

Standards of Business Conduct



ETHICS
OWN IT
LIVE IT
LEAD IT



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Our Values

We do the right thing

We earn trust, act with integrity and transparency, treat everyone with respect, value diversity and foster safe and inclusive environments.

We do what we promise

We own the delivery of results, focused on quality outcomes.

We commit to shared success

We work together to focus on the mission and take accountability for sustainable success for our people, customers, shareholders, suppliers and communities.

We pioneer

With fierce curiosity, dedication and innovation, we seek to solve the world's most challenging problems.



A Message from the Chair, Chief Executive Officer and President

To My Colleagues:

At Northrop Grumman, we are committed to the highest standards of ethics and integrity. An extraordinary reputation for integrity requires the awareness and involvement of every employee. Our commitment to do the right thing is crucial as we stand united by a common purpose to solve the toughest problems for our customers.

It is vital that every employee understands the importance of acting with the highest level of ethics, integrity and transparency. Our Standards of Business Conduct equips us with valuable information that enables consistent ethical behaviour across the enterprise, and holds us responsible if corrective steps need to be taken.

Every employee is expected to read this booklet, use the information to inform how they conduct themselves at work each day and raise any ethical issues or concerns to their manager, a business conduct advisor, the Law department or through the company's toll-free 24/7 OpenLine number or web reporting site.

Our values are the bedrock of our culture and what makes this company special. As we work together to help to make this world a better and safer place, our commitment to the highest standards of ethics and integrity must remain steadfast.

Please keep this information in mind as we work together to perform for our customers, our colleagues and our shareholders. Thank you for your commitment to our shared success.

Sincerely,

A handwritten signature in black ink that reads "Kathy". The signature is fluid and cursive.

Kathy Warden

Chair, Chief Executive Officer and President

We Do The Right Thing

We Embrace Our Roles and Responsibilities

At Northrop Grumman, we are committed to leading the way with the highest standards of ethics and integrity, which are integral to maintaining our reputation as a top performer in our industry. Abiding by our Standards of Business Conduct (Standards), our values and the applicable laws of the countries where we do business not only ensures we meet legal requirements, it is also an important statement about who we are.

This commitment applies to each of us at Northrop Grumman, regardless of our position or level of authority. In addition to managers and employees, the Northrop Grumman values and Standards of Business Conduct address members of the Board of Directors, consultants, agents, contractors and other third parties who are authorised to act on our company's behalf.

We are each responsible for abiding by the Standards of Business Conduct, complying with applicable laws and regulations and ensuring the integrity of our actions and decisions, as well as those who act on our company's behalf, regardless of where we work or what we do at Northrop Grumman.

Only the Board of Directors (or a committee of the Board) can waive the Standards of Business Conduct for executive officers or members of the Board of Directors. We disclose such waivers, if there are any.

The Role of Managers

Managers, as leaders within Northrop Grumman, take on an added level of responsibility. Our managers are expected to set a good example and to create and maintain a comfortable, open work environment where everyone is safe to voice their opinions and concerns. If you are a manager, you have a special duty to:

- Set a good example for those with whom you work
- Create an open-door environment where employees are encouraged to ask you questions and express their concerns to you
- Promptly escalate reports of suspected violations to the law department or ethics office
- Be aware of and sensitive to possible misconduct at work, promptly reporting it

We Make Ethical Decisions

Each of us is required to make ethical decisions in the best interest of our company. That said, at times it can be difficult to determine the best course of action. This is where our Ethical Decision-Making Model applies.

Our Ethical Decision-Making Model is a resource designed to help us to work through an ethical dilemma when the right decision is not necessarily evident. It takes into account the three following actions to help us resolve these dilemmas.

Judgement

Clarify the issue and the nature of your ethical dilemma.

Most ethical issues are brought to light because someone instinctively feels something isn't right. Trust your judgement. Seek guidance from your Business Conduct Advisor or the law department to help assess whether the decision or proposed conduct comes into conflict with a Northrop Grumman policy or procedure or violates our Standards of Business Conduct or values, or whether there are any potential legal or regulatory concerns.

Introspection

Examine the many pathways to making the right decision.

Consider the surrounding circumstances and others who might be affected or impacted by the decision. Ask yourself what a reasonable person would think about your decision, and how you would explain it to your manager or family. Think about how you would feel if your decision appeared online in the media.

Courage

If you believe your decision is the ethical one, make your decision but remain open to additional facts, circumstances and advice which could change your mind.

You may need to seek guidance from your manager or another manager you trust, your Business Conduct Advisor, a human resources representative or a member of the law department. You may also contact the OpenLine. Be comfortable with your decision and be prepared to explain what makes your decision ethical.

All of us have to be sensitive to possible misconduct at work; promptly seek guidance and report any concerns that may arise.

“I am so proud to lead this team whose bold ideas and pioneering spirit make Northrop Grumman such an incredible community.”

— Kathy Warden



We Ask Questions and Voice Concerns

One of the most important responsibilities under these Standards is also one of the most basic: speaking up when we have a question or concern.

Everyone at Northrop Grumman is encouraged and, indeed, required to seek guidance when needed and to report any activity that might violate our Standards or other guidelines.

In some circumstances we all may have a legal obligation to report potential wrongdoing. This includes, but is not limited to, wrongdoing regarding the following topics:

- Procurement or contract fraud
- Conflicts of interest
- Bribery/kickbacks
- Gratuities
- False statements or claims to the government
- Inaccurate recordkeeping
- Human trafficking
- Counterfeit parts
- Contract overpayments by the government
- Abuse of power

If you learn about wrongdoing, or potential wrongdoing, it is your responsibility and duty as a Northrop Grumman employee to report it.

Reporting is not always easy. Reporting what you think might be wrongdoing can sometimes feel uncomfortable, especially when you are not certain that you know all of the facts.

However, reporting misconduct or suspected misconduct allows our company to evaluate and promptly solve problems and can keep issues from escalating or reoccurring, making Northrop Grumman a better place for all of us to work. So, when in doubt, talk to someone about your concern. You can do so by contacting:

- Your manager, or another manager you trust
- A Business Conduct Advisor (BCA)
- A member of the law department
- A human resources representative
- The Northrop Grumman OpenLine or the OpenLine web portal

To the extent we can, reports are kept confidential. If you choose to make your report through the OpenLine, either by phone or web portal, you are encouraged to provide your contact information so we can follow up with you for additional information, as needed.

If you choose, you can report allegations or concerns anonymously, as permitted under local law. But please note, it will likely be more difficult for our company to conduct a thorough investigation of your report if we do not have your contact information to use in follow up. For this reason, you are encouraged to share your contact information when making a report.



We Don't Retaliate

Each of us has the opportunity to openly and honestly communicate about actual or potential misconduct without fear of retaliation. When our employees share or report genuine concerns and issues in good faith, our company does not tolerate any adverse action taken against them for speaking up.

Making a report “in good faith” means you promptly come forward with the relevant information you have and believe you are giving a complete and accurate report. Anyone found to have taken part in retaliatory acts against someone who has reported genuine concerns in good faith faces serious disciplinary consequences, up to and including termination.

Consequences for Misconduct

We are all expected to live the values and do what is right regardless of our position at Northrop Grumman. Violations of our Standards, company policies and procedures or laws and regulations may have serious consequences for the individuals involved, no matter who they are or what title they hold.

Remember, if you witness or suspect misconduct, you have a personal responsibility to speak up – regardless of your position, tenure with the company, nationality, country of origin, ethnicity, faith or gender.

We Create a Respectful Work Environment

As Northrop Grumman employees, we expect to work in an environment where we are treated with dignity and respect. Our company is dedicated to making sure that our workplace positively reinforces personal diversity, inclusion, engagement and innovation.

To create and preserve this work environment, our company will not tolerate harassment or bullying of any type in the workplace. Harassment includes unwelcome, offensive behaviour that is sexual in nature or based on an individual's protected status.

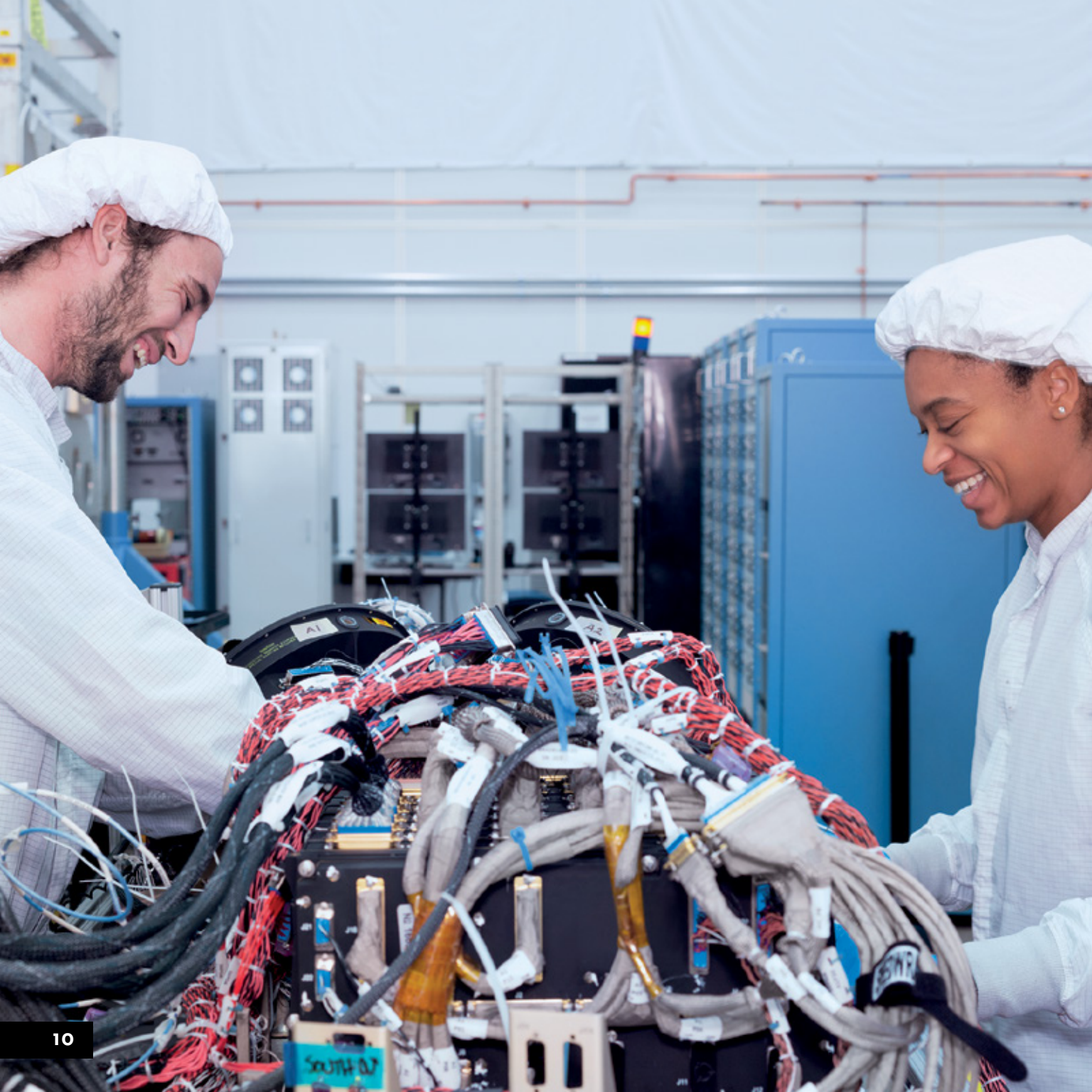
Common examples of harassment include unwanted sexual advances (whether verbal or physical), threats of violence and offensive jokes or remarks. Bullying is repeated intimidating behaviour that occurs either in the workplace or during the course of employment. Acts of bullying can include humiliating, insulting, intimidating or isolating others.

Harassment and bullying are contrary to our values and our commitment to creating the environment of trust and mutual respect critical for our performance culture. If you have witnessed or suspect an act of harassment or bullying at work, you are encouraged to share your concerns. Northrop Grumman will not tolerate retaliation against you for your good faith report.

Q: Jamila, an accountant at Northrop Grumman, is pregnant. Since she announced her pregnancy, she's noticed that her boss, Kevin, has taken her off projects she has been working on for a while. When she asked why, he told her, "Well, now that you're having a baby, I suppose there's no point giving you a lot of responsibility if you're just going to leave after you go on maternity leave." Jamila is shocked to hear Kevin say this. How can she respond?

A: Jamila should speak to another manager, her Business Conduct Advisor, a human resources representative or a member of the law department about Kevin's conduct.

At Northrop Grumman, we assign work responsibilities based only on skills and experience, and not on gender or other protected characteristics.



We Are Committed to Diversity and Inclusion

At Northrop Grumman, we are committed to maintaining a culture that values diversity and inclusion. We strive to attract, develop and retain a diverse and inclusive workforce. By seeking top talent across a broad spectrum, we aim to ensure that we have the best people to help us to reach our business goals. We are also able to foster an environment of collaboration and innovation where each team member can do their best work and achieve personal and professional growth.

As part of this commitment, we do not tolerate discrimination on the basis of race or ethnicity, colour, national origin, ancestry, sex, gender identity or expression, sexual orientation, marital or parental status, pregnancy or childbirth or related conditions, religion, creed, age, disability, genetic information, veteran status or any other protected status.

We Provide Accommodation and Accessibility

We provide reasonable accommodation for qualified persons based on disabilities, religious beliefs and pregnancy/childbirth (and related conditions). We strive for our facilities, websites, information, communications and technology to be accessible to their audiences.



We Protect the Privacy of Others

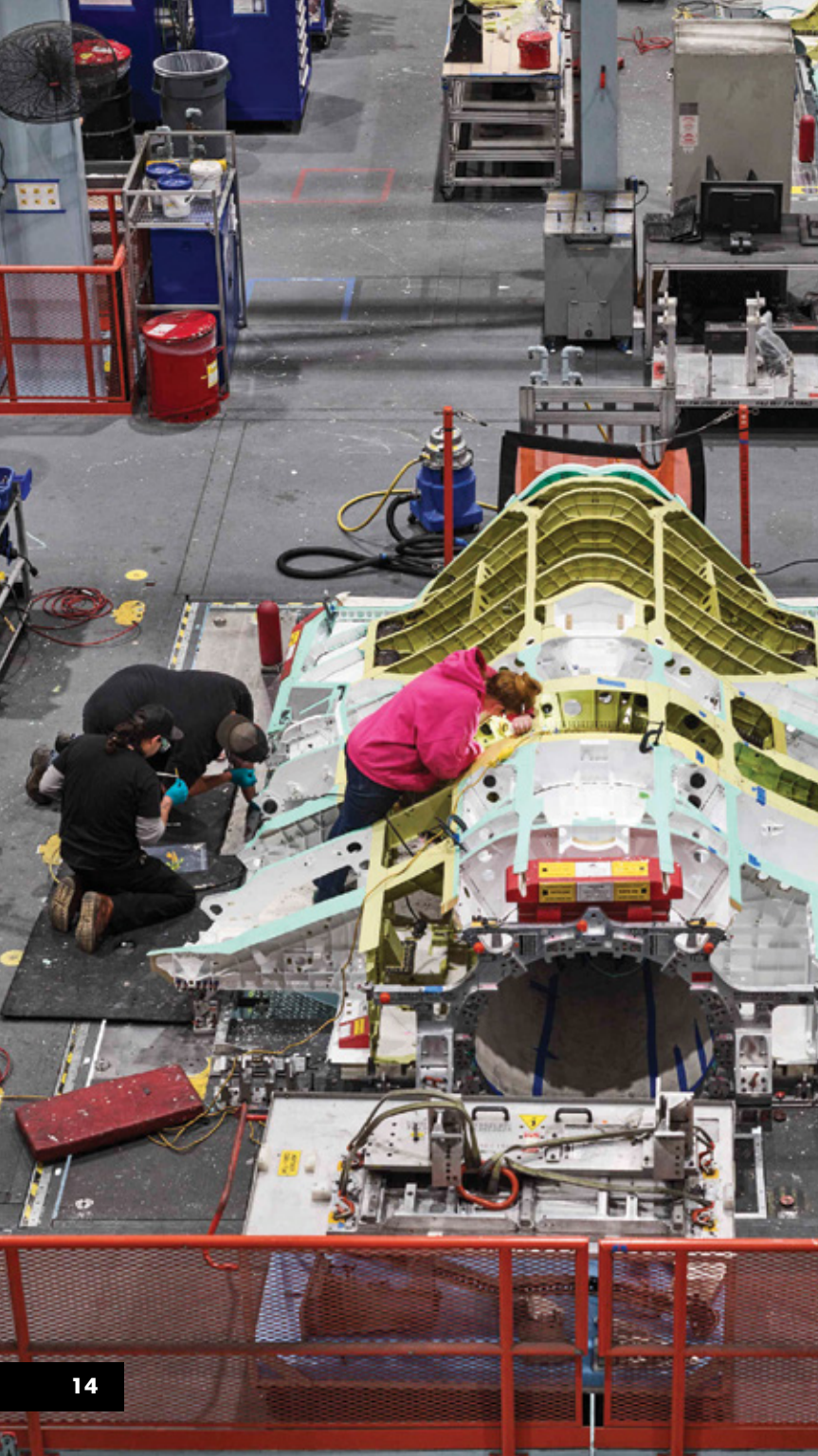
As part of our business, our company often needs to collect personal information (PI) about us and others: our fellow employees, contractors, suppliers, customers or other individuals with whom we work. PI generally refers to information, in any format, that can be used to identify an individual. It is critical to our core values that we safeguard PI and respect the privacy of individuals.

When we use PI, we need to make sure we comply with all applicable laws. Many countries have privacy laws that impose specific obligations on the handling of PI and apply to cross-border transfer of PI.

At a minimum, if your job involves collecting or processing PI, you should know the following:

- **Legitimate Purpose:** Collect or use PI only for legitimate Northrop Grumman business purposes
- **Data Minimisation:** Collect and use PI only to the extent necessary to accomplish the business purpose; for example, avoid collecting or using government identification numbers if not necessary
- **Know the Rules:** Be aware of, and comply with, all applicable legal and contractual obligations governing our use of PI as well as applicable company policies and procedures relating to the handling of PI throughout its life cycle
- **Report Losses:** Immediately report any suspected loss of or breach involving PI to the privacy office at privacy@ngc.com
- **Verify Third Party Access:** Before allowing third parties access to PI, ensure the third party has a business need and is contractually obligated to safeguard the information
- **Comply with the Applicable Local Laws:** Consult the Northrop Grumman Privacy Office to understand what specific requirements may apply, particularly when using or accessing PI from outside the United States





Q: William is a manager in a Northrop Grumman production facility that produces navigation systems. While spot-checking a few finished units, he notices some small imperfections that could mean a piece of factory machinery is calibrated incorrectly.

To resolve the problem, he'd have to completely stop production. Instead, William decides to keep production going until the end of the day, reasoning that the flaws aren't even noticeable. Is he doing the right thing?

A: William thought he had good intentions; he wanted to keep the production line moving. However, we should never allow defects or imperfections in our products.

Our reputation — and the safety of those who use our products — depends on the quality of the equipment we produce. William should have stopped the line until he could report the issues and determine and resolve the problem.

We Do What We Promise

We Ensure the Quality of Our Products and Services

Our reputation hinges on our ability to produce quality results consistently. For this reason, we must:

- **Make quality personal.** What we do as a company is important to the safety and security of the customers and people we serve. Our customers (and individuals' lives) depend on us "getting it right" — doing what we say we're going to do and delivering the results our customers expect. We make quality personal by understanding what is required of us in our daily work and striving to do it right first time.
- **Make no excuses or shortcuts.** Doing the job right means how we do our work is as important as what we do. If we have a process, we need to follow it. If we see an issue or a risk with the process, we must speak up. We can't assume that someone else will. Taking shortcuts because of cost or schedule pressures never pays off in the end and can have significant consequences to us as individuals, to our company and to our customers.
- **Always try to improve.** Each of us should look for ways to do our job better and more efficiently. Speak up if you see a better way to do your work. Understand how your work is being measured and use those measures to drive improvement. Seek to learn from what others doing similar work have done.
- **Earn trust and drive performance.** If we each focus on first-time quality we earn the trust of our colleagues and our customers. This consistent focus and detailed attention to doing the right thing helps to improve our performance as a company.



We Protect Information and Intellectual Property

We owe it to ourselves to safeguard our company's assets, which include intellectual property (IP and proprietary information). Our IP includes our inventions, technical data and computer software, research and processes, as well as trade secrets, know-how, copyrighted materials, trademarks and patents.

Proprietary information is information that the company wishes to keep confidential and protect against unauthorised use or disclosure. It includes, for example, non-public financial reports, privileged information, attorney work product, business strategies and pricing information. We must maintain the confidentiality of all information entrusted to us by the company or our customers, except where disclosure is authorised or legally required.

Proprietary information can also include technical designs, research and development information, employee records and contracts. Protecting our company's IP and proprietary information, which could provide our company with a competitive advantage, is crucial to our continued success. IP and proprietary information are considered company assets as valuable as money or tangible property and must be protected at all times.







Northrop Grumman's IP generally includes all of our creations and inventions that we produce during the course of our work that relates to the current or prospective business or operations of our company. This is true whether they are developed on or off company premises, individually or jointly with others, or during or after working hours.

While we operate in an open and honest environment, we must be careful not to compromise or disclose our proprietary information.

To honour our commitment to information security, we do not share proprietary or other confidential information with anyone - even within our company - unless there is a business need to do so. Similarly, we do not seek or use any information to which we are not entitled.

Keep in mind that, when leaving the company, you must return any proprietary information in your possession. Your obligation to protect the company's proprietary or confidential information and IP continues after you leave.

Q: Lucas is preparing a bid for a government contract. Molly, who works in marketing, asks him about the specifics of the contract: the dollar amount, what product we would be developing and some other details. Lucas considers it's fine to tell her since they both work for Northrop Grumman. Can Lucas share this information?

A: Lucas should keep this information to himself and only share it with those who have a business need to know it. The specifics of proposals and contracts are considered confidential information that could have a real impact on our company's business success. As such, they should be protected carefully. If Lucas is unsure what information he can share, he should speak to his manager or the law department.

Proper Use of Company Resources

In addition to our proprietary information and IP, our company provides us with other resources — like time, materials, equipment, facilities, information and services — to help us to perform our jobs.

We share a responsibility to keep these assets safe from damage, theft, waste and misuse. These resources should be used for their intended business purpose. If you do make personal use of a company asset, make sure that it is limited, legal and in line with our values, Standards and policies.

We must also protect all resources provided to us by our customers, subcontractors and suppliers, as we would protect our own.

Company Technologies and Social Media

As with other company assets, we are responsible for using Northrop Grumman networks, computer systems, mobile devices and other technologies legally, ethically and responsibly. We may not access the Internet for unauthorised, illegal or unethical purposes, or to view or download any offensive or sexually explicit material. When drafting emails, IMs or other electronic messages, we should exercise the same care as we would when drafting more formal correspondence. As a general rule, don't put it in writing if you would regret seeing it in the media.

The same guidelines apply to our social media involvement. While Northrop Grumman does not unduly limit our personal use of social media, it is important that we each use our best judgement while online.

We must always be sensitive to security concerns, for ourselves and others. We must also always be sure that the proprietary information we learn through our jobs is safeguarded. And we must refrain from attributing our personal opinions to our company. Only authorised individuals may speak on our company's behalf, including online through social media channels.

Be aware that the company may monitor, access, consider and disclose your use of any company assets, including company technologies, in accordance with the applicable law. You should have no expectation of privacy relating to the use of company assets, consistent with the applicable laws.

We Maintain Accurate Records

Our stakeholders rely on us to give them an accurate picture of our operations, so that they can make sound decisions. In order to provide them with reliable information and comply with the law, we have a responsibility to ensure that our corporate records are accurate.

Records aren't just financial in nature. They include physical or electronic documents we create as part of our jobs. At all times, we must ensure that the information we provide is forthright and accurate. At no time may we misrepresent, falsify or alter data.

Q: Frank often has to drive to and from several Northrop Grumman manufacturing facilities in his personal car. On his expense reports, he sometimes overstates his mileage a bit, so he gets a little extra reimbursement. No one ever notices, and it's not a lot of money. Has Frank done anything wrong?

A: Yes, Frank has lied. He knowingly overstated his mileage, even if only a bit. Frank should not ask for reimbursement for false expenses, no matter how small the amount. We all have a responsibility to make sure that our expense reports are accurate, every time. If you think you see an error in an expense report or another record, or if you have questions about how to record an expense, speak to your manager.



Q: Melanie is creating an advertising campaign for several products, including one developed as part of a government contract. Melanie charges part of the cost of the campaign to the contract, on the basis that since it's partly for a product related to the contract, the cost should be chargeable. Is Melanie doing the right thing?

A: Melanie should check with her manager before charging any advertising to a government contract. Advertising is usually considered an unallowable expense, meaning we can't charge it to a direct contract and must also appropriately segregate the cost in our accounting records to exclude the costs from allowable indirect costs.

If you're not sure how an expense can be charged, don't guess. Ask a manager or contact your organisation's regulatory compliance, Business Conduct Advisor, law department or the OpenLine.



Recording Cost Data

Accurate cost data is essential to any business enterprise, and Northrop Grumman is no exception. For our cost data to be accurate, we must accurately charge our labour on a timely basis and in accordance with the relevant policies and procedures. We must also take into account the following when charging for our labour:

- Contract costs must be authorised and charged to the appropriate contract charge number
- Indirect costs must be appropriately classified according to the nature of the activity
- Our US government contracts prohibit us from charging the US government for certain costs, either directly or indirectly. These “unallowable” costs must be recorded to a special charge number established for the unallowable cost

In addition, in order to maintain our integrity and transparency, we must be certain to avoid any potential mischarging, such as:

- Charging to a contract other than the one for which we performed work
- Failing to charge to an unallowable charge number when an activity is “unallowable”
- Charging direct activity to an indirect cost pool or indirect activity directly to a contract
- Charging time for hours not worked

Inappropriate time and labour charging is a serious issue. If you have questions about any cost data or contracts you are working with, please get in touch with your manager, regulatory compliance, Business Conduct Advisor, law department or the OpenLine.

We Deliver Accurate Cost and Pricing Data

Our customers expect not only product excellence, but also that we adhere to the highest standards in our business practices. Those of us involved in the negotiation of contracts or other business transactions related to government procurement must ensure that when cost or pricing data is required to be submitted it is current, accurate and complete in accordance with the applicable terms.

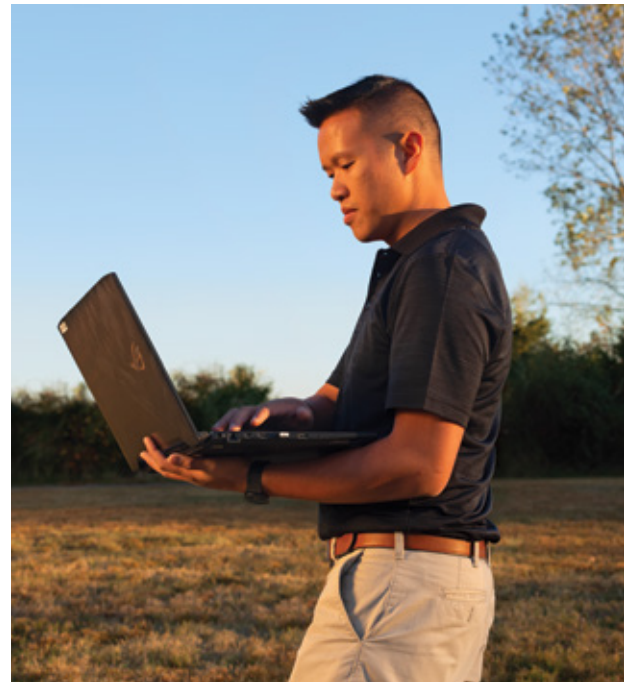
“Cost or pricing data” can include all of the facts that prudent buyers and sellers would reasonably expect to significantly affect price negotiations. This can include, but is not limited to:

- Vendor quotations
- Nonrecurring costs
- Information on changes in production methods and in production or purchasing volume
- Data supporting projections of business prospects and objectives and related operational costs
- Unit-cost trends such as those associated with labour efficiency
- Make-or-buy decisions
- Estimated resources to attain business goals
- Information on management decisions that could have a significant bearing on costs

Gathering Competitive Information

In order to compete effectively, it is reasonable to investigate what our competitors are doing. This knowledge can help to shape our own business strategies, allowing us to serve our customers better and make better long-term decisions. We use publicly available sources, such as news reports, trade publications and competitor promotional materials, to gather competitive information.

We must comply with copyright restrictions, which prohibit us from copying or distributing text, illustrations and original expressions unless we have specific permission from the owner. At no time may we misrepresent our identity or resort to other unethical means to gather competitive information.



We Comply with Competition and Antitrust Laws

We compete in the marketplace based on our reputation, competitive pricing and the superior quality of our goods and services. Active, robust competition is beneficial for our industry, our company and, most especially, our customers. It is important that we have a basic understanding of competition laws (known as “antitrust laws” in the US) and comply with them in everything that we do.

In general, these laws promote open competition and prohibit us from entering into formal or informal agreements with actual or potential competitors and suppliers that improperly restrain trade and harm customers by raising prices or reducing quality, innovation or purchase options.

When interacting with competitors, we should not discuss the following topics:

- Prices and price fixing
- Bid rigging
- Dividing or allocating markets, territories or customers
- Refusing to deal with suppliers or customers

We should consult the law department for specific guidance before engaging in discussions with other companies on the following topics:

- Teaming up and other collaborations
- Terms or conditions
- Marketing plans
- Any proprietary or confidential information

In most places we do business, it is unlawful to invite competitors to engage in anti-competitive activities, even if no further steps are taken and no economic harm results.

Our policy is to avoid even the appearance of an understanding with a competitor to restrain trade, as doing so could negatively impact our company. This makes it crucial for us to be careful about the topics we discuss. We must always exercise caution when attending trade association events, where the possibility for at least the appearance of anti-competitive conversations is particularly high.



We Maintain Procurement Integrity

As a business, we expect an even playing field when we bid for contracts and other business. As a company, we espouse integrity and respect for our customers as baseline values. This is part of the reason why the integrity of our procurement and acquisition process is of critical importance to Northrop Grumman.

Part of maintaining procurement integrity means we do not use or seek out the confidential or proprietary information of competitors to use for our own benefit. If you become aware of any proprietary information, or information that may be competitively sensitive, you may not use, distribute, copy or discuss it without first receiving written permission from a manager and the law department. This includes information about any of our competitors, current or prospective customers (including the US and non-US governments) and previous employers.

If you accidentally receive proprietary information that you may not be entitled to use, don't read any further. Do not forward it on to anyone, including your manager, another manager, our security department or your BCA. Instead, secure the information and notify the law department or ethics office immediately that you have received what may be another party's proprietary information that you are concerned you should not have received.

As part of procurement processes, we must protect source selection information and not seek or use information that we are prohibited from accessing. Source selection information includes information not previously made available to the public that is prepared for use by an agency in evaluating a bid or proposal. It includes generally:

- Bid prices for sealed bids or lists or prices
- Source Selection plans
- Technical evaluation plans
- Technical evaluations of competing proposals
- Competitive range determinations
- Rankings of bids, proposals or competitors
- Cost or price evaluations
- Source Selection Board reports and evaluations
- Source Selection Advisory Board recommendations
- Proposed costs or prices submitted
- Any other information marked as “Source Selection Information”

Similarly, contractor bid or proposal information is generally proprietary information that must also be protected from disclosure. It typically includes certain categories of non-public information submitted to a government agency in connection with a bid or proposal such as:

- Cost or pricing data
- Indirect costs and direct labour rates
- Information about manufacturing processes, operations and techniques when marked “proprietary” or “Source Selection Information” in accordance with law or regulation
- Information marked as “contractor bid or proposal information”
- Other material or information related to a specific procurement that a bidding company deems proprietary

If you are aware of, possess or have access to this kind of proprietary information, you must make sure that you follow the guidelines on proprietary information in these Standards. You should also inform the contracts department that you are in possession of such company information.

Hiring Current or Former Government Employees

Certain laws govern the kinds of pre-employment and employment contracts we can enter into with others, and the activities in which former government employees can participate. That is why we must be particularly careful about engaging in discussions of hiring current or former government employees to come to work for Northrop Grumman. This is true whether we are having such discussions directly with the government employee, or others on their behalf.

If you are involved in the possible hiring or compensation of a current or former government employee, or if you are approached by a current or former government employee regarding employment, make sure that you follow the policies and procedures in place to ensure compliance with applicable laws and our company values, and seek guidance from the law department.

We Do Exports and Imports the Right Way

We are a global company, with operations and customers around the world. Our global reach means we must understand and comply with all applicable trade laws and regulations at all times.

When we engage in business activities, transactions or communications, we must consider whether the activity involves imports or exports of data, services or products from or to any one or more countries subject to trade controls. In addition, we must appropriately identify all parties to the transaction.

It is especially important that we understand and follow the laws governing exports and imports in all jurisdictions where we operate. Exports and imports can occur in any location, and can be either intangible or tangible.



Examples of intangible exports and imports include communications involving controlled data that can occur through:

- Email
- Fax
- Oral discussions (regardless of location or mode)
- File transfers
- Presentations and briefings
- Accessing or posting to shared drives/folders
- Using electronic tools
- The Internet

Examples of tangible exports/imports include the physical delivery of products or technology — often via post, cargo carrier, express carriers or hand-carriers. A tangible export is also an import into the receiving country, and compliance is required with that country's import laws and regulations, including declaration of the goods to the respective customs authority.

Most defence export transactions require some type of authorisation even before certain discussions can occur, as well as before products are shipped out of their country of origin. This authorisation can be in the form of a specific licence issued by a government agency, written approval or applicable exemption or exception.



In general, all licences and approvals are transaction-based and have a limited scope and duration. Furthermore, only specific parties and countries are authorised to receive exported goods or services. Therefore, we must be aware of and comply with the various sanctions and embargoes imposed by the United States, the United Nations, the European Union and other countries or geo-political organisations.

Economic sanctions and embargoes are an aspect of global trade regulations that can restrict or prohibit our dealings with certain countries or individuals located in or associated with the relevant countries. Restricted activities may include discussions, provision of services, exports of any goods or technology, proposing or facilitating business, transferring assets, providing monetary payments or travel to the affected countries.

Q: Markus emails blueprints of one of our sensors to a business partner in another country. Is this an export?

A: It is an export. The key is to determine prior to sending whether the export is controlled, meaning that advance approval, or a licence, is required. Markus should have checked with his manager or International Trade Compliance office before sending the blueprints to make sure he was following all appropriate regulations and guidelines.

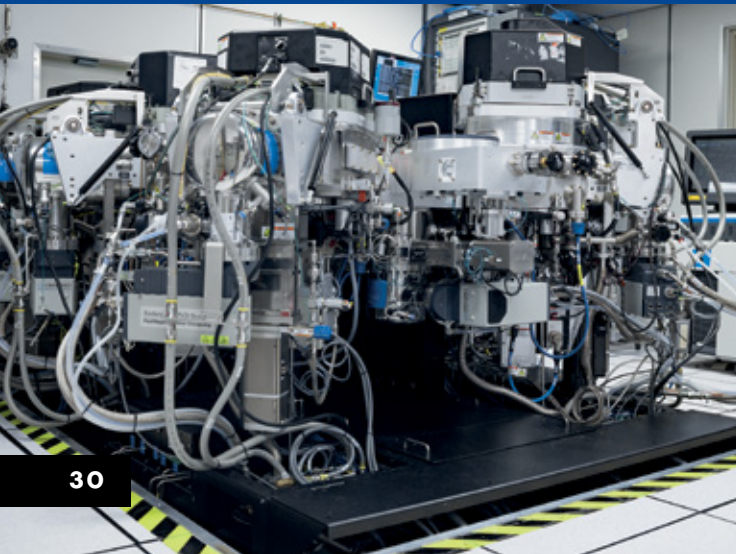
Any time we are sending any product or information about a product to another country, by any means, we must always obtain internal approvals and comply with any export authorisations.

Restrictive Trade Practices

We must also be on the look-out for potentially illegal boycott requests as defined by the laws of the jurisdictions where we operate. Under US law, we generally may not engage in the following activities, regardless of our location:

- Refusing or agreeing to refuse to do business with a boycotted country or its nationals
- Refusing or agreeing to refuse to do business with a blacklisted or boycotted company
- Certifying that an entity is not blacklisted
- Agreeing to participate in or otherwise cooperate with an unsanctioned international boycott
- Providing certain information on a company's activities with a boycotted country or with a blacklisted company or concerning the race, religion, gender or national origin of personnel

US law may also require us to report requests to engage in the activities noted above, even if we decline the request appropriately.



We Commit to Shared Success

We Value Health and Safety in the Workplace

We are committed to maintaining a safe workplace. This means that, as individuals, we need to remain personally committed to performing our jobs safely and in a way that protects the health and safety of our colleagues, visitors and surrounding communities. We are responsible for understanding and complying with legal requirements and company policies and procedures that relate to health and safety.

If you witness any work-related injuries, illnesses or hazardous conditions — like chemical spills and unsafe practices — stop work and report the situation immediately.

Drugs and Controlled Substances

A crucial part of maintaining safety at Northrop Grumman is our ability to make sound decisions —and such decisions can be impaired through the use of alcohol, controlled substances and illegal drugs. Not only do alcohol, controlled substances and illegal drugs give rise to health and safety concerns, they also create performance and conduct issues. That is why the

use of these substances is prohibited while at work on Northrop Grumman property. The same, of course, holds true for their unlawful manufacture, distribution, dispensation or possession.

Keep in mind that, as a US federal contractor, Northrop Grumman complies with the Drug Free Workplace Act and applicable local laws. Even though marijuana has been legalised in certain US states, it is still considered illegal under federal law. Therefore, our company prohibits its use, even in locations where it is not against state law.

Violence and Weapons

Violence and other dangerous, intimidating or aggressive conduct in the workplace are always off-limits. We never attempt to resolve our workplace disputes with violence, threats or other aggressive or combative actions or behaviours. This includes pushing, shoving, cornering, hitting and any other hostile or potentially dangerous physical acts. We also must never bring weapons into the workplace.

Employee Resources and Assistance

Northrop Grumman believes people are the most valuable asset a company can have. To support and help protect Northrop Grumman employees and their families, our company offers an Employee Assistance Programme (EAP) through NGCare.

The EAP serves all employees and their family members by providing professional counselling and supportive services in response to personal, including legal and financial, and/or medical problems that we may face. While our company has no desire to interfere in our personal lives, we all want to help each other where we can. Our EAP is a valuable resource, and all employees are strongly encouraged to participate in the programme.

We Don't Offer, Make or Accept Bribes

At Northrop Grumman, we frequently collaborate with our government and commercial business partners in various aspects of our operations. We earn their trust and business through the same hard work and integrity we apply to all our relationships and activities. We never seek to gain advantage through unfair, unethical or illegal business practices.

We comply with all applicable laws designed to combat corruption wherever we conduct business, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. You may not offer, promise, give or authorise any sort of bribe or “kickback” in order to obtain or retain business or an inappropriate business advantage on behalf of Northrop Grumman.

A “bribe” can be anything of value—money, gifts, travel expenses, personal favours or entertainment—that may be seen as an attempt to obtain inappropriate advantage for our company. Anti-corruption laws also prohibit us from accepting a bribe or “kickback”.

In addition, they require us to characterise our business relationships accurately and to maintain accurate company books and records, as well as adequate internal controls.

We also prohibit the use of “facilitating payments”. These are small payments, usually made in cash, that are typically provided to a government official to speed up or guarantee a routine action that the official is already obligated to perform.

Examples of these might be payments made in order to expedite work permits, visas, licences, utility services or to obtain police protection. While commonplace in certain parts of the world, such payments are illegal in many countries and prohibited by company policy.



Q: Fred is in charge of the construction of a new Northrop Grumman manufacturing facility and he learns that he will need an additional permit before they can begin building. Unfortunately, Fred won't be able to receive the permit for at least two weeks, unless he can pay a cash "expediting fee" to an employee of the government permitting office. He's not sure, but this sounds like it might be a facilitating payment. Can Fred pay this amount?

A: Fred's instincts are correct; this would likely be considered a facilitating payment and it should not be paid. Some indications that this would be a potentially improper payment are the fact that it would be paid in cash and to a government official, rather than a payment made by bank transfer or a cheque payable to the permitting office pursuant to an officially published permitting fee schedule and against an official invoice/receipt. Facilitating payments are prohibited by company policy and are illegal in many countries.

If you have any questions about the permissibility of a payment, consult the law department for guidance before making the payment.

At Northrop Grumman, occasional exceptions to this company policy may be made in extreme circumstances where there is a threat to life, health or safety. If such an extreme circumstance arises, you are required to report the facilitation payment promptly to the law department so that it may be recorded accurately in the company's books and records.

Those of us who work with government officials must exercise particular caution. This is particularly true if you are involved in hiring or

overseeing a third party who is acting on our company's behalf. We must never allow a third party to do something for us that we cannot ethically or legally do for ourselves.

The penalties for violating anti-corruption laws are severe, making it all the more important that we comply with them in all of our business dealings. If you have any questions or concerns about corruption or bribery, do not hesitate to get in touch with the law department.

We Avoid Conflicts of Interest

Doing business with integrity means making decisions that align with the best interests of our company, without prioritising any personal benefits you stand to gain. By avoiding even the appearance of a potential conflict of interest, we uphold our commitment to our company and ensure our continued success. A conflict of interest typically occurs when an individual's private interests interferes with the interests of our company as a whole.

Keep in mind that we all occupy a position of trust. We need to be particularly sensitive to any situation, on or off the job, that might compromise trust or cause others to doubt our integrity. Remember that avoiding even the appearance of a conflict can be just as important as avoiding an actual conflict.

If you ever have a question about whether a situation constitutes a conflict for you, always err on the side of caution and immediately report it to your manager, the ethics office, the law department or — for members of our Board of Directors — our General Counsel.

While there are many types of possible conflict, the following are some of the more common ones we may encounter. Actual or potential conflicts of interest must be immediately disclosed by employees on the relevant Conflicts of Interest form C-196 for the country where you work.



Personal Investments

If our loyalty is divided between what's best for our company and another company, it could cause us to make decisions that wouldn't be in Northrop Grumman's best interest.

For that reason, making significant personal investments or having a significant financial interest in businesses that compete or do business with Northrop Grumman can easily create an inappropriate conflict of interest.

Q: Michael is an engineer and he knows of a job opening in our research department that would be perfect for his daughter, Natalie. He wouldn't be supervising her and they would only work together once in a while. Could this be a potential conflict of interest?

A: Yes. Even though Michael and his daughter may be able to work alongside each other without issue, it could still create the appearance of a conflict of interest if they work together, even if only once in a while. Before referring Natalie for the job, Michael should discuss the situation with his manager to be certain he's making the choice that's best for Northrop Grumman and complete the relevant C-196 Conflict of Interest form for the country where you work.

Personal Relationships

When a personal or family relationship exists between colleagues, especially if there is also a reporting relationship involved, it may create a conflict, or the appearance of one. It may seem to others that preferential treatment or favoritism is being granted because of that relationship.

For this reason, you should not have direct decision-making authority over a family member or someone with whom you have a close personal relationship — such as a boyfriend or girlfriend, or a flatmate — or vice versa. Remember, the important thing is to avoid even the appearance of bias.

Outside Employment Opportunities

Some outside employment or other opportunities might allow us to earn extra income or use our talent and experience without harming Northrop Grumman or our work in any way. Other opportunities that clearly compromise our company's business goals or our ability to perform our jobs at Northrop Grumman are, therefore, not allowed.

To help us to avoid conflicts in this area, we should not compete with the company, including performing outside work for competitors or suppliers, unless we receive advance written approval.

In addition, we should avoid using Northrop Grumman time, facilities, resources, supplies or information for outside employment or other personal gain. You should always check with your manager (or the General Counsel if you are a member of the Board) before accepting an outside position, to make sure the work won't affect Northrop Grumman or your performance at the company.

Business Courtesies

When we compete in the marketplace, we do so on the basis of product quality, service, price and other similar factors. We never seek to gain or exert any inappropriate advantage or influence, such as through the use of business courtesies like gifts, meals or offers of entertainment. In fact, we must avoid even the perception of an inappropriate advantage or influence.

Entertainment and other gifts are often exchanged in the commercial business world to open up business conversations or even just to express appreciation or thanks. However, this common practice can easily lead to a conflict of interest, or the appearance of one, if guidelines are not followed. And the appearance of impropriety can erode confidence in us and our procurement process.

In general, we do not offer or accept gifts, entertainment, favours, gratuities or hospitality to or from:

- Individuals or firms conducting or seeking to conduct business with our company
- Government officials
- Others who can impact Northrop Grumman or its businesses



Q: Jacqueline is working on renewing a contract with an existing supplier. After an onsite meeting, the supplier invites Jacqueline out for dinner to show her their appreciation for the partnership. She's worried that this might be inappropriate. Is she right?

A: Yes. We must be very careful when accepting gifts, meals, or entertainment from business associates, as these could be perceived as an attempt to influence a business decision. Even a meal could seem inappropriate, especially when you are involved in an active contract renewal. Speak to your manager if you have questions about the best way to work with business associates and build relationships.



When we do offer or accept gifts or business entertainment, they must meet the following requirements:

- Ordinary and customary
- Infrequent and not lavish
- Of token value
- Not cash or cash equivalents (such as gift cards)
- Legal under applicable local laws and in line with both the giver's and the recipient's gift policies
- Arises in the ordinary course of business
- Takes place in a setting that is appropriate and fitting in light of its business purposes

If you would like to give or accept a business courtesy that does not meet these requirements, you must seek prior written approval. In addition, you are required to follow all business courtesy reporting requirements set forth in our policy.

We Never Trade on Inside Information

We may come into contact with material, non-public (or “inside”) information about our company or our customers, suppliers and others in the course of our duties with Northrop Grumman.

Our policies and the law prohibit us from trading in our stock or the stock of other companies while we possess material inside information regarding the company. We also may not share material inside information with family or friends, or even with colleagues who do not have a business need to know it. Material non-public information generally includes non-public information where there is a substantial likelihood that a reasonable investor would consider it important when deciding to buy, sell or hold a company’s stock.



Q: In the course of working on a customer site, David learns that the customer hasn’t had a great financial year, and their annual report will announce some major losses. He knows that his sister, Katie, has a lot of money invested in the company and could lose a lot when this news goes public. Should he tell her to sell her stock now?

A: No. David can’t tell his sister any of this information about our business partner. This financial report hasn’t been made public yet and it would likely be considered material inside information.

Tipping, or passing along inside information to family, friends or others based on a personal relationship, is against our Standards and company policy and may be considered a form of insider trading. David will just have to let Katie make her own investment decisions.

We Are Good Corporate Citizens

Northrop Grumman strives to support and enhance the communities where we live and work. As a responsible corporate citizen, our company maintains various outreach programmes. These programmes help to build alliances for stronger communities and address the challenges facing our company and our local communities as we aim to meet their diverse needs.

We partner with local organisations that provide unique programming to inspire the next generation of scientists, engineers and technicians. We offer support to troops and veterans, as well as programmes related to health and human services, cultural awareness and diversity, community services and environmental initiatives.

We do not, however, provide such funding or support to organisations that improperly discriminate against others or take positions or actions contrary to our company values.

Environment and Sustainability

Good corporate citizens are mindful of the way their operations affect the environment and the health of our global community.

We are committed to reducing our environmental impacts, conserving natural and energy resources and advancing innovative, efficient practices to maintain the quality of the environment.

We have committed to corporate performance goals to reduce greenhouse gas emissions, solid waste generation and water use. We use and expand our knowledge of programme, product and supporting operations to identify opportunities to use energy, water and other resources more efficiently. This helps us to reduce operational costs and environmental impacts.

Human Rights

Corporate responsibility is at the core of our company's culture and underlies our business and operating strategies.

Our policies, practices and procedures reflect a strong commitment to human rights as set forth in the Universal Declaration of Human Rights. This commitment is grounded in our core values. We do not use or condone the use of child or forced labour, indentured servitude, human trafficking or other such violations of human rights.

We lead the way by expecting our partners and suppliers in our worldwide supply chain to share this commitment and adopt and enforce principles similar to those in our Human Rights Policy.

We Make Responsible Charitable Contributions

Northrop Grumman believes in giving back to our global communities, and we encourage our employees to be actively involved in local activities. Devoting our time, energy and resources to improving and enriching these communities is an extension of our core values. As such, our company recognises and respects our individual right to be involved in personal charitable activities.

However, because such activities are personal and not on behalf of the company, we should participate in these causes on our own time and using our own resources. We should not generally use company property, time or other resources, such as computers, printers and email to support our personal charitable activities with limited exceptions and unless authorised to do so.

We Participate Appropriately in Political Activities

Northrop Grumman carries out its civic responsibilities by taking an active part in political affairs when such participation serves the best interests of the company, its shareholders and its employees, and is in full compliance with all applicable laws.

Employees engaged as private citizens in political activities should be careful to avoid any implication that they are participating on behalf of the company or contributing company funds.

While Northrop Grumman typically does not participate in non-US political activities, our company may choose to engage when it is traditional, customary and legal to do so.



Our OpenLine Process

The Northrop Grumman OpenLine is a means to raise concerns or report a suspected violation of our Standards, company policies or the law. Like all company resources, we can use the OpenLine appropriately without fear of retaliation.

The OpenLine is available 24 hours a day, seven days a week, and is administered by an external company. You can call the OpenLine via a toll-free telephone number or access the OpenLine via the Internet.

Regardless of which method you choose, reports to the OpenLine can be made anonymously if allowed by local laws. Keep in mind, however, it is easier for the company to conduct a thorough investigation and take remedial action when you provide your contact information for follow-up.

You can use the OpenLine to report suspected violations or potential wrongdoing, including issues relating to the following areas:

Accounting

Conflicts of Interest

Discrimination Policy Violation

Employee Misconduct

Employment Practices

Environmental, Health and Safety

Export/Import Control

Government Contracts

Non-Compliance and Regulations

Harassment Policy Violation

Human Trafficking

Intellectual Property/Proprietary Information

Kickbacks/Gifts/Gratuities/Bribery

Misuse of Company Resources

Procurement Integrity and Irregularities

Quality/Manufacturing Concerns

Retaliation Policy Violation

Security

Time Reporting/Mischarging/Overpayments

Some issue categories may not be available for employees in certain countries. If an allegation category is not available on the OpenLine, we encourage you to speak to your manager, BCA or the law department concerning the suspected violation or potential wrongdoing.

When calling the OpenLine, you will speak with a specialist who will ask you a series of questions to better understand the nature of your concern. The specialist will then prepare a report which will be forwarded to the Compliance and Ethics Investigation Team or Employee Relations Centre of Excellence for review, assignment and/or other action.



Northrop Grumman OpenLine Reporting

For Phone Reporting

<http://www.northropgrumman.com/CorporateResponsibility/Ethics/Pages/default.aspx>

For Web Reporting

www.northropgrumman.ethicspoint.com

Access the Ethics and Business Conduct Website

Global Intranet

<https://home.amer.myngc.com/ethics/Pages/home.aspx>

Retaliation is strictly prohibited against any person who, in good faith, reports a concern. If you feel that you have been retaliated against please talk to your manager, Human Resources, your BCA or the law department or call the OpenLine.

In conjunction with DoD or NASA contracts, 10 U.S.C. 2409 prohibits contractors from discharging, demoting, or otherwise discriminating against an employee as a reprisal for disclosing, to any of the following entities, information that the employee reasonably believes is evidence of gross mismanagement of a DoD or National Aeronautics and Space Administration (NASA) contract, a gross waste of DoD or NASA funds, a substantial and specific danger to public health or safety, or a violation of law related to a DoD or NASA contract (including the competition for or negotiation of a contract):

- (i) A Member of Congress or a representative of a committee of Congress.
- (ii) An Inspector General.
- (iii) The Government Accountability Office.
- (iv) An employee of the Department of Defense or the National Aeronautics and Space Administration, as applicable, responsible for contract oversight or management.
- (v) An authorised official of the Department of Justice or other law enforcement agency.
- (vi) A court or grand jury.
- (vii) A management official or other employee of the contractor or subcontractor who has the responsibility to investigate, discover or address misconduct.

Any employee who believes that they have been discharged, demoted or otherwise discriminated against contrary to the prohibition set forth above may file a complaint with the DoD Inspector General.

Our Letter to the Chair Process

As a public company based in the United States, Northrop Grumman is held to certain standards of integrity in our public disclosures and accounting practices, including those set forth by the Sarbanes-Oxley Act or SOX, and found in SEC and NYSE regulations.

Consistent with these requirements, we as Northrop Grumman employees are required to report any concerns we have about accounting, internal accounting control or auditing matters at Northrop Grumman.

In addition to the resources found in this code, you can report your concerns regarding accounting practices, financial controls and financial reporting and/or regarding the ethics of individuals responsible for financial controls of the company by writing directly to:

Chair, Audit Committee

Northrop Grumman Board of Directors
c/o Corporate Ethics Office
2980 Fairview Park Drive
Falls Church, VA 22042
United States of America

Mail will be delivered to the Chair of the Audit Committee. Keep in mind that any concerns dealing with issues other than finance, accounting or audit, in particular, may be returned to the company for appropriate inquiry.





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