechanics Rate
2 nd 1000 Hours	66% of Hydraulic Mechanics Rate
3 rd 1000 Hours	72% of Hydraulic Mechanics Rate
4 th 1000 Hours	78% of Hydraulic Mechanics Rate
5 th 1000 Hours	84% of Hydraulic Mechanics Rate
6 th 1000 Hours	88% of Hydraulic Mechanics Rate

NON-DESTRUCTIVE TEST

Lead Non-Destructive Test Specialist	5% Above NDT Test Specialist
Non-Destructive Test Specialist	5% Above Technician Rate
Non-Destructive Test Technician	5% Above Inspector Rate

	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
Non-Destructive Test Inspector	\$21.65	\$22.20
Non-Destructive Test Helper Apprentice		

Helper Apprentices hired after February 1, 1988 shall be paid wages for the applicable step of the program in accordance with the schedule listed below:

1 st 1000 Hours	68% of Hydraulic Mechanics Rate
2 nd 1000 Hours	70% of Hydraulic Mechanics Rate
3 rd 1000 Hours	73% of Hydraulic Mechanics Rate
4 th 1000 Hours	78% of Hydraulic Mechanics Rate
5 th 1000 Hours	84% of Hydraulic Mechanics Rate
6 th 1000 Hours	88% of Hydraulic Mechanics Rate

SECTION 7. COST OF LIVING ADJUST

The contract extension does not include a lump sum Cost of Living Adjustment (COLA) in February 2011. This contract provides the potential for a lump sum Cost of Living Adjustment (COLA) in February 2012 based on changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers for the South Region, All Items (CPI-W). A COLA will be calculated as follows:

February 2012 COLA

The percentage change from 2010 to 2011 in the Annual CPI-W will be multiplied by the journeyman rate in effect in the first year of the contract extension (\$21.65/hr) to calculate the CPI Prescribed Wage Increase for Period 2 of the CBA extension (rounded to the nearest 1¢). To the extent the CPI Prescribed Wage Increase exceeds the contract wage increase for Period 2 of the extension (55¢), each employee will be paid the difference for all hours paid for pay periods in 2011 as a lump sum. Payment will be made in the 1st pay period of February 2012. Employees earning less than the journeyman rate will be paid a proportionate increase.

2. ARTICLE 23 - LIFE INSURANCE AND WELFARE PROGRAM

SECTION 1. The Company agrees to provide a \$25,000 Life Insurance and Accidental Death and Dismemberment benefit for all employees covered by this Agreement. An employee shall become eligible and receive the above described insurance coverage when he completes 30 days' employment with the Company.

SECTION 2. INSURANCE PREMIUM

- (a) The Company shall provide a program of insurance benefits (i.e., sickness and accident, surgical and hospitalization benefits) as set forth in the Summary Plan Description (SPD) booklet, which has been initiated by the parties. The portion of the premium for such insurance benefits to be paid by each employee shall be as follows:
- (1) During the first period of the contract, the employee payment will be \$151 per month for full family coverage.
 - (2) During the second period the employee portion of the total premium will be \$177 per month for full family coverage.
 - (3) During the third period, the employee portion of the total premium will be \$194 per month for full family coverage.
 - (4) During the 2-year extension (through March 11, 2012), the employee portion of the total premium will remain at \$194 per month.
- (a) An employee shall become eligible for this insurance after completing 30 days' service, and upon enrollment, such insurance will go into effect and he or she shall be covered the first day of the following month. During the term of this Agreement, if it is necessary to change the third party administrator, it will be a subject of negotiation with the Joint Insurance Committee.
- (b) Employees covered by this Agreement shall be eligible to participate in the Northrop Grumman Financial Security and Savings Program (FSSP) and the 50% Company match on the FSSP Part II account. There are also improvements in the plan providing for early retirement at age 60 with 80 points (age 60 with 20 years of service).
- (c) Full-time Union Representatives on leave of absence from the Company, or who are former employees of the Company, shall be eligible to participate in the Ingalls Hourly Retirement Plan, including the right to make contributions and earn retirement credit while on such leave of absence.

SECTION 3. The Company shall contribute the assets of the Ingalls Shipbuilding, Inc., Hourly Employees' Retirement Plan ("Ingalls Plan") solely for the benefit of the participants of the Ingalls Shipbuilding, Inc., Hourly Employees' Retirement Plan in accordance with the terms and conditions of the Plan.

3. ARTICLE 7 - HOLIDAYS

SECTION 1. The following days shall be considered as holidays: New Year's Day, Good Friday, Monday following Easter, Independence Day, Labor Day, Thanksgiving Day, Friday following Thanksgiving, Christmas Eve, Christmas Day, and three (3) floating holidays which will be observed as defined in the Christmas shutdown schedule. Since Independence Day falls on Sunday in 2010, Monday, July 5, 2010, will be observed as the holiday.

Christmas 2010: The Company will suspend normal operations from December 17, 2010 until January 3, 2011. Employees will be paid holiday pay for December 20, 21, 22, 23, 24, and 31, 2010. Employees will be off without pay December 27, 28, 29, and 30, 2010.

Christmas 2011: The Company will suspend normal operations from December 23, 2011 until January 9, 2012. Employees will be paid holiday pay for December 26, 27, 28, 29 and 30, 2011 and January 2, 2012. Employees will be off without pay January 3, 4, 5, and 6, 2012.

Except as expressly stated herein, this MOA does not modify any other term or condition of employment in the CBA, each of which shall remain in full force and effect through March 11, 2012, unless further extended by the parties.

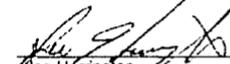
This MOA becomes effective on January 4, 2010.

In witness whereof, the Union, after ratification by its members, and the Company, the sole parties hereto, have caused this Memorandum of Agreement be executed by their respective authorized agents this 16th day of December 2009.

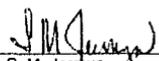
NORTHROP GRUMMAN
SHIPBUILDING, INC. – GULF COAST

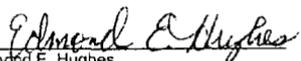
LOCAL LODGE 1133
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS


Irwin F. Edgerton
Vice President and General Manager
Northrop Grumman Shipbuilding - GC

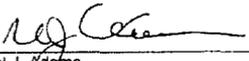

Joe Harrington
Business Representative, District 73
Local Lodge 1133


Kevin B. Amis
Vice President, Operations
Northrop Grumman Shipbuilding – GC

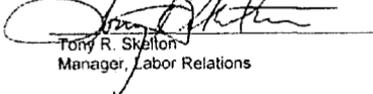

S. M. Jerryn
Committee Member


Edmond E. Hughes
Vice President
Human Resources and Administration
Northrop Grumman Shipbuilding - GC


J. Lankford
Committee Member


Mel J. Adams
Director, Labor Relations
Northrop Grumman Shipbuilding - GC


W.C. Boswell
Chief Steward Local Lodge 1133


Tony R. Skelton
Manager, Labor Relations

1. The first part of the document is a list of the names of the members of the committee.

2. The second part of the document is a list of the names of the members of the committee.

3. The third part of the document is a list of the names of the members of the committee.

4. The fourth part of the document is a list of the names of the members of the committee.

5. The fifth part of the document is a list of the names of the members of the committee.

NORTHROP GRUMMAN

NORTHROP GRUMMAN

CONTRACT EXTENSION

Between

**Northrop Grumman Shipbuilding, Inc.
Pascagoula Operations**

And

**The United Federation of Special Police
and Security Officers, Inc., On Behalf of
Its Designated Local 665**

Expires March 11, 2012

**MEMORANDUM OF AGREEMENT
BETWEEN
NORTHROP GRUMMAN SHIPBUILDING, INC.,
GULF COAST OPERATIONS (PASCAGOULA FACILITY); AND THE
UNITED FEDERATION OF SPECIAL POLICE AND SECURITY OFFICERS, INC.
ON BEHALF OF ITS DESIGNATED LOCAL 665**

Whereas, Northrop Grumman Shipbuilding, Inc. ("Company") and the United Federation of Special Police and Security Officers, Inc., on Behalf of Its Designated Local 665 entered into a collective bargaining agreement ("CBA") effective March 4, 2007 and covering the Company's facility in Pascagoula, Mississippi; and

Whereas, the CBA shall not be amended or supplemented except by mutual written consent of the parties hereto; and

Whereas, all such amendments or supplements must be reduced to writing and signed by both parties; and

Whereas, the following Memorandum of Agreement ("MOA") is entered into between the Company and the United Federation of Special Police and Security Officers, Inc., on Behalf of Its Designated Local 665 ("the Union"), for the purpose of extending the duration of the current collective bargaining agreement as follows:

By this MOA, the parties agree to extend the duration of the CBA (Article 21) beyond the current date of March 7, 2010 to March 11, 2012.

In addition to amending Article 21 to extend the duration of the CBA to March 11, 2012, this MOA modifies the CBA only as follows:

1. ARTICLE 3 - RATES OF PAY

SECTION 1.

	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
Security Officer 1 st Level (H)	\$18.24	\$18.73
Security Officer 2 nd Level (G)	\$19.24	\$19.73
Security Officer - After 2000 Hours	\$19.24	\$19.73

Employees hired into Security Guard classifications after October 2, 2006, who do not have recall rights, will be hired at \$1.00 per hour below the classification rate. After 2,000 work hours, these employees will be advanced one dollar (\$1.00) per hour.

SECTION 4. COST OF LIVING ADJUSTMENT

The contract extension does not include a lump sum Cost of Living Adjustment (COLA) in February 2011. This contract provides the potential for a lump sum Cost of Living Adjustment (COLA) in February 2012 based on changes in the Annual Consumer Price Index for Urban Wage Earners and Clerical Workers for the South Region, All Items (CPI-W). A COLA will be calculated as follows:

February 2012 COLA

The percentage change from 2010 to 2011 in the Annual CPI-W will be multiplied by the journeyman rate in effect in the first year of the contract extension (\$21.65/hr) to calculate the CPI Prescribed Wage Increase for Period 2 of the CBA extension (rounded to the nearest 1¢). To the extent the CPI Prescribed Wage Increase exceeds the contract wage increase for Period 2 of the extension (55¢), each employee will be paid the difference for all hours paid for pay periods in 2011 as a lump sum. Payment will be made in the 1st pay period of February 2012. Employees earning less than the journeyman rate will be paid a proportionate increase.

2. ARTICLE 18 - LIFE INSURANCE AND WELFARE PROGRAM

SECTION 1. The Company agrees to provide a \$25,000 Life Insurance and Accidental Death and Dismemberment benefit for all employees covered by this Agreement. An employee shall become eligible to receive the above described insurance coverage upon completion of 30 days employment with the Company.

SECTION 2. INSURANCE PROGRAM

- (a) The Company shall provide a program of insurance benefits (i.e., sickness and accident, surgical and hospitalization benefits), as set forth in the Summary Plan Description (SPD) booklet.
- (1) During the first period of the contract, the employee portion of the total health premium shall be \$151.00 per month.
 - (2) During the second period of the contract, the employee portion of the total health premium shall be \$177.00 per month.
 - (3) During the third period of the contract, the employee portion of the total health premium shall be \$194.00 per month.
 - (4) During the 2-year extension (through March 11, 2012), the employee portion of the total premium will remain at \$194 per month.
- (b) An employee shall become eligible for his insurance after completing 30 days' service, and upon enrollment, such insurance will go into effect and he or she shall be covered the first day of the following month.
- (c) Employees covered by this agreement shall be eligible to participate in the NORTHROP GRUMMAN Financial Security and Savings Program (FSSP) and the 50% Company match on the FSSP Part II account. There are also improvements in the plan providing for early retirement at age 60 with 80 points (age 60 with 20 years of service).

Full-time Union Representatives on leave of absence from the Company, or who are former employees of the Company, shall be eligible to participate in the Ingalls Hourly Retirement Plan including the right to make contributions and earn retirement credit while on such leave of absence.

SECTION 3. The Company agrees to administer the assets of the Ingalls Shipbuilding, Inc. Hourly Employees' Retirement Plan (Ingalls Plan) solely for the benefit of the participants of the Ingalls Shipbuilding, Inc., Hourly Employees' Retirement Plan in accordance with the terms and conditions of the Plan.

3. ARTICLE 4 - OVERTIME AND HOLIDAYS

SECTION 2. The following days shall be considered as holidays: New Year's Day, Good Friday, Monday following Easter, Independence Day, Labor Day, Thanksgiving Day, Friday following Thanksgiving, Christmas Eve, Christmas Day, and three (3) floating holidays which will be observed as defined in the Christmas shutdown schedule. Since Independence Day falls on Sunday in 2010, Monday, July 5, 2010, will be observed as the holiday.

Christmas 2010: The Company will suspend normal operations from December 17, 2010 until January 3, 2011. Employees will be paid holiday pay for December 20, 21, 22, 23, 24, and 31, 2010. Employees will be off without pay December 27, 28, 29, and 30, 2010.

Christmas 2011: The Company will suspend normal operations from December 23, 2011 until January 9, 2012. Employees will be paid holiday pay for December 26, 27, 28, 29 and 30, 2011 and January 2, 2012. Employees will be off without pay January 3, 4, 5, and 6, 2012.

Except as expressly stated herein, this MOA does not modify any other term or condition of employment in the CBA, each of which shall remain in full force and effect through March 11, 2012, unless further extended by the parties.

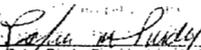
This MOA becomes effective on January 4, 2010.

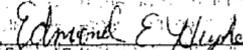
In witness whereof, the Union, after ratification by its members, and the Company, the sole parties hereto, have caused this Memorandum of Agreement to be executed by their respective authorized agents this 16th day of December 2009.

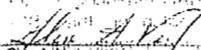
NORTHROP GRUMMAN
SHIPBUILDING, INC. - GULF COAST

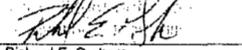
UNITED FEDERATION OF SPECIAL
POLICE AND SECURITY OFFICERS, INC.
LOCAL 665


Irwin F. Edelzon
Vice President and General Manager
Northrop Grumman Shipbuilding - GC


Ralph Purdy, President
United Federation of Security Officers, Inc.


Edmund E. Hughes
Vice President
Human Resources and Administration
Northrop Grumman Shipbuilding - GC


Glen A. Veil
Chief Steward, Local 665


Richard E. Graham
Director, Security
Northrop Grumman Shipbuilding - GC


Mel J. Adair
Director, Labor Relations
Northrop Grumman Shipbuilding - GC


Tony R. Skelton
Manager, Labor Relations

1990-1991

1992-1993

1994-1995

1996-1997

1998-1999

NORTHROP GRUMMAN

NORTHROP GRUMMAN

CONTRACT EXTENSION

Between

**Northrop Grumman Shipbuilding, Inc.
Pascagoula Operations**

And

**The Office and Professional Employees
International Union AFL-CIO
And its Local No. 204**

Expires March 11, 2012

**MEMORANDUM OF AGREEMENT
BETWEEN
NORTHROP GRUMMAN SHIPBUILDING, INC.,
GULF COAST OPERATIONS (PASCAGOULA FACILITY); AND THE
OFFICE AND PROFESSIONAL EMPLOYEES INTERNATIONAL UNION AFL-CIO
AND ITS LOCAL NO. 204**

Whereas, Northrop Grumman Shipbuilding, Inc. ("Company") and the Office Employees International Union, AFL-CIO, and Local No. 204, a Local Union of the Office Employees International Union, AFL-CIO entered into a collective bargaining agreement ("CBA") effective March 4, 2007 and covering the Company's facility in Pascagoula, Mississippi; and

Whereas, the CBA shall not be amended or supplemented except by mutual written consent of the parties hereto; and

Whereas, all such amendments or supplements must be reduced to writing and signed by both parties; and

Whereas, the following Memorandum of Agreement ("MOA") is entered into between the Company and the Office Employees International Union, AFL-CIO, and Local No. 204, a Local Union of the Office Employees International Union, AFL-CIO ("the Union") for the purpose of extending the duration of the current collective bargaining agreement as follows:

By this MOA, the parties agree to extend the duration of the CBA (Article 21) beyond the current date of March 7, 2010 to March 11, 2012.

In addition to amending Article 21 to extend the duration of the CBA to March 11, 2012, this MOA modifies the CBA only as follows:

1. ARTICLE 16 – WAGES

All Storekeepers, Steel Checkers, Field Material Expeditors and Outside Surveyors hired in these classifications between September 26, 1983, and March 11, 2012, shall be based on the hourly rates indicated below. These rates have been adjusted to reflect the \$1.00 hire rate and the \$.50 recovery after 2,000 work hours.

	<i>1st Extension Period Effective 01/04/10</i>	<i>2nd Extension Period Effective 03/07/11</i>
1st 6 Months	\$16.40	\$16.81
2nd 6 Months	17.23	17.66
After 1 Year (H)	18.54	19.03
After 1 Year (P)	19.04	19.53
By Merit	20.25	20.77

All Storekeepers, Steel Checkers, Field Material Expeditors and Outside Surveyors hired in these classifications prior to September 26, 1983, shall be based on the hourly rates indicated below:

	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
After 1 Year	\$19.54	\$20.03
By Merit	20.75	21.27

All employees presently employed and those maintaining seniority who are later reinstated shall continue their present progression system.

1st Period of the Contract Extension

YEARS OF SERVICE	LABOR GRADE	MONTHLY SALARY
1st Year	4 (Advancement to Labor Grade 5 after completing 1 year of service)	\$ 1,905
AFTER 1 YEAR	5 (Step 1)	\$2,190
AFTER 2 YEARS	5 (Step 2)	\$2,300
AFTER 3 YEARS	5 (Step 3)	\$2,415
AFTER 4 YEARS	5 (Step 4)	\$2,533
AFTER 5 YEARS	5 (Step 5)	\$2,662
AFTER 6 YEARS	5 (Step 6)	\$2,795

2nd Period of the Contract Extension

YEARS OF SERVICE	LABOR GRADE	MONTHLY SALARY
1st Year	4 (Advancement to Labor Grade 5 after completing 1 year of service)	\$ 1,953
AFTER 1 YEAR	5 (Step 1)	\$2,246
AFTER 2 YEARS	5 (Step 2)	\$2,358
AFTER 3 YEARS	5 (Step 3)	\$2,476
AFTER 4 YEARS	5 (Step 4)	\$2,599
AFTER 5 YEARS	5 (Step 5)	\$2,730
AFTER 6 YEARS	5 (Step 6)	\$2,867

The following new classifications are established for those employees previously classified as Sr. Clerk and working in the Mail Room and/or driving courier vans:

Hired between September 26, 1983 and March 11, 2012

	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
Courier (OW) (H)	\$3,088	\$3,167
Courier (OW) (P)	\$3,177	\$3,258

	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
Courier (OW)	\$3,266	\$3,357

Effective 4 March 2007, the following new classifications are established for those employees previously classified as Sr. Clerk who work in the Safety Store and Stationery:

	1 st Extension Period Effective 01/04/10	2 nd Extension Period Effective 03/07/11
Supply Handler 1st 6 Months (H)	\$2,442	\$2,505
Supply Handler 2nd 6 Months (P)	\$2,587	\$2,652
Supply Handler After 1 Year (H)	\$2,809	\$2,880
Supply Handler After 1 Year (P)	\$2,898	\$2,971
Supply Handler By Ment	\$3,108	\$3,187

COST OF LIVING ADJUSTMENT

The contract provides for a lump sum Cost of Living Adjustment (COLA) in February 2011. This contract provides the potential for a lump sum Cost of Living Adjustment (COLA) in February 2012 based on changes in the Annual Consumer Price Index for Urban Wage Earners and Clerical Workers for the South Region, All Items (CPI-W). A COLA will be calculated as follows:

February 2012 COLA

The percentage change from 2010 to 2011 in the Annual CPI-W will be multiplied by the journeyman rate in effect in the first year of the contract extension (\$21.65/hr) to calculate the CPI Prescribed Wage Increase for Period 2 of the CBA extension (rounded to the nearest 1¢). To the extent the CPI Prescribed Wage Increase exceeds the contract wage increase for Period 2 of the extension (55¢), each employee will be paid the difference for all hours paid for pay periods in 2011 as a lump sum. Payment will be

made in the 1st pay period of February 2012. Employees earning less than the journeyman rate will be paid a proportionate increase.

2. ARTICLE 14 – LIFE INSURANCE AND WELFARE PROGRAM

SECTION 1. The Company agrees to provide a \$25,000 Life Insurance and Accidental Death and Dismemberment benefits for all employees covered by this Agreement. An employee shall become eligible and receive the above described insurance coverage when he completes 30 days' employment with the Company.

SECTION 2. INSURANCE PROGRAM

- (a) The Company shall provide a program of insurance benefits (i.e., Sickness and Accident, Surgical and Hospitalization Benefits) as set forth in the Summary Plan Description (SPD) booklet, which has been initiated by the parties. The portion of the premium for such insurance benefits to be paid by each employee shall be as follows: During the first period of the contract, the employee payment will be \$151 per month for full family coverage.
- (b) During the second period of the contract, the employee payment will be \$177 per month for full family coverage.
- (c) During the third period of the contract, the employee payment will be \$194 per month for full family coverage.
- (d) During the 2-year extension (through March 11, 2012), the employee portion of the total premium will remain at \$194 per month.
 - (1) An employee shall become eligible for this insurance after completing 30 days' service, and upon enrollment, such insurance will go into effect and he shall be covered the first day of the following month.
 - (2) During the term of this Agreement, if it is necessary to change the third party administrator, it will be a subject of negotiation with the Joint Insurance Committee.
 - (3) Employees covered by this agreement shall be eligible to participate in the Northrop Grumman Financial Security and Savings Program (FSSP) and the 50% Company match on the FSSP Part II account. There are also improvements in the plan providing for early retirement at age 60 with 20 points (age 60 with 20 years of service).
 - (4) Full-time Union Representatives on leave of absence from the Company, or who are former employees of the Company, shall be eligible to participate in the Ingalls Hourly Retirement Plan including the right to make contributions and earn retirement credit while on leave of absence.

SECTION 3. The Company agrees to administer the assets of the Ingalls Shipbuilding, Inc., Hourly Employees' Retirement Plan ("Ingalls Plan") solely for the benefit of the participants of the Ingalls Shipbuilding, Inc., Hourly Employees' Retirement Plan in accordance with the terms and conditions of the Plan.

3. ARTICLE 7 – OVERTIME AND HOLIDAYS

SECTION 2. The following days shall be considered as holidays: New Year's Day, Good Friday, Monday following Easter, Independence Day, Labor Day, Thanksgiving Day, Friday following Thanksgiving, Christmas Eve, Christmas Day, and three (3) floating holidays which will be observed as defined in the Christmas shutdown schedule. Since Independence Day falls on Sunday in 2010, Monday, July 5, 2010, will be observed as the holiday.

Christmas 2010: The Company will suspend normal operations from December 17, 2010 until January 3, 2011. Employees will be paid holiday pay for December 20, 21, 22, 23, 24, and 31, 2010. Employees will be off without pay December 27, 28, 29, and 30, 2010.

Christmas 2011: The Company will suspend normal operations from December 23, 2011 until January 9, 2012. Employees will be paid holiday pay for December 26, 27, 28, 29 and 30, 2011, and January 2, 2012. Employees will be off without pay January 3, 4, 5, and 6, 2012.

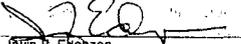
Except as expressly stated herein, this MOA does not modify any other term or condition of employment in the CBA, each of which shall remain in full force and effect through March 11, 2012, unless further extended by the parties.

This MOA becomes effective on January 4, 2010.

In witness whereof, the Union, after ratification by its members, and the Company, the sole parties hereto, have caused this Memorandum of Agreement to be executed by their respective authorized agents this 16th day of December 2009.

NORTHROP GRUMMAN
SHIPBUILDING, INC. - GULF COAST

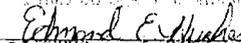
OFFICE AND PROFESSIONAL EMPLOYEES
INTERNATIONAL UNION, AFL-CIO
LOCAL 204


Win P. Ebenhon
Vice President and General Manager
Northrop Grumman Shipbuilding - GC

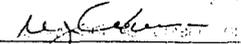

Green Lewis
International Representative

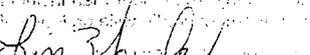

Kevin B. Clark
Vice President, Operations
Northrop Grumman Shipbuilding - GC


Lula M. Stewart
Business Manager


Edmund E. Hughes
Vice President
Human Resources and Administration
Northrop Grumman Shipbuilding - GC


Melton C. Clark
Local 204 Committee Member


Mel J. Adams
Director, Labor Relations
Northrop Grumman Shipbuilding - GC


Lisa Horsley
Committee Member


Tony R. Skelton
Manager, Labor Relations

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