CALIFORNIA COMPETES TAX CREDIT ALLOCATION AGREEMENT

This California Competes Tax Credit Allocation Agreement ("Agreement") is by and between Northrop Grumman Systems Corporation, a Delaware corporation ("Taxpayer"), and the California Governor's Office of Business and Economic Development ("GO-Biz"), hereinafter jointly referred to as the "Parties" or individually as the "Party." All capitalized terms not defined in this Agreement shall have the same meaning as in California Revenue and Taxation Code ("RTC") sections 17059.2 and 23689, and California Code of Regulations, title 10, section 8000 et seq., as in effect on the Effective Date of this Agreement.

In consideration for the mutual covenants and promises in this Agreement, the Parties agree as follows:

1. **Effective Date.** The effective date ("Effective Date") of this Agreement shall be the date that this Agreement is approved by the California Competes Tax Credit Committee ("Committee").

2. **Total Credit Award.** GO-Biz, upon approval by the Committee and conditioned upon the requirements set forth in this Agreement, will award Taxpayer a California Competes Tax Credit ("CCTC") in the amount of thirty million dollars ($30,000,000.00) ("Credit"). Specifically, Taxpayer is receiving a CCTC against the "net tax" as defined in RTC section 17039, or the "tax" as defined in RTC section 23036, as applicable, pursuant to RTC section 17059.2 or 23689, as applicable.

3. **Project/Milestones**. Taxpayer develops and manufactures various products for use in the defense, aerospace, and security industries. Taxpayer has certified in its application that absent award of the California Competes Tax Credit, its project may occur in another state; and, it may terminate all or a portion of its employees in California or relocate all or a portion of its employees in California to another state. In consideration for the Credit, Taxpayer agrees to hire full-time employees and invest in manufacturing equipment, research and development equipment, computer equipment, tenant improvements, laboratory equipment, and facilities as part of its expansion in El Segundo, Edwards Air Force Base, McClellan, Palmdale, San Diego, and Woodland Hills, California (collectively, the "Project"). Further, Taxpayer agrees to satisfy the milestones as described in Exhibit A ("Milestones"). In addition, Taxpayer must maintain the three (3) employee based Milestones ("Total California Full-Time Employees," "Minimum Annual Wage of California Full-Time Employees Hired," and "Cumulative Average Annual Wage of California Full-Time Employees Hired") for a minimum of three (3) taxable years thereafter. In the event Taxpayer employs more than the number of full-time employees, determined on an annual full-time equivalent basis, than required in Exhibit A, for purposes of satisfying the "Minimum Annual Wage of California Full-time Employees Hired" and the "Cumulative Average Annual Wage of California Full-time Employees Hired," Taxpayer may use the wages of any of the full-time employees hired within the required time period. For purposes of calculating the "Minimum Annual Wage of California Full-time Employees Hired" and the "Cumulative Average Annual Wage of California Full-time Employees Hired," the wage of any full-time employee that is not employed by Taxpayer for the entire taxable year shall be annualized. In addition, the wage of any full-time employee hired to fill a vacated position in which a full-time employee was employed during Taxpayer's Base Year shall be disregarded. In addition, Taxpayer agrees that any full-time employee hired after the effective date of this agreement that is a "qualified full-time employee" (as defined in RTC section 23636) shall be excluded from the calculation of the net increase of full-time employees required by this Agreement if Taxpayer claims the credit allowed by RTC section 23636.

4. **Credit.** The Credit awarded in section 2 of this Agreement will be allocated to Taxpayer by taxable year as set forth in Exhibit A, provided that Taxpayer achieves the Milestones associated with the applicable taxable year, which includes all investments agreed to in the prior years, as set forth in Exhibit A. Taxpayer acknowledges and agrees that, an allocated portion of the Credit is earned by Taxpayer in the taxable year when the Milestones associated with that allocated portion of the Credit are achieved and to avoid recapture, Taxpayer must maintain the three (3) employee based Milestones for three (3) subsequent taxable years. All required Milestones identified on a taxable year basis in Exhibit A, must be met in order to earn the allocated portion of the Credit. In the event Taxpayer satisfies the taxable year Milestones in an earlier taxable year than described in Exhibit A (no earlier than taxable year 2019), upon written approval from GO-Biz, Taxpayer may claim the allocated portion of the Credit in the earlier taxable year when the Milestones are achieved. If Taxpayer satisfied certain taxable year Milestones in an earlier taxable year than described in Exhibit A (no earlier than taxable year 2019), and received written approval from GO-Biz to claim the Credit in the earlier taxable year, then Taxpayer need only maintain the three (3) employee based Milestones for three (3) subsequent taxable years to avoid recapture as further described in Section 10. In the event that Taxpayer fails to satisfy each Milestone identified in Exhibit A in the taxable year associated with those Milestones including all Investments agreed to in the prior years, no portion of the Credit will be considered earned in that taxable year, but GO-Biz will not unreasonably deny the Credit to Taxpayer for immaterial variances from the Milestones. In determining whether Taxpayer satisfies each Investment Milestone, Taxpayer may include the aggregate amount of Investment made in prior taxable years (beginning with taxable year 2019) that was in excess of the cumulative Investment Milestones for such taxable years. Any allocated portion of the Credit associated with a specific taxable year in Exhibit A, which is not earned in that year due to failure to achieve the Milestones associated with that taxable year will be earned in the taxable year in which the Milestones are met, but in no event later than the last taxable year identified in Exhibit A.

5. **Taxpayer – Representations and Warranties.** Taxpayer represents and warrants that:
   (a) Taxpayer is validly existing and in good standing under the laws of the State of California, has, or will have the requisite power, authority, licenses, permits, and the like necessary to carry on its business as it is now being conducted and as contemplated in this Agreement, and will, at all times, lawfully conduct its business in compliance with all applicable federal, state, and local laws, regulations, and rules.
   (b) Taxpayer is not a party to any agreement, written or oral, creating obligations that would prevent Taxpayer from entering into this Agreement or satisfying the terms herein.
   (c) All the information in the Application and all materials submitted to GO-Biz in Phase II, including, but not limited to, the Statement Regarding California State Tax Liabilities is true and accurate.
   (d) Taxpayer authorizes the California Franchise Tax Board ("FTB") and GO-Biz to do all of the following:
      i. To provide and receive information and documents as requested for the purpose of proper determination and administration of the Credit allocated to Taxpayer, including determination of the amount of any recapture of the Credit.
      ii. To discuss relevant issues pertaining to proper determination and administration of the Credit allocated to Taxpayer, including determination of the amount of any recapture of the Credit.
   (e) Taxpayer has read the applicable RTC sections 17059.2 and 23689 and California Code of Regulations, title 10, section 8000 et seq. and acknowledges and agrees that such sections are hereby incorporated by reference into this Agreement.
   (f) None of the Investment identified in Exhibit A will be purchased or leased from a person or entity that is treated as related to Taxpayer under section 267, 318, or 707 of the Internal Revenue Code or from any member of a "controlled group of corporations" (as defined in RTC section 23626) in which Taxpayer is a member.
   (g) None of the Investment identified in Exhibit A will be due to Taxpayer's acquisition of, or merger with, another business or due to a conversion from a purchase to a lease or vice versa of real or personal property Taxpayer already controls or has acquired.
   (h) None of the net increase of full-time employees identified in Exhibit A will be due to Taxpayer's acquisition of, or merger with, another business unless the net increase of California full-time employees attributable to

that business are above the number of California full-time employees employed by the business at the time of acquisition or merger. In addition, if Taxpayer acquires or merges with a business located outside of California, and subsequently moves any or all of acquired or merged with business's employees to California on a full-time basis, such employees shall count towards the net increase of full-time employees identified in Exhibit A, including existing employees at the time of acquisition or merger and any subsequently hired full-time employees.

(i) None of the net increase of full-time employees identified in Exhibit A will be due to a transfer of employees from a person or entity that is treated as related to Taxpayer under section 267, 318, or 707 of the Internal Revenue Code or from any member of a "controlled group of corporations" (as defined in RTC section 23626) in which Taxpayer is a member, unless the transfer is of an employee employed outside of California by a related person or entity and the employee is transferred to California on a full-time basis.

(j) None of the net increase of full-time employees identified in Exhibit A will be due to employment of any employees that were previously employed by a person or entity that is treated as related to Taxpayer under section 267, 318, or 707 of the Internal Revenue Code or by any member of a "controlled group of corporations" (as defined in RTC section 23626) in which Taxpayer is a member, unless the employment is of an employee that was employed outside of California by a related person or entity.

6. **Reporting Requirements**. On or before the first day of the fourth month after the close of each taxable year as referenced in Exhibit A, and prior to claiming the Credit on its tax return, Taxpayer shall complete a worksheet provided by GO-Biz to verify successful achievement of the applicable Milestones for the prior taxable year. If Taxpayer successfully achieved the Milestones for the prior taxable year, Taxpayer shall retain the worksheet pursuant to section 16 and submit the worksheet to GO-Biz or the FTB upon request. If Taxpayer did not achieve the applicable Milestones for the prior taxable year, Taxpayer shall submit to GO-Biz the worksheet and a written description of any issues or challenges in achieving the Milestones and any corrective actions being taken or anticipated to be taken in subsequent years. Such submission shall be due to GO-Biz by the first day of the fourth month after the close of each taxable year as referenced in Exhibit A.

7. **Franchise Tax Board Review.**

(a) In addition to the reporting requirements in section 6, Taxpayer agrees to comply with the FTB's review of the books and records for purposes of determining if Taxpayer has complied with the requirements of this Agreement.

(b) For any business other than a Small Business, Taxpayer acknowledges that the FTB shall review the books and records of all taxpayers allocated a Credit pursuant to this Agreement to ensure compliance with the terms and conditions of this Agreement and agrees to cooperate with the FTB in such a review. In the case of a taxpayer that is a Small Business, Taxpayer acknowledges that a review of the books and records of a taxpayer shall be made when, in the sole discretion of the FTB, a review of those books and records is appropriate and agrees to cooperate with the FTB in such a review. If the FTB exercises its discretion to review the books and records of a Small Business taxpayer, the review will be conducted to ensure compliance with this Agreement. The guidelines and procedures for these reviews are outlined in the FTB's Notice #2014-2 dated November 7, 2014.

(c) These reviews will not constitute an audit of the tax return under Part 10.2 (commencing with section 18401) of the RTC and the regulations thereunder, and will not preclude the FTB from auditing any issue in any taxable year, including a taxable year included in the term of this Agreement.

(d) If during the review of the books and records, the FTB determines there is a potential material breach of this Agreement by Taxpayer, and notwithstanding RTC section 19542, the FTB shall notify GO-Biz and provide, in writing, detailed information regarding the basis for that determination.

8. **Assignment/Transfer**. The Credit (or a portion thereof as earned) under this Agreement may be assigned to an "Affiliated Corporation" in accordance with RTC section 23663. As stated in RTC section 23689(i)(1), this Agreement shall not restrict, broaden, or alter the ability of Taxpayer to assign the Credit in accordance with RTC section 23663. In order to transfer this Agreement as a result of a sale or merger, prior written consent of GO-

Biz must be obtained or the transfer will be void. Such transfer shall be permitted if GO-Biz determines that the transfer would further the purposes of the CCTC program and benefit California. Prior to GO-Biz consenting to the transfer, the new entity must disclose to GO-Biz the number of California full-time employees it employed at the time of acquisition or merger and any other information GO-Biz requests that applicants for a CCTC provide pursuant to a CCTC application.

9. **Material Breach**. A material breach for purposes of this Agreement shall include, but not be limited to:
   (a) Failure to timely furnish the documents described in Section 6 or the information requested by GO-Biz or the FTB relating to Taxpayer's compliance with this Agreement.
   (b) Material misstatements in any information provided to GO-Biz as part of the application process and/or after this Agreement is signed.
   (c) Failure to materially satisfy applicable Milestones as set forth in Exhibit A, materiality of which shall be determined by GO-Biz, by the end of the last taxable year identified in Exhibit A.
   (d) Failure to maintain any of the three (3) employee based Milestones for a minimum of three (3) subsequent taxable years after achieving the Milestone(s).

10. **Recapture**. In the event of a material breach of the requirements of this Agreement, GO-Biz will notify Taxpayer in writing of the breach and provide Taxpayer with the opportunity to cure the breach within thirty (30) calendar days or such longer period as mutually agreed to in writing between the Parties. If Taxpayer fails to cure the breach within the prescribed timeframe, GO-Biz will notify Taxpayer of the failure, the amount of the Allocation that it will recommend to the Committee to be recaptured, and may recommend termination of this Agreement to the Committee. If the material breach is solely the failure of Taxpayer to satisfy Milestones with respect to an Allocation for a particular taxable year, then the recapture will be limited to that particular taxable year's Allocation and in no event shall a recapture under this Agreement include any Allocation or Allocations that Taxpayer had previously earned provided that Taxpayer satisfies its obligation to maintain the three (3) employee based Milestones for three (3) subsequent taxable years. Upon receipt of recommendations from GO-Biz, the Committee will determine whether to accept or reject GO-Biz's recommendation of recapture, the amount thereof, and the termination of this Agreement, based on Taxpayer's failure to fulfill the terms and conditions of this Agreement. Upon approval of the Committee to recapture some or all of the Allocation awarded for failure of Taxpayer to fulfill the terms of this Agreement, GO-Biz will notify the FTB in writing as required under the applicable statutes and regulations. Any amount of additional tax resulting from that recapture shall be assessed by the FTB in the same manner as provided by RTC section 19051. The additional tax resulting from a recapture will be assessed in the taxable year of Taxpayer in which the Committee's recapture determination occurred.

11. **Public Records.** Taxpayer acknowledges that GO-Biz is subject to the California Public Records Act (PRA) (Gov. Code, § 6250 et seq.). This Agreement and materials submitted by Taxpayer to GO-Biz may be subject to a PRA request. In such an event, GO-Biz will notify Taxpayer, as soon as practicable that a PRA request for Taxpayer's information has been received, but not less than five (5) business days prior to the release of the requested information to allow Taxpayer to seek an injunction. GO-Biz will work in good faith with Taxpayer to protect the information to the extent an exemption is provided by law, including, but not limited to, notes, drafts, proprietary information, financial information, and trade secret information. GO-Biz will also apply the "balancing test" as provided for under Government Code section 6255, to the extent applicable. Notwithstanding the foregoing, GO-Biz agrees that any information provided to GO-Biz by the FTB, in connection with this Agreement will be treated as confidential tax information protected by Article 2 (commencing with Section 19542) of Chapter 7 of Part 10.2 of the RTC, assuming that FTB can rely on such a section and shall not be disclosed to any party, other than personnel of GO-Biz or the Committee, without Taxpayer's prior written consent. Taxpayer acknowledges that this Agreement in whole or in part will be made available to the public at least ten (10) calendar days prior to the Committee hearing. Pursuant to RTC sections 17059.2 and 23689, in the event of approval by the Committee of this Agreement, Taxpayer acknowledges and agrees that GO-Biz will post on its website the following information:

(a) The name of each taxpayer allocated a Credit;
(b) The estimated amount of the Investment by each taxpayer;
(c) The estimated number of jobs created or retained;
(d) The Credit allocated to each taxpayer; and,
(e) The portion of the Credit recaptured from each taxpayer, if applicable.

12. **Media Release**. Taxpayer may elect to issue a press release related to this Agreement, but any release shall be approved by GO-Biz in writing prior to such release. Such approval shall not be unreasonably withheld.

13. **Indemnification/Warranty and Disclaimer/Limitation of Liability**. Taxpayer shall defend, indemnify, and hold GO-Biz and the FTB, its agents or assigns, harmless from and against all claims, damages, and liabilities (including reasonable attorneys' fees) arising from this Agreement due to Taxpayer's breach of this Agreement, or the result of Taxpayer's negligence or willful misconduct. EXCEPT AS PROVIDED FOR UNDER SECTION 14, UNDER NO CIRCUMSTANCES WILL THE STATE OF CALIFORNIA, GO-BIZ, ITS AGENTS OR EMPLOYEES, THE COMMITTEE MEMBERS, THE FTB OR ANYONE ELSE INVOLVED IN THIS AGREEMENT BE LIABLE TO TAXPAYER FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES THAT ARISE FROM THIS AGREEMENT.

14. **Limitation of Remedy**. The only remedy that Taxpayer shall have in the event of breach or alleged breach by GO-Biz, shall be the normal administrative and judicial rights accorded to a taxpayer in the state of California who has been denied a tax credit claimed on its return.

15. **Integration.** This Agreement (including the exhibits hereto and any written amendments hereof executed by the Parties) constitutes the entire Agreement between the Parties related to this Credit and supersedes all prior agreements and understandings, oral and written, between the Parties with respect to this Credit described herein.

16. **Record Retention**. Taxpayer shall retain a copy of this Agreement, any exhibits related to this Agreement and any other documents that support the achievement of the milestones in connection with Taxpayer's Application and Credit for a period of no less than four (4) years from the end of the last taxable year identified in Exhibit A.

17. **Notice**. Within thirty (30) days of the effective date of this Agreement, Taxpayer shall notify GO-Biz, in writing, of the name, address, phone number, and email of its contact person for future communication relating to this Agreement. In addition, Taxpayer agrees to immediately inform GO-Biz of any changes to the name, address, phone number, and email of its contact person. Any notices required or permitted to be given under this Agreement to GO-Biz shall be emailed to CalCompetes@gobiz.ca.gov or mailed to:

    GO-Biz
    1325 J Street, 18th Floor
    Sacramento, California 95814
    Attention: Deputy Director, California Competes Tax Credit Program

18. **Modification**. This Agreement may be amended or modified only in writing signed by all parties. Any modifications to this Agreement that do not alter the amount of the Investment, the net increase in full-time employees, or the minimum and average wages will not require Committee approval. If Committee approval is necessary, the modification of this Agreement will not be valid until the amendment is approved by the Committee.

19. **Time of the Essence.** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any cure period allowed in this Agreement.

20. **Ambiguities**. Each Party has had the opportunity to seek the advice of counsel or has refused to seek the advice of counsel. Each Party and its counsel, if appropriate, have participated fully in the negotiation, drafting, review, and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any Party.

21. **Necessary Acts, Further Assurances**. The Parties shall at their own cost and expense execute and deliver any further documents and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement.

22. **Sections and Other Headings**. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

23. **Consultants' and Attorneys' Fees**. Each of the Parties shall be responsible for, and pay in their entirety, its respective fees, costs, and expenses in connection with the subject matter of this Agreement and any audit that may be conducted as a result of the transaction contemplated herein. Notwithstanding RTC section 19717, under no circumstances is any Party to this Agreement entitled to attorneys' fees with regard to litigation resulting from this Agreement.

24. **Representation on Authority of Parties/Signatories**. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized and that this Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.

25. **Severability.** If any term of this Agreement is to any extent invalid, illegal, or incapable of being enforced, such term shall be excluded to the extent of such invalidity, illegality, or unenforceability; all other terms hereof shall remain in full force and effect.

26. **Approval**. This Agreement shall not be binding until it has been approved by the Committee during a duly noticed Committee meeting.

27. **Execution**. This Agreement may be executed in parts, by fax, or other similar electronic means.

28. **Governing Law and Consent to Jurisdiction**. This Agreement will be governed, construed, and enforced according to the laws of the State of California without regard to its conflict of laws rules. Each party hereby irrevocably consents to the exclusive jurisdiction and venue of any state court located within Sacramento County, State of California in connection with any matter arising out of this Agreement or the transactions contemplated under this Agreement.

Remainder of the page is intentionally left blank. Signature page immediately follows.

Governor's Office of Business and Economic Development

By: DocuSigned by: Chris Dombrowski A2A2CAEE38B044C...

Name: Chris Dombrowksi

Title: Chief Deputy Director

Date: October 25, 2019 | 15:19 PDT

TAXPAYER
Northrop Grumman Systems Corporation

By: DocuSigned by: Talha A. Zobair 3EBCAA45B25448B...

Name: Talha A. Zobair

Title: Vice President - Tax

Date: October 25, 2019 | 07:53 PDT

Exhibit A
Milestones

Taxpayer: Northrop Grumman Systems Corporation

	2014 Tax Year (Base)	2019 Tax Year	2020 Tax Year	2021 Tax Year	2022 Tax Year	2023 Tax Year	Total
Total California Full-Time Employees[1]	21,560	23,416	23,764	23,920	23,920	23,920	
Total California Full-Time Employees[1] from Prior CCTC Agreement	21,560	22,919	22,919	22,919	22,919	22,919	
Net Increase of Full-Time Employees for this Agreement		497	845	1,001	1,001	1,001	
Minimum Annual Wage of California Full-Time Employees Hired		$48,000	$48,000	$48,000	$48,000	$48,000	
Cumulative Average Annual Wage of California Full-Time Employees Hired		$75,000	$75,000	$75,000	$75,000	$75,000	
Investments from Prior CCTC Agreement		$22,700,000	$0	$0	$0	$0	
Additional Investments for this Agreement		$364,000,000	$451,000,000	$332,000,000	$0	$0	$1,147,000,000
Tax Credit Allocation from Prior CCTC Agreement		$1,000,000	$0	$0	$0	$0	
Tax Credit Allocation		$5,000,000	$10,000,000	$10,000,000	$2,500,000	$2,500,000	$30,000,000

[1] Determined on an annual full-time equivalent basis

EXHIBIT B
FIRST AMENDMENT TO AGREEMENT

1. The Governor's Office of Business and Economic Development ("GO-Biz") and Northrop Grumman Systems Corporation ("NGSC") are parties to California Competes Tax Credit agreements that became effective on April 16, 2015 ("041615-D1")[1] and November 12, 2019 ("111219-D2"). In addition, Northrop Grumman Innovation Systems, Inc. (formerly known as Orbital ATK, Inc.), ATK Space Systems, Inc. Orbital Sciences Corporation, ATK Launch Systems, Inc., and Alliant Techsystems Operations LLC ("ATO") also entered into a California Competes Tax Credit agreement with GO-Biz that became effective April 23, 2020 ("042320-D2"). Finally Orbital ATK, Inc. (which became Northrop Grumman Innovation Systems, Inc.) and ATK Space Systems, Inc. also entered into California Competes Tax Credit agreements with GO-Biz on November 10, 2015 ("111015-D4")[2] and April 14, 2016 respectively ("041416-D8"). Agreements 041615-D1, 111219-D2, 042320-D2, 111015-D4, and 041416-D8 are hereinafter referenced collectively as the "Agreements." All of these companies are affiliated with Northrop Grumman Corporation, as subsidiaries or subsidiaries of a subsidiary.

2. On July 31, 2020, Northrop Grumman Corporation contributed its shares in Northrop Grumman Innovation Systems, Inc. to NGSC. Immediately thereafter the following entities converted from C corporations to disregarded single member limited liability companies:

   Northrop Grumman Innovation Systems, Inc., (FKA Orbital ATK, Inc.) became Northrop Grumman Innovation Systems LLC ("NGIS").
   ATK Space Systems, Inc., became ATK Space Systems LLC, wholly owned by ATO.
   Orbital Sciences Corporation became Orbital Sciences LLC, wholly owned by NGIS.
   ATK Launch Systems, Inc., became ATK Launch Systems LLC, wholly owned by ATO.

   Alliant Techsystems Operations was already a single member limited liability company, wholly owned by NGIS.

3. As of December 19, 2020, the employees of the above identified single member limited liability companies were all transferred to NGSC. For income tax purposes disregarded single member limited liability companies are treated as a division of its parent. This internal reorganization resulted in the single member limited liability companies becoming divisions within NGSC. NGSC has represented that its human resources system has been and will continue to individually track employees and investments of the single member limited liability companies that became divisions in order to fulfill the requirements of the 5 agreements referenced above.

4. As a result, the Parties wish to amend the Agreements as follows: Effective December 19, 2020, NGSC will be responsible for achieving and maintaining the Milestones identified in the various Agreements by counting only the investments, employment, and hiring from each of the individual divisions with respect to the Milestones of the five individual Agreements. Investments and employees serving outside these divisions will not be counted for the purpose of meeting or maintaining the Milestones of the Agreements. There will be no change in the original companies' investments, the net increase of

[1] This agreement has one amendment where the base year was changed.
[2] This agreement has two amendments where the base year was changed.

full-time employees they committed to employ during the course of the Agreements, or the average and minimum salary paid to their new full-time employees. The Parties agree that employees that transfer from one reporting entity/division to another will not be counted as a net new job created, unless NGSC can demonstrate to GO-Biz's reasonable satisfaction that the transferred employee's former position was backfilled within 180 days. Likewise, California employees transferred from NGSC or any affiliated corporation to one of the reporting entities/divisions will not be counted as a net new job created unless the transferred employee's former position was backfilled within 180 days. The reason for these limitations is to fulfill the primary purpose of the Agreements which is to increase California employment; and, transfer of California employees between divisions or affiliated corporations does not create a net increase in California employment.

5. All other terms and conditions of the Agreements remain in full force and effect. If there is a conflict between this Amendment and the Agreements, the terms of this Amendment will control.

Governor's Office of Business and Economic Development

By: DocuSigned by: Scott Dosick 4F3AC478FF2A422...

Name: Scott Dosick

Title: Deputy Director

Date: August 10, 2021 | 09:53 PDT

Taxpayer
Northrop Grumman Systems Corporation

By: DocuSigned by: Lori Nieto B1ADC0ABADAB484...

Name: Lori Nieto

Title: Assistant Treasurer

Date: August 4, 2021 | 13:20 PDT