

**AMENDMENT TO  
CLASS ACTION SETTLEMENT AGREEMENT**

This is an amendment to a Class Action Settlement Agreement executed on January 13, 2020 and filed in *Marshall v. Northrop Grumman Corporation*, No. 16-cv-6794-AB-JC in the United States District Court for the Central District of California on January 13, 2020 as Document 321-1 (“Settlement Agreement”). This amendment is made under §11.14 of the Settlement Agreement. All capitalized terms herein have the same meaning as in the Settlement Agreement.

**1. Section 2.39 of the Settlement Agreement is hereby deleted and replaced by the following:**

- 2.39 “Released Claims” means any and all actual or potential claims, actions, demands, rights, obligations, liabilities, damages, attorneys’ fees, expenses, costs, and causes of action, whether arising under local, state, or federal law, whether by statute, contract, common law, equity, or otherwise, whether brought in an individual or representative capacity whether known or unknown, suspected or unsuspected, asserted or unasserted, foreseen or unforeseen that occurred prior to or during the Class Period only, that:
- 2.39.1 Are based on the facts alleged in the operative complaint of the Class Action, specifically, that the Defendants (1) distributed the Saving Plan’s assets to Defendant Northrop Grumman Corporation as payment for services it provided to the Savings Plan, (2) paid unreasonable recordkeeping fees to the Saving Plan’s recordkeeper, and (3) used an active-management strategy for the Savings Plan’s Emerging Markets Equity Fund and failed to consider whether to fully convert the Emerging Markets Equity Fund to passive management.;
  - 2.39.2 Would be barred by the principles of res judicata or collateral estoppel had the claims asserted in the operative complaint of the Class Action been fully litigated and resulted in a final judgment;
  - 2.39.3 Relate to the direction to calculate, the calculation of, and/or the method or manner of allocation of the Qualified Settlement Fund pursuant to the Plan of Allocation (including allocations to the Plan or any member of the Class and payment of Attorneys’ Fees, Class Representative Compensation, and expenses from the Qualified Settlement Fund);
  - 2.39.4 Relate to the approval by the Independent Fiduciary of the Settlement Agreement, unless brought against the Independent Fiduciary alone;
  - 2.39.5 Seek any remedy against Defendants’ insurers;
  - 2.39.6 Seek attorneys’ fees and costs related to the Class Action in addition to the Attorneys’ Fees and Costs specified in Paragraph 7.1; or
  - 2.39.7 Constitute individual claims asserted or that could have been asserted by the Class Representatives or Members for alleged losses in their individual accounts prior

to or during the Class Period based on the facts alleged in the operative complaint in the Class Action.

2.39.8 “Released Claims” specifically excludes claims of individual denial of benefits under ERISA § 502(a)(1)(B) other than claims for benefits under the Plan prior to or during the Class Period based on the facts alleged in the operative complaint in the Class Action.

2.39.9 “Released Claims” specifically excludes any claim asserted in *Carlson v. Northrop Grumman Corporation*, No. 13-2635 in the United States District Court for the Northern District of Illinois.

**2. Article 8 of the Settlement Agreement is amended to add the following section 8.4:**

8.4 All of the Released Claims and releases and covenants not to sue stated in the preceding sections 8.1–8.3 as well as in section 2.39 are limited to claims based on the identical factual predicate of the operative complaint in the Class Action.

**3. Exhibit 5 to the Settlement Agreement (referred to in §§2.23, 4.1, and 11.20), is hereby deleted and replaced by the Exhibit 5 attached hereto**

**4. All other provisions of the Settlement Agreement remain in effect.**

ON BEHALF OF PLAINTIFFS, Clifton Marshall, Thomas Hall, Manuel Gonzalez, Ricky Hendrickson, Phillip Brooks, and Harold Hylton, Individually and as Representatives of the Class.

Dated: 7/8/2020

SCHLICHTER BOGARD & DENTON LLP



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Attorneys for Plaintiffs and Class Representatives

ON BEHALF OF DEFENDANTS, Northrop Grumman Corporation, the Northrop Grumman Savings Plan Administrative Committee, the Northrop Grumman Savings Plan Investment Committee, Denise Peppard, Michael Hardesty, Kenneth Bedingfield, Kenneth Heintz, Prabu Natarajan, Mark Caylor, Mark Rabinowitz, Richard Boak, Debora Catsavas, Teri Herzog, Tiffany McConnell King, Christopher McGee, Gary McKenzie, Constance Soloway, Rajender Chandhok, Gloria Flach, James Myers, Sunil Navale, Eric Scholten, and Steven Spiegel.

Dated: July 8, 2020

MAYER BROWN LLP

/s/ Nancy G. Ross

Nancy G. Ross

Brian D. Netter

MAYER BROWN LLP

71 South Wacker Drive

Chicago, Illinois 60606

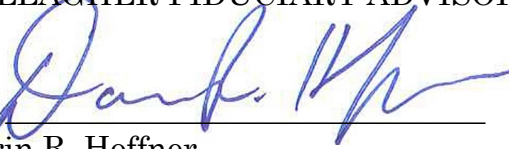
Tel: (312) 782-0600

Fax: (312) 701-7711

Attorneys for Defendants

APPROVED BY Gallagher Fiduciary Advisors, LLC, as the independent fiduciary of the Northrop Grumman Corporation Savings Plan (the “Plan”) in connection with the Settlement Agreement (the “Settlement Agreement”) in Marshall et al. v. Northrop Grumman Corporation et al., 2:16-cv-6794 (C.D. Cal.).

GALLAGHER FIDUCIARY ADVISORS, LLC

By: 

Darin R. Hoffner

Area Senior Vice President and Area Counsel

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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

CLIFTON W. MARSHALL, et al.,

*Plaintiffs,*

v.

NORTHROP GRUMMAN  
CORPORATION, et al.,

*Defendants.*

Case No. 16-CV-6794 AB (JCx)

**[PROPOSED] ORDER GRANTING  
FINAL APPROVAL OF  
SETTLEMENT**

Date: August 20, 2020  
Time: 9:00 a.m.  
Courtroom 7B – 7th Floor

Hon. André Birotte Jr.

1           Upon consideration of the Settling Parties’ Joint Motion For Final Approval Of  
2 Class Settlement of this action (the “Class Action”) in accordance with the terms of  
3 a Class Action Settlement Agreement dated January 13, 2020 (Dkt. No. 321-1), as  
4 amended by the Amendment To Class Action Settlement Agreement dated July 8,  
5 2020 (Dkt. No. \_\_\_ ) (the “Settlement Agreement”), the Court hereby orders and  
6 adjudges as follows:

7           1.     For purposes of this Final Order and Judgment, all capitalized terms  
8 used herein have the Definitions in the Settlement Agreement, which is  
9 incorporated herein by reference.

10          2.     In accordance with the Court’s Orders, and as determined by this  
11 Court previously, notice was timely distributed by first-class or electronic mail to  
12 all Class Members who could be identified with reasonable effort, and notice was  
13 published on the website maintained by Class Counsel. In addition, in accordance  
14 with the Class Action Fairness Act, 28 U.S.C. §1711, *et seq.*, notice was provided  
15 to the Attorneys General for each of the states in which a Class Member resides, the  
16 Attorney General of the United States, and the United States Secretary of Labor.

17          3.     The form and methods of notifying the Class of the terms and  
18 conditions of the proposed Settlement Agreement met the requirements of Rule  
19 23(c)(2) of the Federal Rules of Civil Procedure, any other applicable law, and due  
20 process, and constituted the best notice practicable under the circumstances. Due  
21 and sufficient notices of the fairness hearing and the rights of all Class Members  
22 have been provided to all people, powers and entities entitled to notice.

23          4.     All requirements of the Class Action Fairness Act, 28 U.S.C. §1711, *et*  
24 *seq.*, have been met.

25          5.     Class Members had the opportunity to be heard on all issues regarding  
26 the resolution and release of their claims by submitting objections to the Settlement  
27 Agreement to the Court.

1           6.     The Amendment To Class Action Settlement Agreement resolves the  
2 objections of Alan Carlson, Peter DeLuca and Robert Stolte (Dkt. No. 333) and  
3 those objections are overruled with prejudice.

4           7.     The remaining objections to the Settlement are overruled with  
5 prejudice.

6           8.     The motion for final approval of the Settlement Agreement as  
7 amended (Dkt. No. \_\_\_ ) is hereby GRANTED, the Settlement of the Class Action  
8 is APPROVED as fair, reasonable and adequate to the Northrop Grumman Savings  
9 Plan (the “Plan”) and the Class, and the Settling Parties are hereby directed to take  
10 the necessary steps to effectuate the terms of the Settlement Agreement.

11          9.     The operative complaint and all claims asserted at any point in the  
12 litigation, whether by Class Representatives on their own behalf or on behalf of the  
13 Class, or derivatively to secure relief for the Plan, are hereby dismissed with  
14 prejudice and without costs to any of the Settling Parties other than as provided for  
15 in the Settlement Agreement.

16          10.    The Plan, the Class Representatives, and the Class Members (and their  
17 respective heirs, beneficiaries, executors, administrators, estates, successors, assigns  
18 agents and attorneys) on behalf of themselves and on behalf of the Plan, hereby  
19 fully, finally, and forever settle, release, relinquish, waive and discharge  
20 Defendants, the Plan, and all Released Parties from the Released Claims, regardless  
21 of whether or not such Class Members have executed and delivered a Former  
22 Participant Claim Form, whether or not such Class members qualify for a  
23 distribution under the terms of the Settlement Agreement, whether or not such  
24 Class Members have filed an objection to the Settlement or to any application by  
25 Class Counsel for an award of Attorneys’ Fees and Costs, and whether or not the  
26 objections to the Settlement Agreement or claims for distribution of such Class  
27 Members have been approved or allowed. However, nothing herein releases claims  
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1 of any Released Party or the Plan against any other Released Party for claims for, or  
2 arising out of, insurance coverage against their insurers.

3 11. The Class Members and the Plan acting individually or together, or in  
4 combination with others, are hereby barred from suing or seeking to institute,  
5 maintain, prosecute, argue, or assert in any action or proceeding (including but not  
6 limited to an IRS determination letter proceeding, a Department of Labor  
7 proceeding, an arbitration or a proceeding before any state insurance or other  
8 department or commission), any cause of action, demand, or claim for any of the  
9 Released Claims. Nothing herein shall preclude any action to enforce the terms of  
10 the Settlement Agreement in accordance with the procedures set forth in the  
11 Settlement Agreement.

12 12. Class Counsel, the Class Representatives, the Class Members, or the  
13 Plan may hereafter discover facts in addition to or different from those that they  
14 know or believe to be true with respect to the Released Claims. Such facts, if  
15 known by them, might have affected the decision to settle with Defendants, the Plan  
16 and the Released Parties or the decision to release, relinquish, waive, and discharge  
17 the Released Claims, or might have affected the decision of a Class Member not to  
18 object to the Settlement. Notwithstanding the foregoing, each Class Representative,  
19 Class Member and the Plan has hereby fully, finally and forever settled, released,  
20 relinquished, waived and discharged any and all Released Claims, and each Class  
21 Representative.

22 13. As to the Released Claims, the Class Representatives, Class Members  
23 and the Plan hereby settle, release, relinquish, waive and discharge any and all  
24 rights or benefits they may now have, or in the future may have, under any law  
25 relating to the releases of unknown claims, including without limitation, Section  
26 1542 of the California Civil Code, which provides: "A general release does not  
27 extend to claims that the creditor or releasing party does not know or suspect to  
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1 exist in his or her favor at the time of executing the release and that, if known by  
2 him or her, would have materially affected his or her settlement with the debtor or  
3 released party.” The Class Representatives, Class Members and the Plan with  
4 respect to the Released Claims also hereby waive any and all provisions, rights and  
5 benefits conferred by any law or any State or territory within the United States or  
6 any foreign country, or any principle of common law, which is similar, comparable  
7 or equivalent in substance to Section 1542 of the California Civil Code.

8 14. The Court finds that it has subject matter jurisdiction over the claims  
9 herein and personal jurisdiction over Class Members herein under with the  
10 provisions of ERISA, and expressly retains that jurisdiction for purposes of  
11 enforcing this Final Order and the Settlement Agreement. Any motion to enforce  
12 paragraphs 8 through 12 of this Final Order or the Settlement Agreement, including  
13 by way of injunction, may be filed in this Court, and the provisions of the  
14 Settlement Agreement and/or this Final Order may also be asserted by way of an  
15 affirmative defense or counterclaim in response to any action that is asserted to  
16 violate the Settlement Agreement.

17 15. The Settlement Administrator shall have final authority to determine  
18 the share of the Net Settlement Amount to be allocated to each Current Participant  
19 and each Authorized Former Participant.

20 16. The Settlement Administrator has the sole and exclusive discretion to  
21 determine, with respect to payments or distributions to Authorized Former  
22 Participants, all questions not addressed in or resolved by the Settlement  
23 Agreement, including whether a Former Participant Claim Form should be accepted  
24 by the Settlement Administrator in the first instance.

25 17. With respect to any matters that arise concerning distributions to  
26 Current Participants (after allocation decisions have been made by the Settlement  
27 Administrator in its sole discretion), all questions not resolved by the Settlement  
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1 Agreement shall be resolved by the Plan Fiduciary under the applicable law and  
2 governing Plan terms. The Plan Fiduciary shall not have any liability with respect  
3 to any questions it resolves regarding distributions beyond that provided for in  
4 applicable law and governing Plan terms.

5 18. Within twenty-one (21) calendar days following the issuance of all  
6 settlement payments to Class Members, as provided by Paragraph 4.1.12 of the  
7 Settlement Agreement, the Settlement Administrator shall prepare and provide to  
8 Class Counsel, and Defense Counsel and the Plan Fiduciary a list of each person  
9 who was issued a settlement payment and the amount of such payment.

10 Upon entry of this Order, all Class Members and the Plan shall be bound by the  
11 Settlement Agreement and by this Final Order.

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13 **IT IS SO ORDERED.**

14 DATED: \_\_\_\_\_, 2020

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17 André Birotte Jr.  
18 United States District Court Judge  
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