

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

NORTHROP GRUMMAN CORPORATION
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

95-1055798
(I.R.S. Employer
Identification No.)

1840 Century Park East
Los Angeles, California 90067
(310) 201-3215
(Address, Including Zip Code, of Registrant's Principal Executive Offices)

NORTHROP GRUMMAN
1998 RESTRICTED STOCK RIGHTS PLAN
(Full Title of the Plan)

RICHARD R. MOLLEUR, ESQ.
Corporate Vice President and General Counsel
NORTHROP GRUMMAN CORPORATION
1840 Century Park East
Los Angeles, California 90067
(310) 201-3215

(Name, Address, including Zip Code, and Telephone Number, Including Area Code,
of Agent for Service of Process)

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$1.00 per share (1)	102,922 shares (2)	\$82.63	\$8,504,445	\$2,364.24

- (1) Issued pursuant to Restricted Stock Rights, subject to terms and conditions contained in Northrop Grumman 1998 Restricted Stock Rights Plan.
(2) Previously registered for issuance pursuant to Northrop Corporation 1993 Long Term Incentive Stock Plan.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

ITEM 1 PLAN INFORMATION*

ITEM 2. REGISTRANT INFORMATION AND EMPLOYEE PLAN ANNUAL INFORMATION*

*Information required by Part I to be contained in the Section 10(a) prospectus is omitted from this registration statement in accordance with the Note to Part I of Form S-8.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission are hereby incorporated by reference:

(a) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997;

(b) All other reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), since the end of the fiscal year covered by the registrant document referred to in (a) above;

(c) The description of the Company's Common Stock which is contained in the Company's registration statement on Form 8-B dated June 20, 1985 filed under the Exchange Act;

(d) The description of the Company's Common Stock Rights which is contained in the Company's registration statement on Form 8-A/A filed September 24, 1998, including any amendment or report filed for the purpose of updating such description; and

All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this registration statement and to be a part hereof from the date of filing of such documents. Copies of these documents will not be filed with this registration statement. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this registration statement to the extent that such statement is modified or superseded by a subsequently filed document which also is or is deemed to be incorporated by reference herein. Any such statement so modified or superseded shall not be deemed to constitute a part of this registration statement except as so modified or superseded.

ITEM 4. DESCRIPTION OF SECURITIES

Not applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

Not applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Delaware General Corporation Law (the "DGCL") authorizes corporations to limit or eliminate the personal liability of directors to the corporation and its stockholders for monetary damages in connection with the

breach of a director's fiduciary duty of care. The duty of care requires that, when acting on behalf of the corporation, directors must exercise an informed business judgment based on all material information reasonably available to them. Absent the limitation authorized by the DGCL, directors could be accountable to corporations and their stockholders for monetary damages for conduct that does not satisfy such duty of care. Although the DGCL does not change a director's duty of care, it enables corporations to limit available relief to equitable remedies such as injunction or rescission. The Registrant's certificate of incorporation limits the liability of directors to the Registrant or its stockholders to the fullest extent permitted by the DGCL as in effect from time to time. Specifically, directors of the Registrant will not be personally liable for monetary damages for breach of a fiduciary duty as a

director, except for liability (i) for any breach of the director's duty of loyalty to the Registrant or to its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL or (iv) for any transaction from which the director derives any improper personal benefit.

The bylaws of the Registrant provide that the Registrant shall indemnify its officers, directors and employees to the fullest extent permitted by the DGCL. The Registrant believes that indemnification under its bylaws covers at least negligence and gross negligence on the part of the indemnified parties.

The Registrant has entered into an agreement with each of its directors and certain of its officers indemnifying them to the fullest extent permitted by the foregoing. The Company has also purchased director and officer liability insurance.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED

Not applicable.

ITEM 8. EXHIBITS

- 4.1 1998 Restricted Stock Rights Plan.
- 4.2 Form of Ownership Retention Agreement and Amendment No. 1 by letter dated April 8, 1998.
- 4.3 Master Escrow Agreement and Master Escrow Agreement Clarification dated April 8, 1998 (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1998).
- 4.4 Northrop Corporation 1993 Long-Term Incentive Stock Plan (incorporated by reference to Registration Statement on Form S-8, Registration No. 33-49667).
- 4.5 Restated Certificate of Incorporation of the Registrant as amended (incorporated by reference to Registration Statement on Form S-3, Registration No. 33-55143).
- 4.6 Amended and Restated Bylaws of the Registrant (incorporated by reference to Registration Statement on Form S-3, Registration No. 33-55143).
- 4.7 Common Stock Rights Agreement (incorporated by reference to Form 8-A/A filed September 24, 1998).
- 5.1 Opinion of Gibson, Dunn & Crutcher LLP.
- 23.1 Consent of Deloitte & Touche LLP.
- 23.2 Consent of Gibson, Dunn & Crutcher LLP (contained in Exhibit 5.1).
- 24.1 Power of Attorney (included on page 4 hereof).

2

ITEM 9. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement;

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement.

Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high and of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; provided, however,

that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

3

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, on this 24 day of November, 1998.

NORTHROP GRUMMAN CORPORATION

By: /s/ Richard R. Molleur

Richard R. Molleur
Corporate Vice President and General Counsel

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature to this Registration Statement appears below hereby constitutes and appoints Richard R. Molleur and John H. Mullan, and each or either of them, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or his substitute or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in their capacities and on the dates indicated.

SIGNATURE -----	TITLE -----	DATE -----
/s/ Kent Kresa ----- (Kent Kresa)	Chairman of the Board, President and Chief Executive Officer and Director (Principal Executive Officer)	November 18, 1998
/s/ Richard B. Waugh, Jr. ----- (Richard B. Waugh, Jr.)	Corporate Vice President and Chief Financial Officer (Principal Financial Officer)	November 18, 1998
/s/ Nelson F. Gibbs ----- (Nelson F. Gibbs)	Corporate Vice President and Controller (Principal Accounting Officer)	November 18, 1998
/s/ Jack R. Borsting ----- (Jack R. Borsting)	Director	November 18, 1998
/s/ John T. Chain, Jr. ----- (John T. Chain, Jr.)	Director	November 18, 1998
/s/ Jack Edwards ----- (Jack Edwards)	Director	November 18, 1998
/s/ Robert A. Lutz ----- (Robert A. Lutz)	Director	November 18, 1998
/s/ Aulana L. Peters ----- (Aulana L. Peters)	Director	November 18, 1998

4

/s/ John E. Robson ----- (John E. Robson)	Director	November 18, 1998
/s/ Richard M. Rosenberg ----- (Richard M. Rosenberg)	Director	November 18, 1998
/s/ John Brooks Slaughter ----- (John Brooks Slaughter)	Director	November 18, 1998
/s/ Phillip Frost ----- (Phillip Frost)	Director	November 18, 1998
/s/ Richard J. Stegemeier ----- (Richard J. Stegemeier)	Director	November 18, 1998

EXHIBIT INDEX

EXHIBIT NUMBER DESCRIPTION

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NORTHROP GRUMMAN 1998 RESTRICTED STOCK RIGHTS PLAN

1. PURPOSE

The purpose of the Northrop Grumman 1998 Restricted Stock Rights Plan (the "Plan") is to promote the long-term success of Northrop Grumman Corporation (the "Company") and to increase shareholder value by providing its officers and selected employees with incentives to create excellent performance and to continue service with the Company, its subsidiaries and affiliates. Both by encouraging such officers and employees to become owners of the common stock of the Company and by providing actual ownership through Plan awards, it is intended that Plan participants will view the Company from an ownership perspective.

2. TERM

The Plan became effective upon the approval by the Board of Directors of the Company (the "Board") on March 24, 1998. Unless previously terminated by the Board, the Plan shall terminate at the close of business on the second anniversary of such Board approval.

3. PLAN ADMINISTRATION

The Compensation and Management Development Committee of the Board (the "Committee") shall be responsible for administering the Plan. The Committee shall have full and exclusive power to interpret the Plan and to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper, all of which power shall be executed in the best interests of the Company and in keeping with the objectives of the Plan. This power includes, but is not limited to, establishing all award terms and conditions and adopting modifications, amendments and procedures, including subplans and the like as may be necessary to comply with provisions of the laws and applicable regulatory rulings of countries in which the Company operates in order to assure the viability of awards granted under the Plan and to enable participants employed in such countries to receive advantages and benefits under the Plan and such laws and rulings, and the granting of waivers under the Plan or under the Ownership Retention Agreement, as the Committee in its sole and absolute discretion deems appropriate. No amendment or modification may be made to any outstanding awards pursuant to the Plan that adversely affects the rights of the holders thereof without prior written consent of such holder.

4. ELIGIBILITY

Any employee of the Company whose right to receive shares of the Company's common stock, \$1.00 par value per share (the "Common Stock") vested as a result of the vote of the stockholders of the Company on February 26, 1998 to approve the merger between the Company and a subsidiary of Lockheed Martin Corporation, and who executes and delivers the Ownership Retention Agreement shall be eligible to receive an award under the Plan.

5. AWARDS

The award to be made to each participant shall consist of a restricted stock right (the "Restricted Stock Right") to receive, subject to the terms and conditions contained herein and in the Ownership Retention Agreement, a number of shares of Common Stock equal to 29% of the

number of shares of Common Stock that such participant has placed in escrow pursuant to the Master Escrow Agreement. Any fractional shares resulting from such calculation may be paid in cash in lieu of shares of Common Stock at the time, if any, at which such participant becomes entitled to receive Additional Shares pursuant to the Ownership Retention Agreement.

6. AWARD AGREEMENTS

Awards under the Plan shall be evidenced by the fully executed and delivered Ownership Retention Agreement, the form of which is attached hereto as Exhibit A (the "Ownership Retention Agreement"), which sets forth the terms,

conditions, limitations and timing with respect to each award and the provisions applicable in the event the participant's employment by the Company terminates or there is a Change in Control.

7. ADJUSTMENTS AND REORGANIZATIONS

The number of shares of Common Stock that a participant shall receive pursuant to the Ownership Retention Agreement, if the conditions for receipt provided herein and therein are satisfied, shall be subject to proportionate adjustment in the event, not including a Change in Control, of any stock split, stock dividend, share exchange, spin-off, merger, combination, recapitalization or other distribution (other than normal cash dividends) of Company assets to its stockholders. The determination of whether an adjustment is to be made or not, and, if so, the amount of the adjustment appropriate to reflect such event, shall be made by and in the sole discretion of the Compensation and Management Development Committee of the Board of Directors, pursuant to the Plan.

If the Company undergoes a Change in Control prior to March 1, 2000 and the Employee is employed by the Company at the time of the occurrence of such Change in Control, then Section 3.01 of the Ownership Retention Agreement shall apply. For purposes of this Plan and the Ownership Retention Agreement, a "Change in Control" of the Company shall be deemed to occur if and as of the first day that any one or more of the following conditions are satisfied:

(i) Any Person (other than those Persons in control of the Company as of November 15, 1995, or other than a trustee or fiduciary holding securities under an employee benefit plan of the Company, becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities and for purposes of this section, "Person" shall have the meaning ascribed to such term in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended, and as used in Section 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) and for purposes of this subsection (i) "person" or "group" shall not include underwriters acquiring newly-issued voting shares (or securities convertible into voting shares) directly from the Company with a view to distribution; or

(ii) during any period of two (2) consecutive years (not including any period prior to November 15, 1995), individuals who at the beginning of such period constitute the Board (and any new Director, whose election by the Company's stockholders was

2

approved by a vote of a least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was so approved), cease for any reason to constitute a majority thereof; or

(iii) a merger, consolidation, or reorganization of the Company with or involving any other entity ("Merger") becomes effective upon the filing of all applicable legal documents with the appropriate governmental authorities, or an agreement for the sale or disposition of all or substantially all of the Company's assets in one or a series of related transactions or a plan of complete liquidation of the Company ("Asset Sale") is consummated; provided that the effectiveness of a Merger shall be

deemed not to constitute a Change in Control if it results in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than seventy-five percent (75%) of the combined voting power of the voting securities of the Company (or such surviving entity) outstanding immediately after such Merger; and provided, further, that if (A) a Merger becomes effective that constitutes

a Change in Control, or (B) an Asset Sale is consummated, then a participant (other than a participant whose rights under this Plan terminated pursuant to Section 1.02 of the Ownership Retention Agreement prior to the Change in Control) shall be deemed for all purposes of this Plan and the Ownership Retention Agreement to be employed by the Company at the time of the occurrence of such Change in Control if such participant was employed by the Company on the date of the shareholder vote approving such Merger or Asset Sale.

8. DIVIDENDS AND DIVIDEND EQUIVALENTS

No Restricted Stock Right shall earn dividends or dividend equivalents until the Additional Shares are issued.

9. TRANSFERABILITY AND EXERCISABILITY

Restricted Stock Rights are not assignable, alienable, saleable, pledgeable, hypothecateable or otherwise transferable by the participant and shall not be assigned, alienated, sold, pledged, hypothecated, or otherwise transferred, disposed of or encumbered, other than by will or the laws of descent and distribution, pursuant to a qualified domestic relations order (as defined by the Internal Revenue Code) or unless otherwise determined by the Committee.

10. TAX WITHHOLDING

The Company shall have the right to deduct from any issuance of stock pursuant to an award made under the Plan a sufficient amount to cover withholding of any Federal, state or local income and social security, medicare and any other applicable employment taxes required by law or to take such other action as may be necessary to satisfy any such withholding obligations. The Committee may permit shares to be used to satisfy required tax withholding and such shares shall be valued at the Fair Market Value as of the settlement date of the applicable award.

3

11. PAYMENTS FOR TAXES

(i) Payments for taxes to an Employee pursuant to either Section 4.01 or Section 4.02 of the Ownership Retention Agreement ("Tax Payments") shall be made as soon as practicable following the receipt or deemed receipt of any income triggering such payments and may be satisfied by the Company making the appropriate withholding payments or by making a payment or payments to the Employee but in all events shall be made within thirty (30) days of the receipt or deemed receipt by the Employee of the income triggering such payments.

(ii) For purposes of determining the amount of any gross up component of a Tax Payment, the Employee shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the payment is to be made. Such highest marginal rate shall take into account the loss of itemized deductions by the Employee and shall also include the Employee's share of the hospital insurance portion of FICA and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Employee's residence on the date of payment, net of the maximum reduction in federal income taxes that could be obtained from the deduction of such state and local taxes.

(iii) All determinations required to be made with respect to Tax Payments, including but not limited to whether a payment would result in a tax liability to the Employee under Section 4999 of the Internal Revenue Code, shall be made by the Company's independent auditors (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Employee as requested by the Company or the Employee. All fees and expenses of the Accounting Firm shall be borne solely by the Company and shall be paid by the Company. All determinations made by the Accounting Firm under this Section 11 shall be final and binding upon the Company and the Employee.

12. OTHER COMPANY BENEFIT AND COMPENSATION PROGRAMS

Unless otherwise specifically determined by the Committee, settlements of awards received by participants under the Plan shall not be deemed a part of a participant's regular, recurring compensation for purposes of calculating payments or benefits from any Company benefit plan, severance program or severance pay law of any country. Further, the Company may adopt other compensation programs, plans or arrangements as it deems appropriate or necessary.

13. UNFUNDED PLAN

Unless otherwise determined by the Committee, the Plan shall be unfunded

and shall not create (or be construed to create) a trust or a separate fund or funds. The Plan shall not establish any fiduciary relationship between the Company and any participant or other person. To the extent any person holds any rights by virtue of a grant awarded under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured general creditor of the Company.

4

14. FUTURE RIGHTS

No person shall have any claim or rights to be granted an award under the Plan, and no participant shall have any rights under the Plan to be retained in the employ of the Company.

15. GOVERNING LAW

The validity, construction and effect of the Plan and any action taken or relating to the Plan shall be determined in accordance with the laws of the State of California and applicable Federal law.

16. SUCCESSORS AND ASSIGNS

The Plan shall be binding on all successors and assigns of a participant, including, without limitation, the estate of such participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the participant's creditors.

17. RIGHTS AS A SHAREHOLDER

A participant shall have no rights as a holder of Additional Shares until he or she becomes the holder of record thereof.

18. DEFINITIONS

All capitalized terms not otherwise defined herein shall have the meaning assigned such terms in the Ownership Retention Agreement. The term "employee of the Company" and its correlatives mean an employee of the Company or any of its subsidiaries. The term "Internal Revenue Code" as used in this Agreement and in an Ownership Retention Agreement refers to the Internal Revenue Code of 1986, as amended and any successor thereto.

5

OWNERSHIP RETENTION AGREEMENT

THE UNDERSIGNED EMPLOYEE (THE "EMPLOYEE") OF NORTHROP GRUMMAN CORPORATION

(THE "COMPANY"), AND THE COMPANY, BY EXECUTING AND DELIVERING THIS INSTRUMENT,

AND INTENDING TO BE LEGALLY BOUND, AGREE TO THE FOLLOWING:

I. RESTRICTED STOCK RIGHT GRANT.

1.01. The Company hereby grants to the Employee a restricted stock right
(the "Restricted Stock Right") pursuant to which the Employee is entitled to

receive on March 1, 2000 (the "Payment Date") the number of additional shares

(the "Additional Shares") of the Company's common stock, \$1.00 par value per

share (the "Common Stock") stated in Annex A, subject to the terms and

conditions contained herein and in that certain 1998 Restricted Stock Rights
Plan of the Company (the "Plan"), a copy of which is attached hereto as Annex B,

provided: (a) that prior to the Payment Date the Employee neither voluntarily
terminates (see Section 1.03 concerning Retirement) nor is terminated for Cause
as an employee of the Company and (b) that the Company does not engage in a
merger, consolidation, or similar transaction that becomes effective under
applicable law on or prior to July 1, 1998 with Lockheed Martin Corporation or
any of its subsidiaries (such transaction is a "Lockheed Merger").

1.02. If, prior to the Payment Date, the Employee voluntarily terminates,
other than by Retirement, or is terminated for Cause as an employee of the
Company, or if a Lockheed Merger becomes effective on or prior to July 1, 1998,
then the grant contained in this Article I shall terminate and the Employee
shall thereupon have no rights under this Article I or under the Plan to receive
the Additional Shares.

1.03. If, prior to the Payment Date, the Employee dies, Retires, or first
becomes Disabled and has not previously voluntarily terminated his or her
employment with the Company or been terminated for Cause, and if a Lockheed
Merger does not become effective on or prior to July 1, 1998, then a pro rata
portion (equal to the ratio of the number of full weeks between March 1, 1998
and the date of death, Retirement or such Disability, divided by 104) of the
Additional Shares shall be distributed in the form of Common Stock to the
Employee or to his guardian or estate, as appropriate.

1.04. If, prior to the Payment Date, the Employee is terminated for a
reason other than Cause as an employee of the Company and has not previously
voluntarily terminated his or her employment with the Company or been terminated
for Cause, and if a Lockheed Merger does not become effective on or prior to
July 1, 1998, then the Additional Shares shall be distributed in the form of
Common Stock to the Employee.

1.05. The number of Additional Shares shall be subject to proportionate
adjustment in the event, not including a Change in Control, of any stock split,
stock dividend, share exchange, spin-off, merger, combination, recapitalization
or other distribution (other than normal cash dividends) of Company assets to
its stockholders. The determination of whether an adjustment is to be made or
not, and, if so, the amount of the adjustment appropriate to reflect such event,
shall

be made by and in the sole discretion of the Compensation and Management
Development Committee of the Board of Directors, pursuant to the Plan.

1.06. The Restricted Stock Right is non-transferable and non-assignable.

1.07. The Company shall be entitled to require, as a condition to the issuance or transfer of any Additional Shares, that the Employee pay any sums required to be withheld by federal, state or local tax law with respect to the issuance or transfer of Additional Shares. Alternatively, the Company, in its sole discretion, may make such provisions for the withholding of taxes as it deems appropriate.

1.08. The issuance of the Additional Shares is subject to full compliance with all then applicable requirements of law, and the rules and regulations of the United States Securities and Exchange Commission, the Commissioner of Corporations of the State of California and any other regulatory agency having jurisdiction over the Company and its shares, and any exchange upon which the stock of the Company may be listed.

1.09. The Employee shall have none of the rights or privileges of a stockholder of the Company with respect to the Additional Shares until the date, if any, on which Additional Shares are issued to the Employee.

1.10. The Compensation and Management Development Committee of the Board of Directors of the Company shall administer the Plan, and may make such waivers hereunder or under the Plan as such Committee in its sole and absolute discretion deems appropriate.

II. ESCROW OF THE SHARES AND CASH PAYMENT.

2.01. The amount of federal, state and local income and social security, medicare and any other applicable employment tax with respect to the vesting of Restricted Performance Stock Rights, that occurred as a result of the stockholder vote on February 26, 1998 approving the merger of the Company with a wholly owned subsidiary of Lockheed Martin Corporation pursuant to that certain Agreement and Plan of Merger dated as of July 2, 1997, as amended to the date hereof, shall be deemed to equal 50% of the number of shares that vested on the date of such stockholder vote multiplied by \$138.25 per share. The amount, if any, of such deemed tax in excess of the amount heretofore withheld by the Company with respect to such shares shall be paid as soon as practicable to the Employee in cash in lieu of an appropriate number of such shares valued at \$138.25 per share. Shares equal in value (at \$138.25 per share) to the amount of the tax withholding and the in-lieu cash payment shall not be issued, and the Employee shall have no rights therein or thereto.

2.02. The shares of Common Stock to which the Employee is entitled (net of (i) tax withholding and (ii) the in-lieu cash payment specified in Section 2.01 hereof) are referred to herein as the "Shares." All of the Shares shall remain the property of the Employee but shall be subject to the restrictions contained in this Agreement. Annex A sets forth the number of Shares subject to this Agreement, as well as the number of Additional Shares under the Restricted Stock Right.

2

2.03. The Shares shall be issued in the name of Employee and delivered to Chase Manhattan Bank and Trust Company, National Association, as Escrow Agent, pursuant to the terms of that certain Master Escrow Agreement, of even date herewith, by and among the Company, the Employee and certain other employees of the Company, and the Escrow Agent, the form of which is attached hereto as Annex C (the "Master Escrow Agreement"), and shall be held by the Escrow Agent in accordance with the terms of the Master Escrow Agreement. In lieu of delivering all of the Shares to the Escrow Agent, the Employee may elect to substitute other owned shares of Common Stock for an equal number (all or part) of the Shares, and such substituted shares of Common Stock shall thereupon become "Shares" for purposes of this Agreement in lieu of the shares for which they were substituted. During the pendency of this Agreement, the Employee may, in accordance with the provisions of the Master Escrow Agreement, elect to deliver other owned shares of Common Stock in exchange for a like number of Shares previously contributed hereunder, and such shares so exchanged shall be "Shares" for purposes of this Agreement. The restrictions imposed by this Agreement shall apply only to the Shares, and only so long as the Shares are held in escrow.

2.04. If, prior to the Payment Date, the Employee neither voluntarily terminates nor is terminated for Cause as an employee of the Company, then on or before the tenth business day after the Payment Date, the Company shall instruct the Escrow Agent in writing to release and distribute to the Employee the certificate representing the Shares. If, prior to the Payment Date, the

Employee dies, Retires, is terminated for a reason other than Cause as an employee of the Company, or first becomes Disabled, and has not previously voluntarily terminated his or her employment with the Company or been terminated for Cause, then on or before the twentieth business day after the date of such death, Retirement, termination or Disability, the Company shall instruct the Escrow Agent in writing to release and distribute to the Employee (or his guardian or estate, as appropriate) the certificate representing the Shares. If, prior to the Payment Date, the Employee voluntarily terminates, other than by Retirement, or is terminated for Cause, then the Employee shall forfeit to the Company all of his right, title and interest in and to the Shares and the Company is hereby empowered, in such event, to instruct the Escrow Agent in writing to release and distribute to the Company the certificate representing the Shares.

2.05. The certificates representing the Shares shall have the following legend conspicuously imprinted on the face thereof:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AN AGREEMENT BETWEEN THE OWNER OF SUCH SHARES AND NORTHROP GRUMMAN CORPORATION AND IN CERTAIN EVENTS SPECIFIED IN SUCH AGREEMENT MAY BE SUBJECT TO FORFEITURE. A COPY OF THE AGREEMENT MAY BE INSPECTED AT THE OFFICES OF NORTHROP GRUMMAN CORPORATION.

2.06. The Shares held in escrow pursuant hereto and pursuant to the Master Escrow Agreement may not be assigned, alienated, sold, pledged, hypothecated, or otherwise transferred, disposed of or encumbered, other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order (as defined by the Internal Revenue Code).

3

2.07. The Company shall promptly pay to the Employee as owner of the Shares all dividends and distributions with respect to the Shares as the same shall have been declared and paid by the Company with respect to the Common Stock, provided that the Employee shall have no right to receive any such payment if, on or prior to the date of such payment, the Employee shall have forfeited all his right, title and interest in and to the Shares pursuant to the terms of this Agreement.

2.08. As owner of the Shares, the Employee shall retain all voting rights with respect to the Shares provided to holders of shares of Common Stock under the charter or bylaws of the Company or the laws of the State of Delaware, provided that the Employee shall have no such voting rights from and after the time, if any, at which he forfeits all his right, title and interest in and to the Shares pursuant to the terms of this Agreement.

2.09. The Compensation and Management Development Committee of the Board of Directors of the Company may make such waivers hereunder as such Committee in its sole and absolute discretion deems appropriate.

III. LAPSE OF RESTRICTIONS; ACCELERATION OF ISSUANCE.

3.01. All restrictions on the Shares created pursuant to this Agreement shall lapse and the Company shall deliver written notice to the Escrow Agent directing that the Shares be distributed to the Employee, if the Employee is employed by the Company at the time of the occurrence of a Change in Control that occurs prior to March 1, 2000. The Restricted Stock Rights shall immediately vest and the Company shall forthwith issue the Additional Shares to the Employee if the Employee is employed by the Company at the time of the occurrence of a Change in Control that occurs prior to March 1, 2000, unless such Change in Control is a Lockheed Merger effective on or prior to July 1, 1998, in which event Section 1.02 hereof shall control.

IV. PAYMENT FOR TAXES.

4.01. If, after a final determination for federal, state or local tax purposes, the deposit of the Shares into the escrow created under the Master Escrow Agreement or the subjection of the Shares to the restrictions contained in this Agreement results in a tax liability to the Employee in excess of what the Employee's tax liability would have been had the Shares not been deposited into the escrow or been made subject to the restrictions contained in this Agreement, then the Company shall pay to the Employee an amount equal to any such excess tax liability grossed up to compensate the Employee for any tax liability incurred with respect to any payment made under this Section 4.01.

4.02. The Employee shall be responsible for all taxes imposed with respect to the receipt of any Additional Shares pursuant to this Agreement except that the Company shall pay the Employee an amount equal to any excise tax under Section 4999 of the Internal Revenue Code arising as a result of the receipt of the Additional Shares grossed up to compensate the Employee for any tax liability incurred with respect to any payment made under this Section 4.02.

4

4.03. Any payment by the Company pursuant to either Section 4.01 or Section 4.02 shall be made pursuant to the provisions in the Plan governing such payment.

V. CALIFORNIA LAW.

5.01. This Agreement shall be construed in accordance with and governed by the laws of the State of California, without giving effect to its conflicts of laws or choice of laws rules.

VI. DEFINITIONS.

6.01. For all purposes of this Agreement, the following terms shall have the meanings assigned thereto in this Section 6.01:

"Cause" means the occurrence of either or both of the following: (i) the Employee's conviction for committing an act of fraud, embezzlement, theft, or other act constituting a felony; or (ii) the willful engaging by the Employee in gross misconduct materially and demonstrably injurious to the Company. However, no act, or failure to act, on the Employee's part shall be considered "willful" unless done, or omitted to be done, by the Employee not in good faith and without reasonable belief that his action or omission was in the best interest of the Company.

"Change in Control" has the meaning assigned to it in the Plan.

"Disabled" and its correlatives mean total and permanent disability as defined in the rules of the Social Security Administration of the United States.

"employee of the Company" and its correlatives mean employment by the Company or any of its subsidiaries.

"Retire," "Retirement" and their correlatives mean any retirement on or after March 1, 1999 from active service with the Company with immediate receipt of a pension benefit under a Company retirement or pension plan or, for Company elements not covered by such plans, termination by the Employee at or after age 55 following 10 or more consecutive years of Company service. If the Employee retires before March 1, 1999, such retirement shall be treated as a voluntary termination, and not as a Retirement, for all purposes of this Agreement and the Plan.

VII. AMENDMENTS.

No amendment or modification to this Agreement may be made except in writing signed by the Company and the Employee.

5

BY SIGNING AND DELIVERING THIS AGREEMENT, THE EMPLOYEE EXPRESSLY AGREES THAT THE EMPLOYEE IS A PARTY TO AND IS BOUND BY THIS AGREEMENT AND THE MASTER ESCROW AGREEMENT.

IN WITNESS WHEREOF, THE COMPANY AND THE EMPLOYEE HAVE EXECUTED THIS AGREEMENT AS OF THE ____ DAY OF MARCH, 1998.

NORTHROP GRUMMAN CORPORATION

BY: _____

ITS: _____

EMPLOYEE

SIGNATURE: _____

PRINTED NAME: _____

6

April 8, 1998

To: Appointed Officer Recipients of the Ownership Retention Plan

Subject: Ownership Retention Plan

We want to clarify one point concerning the Ownership Retention Agreement we sent you on April 2, 1998. Some Northrop Grumman personnel who want to elect to be covered by the Ownership Retention Agreement have asked what happens to their escrowed shares and their rights to the 29% additional shares if they terminate their employment under the Good Reason provisions of the Company's Change in Control Severance Agreement.

The answer is that you will get all your escrowed shares and all of the 29% additional shares if you terminate your employment for "Good Reason." In other words, it will be treated just as if you had been laid off or otherwise terminated for reasons other than Cause, and it will not be treated as a voluntary termination by you. The definition of "Good Reason" will be the same as set forth in the Company's Change in Control Severance Plan.

To cement this understanding of your benefits into the legal documents, this letter will serve to modify, as Amendment No. 1, the Ownership Retention Agreement we sent you. If you sign and return the Ownership Retention Agreement and this Amendment No. 1, your Ownership Retention Agreement will be conclusively deemed to include a new Article VIII stating that:

"Termination for Good Reason (as defined in the Company's Change in Control Severance Plan) by the Employee as an employee of the Company shall be deemed to be and shall be treated identically to a termination of the Employee by the Company for reasons other than Cause, for all purposes of this Agreement, the Master Escrow Agreement and the Plan."

We trust that this Amendment No. 1 clarifies and confirms the extensive protections of your interests that we built into the Ownership Retention Agreement. The undersigned, on behalf of Northrop Grumman Corporation, has executed this Amendment No. 1, intending to be legally bound thereby.

Northrop Grumman Corporation

Kent Kresa

Employee Name (print)

Employee Signature

7

[GIBSON, DUNN & CRUTCHER LLP LETTERHEAD]

November 25, 1998

(213) 229-7000

C 66093-00090

Northrop Grumman Corporation
1840 Century Park East
Los Angeles, CA 90067

Re: Registration Statement on Form S-8

Ladies and Gentlemen:

We have acted as counsel to Northrop Grumman Corporation, a Delaware corporation (the "Company"), in connection with the registration by the Company on the Registration Statement on Form S-8 (the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission") on November 25, 1998 under the Securities Act of 1933, as amended (the "Securities Act"), of 102,922 shares (the "Shares") of the Company's common stock, par value \$1.00 per share. The Shares are reserved for issuance upon exercise of Restricted Stock Rights (the "Restricted Stock Rights") granted under the Company's 1998 Restricted Stock Rights Plan.

We are familiar with the corporate actions taken and to be taken by the Company in connection with the authorization and issuance of the Shares and have made such other legal and factual inquiries as we deem necessary for the purpose of rendering this opinion.

Based on the foregoing and in reliance thereon, we are of the opinion that (i) the Shares have been duly authorized for issuance and (ii) when issued pursuant to the 1998 Restricted Stock Rights Plan, the Shares will be validly issued, fully paid and nonassessable.

The Company is incorporated under the laws of the State of Delaware. We are not admitted to practice in Delaware; however, we are generally familiar with the Delaware General

Northrop Grumman Corporation
November 25, 1998
Page 2

Corporation Law and have made such review thereof as we consider necessary for the purpose of rendering this opinion. Subject to the foregoing, this opinion is limited to Delaware and federal law.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the General Rules and Regulations of the Commission.

Very truly yours,

GIBSON, DUNN & CRUTCHER LLP

AEB/JBC/BDT

[LETTERHEAD OF DELOITTE & TOUCHE LLP]

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Northrop Grumman Corporation on Form S-8 of our report dated January 21, 1998, appearing in the Annual Report on Form 10-K of Northrop Grumman Corporation for the year ended December 31, 1997.

/s/ Deloitte & Touche LLP

Los Angeles, California
November 23, 1998