

Labor Negotiations 101

BACKGROUND

Northrop Grumman is currently in negotiations for the Collective Bargaining Agreement (CBA) with the Chemical Workers Local 261C union in ABL. Our current CBA will expire at midnight on August 14, 2025.

DEFINITIONS

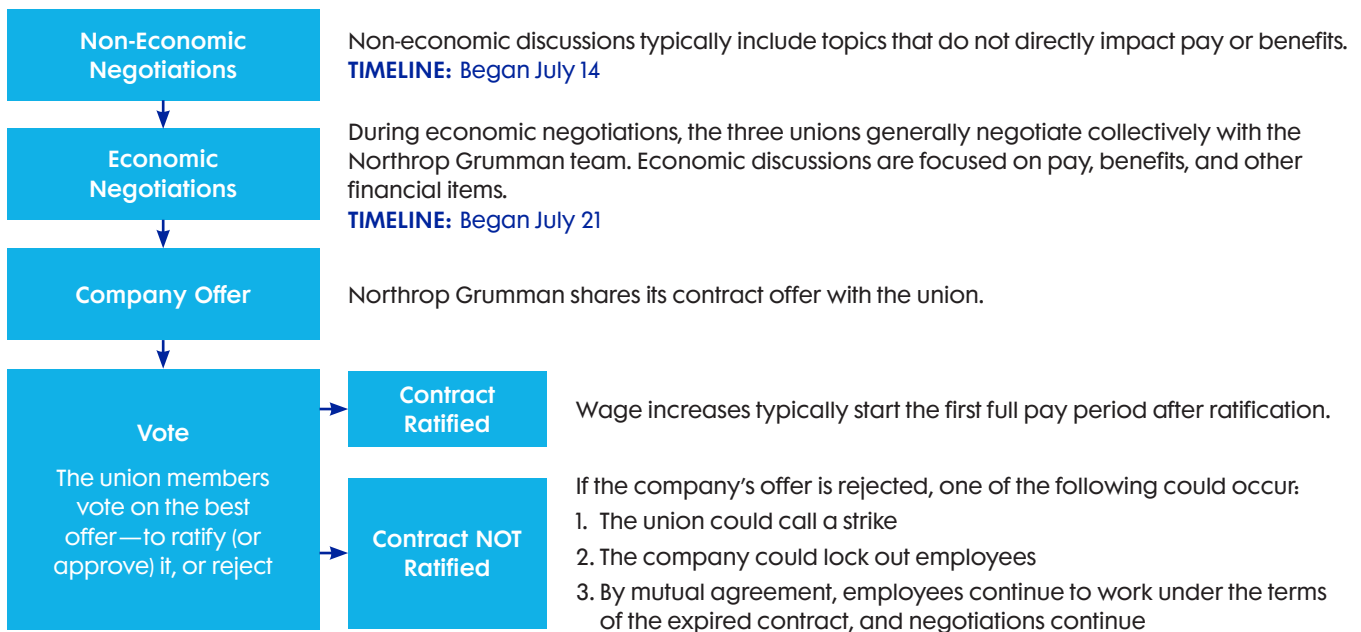
Union: A group of workers who negotiate with a company on issues like wages and benefits collectively instead of individually.

Negotiations: Every several years, unions negotiate with the employer on behalf of the workers they represent. During this process, the union and the company talk about pay, work hours, and job conditions to create an agreement that both sides accept.

Collective Bargaining Agreement: Written contract between an employer and a union (or unions) which defines terms and conditions of employment (wages, hours, vacations, holidays, overtime payments, working conditions, etc.), rights of workers and union, and procedures to be followed in settling disputes or handling issues that arise during the life of the contract.

PROCESS FOR NEGOTIATIONS

Typical order of operations in a negotiation:



STRIKE

- The union may choose to strike if a new CBA is not ratified. A strike is an organized and intentional stoppage of work by employees.

DURING A STRIKE

- The business continues to operate through a contingency plan to ensure we meet our obligations to our customers.
- Employees who are on strike do not receive regular paychecks, cannot use PTO and may have an impact to their benefits.

