

NORTHROP GRUMMAN CORP /DE/
Form DEF 14A
April 17, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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| <input type="checkbox"/> | Preliminary Proxy Statement | <input type="checkbox"/> | Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)) |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement | | |
| <input type="checkbox"/> | Definitive Additional Materials | | |
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Northrop Grumman Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(1) Amount Previously Paid:

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(4) Date Filed:

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April 17, 2009

Dear Fellow Stockholder:

On behalf of the Board of Directors, I cordially invite you to attend Northrop Grumman Corporation's 2009 Annual Meeting of Stockholders. This year's meeting will be held Wednesday, May 20, 2009 at the Aerospace Presentation Center, located in Redondo Beach, California. Please note that we will begin the meeting at 8:00 a.m. Pacific Daylight Time. I look forward to personally greeting those of you who are able to attend the meeting. If you are unable to join us in person, the meeting will be Web-cast through the Northrop Grumman Web site at www.northropgrumman.com.

At this meeting, stockholders will vote on matters set forth in the accompanying Notice of Annual Meeting and Proxy Statement. We will also provide a report on our Company and will entertain questions of general interest to the stockholders.

Your vote is important. Please review the instructions on the proxy or voting instruction card. Whether or not you plan to attend the annual meeting, I hope you will vote as soon as possible. You may vote over the Internet, by telephone, or by mailing a proxy or voting instruction card.

Two of our Company's current directors, Phillip Frost and Charles Larson, will not stand for re-election due to the Company's policy that directors retire at the Annual Meeting following his or her 72nd birthday. Both directors have made many significant contributions to our Company. On behalf of the entire Board, I offer my sincere thanks for their years of dedicated service.

Thank you for your continued interest in Northrop Grumman Corporation.

Sincerely,

Ronald D. Sugar

Chairman and Chief Executive Officer

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
AND PROXY STATEMENT**

NOTICE

The Annual Meeting of Stockholders of Northrop Grumman Corporation (the Company) will be held on Wednesday, May 20, 2009 at 8:00 a.m. Pacific Daylight Time at the Aerospace Presentation Center, One Space Park, Redondo Beach, California 90278.

Stockholders of record at the close of business on March 24, 2009 are entitled to vote at the Annual Meeting. The following items are on the agenda:

- (1) The election of the twelve nominees named in the attached Proxy Statement as directors to hold office until the 2010 Annual Meeting of Stockholders;
- (2) A proposal to ratify the appointment of Deloitte & Touche LLP as the Company's independent auditor for fiscal year ending December 31, 2009;
- (3) Three stockholder proposals included and discussed in the accompanying Proxy Statement;
- (4) Other business as may properly come before the Annual Meeting or any adjournment thereof.

All stockholders are invited to attend the Annual Meeting. To be admitted you will need a form of photo identification. If you hold your shares in street name, you will also need proof of ownership of Northrop Grumman common stock.

By order of the Board of Directors,

Joseph F. Coyne, Jr.

Corporate Vice President, Deputy

General Counsel and Secretary

1840 Century Park East

Los Angeles, California 90067

April 17, 2009

IMPORTANT

To assure your representation at the Annual Meeting, please sign, date and return the enclosed proxy card for which a return envelope is provided. No postage is required if mailed in the United States.

You may also submit a proxy by telephone or over the Internet. For instructions on submitting an electronic proxy please see page 2 of this Proxy Statement or the proxy card.

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting:

The Proxy Statement for the 2009 Annual Meeting of Stockholders and the Annual Report for the year ended December 31, 2008 are available at: www.edocumentview.com/noc.

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PROXY STATEMENT

GENERAL INFORMATION

This Proxy Statement is issued in connection with the solicitation of the enclosed proxy by the Board of Directors (the Board) of Northrop Grumman Corporation (the Company or Northrop Grumman) for use at the Company's 2009 Annual Meeting of Stockholders (the Annual Meeting). The Company's principal office is located at 1840 Century Park East, Los Angeles, California, 90067. This Proxy Statement and accompanying materials will be sent to stockholders beginning approximately April 17, 2009.

Outstanding Voting Securities

On March 24, 2009 there were 325,632,763 shares of the Company's common stock, par value \$1.00 per share (Common Stock), outstanding. Holders of record at the close of business on that date are entitled to vote at the Annual Meeting. Each share is entitled to one vote.

Voting at the Meeting or by Proxy

Shares represented by a properly executed proxy in the accompanying form will be voted at the meeting in accordance with the stockholder's instructions. If no instructions are given, the shares will be voted according to the Board of Directors' recommendations. Therefore, if no instructions are given, the persons named on the card will vote FOR Proposal One to elect the twelve director nominees listed under Election of Directors, FOR Proposal Two to ratify the appointment of Deloitte & Touche LLP as auditor of the Company for the year ending December 31, 2009, AGAINST Proposal Three, the stockholder proposal concerning a report on weapons in space, AGAINST Proposal Four, the stockholder proposal regarding a vote on executive compensation, and AGAINST Proposal Five, the stockholder proposal regarding the right to call a special meeting. If shares are held on an individual's behalf under any of the Company Savings Plans, the proxy serves to provide confidential instructions to the plan Trustee or Voting Manager who then votes the shares. In addition, the instructions given by plan participants who return their proxies will serve as instructions to the Trustee or Voting Manager with respect to shares held on behalf of those participants from whom no proxies are received. Under these instructions, the applicable Trustee or Voting Manager will vote the respective plan shares in the same proportion as shares held under the plan for which voting directions have been received, unless contrary to ERISA. Participants are treated as named fiduciaries under ERISA when directing the Trustee or Voting Manager concerning the voting of shares.

A stockholder who executes a proxy may revoke it at any time before its exercise by delivering a written notice of revocation to the Corporate Secretary or by signing and delivering another proxy that is dated later. A stockholder attending the meeting in person may revoke the proxy by giving notice of revocation to the Inspector of Election at the meeting or voting at the meeting. If any other matters are properly brought before the meeting, the enclosed proxy card gives discretionary authority to the persons named on the card to vote the shares in their best judgment.

Voting instructions from plan participants must be received by the plan Trustee or Voting Manager by May 17, 2009 to be included in the tabulation. For plan shares represented by proxies not received by this date, the plan Trustee or Voting Manager will treat the received proxies as instructions to vote the respective shares in the same proportion as shares held under the plan for which voting instructions have been received, unless contrary to ERISA.

With respect to the election of directors, stockholders may vote for, against, or abstain in regards to each nominee. With respect to each other proposal, stockholders may vote in favor of the proposal, against the proposal or abstain from voting.

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For the election of directors, a nominee shall be elected if the votes cast for his or her election exceed the votes cast against his or her election. For each other proposal submitted for stockholder action at the meeting, a proposal will be adopted by the stockholders only if the votes cast for the proposal exceed the votes cast against the proposal. Abstentions will not have any effect on the outcome of a nominee's election as director or on the outcome of any other proposal submitted for stockholder approval at the meeting.

Brokers who hold shares of Common Stock for the accounts of their clients may vote such shares either as directed by their clients or in their own discretion if permitted by the stock exchange or other organization of which they are members. Members of the New York Stock Exchange (NYSE) are permitted to vote their clients' proxies in their own discretion as to the election of directors if the clients have not furnished voting instructions within ten days of the meeting. Certain proposals other than the election of directors are non-discretionary and brokers who have received no instructions from their clients do not have discretion to vote on those items. When a broker votes a client's shares on some but not all of the proposals at a meeting, the missing votes are referred to as broker non-votes. There are no broker non-votes on the election of directors (Proposal One). Broker non-votes will not have an effect on the ratification of independent auditor (Proposal Two) or any of the stockholder proposals (Proposals Three, Four, or Five).

The presence in person or by proxy of stockholders entitled to cast at least a majority of the votes that all stockholders are entitled to cast shall constitute a quorum at the Annual Meeting. Both abstentions and broker non-votes will be counted as present for purposes of determining the presence of a quorum.

Voting by Telephone or on the Internet

Registered stockholders and participants in the Company Savings Plans may grant a proxy for their shares over the telephone or on the Internet. The law of Delaware, under which the Company is incorporated, specifically permits electronically transmitted proxies, provided that each such proxy contains or is submitted with information from which the inspectors of election can determine that such proxy was authorized by the stockholder. The procedures available to registered stockholders to permit them to grant proxies for voting at the Annual Meeting are designed to authenticate each stockholder, to allow stockholders to vote their shares, and to confirm that their instructions have been properly recorded.

Registered stockholders and plan participants may go to www.edocumentview.com/noc to view the Proxy Statement and Annual Report on the Internet. Registered stockholders and plan participants may vote on the Internet, as well as view the documents, by logging on to www.envisionreports.com/noc and following the instructions given. Any registered stockholder or plan participant using a touch-tone telephone may also grant a proxy by calling 800-652-VOTE (800-652-8683) (toll-free) and following the recorded instructions.

Most beneficial owners whose stock is held in street name receive voting instruction forms from their banks, brokers or other agents, rather than the Company's proxy/voting instruction card. Beneficial owners may also be able to grant a proxy by telephone or the Internet. They should follow the instructions on the form they receive from their bank, broker, or other agent. Beneficial owners may view the Proxy Statement and Annual Report on the Internet by logging on to [http:// www.edocumentview.com/noc](http://www.edocumentview.com/noc).

The method used to grant a proxy will not limit a stockholder's right to attend or vote at the Annual Meeting.

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On December 31, 2008, there were 327,012,663 shares of the Company's Common Stock outstanding. The following entities beneficially owned, to the Company's knowledge, more than five percent of the outstanding Common Stock as of December 31, 2008:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
State Street Bank and Trust Company One Lincoln Street, Boston, MA 02111	34,434,956 shares(a)	10.53%
Capital World Investors 333 South Hope Street, Los Angeles, CA 90071	31,288,540 shares(b)	9.57%
Barclay's Global Investors, NA 400 Howard Street, San Francisco, CA 94105	18,685,025 shares(c)	5.71%

- (a) This information was provided by State Street Bank and Trust Company (State Street) in a Schedule 13G filed with the Securities and Exchange Commission (SEC) on February 17, 2009. According to State Street, as of December 31, 2008, State Street had sole voting power over 12,597,578 shares, shared voting power over 21,837,378 shares and shared dispositive power over 34,381,204 shares. This total includes 21,783,164 shares held in the Defined Contributions Master Trust for the Northrop Grumman Savings Plan and the Northrop Grumman Financial Security and Savings Program for which State Street acts as a trustee.
- (b) This information was provided by Capital World Investors, a division of Capital Research and Management Company, in a Schedule 13G/A filed with the SEC on February 12, 2009. According to Capital World Investors, as of December 31, 2008, Capital World Investors had sole dispositive power over 31,288,540 shares and sole voting power over 1,221,700 shares.
- (c) This information was provided by Barclay's Global Investors, NA (Barclays) in a Schedule 13G filed with the SEC on February 5, 2009. According to Barclays, as of December 31, 2008, Barclays had sole voting power over 15,917,155 shares and sole dispositive power over 18,685,025 shares.

Table of Contents**Stock Ownership of Officers and Directors**

The following table shows beneficial ownership (as defined by applicable rules for proxy statement reporting purposes) of the Company's Common Stock as of March 24, 2009 by each director and nominee, by the Chief Executive Officer, the Chief Financial Officer, and the other four most highly compensated executive officers as of December 31, 2008 (collectively, the Named Executive Officers) and all directors and executive officers as a group. Unless otherwise indicated, each individual has sole investment power and sole voting power with respect to the shares owned by such person. No family relationship exists between any of the directors, nominees or executive officers of the Company.

	Shares of Common Stock Beneficially Owned	Shares Subject to Option(1)	Share Equivalents(2)	Total
Non-Employee Directors				
Lewis W. Coleman	7,572	10,500	12,503	30,575
Thomas B. Fargo	0	0	1,128	1,128
Victor H. Fazio	3,134(3)	6,000	14,129	23,263
Donald E. Felsing	0	0	4,263	4,263
Stephen E. Frank	1,000	0	5,064	6,064
Phillip Frost	80,279(4)	15,000	10,227	105,506
Bruce S. Gordon	0	0	461	461
Madeleine Kleiner	0	0	461	461
Karl J. Krapek	0	0	461	461
Charles R. Larson	4,313(5)	9,000	5,720	19,033
Richard B. Myers	0	0	4,278	4,278
Aulana L. Peters	12,475	15,000	7,517	34,992
Kevin W. Sharer	2,995	6,000	12,531	21,526
Named Executive Officers				
Ronald D. Sugar (6)	409,000(7)	1,179,785	0	1,588,785
Wesley G. Bush	118,279(8)	263,316	4,526	386,121
James F. Palmer	14,450	47,283	0	61,733
James F. Pitts	23,199	112,333	0	135,532
W. Burks Terry	97,639	194,850	3,824	296,213
James R. O'Neill	32,773	93,000	0	125,773
Directors and Executive Officers as a Group (31 persons)	1,137,807(9)	2,709,733	111,980	3,959,520(10)

- (1) These shares subject to option are either currently exercisable or exercisable within 60 days as of March 24, 2009.
- (2) Share equivalents for directors represent non-voting deferred stock units acquired under the 1993 Stock Plan for Non-Employee Directors (1993 Directors Plan) some of which are paid out in shares of Common Stock at the conclusion of a director-specified deferral period, and others are paid out upon termination of the director's service on the Board of Directors. The Named Executive Officers hold share equivalents with pass-through voting rights in the Northrop Grumman Savings Plan.
- (3) Total includes 1,512 shares held in the Company's Dividend Reinvestment Plan.
- (4) 61,922 shares are held in the Frost Gamma Investments Trust of which Dr. Frost is trustee.
- (5) 1,236 shares are held by Admiral Larson's spouse in The Sarah E. Larson Revocable Trust of which Mrs. Larson is a trustee, and 556 shares are held by Admiral Larson in the Charles R. Larson Revocable Trust of which Admiral Larson is the trustee.

- (6) Dr. Sugar is also Chairman of the Board.
- (7) 190,288 shares are held in the The Sugar Family Trust of which Dr. Sugar is trustee.
- (8) The shares are held in the W.G. and N.F. Bush Family Trust of which Mr. Bush and his wife are trustees.
- (9) Includes 1,090 shares held by an executive officer in a living trust.
- (10) Total represents 1.2% of the outstanding common stock.

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PROPOSAL ONE: ELECTION OF DIRECTORS

At the 2009 Annual Meeting of Stockholders all directors will be elected for a term expiring at the next annual meeting held after their election to that term.

Unless instructed otherwise, the persons named in the accompanying proxy will vote the shares represented by such proxy for the election of the twelve director nominees listed in the table below. Each of the twelve director nominees has consented to serve, and the Board does not know of any reason why any of them would be unable to serve. If a nominee becomes unavailable or unable to serve before the Annual Meeting (for example, due to serious illness), the Board can either reduce its size or designate a substitute nominee. If any nominee becomes unavailable for election to the Board of Directors, an event which is not anticipated, the persons named as proxies have full discretion and authority to vote or refrain from voting for any other nominee in accordance with their judgment.

The following information, furnished with respect to each of the twelve nominees for election, is obtained from the Company's records or from information furnished directly by the individual to the Company. All the nominees are presently serving on the Board of Directors and all nominees will be elected for a one year term. Pursuant to the Company's mandatory retirement policy for directors, Dr. Frost and Admiral Larson will retire at the 2009 Annual Meeting.

The Governance Committee engaged an independent search firm to assist the Committee in identifying and evaluating additional candidates for the Board. The search firm evaluated a number of possible candidates and presented them to the Governance Committee. Two of these candidates were Mr. Gordon and Mr. Krapek. Ms. Kleiner was initially brought to the attention of the Committee by a non-management member of the Board. Based on the Governance Committee's evaluation of the candidates and its recommendation to the Board, the Board elected Mr. Krapek in September 2008 and Mr. Gordon and Ms. Kleiner in October 2008. The search firm received a fee for its services.

Nominees for Director

LEWIS W. COLEMAN, 67.

President and Chief Financial Officer, DreamWorks Animation SKG, a film animation studio.

Director since 2001

Mr. Lewis W. Coleman has been the President of DreamWorks Animation since December 2005 and Chief Financial Officer since March 2007. Previously he was the President of the Gordon and Betty Moore Foundation from its founding in November 2000 to December 2004. Prior to that, Mr. Coleman was employed by Banc of America Securities, formerly known as Montgomery Securities where he was a Senior Managing Director from 1995 to 1998 and Chairman from 1998 to 2000. Before he joined Montgomery Securities, Mr. Coleman spent ten years at the Bank of America and Bank of America Corporation where he was successively the Senior Credit Officer in The World Banking Group, Head of Global Capital Markets, Head of the World Banking Group, and Vice Chairman of the Board and Chief Financial Officer. He spent the previous thirteen years at Wells Fargo Bank where his positions included Head of International Banking, Chief Personnel Officer and Chairman of the Credit Policy Committee. Mr. Coleman currently serves as a director of DreamWorks Animation. He also serves on several private company and civic boards.

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THOMAS B. FARGO, 60.

Admiral, United States Navy (Ret.).

Director since 2008

Admiral Thomas B. Fargo, USN (Ret.), is a Managing Director of J.F. Lehman & Co. with current responsibilities as President and CEO of HSF Holdings Inc./Hawaii Superferry, Inc. Admiral Fargo served as Commander of the U.S. Pacific Command leading the largest unified command while directing the joint operations of the Army, Navy, Marine Corps and Air Force from May 2002 until his retirement from the United States Navy in March 2005. His 35 years of service included six tours in Washington, D.C. in addition to five commands in the Pacific, Indian Ocean, and Middle East, which included Commander-in-Chief of the U.S. Pacific Fleet, Commander Fifth Fleet and Naval Forces of the Central Command. Admiral Fargo serves on the Boards of Directors for Hawaiian Electric Industries, , and USAA as well as several small private companies. He also serves on the Board of Directors of the Japan-America Society of Hawaii, the Iolani School Board of Governors, and the Hawaii Pacific University Board of Trustees.

VICTOR H. FAZIO, 66.

Senior Advisor, Akin Gump Strauss Hauer & Feld LLP, a law firm.

Director since 2000

Mr. Victor H. Fazio was named Senior Advisor at Akin Gump Strauss Hauer & Feld LLP in May 2005 after serving as senior partner at Clark & Weinstock since 1999. Prior to that Mr. Fazio was a Member of Congress for 20 years representing California's third congressional district. During that time he served as a member of the Armed Services, Budget and Ethics Committees and was a member of the House Appropriations Committee where he served as Subcommittee Chair or ranking member for 18 years. Mr. Fazio was a member of the elected Leadership in the House from 1989-1998 including four years as Chair of his Party's Caucus, the third ranking position. From 1975 to 1978, Mr. Fazio served in the California Assembly and was a member of the staff of the California Assembly Speaker from 1971 to 1975. He is a member of the board of directors of various private companies and non-profit organizations including the American Political Science Association, the Energy Future Coalition, the Campaign Finance Institute, the Center for Responsible Federal Budget and California Institute, and the U.S. Capitol Historical Society.

DONALD E. FELSINGER, 61.

Chairman and Chief Executive Officer, Sempra Energy, an energy services holding company.

Director since 2007

Mr. Donald E. Felsinger is Chairman of the Board of Directors and Chief Executive Officer of Sempra Energy, a position he has held since February 1, 2006. Beginning in January 2005, Mr. Felsinger was President and Chief Operating Officer of Sempra Energy and a member of the board of directors, and from 1998 through 2004, he was Group President and Chief Executive Officer of Sempra Global. Prior to the merger that formed Sempra Energy he served as President and Chief Operating Officer of Enova Corporation, the parent company of San Diego Gas & Electric (SDG&E). Prior positions included President and Chief Executive Officer of SDG&E, Executive Vice President of Enova Corporation, and Executive Vice President of SDG&E. Mr. Felsinger is a member of The Conference Board, the Committee Encouraging Corporate Philanthropy, and the USA/Mexico Chamber of Commerce.

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STEPHEN E. FRANK, 67.

Former Chairman, President and Chief Executive Officer, Southern California Edison, an electric utility company.

Director since 2005

Mr. Stephen E. Frank served as Chairman, President and Chief Executive Officer of Southern California Edison from 1995 until his retirement in January 2002. During this time he served on the boards of directors of that company and its parent, Edison International. Prior to joining Southern California Edison in 1995, Mr. Frank was President and Chief Operating Officer of Florida Power and Light Company as well as a director of FPL Group, the parent company. He also has served as Executive Vice President and Chief Financial Officer of TRW Inc., as well as Vice President, Controller, and Treasurer of GTE Corporation. His earlier career included financial and sales management positions with U.S. Steel Corporation. He earned a bachelor's degree from Dartmouth College and an MBA in finance from the University of Michigan. He also completed the Advanced Management Program at Harvard Business School. Mr. Frank serves on the board of directors of Washington Mutual, Inc., NV Energy Inc., and AEGIS Insurance Services Limited. He also serves as a board member of the Los Angeles Philharmonic Association and the Reno Philharmonic Association.

BRUCE S. GORDON, 63.

Former President & CEO, NAACP and Retired President, Retail Markets Group, Verizon Communications Inc., a telecommunications company.

Director since 2008

Mr. Bruce S. Gordon served as President and Chief Executive Officer of the National Association for the Advancement of Colored People (NAACP) from June 2005 to March 2007. In December 2003, Mr. Gordon retired from Verizon Communications Inc., where he had served as President, Retail Markets Group since June 2000. Prior to that, Mr. Gordon served as Group President of the Enterprise Business Unit, President of Consumer Services, Vice President of Marketing and Sales, and Vice President of Sales for Bell Atlantic Corporation (Verizon's predecessor). He is a trustee of the Alvin Ailey Dance Foundation, The Barnes Foundation, UNICEF, National and Underground Railroad Freedom Center; a member of the Executive Leadership Council; and recently chaired the Chancellor's Advisory Board on Student Motivation in the New York Public School System. Mr. Gordon is a director of Tyco International Ltd. and CBS Corporation.

MADELEINE KLEINER, 57.

Former Executive Vice President and General Counsel, Hilton Hotels Corporation, a hotel and resort company.

Director since 2008

Ms. Madeleine Kleiner served as executive vice president and general counsel for Hilton Hotels Corporation from January 2001 until February 2008 when she completed her responsibilities in connection with the sale of the company. From 1999 through 2001 she served as a director of a number of Merrill Lynch mutual funds operating under the Hotchkiss and Wiley name. Ms. Kleiner served as senior executive vice president, chief administrative officer and general counsel of H.F. Ahmanson & Company and its subsidiary, Home Savings of America until the company was acquired in 1998, and prior to that was a partner at the law firm of Gibson, Dunn and Crutcher. Ms. Kleiner is vice chair of the UCLA Medical Center Board of Advisors and a member of the board of the New Village Charter School.

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KARL J. KRAPEK, 60.

Retired President and Chief Operating Officer, United Technologies Corporation, an aerospace and building systems company.

Director since 2008

Mr. Karl J. Krapek retired as president and chief operating officer of UTC in January 2002. At UTC, he served 20 years in various management positions, including executive vice president and director in 1997; president and chief executive officer of Pratt & Whitney in 1992; chairman, president and chief executive officer of Carrier Corporation in 1990; and president of Otis Elevator Company in 1989. Prior to joining UTC, he was manager of Car Assembly Operations for the Pontiac Motor Car Division of General Motors Corporation. In 2002, Krapek became a co-founder of The Keystone Companies, which develops residential and commercial real estate. Mr. Krapek serves as vice-chairman of the Board of Trustees of Connecticut State University, for which he chairs the Board's Finance and Administration Committee. He chairs the Strategic Planning Committee for the Board of Directors at St. Francis Care, Inc., and he chairs the Hartford Youth Scholars Foundation. Mr. Krapek is a director of The Connecticut Bank and Trust Company, Prudential Financial, Inc. and Visteon Corporation.

RICHARD B. MYERS, 67.

General, United States Air Force (Ret.). Former Chairman of the Joint Chiefs of Staff.

Director since 2006

General Richard B. Myers retired from his position as the fifteenth Chairman of the Joint Chiefs of Staff on September 30, 2005 after serving in that position for four years. In this capacity, he served as the principal military advisor to the President, the Secretary of Defense, and the National Security Council. Prior to becoming Chairman, he served as Vice Chairman of the Joint Chiefs of Staff from March 2000 to September 2001. As the Vice Chairman, General Myers served as the Chairman of the Joint Requirements Oversight Council, Vice Chairman of the Defense Acquisition Board, and as a member of the National Security Council Deputies Committee and the Nuclear Weapons Council. During his military career, General Myers' commands included Commander in Chief, North American Aerospace Defense Command and U.S. Space Command; Commander, Air Force Space Command; Commander Pacific Air Forces; and Commander of U.S. Forces Japan and 5th Air Force at Yokota Air Base, Japan. General Myers is a director of Deere & Company, United Technologies, and Aon Corp. He is Foundation Professor of Military History and Leadership at Kansas State University and occupies the Colin L. Powell Chair for National Security Ethics, Leadership and Character at National Defense University.

AULANA L. PETERS, 67.

Retired Partner, Gibson, Dunn & Crutcher, a law firm.

Director since 1992

Ms. Aulana L. Peters is a retired partner of the law firm of Gibson, Dunn & Crutcher where she was a partner from 1980 to 1984 and 1988 to December 2000. From 1984 to 1988, she served as a Commissioner of the Securities and Exchange Commission. From January 2001 to April 2002, Ms. Peters served as a member of the Public Oversight Board of the American Institute of Certified Public Accountants. Ms. Peters has also served as a member of the Financial Accounting Standards Board Steering Committee for its Financial Reporting Project and

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as a member of the Public Oversight Board's Panel on Audit Effectiveness. Currently Ms. Peters serves on the U.S. Comptroller General's Accountability Advisory Council, the International Public Interest Oversight Board, and the Board of Trustees, Mayo Clinic. Ms. Peters is a director of 3M Company and Deere & Company.

KEVIN W. SHARER, 61.

Chairman, Chief Executive Officer and President, Amgen Inc., a biotechnology company.

Director since 2003

Mr. Kevin W. Sharer has served as Chairman of the Board of Amgen since December 2000 and as Chief Executive Officer since May 2000. Mr. Sharer joined Amgen in 1992 as President, Chief Operating Officer and member of the board of directors. Before joining Amgen, Mr. Sharer was Executive Vice President and President of the Business Markets Division at MCI Communications. Prior to MCI, he served in a variety of executive capacities at General Electric and was a consultant for McKinsey & Company. He is chairman of the board of trustees of the Los Angeles County Museum of Natural History, and is a member of The Business Council. Mr. Sharer also serves on the board of directors of Chevron Corporation.

RONALD D. SUGAR, 60.

Chairman of the Board and Chief Executive Officer, Northrop Grumman Corporation.

Director since 2001

Dr. Ronald D. Sugar was elected Chairman of the Board of Northrop Grumman effective October 2003. He was named the Chief Executive Officer in April 2003, after having served as President and Chief Operating Officer since September 2001. He joined Northrop Grumman in 2001 having previously served as President, Chief Operating Officer and director of Litton Industries, Inc., and earlier as an executive of TRW Inc. He is a member of the National Academy of Engineering, a Governor of the Aerospace Industries Association, and is a trustee of the Los Angeles Philharmonic Association, the University of Southern California, and the Boys and Girls Clubs of America. He serves as a director of Chevron Corporation.

Vote Required

To be elected, a nominee must receive more votes cast for than votes cast against his or her election. Even if a nominee is not re-elected, he or she will remain in office until a successor is elected or until his or her earlier resignation or removal. Each of the current director nominees has signed a letter of resignation that will be effective (i) if the nominee is not re-elected at this Annual Meeting and (ii) if the Board accepts his or her resignation following this Annual Meeting. If a nominee is not re-elected, the Board will decide whether to accept the director's resignation in accordance with the procedures listed in the Board's Principles of Corporate Governance, which procedures are contained in this Proxy Statement.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE TWELVE NOMINEES FOR DIRECTOR LISTED ABOVE.

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Present Directors Whose Terms Expire May 20, 2009

PHILLIP FROST, 72.

Vice Chairman of the Board and Chief Executive Officer, Opko Health, Inc., a specialty pharmaceutical company.

Director since 1996

Dr. Phillip Frost presently serves as Chairman of the Board and Chief Executive Officer of Opko Health, Inc., a specialty pharmaceutical company. He has served as Vice Chairman of the Board of Directors of Teva Pharmaceutical Industries, Ltd. (Teva) since January 2006 when Teva acquired IVAX Corporation. He had served as the Chairman of the Board of Directors and Chief Executive Officer of IVAX Corporation from 1987 to 2006. Dr. Frost is also Chairman of the Board of Ladenburg Thalmann & Co. and a director of Continucare Corporation and Modigene Inc. He also served as a director of Castle Brands and Cellular Technical Services and Protalix Bio Therapeutics, Inc. until 2007. Dr. Frost served as Chairman of the Department of Dermatology at Mt. Sinai Medical Center of Greater Miami, Miami Beach, Florida from 1972 to 1990 and was Chairman of the Board of Key Pharmaceuticals, Inc. from 1972 to 1986. He is a Trustee of the University of Miami, Trustee of the Scripps Research Institute, a Regent of the Smithsonian Institute, and is Vice Chairman of the Board of Governors of the American Stock Exchange.

CHARLES R. LARSON, 72.

Admiral, United States Navy (Ret.).

Director since 2002

Admiral Charles R. Larson has served as a consultant on defense, foreign policy and education issues to government and industry since retiring from the United States Navy in 1998. He served as commander in the Pacific from 1991 to 1994, where he was responsible for 350,000 personnel and the readiness of all U.S. forces in the theater. He was the first naval officer selected to be a White House Fellow and also served as Naval Aide to the President of the United States. He was Superintendent of the U.S. Naval Academy, first from 1983 to 1986, and again from 1994 to 1998. During his naval career as a qualified nuclear engineer, he had several years experience in naval and commercial shipyards, including submarine construction and reactor defueling. His decorations include the Defense Distinguished Service Medal and seven Navy Distinguished Service Medals. Admiral Larson is a director of Esterline Technologies Corporation and Edge Technologies, Inc. He is also Chairman of the Board of the U.S. Naval Academy Foundation, Chairman of Via Global LLC, and a trustee of the Anne Arundel Health Systems, Inc.

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The Board of Directors has Audit, Compensation, Governance and Policy Committees. The membership of these committees is usually determined at the organizational meeting of the Board held in conjunction with the Annual Meeting. All the Committees are composed entirely of independent directors under Securities and Exchange Commission (SEC) and New York Stock Exchange (NYSE) rules, as applicable. The membership of each committee is as follows, with the chairperson listed first:

Audit	Compensation	Governance	Policy
Stephen E. Frank	Lewis W. Coleman*	Victor H. Fazio	Aulana L. Peters
Thomas B. Fargo	Phillip Frost	Lewis W. Coleman	Thomas B. Fargo
Victor H. Fazio	Bruce S. Gordon	Donald E. Felsing	Bruce S. Gordon
Donald E. Felsing	Karl J. Krapek	Stephen E. Frank	Charles R. Larson
Madeleine Kleiner	Richard B. Myers	Phillip Frost	Richard B. Myers
Aulana L. Peters		Madeleine Kleiner	Kevin W. Sharer
		Karl J. Krapek	

* Mr. Coleman also serves as the Lead Independent Director.

Audit Committee

The Audit Committee meets periodically with management and with both the Company's independent auditor and the Company's internal auditor to review audit results and the adequacy of and compliance with the Company's system of internal controls. In addition, the Audit Committee appoints or discharges the Company's independent auditor, and reviews and approves auditing services and non-prohibited non-audit services to be provided by the independent auditor in order to evaluate the impact of undertaking such added services on the independence of the auditor. The responsibilities of the Audit Committee are more fully described in the Audit Committee Report on page 24 and the Audit Committee Charter. The Audit Committee Charter can be found on the Company's website (www.northropgrumman.com) and is available in print to any stockholder who requests it. The Board of Directors has determined that all members of the Audit Committee are independent and financially literate. Further, the Board has determined that Mr. Felsing, Mr. Frank, Ms. Kleiner and Ms. Peters possess accounting or related financial management expertise within the meaning of the NYSE listing standards and that each qualifies as an audit committee financial expert as defined under applicable SEC rules. The Audit Committee meets in executive session at each in-person meeting. The Audit Committee held eleven meetings in 2008.

Compensation Committee

The Compensation Committee administers the Company's executive compensation and benefit programs and oversees the management development and succession process. The Compensation Committee oversees all compensation and benefit programs and actions that affect the Named Executive Officers as well as all other elected officers of the Company. The Compensation Committee also provides strategic direction for the Company's total rewards compensation and benefits structure and reviews CEO and senior executive succession plans.

The Compensation Committee recognizes the importance of a continuous review of the programs, policies and procedures to capitalize on industry best practices. Every year the Committee performs a self-evaluation to identify methodologies for improving future programs and processes.

The Compensation Committee reviews and recommends to the Board the compensation of directors. An independent compensation consultant assists the Company by providing market data on director pay at other companies.

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The Compensation Committee's Charter describes the responsibilities of the Committee and its oversight of the various executive compensation programs. This charter allows the Committee to delegate its authority to a subcommittee, and the Committee may also delegate authority to the CEO to grant equity awards to Company employees who are not elected officers. The Compensation Committee and the Board review this Charter on an annual basis and modify it as needed. The Charter can be found on the Company's website (www.northropgrumman.com) and is available in