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Contract Agreement

Between

United Food and Commercial Workers Union,

Local 1996

and

The Kroger Company

Atlanta, Georgia

Front-End / Grocery / Produce

May 6, 2001

through

May 14, 2005

29 pp

7/2/02

**AGREEMENT
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TERM: May 6, 2001 - May 14, 2005

AGREEMENT

This Agreement has been entered into by and between The Kroger Co., Atlanta, Georgia, hereinafter designated as the employer, and the United Food and Commercial Workers Union, Local 1996, Atlanta, Georgia, chartered by the United Food and Commercial Workers International Union affiliated with the AFL-CIO, hereinafter designated as the Union.

ARTICLE 1 INTENT AND PURPOSE

The Employer and the Union each represent that the purpose and the intent of this Agreement is to promote cooperation and harmony, to recognize mutual interests, to provide a channel through which information and problems may be transmitted from one to the other, to formulate rules to govern the relationship between the Union and the Employer, to promote efficiency and service, and to set forth herein the basic agreements covering rates of pay, hours of work, and conditions of employment.

ARTICLE 2 COVERAGE

The Union shall be the sole and exclusive bargaining agent for all workers in the following classifications: Courtesy Clerks, part-time clerks, full-time clerks, head checkers, and head clerks in the grocery department of the stores of the Employer in Atlanta, Covington, Dalton, Decatur, Marietta, LaGrange, Cartersville, Athens, Griffin, Newnan, Augusta, Rome, Macon, Gainesville, Albany, Ga. and Opelika and Auburn, Alabama. In addition, the union shall be the sole and exclusive bargaining agent for workers in the delicatessen department in stores in Albany, Georgia. It is understood that should the Company open or acquire Kroger stores within Local 1996's territorial jurisdiction that UFCW Local 1996 shall be the sole and exclusive bargaining agent for the employees in those stores.

ARTICLE 3 CHECK-OFF

A. The duration of the present contract or any renewal thereof, the Employer agrees to deduct service fees in an amount equivalent to dues, and initiation fees on a weekly basis and remit to the Local once each month in an amount as Local 1996 shall determine and provide for its members generally from the pay of each employee who has signed a properly approved Authorization Card. The Union shall officially, in writing, notify the Employer of the amount to be deducted, and if there is any change, notice of the change will be given to the Employer in writing.

B. It is understood that service fees equivalent to initiation fees shall be deducted from the next two (2) weeks pay of the employee so authorizing the deduction, and thereafter service fees in an amount equivalent to union dues shall be deducted from the employees' pay each week, provided only that the total amount to be deducted in any one week shall not exceed four (4) weeks dues.

C. If the law is changed to permit a "Union Shop" the following shop condition shall become effective when it is legal:

It shall be a condition of employment that all of the employees of the Employer covered by this Agreement who are members in good standing on the effective date of this Agreement shall remain members in good standing and those who are not members on the effective date of this Agreement shall, on the thirty-first (31st) day following the effective date of this agreement become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this agreement and hired on or after its effective date shall, on the thirty-first (31st) day following the beginning of such employment become and remain members in good standing in the Union.

D. In the interest of promoting cooperative relations, the store manager will introduce each new employee in his store to the Union shop steward within one (1) week after the new employee reports for work. At this meeting, which shall take place during working hours, the shop steward shall give the new employee a copy of the Agreement with the Union and shall explain its operation. The shop steward may answer any questions the new employee ask him, may request the new employee to join the Union and may make arrangements for the new employee to become a member.

E. The Employer will make deductions weekly from employees who have signed an Active Ballot Club check-off card and the money collected will be forwarded to the President of UFCW Local 1996 at the conclusion of each operating quarter.

**ARTICLE 4
MANAGEMENT RIGHTS**

The management of the business and the direction of the working forces, including the right to plan, direct and control store operations, hire, suspend or discharge for proper cause, transfer or relieve employees from duty because of lack of work or for other legitimate reasons, the right to study or introduce new or improved production methods or facilities, and the right to establish and maintain reasonable rules and regulations covering the operation of the store, a violation of which shall be among the causes for discharge, are vested in the Employer, provided, however, that this right shall be exercised with due regard for the rights of the employees and provided further, that it will not be used for the purpose of discrimination against any employee.

**ARTICLE 5
DISPUTE PROCEDURE**

A. The union shall have the right to designate shop stewards in each store. The shop stewards so designated shall not exceed two (2) per store, one (1) to act as steward and one (1) to act as alternate steward.

B. Should any differences, disputes or complaints arise over the interpretation or application of the contents of this Agreement there shall be an earnest effort on the part of both parties to settle such in a promptly and timely manner through the following steps:

Step 1. By conference between the aggrieved employee, the shop steward and/or the Union Representative and the store manager of the store within seven (7) days of the submission or the presentation of the grievance to the Company.

Step 2. By conference between the shop steward and/or Union Representative and the Zone Manager within fifteen (15) days of initial contact with the zone manager from step 1.

Step 3. By conference between an official or officials of the Union and/or the Divisional Vice President a representative of the Employer so delegated by a Divisional Vice President or both within fifteen (15) days of initial contact by the Union and/or employer from step 2.

Step 4. In the event that the last Step fails to settle satisfactorily the complaint, either party if it desires to arbitrate the complaint, shall refer it to the Board of Arbitration within thirty (30) days after Step 3 is completed.

It is the intent of both parties that grievances shall be handled promptly within the time limit specified in each step of the grievance procedure. However, time limits may be extended in any step of the grievance procedure by mutual consent.

C. The Board of Arbitration shall consist of one (1) person appointed by the Union and one (1) person appointed by the Employer. Said two (2) persons shall within two (2) days after disagreement, request the American Arbitration Association to furnish a panel of arbitrators from which the third arbitrator may be selected, and the decision of the majority shall be binding on the Employer, the employee and the Union. The expense of the third arbitrator shall be paid for jointly. The Company nor the Union shall not refuse more than two dates that have been offered for hearing dates by the arbitrator unless mutually agreed to by the Company and the Union in writing.

D. The Employer may at any time discharge any worker for proper cause. The Union may file a written complaint within five (5) days with the Employer, asserting that the discharge was improper. Such complaint must be taken up promptly, and if the Employer and the Union fail to agree within ten (10) days, the Union, if it desires to arbitrate the discharge, shall refer it to the Board of Arbitration within ten (10) days after such disagreement. Should the Board determine that it was an unfair discharge, the Employer shall reinstate the employee in accordance with the findings of the Board. The Union will be given written notification of any discharge within three (3) working days after discharge.

E. It is agreed that steps 1 and 2 of this dispute procedure may be waived if mutually agreeable to the Employer and the Union.

F. Upon request, the store manager or person in charge will grant to any accredited Union representative the right to communicate with the employees of the store.

G. Grievances must be taken up promptly, and no grievance will be considered or discussed which is presented later than thirty (30) calendar days after such has happened.

H. After all steps of the grievance procedure, except arbitration, have been exhausted, the Union shall have the right to determine if an employee's grievance is qualified to be submitted to arbitration by the Union, and such determination shall be binding on the employee and the Union.

I. All constructive advice notices issued for an infraction of company rules or records of discipline, shall be stricken and become null and void nine (9) months from their date of issuance, provided the employee has not received another notice for the same type of infraction within that nine (9) month period.

ARTICLE 6 NO STRIKE, NO LOCKOUT

A. During the term hereof, the Union agrees that there shall be no strike, or any other interference with or interruption of the normal conditions of the Employer's business by the Union or its members. The Employer agrees that there shall be no lockout.

B. The Union further agrees that its members will not refuse to cross a legal Labor picket line until such line is officially authorized by the Local Union, and further, that in the event the Local Union does recognize such established legal labor picket line, it shall notify the Employer forty-eight (48) hours in advance of such action.

ARTICLE 7 LEAVE OF ABSENCE

A. **Union Business:** The Employer shall grant the necessary time off without discrimination or loss of seniority rights and without pay to any employee designated by the Union to attend a labor convention or serve in any capacity on other official Union business, provided the Employer is given at least one (1) week's notice in writing specifying the length of time off, but in no case shall the length of time off exceed one (1) year.

B. **Sickness or Injury:** A leave of absence because of sickness or injury not to exceed ninety (90) days will be granted to an employee upon written request supported by medical evidence. Extensions will be granted up to ninety (90) days at a time for a cumulative total of one (1) year, if requested and granted in writing supported by proper medical evidence prior to each expiration. An employee who is injured on the job may be granted additional ninety (90) day extensions not to exceed three (3) years.

C. **Military Leave:** Any employee in military service under the provisions of federal law, shall be returned to his job in accordance with such law.

D. **Funeral Leave:** In case of a death in the immediate family of an employee, the employee will be paid for a reasonable period of absence, depending upon the circumstances, but not to exceed three (3) days, provided he attends the funeral. In no case will he receive more than his normal week's pay. "Immediate family" shall mean spouse, parent, mother-in-law, father-in-law, child, brother, sister, stepchild, grandparents or any relative residing with the employee.

E. **Personal Leave of Absence:** A leave of absence up to thirty (30) days shall be granted to an employee who has had one (1) year of continuous service for reasonable personal reasons but not for the purpose of engaging in gainful employment elsewhere. Any such employee desiring a leave of absence shall secure written permission from the Employer with a copy to the Union, the length of absence to be agreed upon by the Employer and employee. The length of absence shall be commensurate with the need.

F. Time spent on leave of absence will not be counted as time worked for the purpose of wage computation and will not result in loss of seniority. Failure to report back to work at the end of a leave of absence shall result in the employee being considered a voluntary quit. Any employee accepting employment elsewhere while on leave of absence shall be considered a voluntary quit, except in a case where such employee works for the Union.

G. **Family and Medical Leave Act:** A leave of absence of up to twelve (12) weeks (unpaid) shall be granted to an employee who has had one (1) year of continuous service and who has worked at least 1250 hours in the twelve (12) months prior to the request, pursuant to the basic provisions of the Family and Medical Leave Act. Any such employee desiring a leave of absence may be required to provide advance leave notice and medical certification prior to the leave of absence being granted, subject to the provisions of the Act. The length of the absence shall be commensurate with the need.

ARTICLE 8 OTHER AGREEMENTS

The Employer agrees not to enter into any agreement or contract with his employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement.

**ARTICLE 9
OTHER WORK**

A. Employees shall perform any work which the manager of the store or zone manager may direct with the understanding that when an employee is assigned to a job with a lesser rate, he will be entitled to his regular rate of pay, unless due to a decrease of work, he has regularly been assigned to a lower-rated job and desires to retain such job rather than accept a layoff.

B. An employee will be assigned to relieve a Head Clerk or a Head Checker and/or Front End Manager who is absent for (1) week or more and shall receive the minimum contract rate in effect in the store involved for such time spent on relief.

C. If an employee in this unit is required to work in the meat department temporarily, the hours worked in the meat department will be counted as hours worked for the purpose of Article 19, Paragraph A and Article 21, Paragraph A.

D. Full-time employees within a store may transfer from night work to the day shift or from day shift to night work when vacancies occur on the basis of seniority. The employee will be given a two (2) week trial and training period. If at the end of such time the employee is not qualified, he shall be returned to his previously held position on the night stock crew. Employees may exercise their rights under this clause not more frequently than once every six (6) months.

**ARTICLE 10 -
WAGES**

A. Rates of pay as set forth in Wage Schedule "A" attached hereto, shall remain in effect for the life of this Agreement and shall constitute the basis for determination of wages for time worked.

B. When an employee works less than a full week, payment for the time worked shall be computed by multiplying the hourly rate by the actual number of hours worked.

C. On new store or stores which may be remodeled, the Head Clerk and Head Checker and/or Front End Manager shall be paid his or her previous rate for fourteen (14) weeks. At the end of fourteen (14) weeks, the store will be reclassified based on the average weekly total sales for the twelve (12) weeks immediately following the first two (2) weeks after opening or remodeling and the Head Clerks and Head Checker and/or Front End Manager rates will then be adjusted to the new classification with retroactive adjustment to the opening of the store.

D. Effective January 6, 2002, January 5, 2003, January 4, 2004, and January 2, 2005, Head Clerks, Front-end Managers, and Produce Managers will be classified based on average sales basis provided herein, but based on the average weekly total sales for the full thirteen (13) Kroger periods ending prior to the above date. A new list of Head Clerk, Front-end Managers, and Produce Manager rates will be established based on the reclassification if changes are involved.

E. Previous Experience

Previous proven comparable grocery or produce experience with a nationally recognized supermarket chain, or comparable experience, within three (3) years of the person's date of employment shall be the basis for determination of employee's rate of pay. It is understood that in determining the person's rate of pay, any previous proven comparable experience within the last three (3) year period will qualify the person for total credit of their previous proven comparable experience. Persons with part-time experience will be given six (6) months credit for each one (1) full year of part-time experience.

Where the Head Grocery Clerk is not assigned to the night stock crew, a Head Night Stock Clerk will be appointed and effective May 6, 2001, will receive a premium of forty cents (\$.40) per hour in addition to their personal rate.

**ARTICLE 11
WORKING CONDITIONS**

A. The hours for each employee shall be scheduled by the Employer. A work schedule shall be posted by noon Friday for the succeeding week. Employees may be added as necessary. The schedule for full-time employees will not be otherwise changed unless such change is necessitated by an emergency such as fire, flood, windstorm, or other acts of nature, but in such cases, full-time employees schedules will not be changed to the extent they do not work the full work schedule of forty (40) hours provided enough hours remain in the workweek. For the purpose of this provision, daily overtime and night premium will be waived to allow the employee to make up lost hours, should they desire to make up lost hours.

The schedule for part-time employees may be changed provided the employee involved is notified of the change not later than the day before such change is to take effect except that such notice will be waived in case of sickness or emergency.

A-1. A full-time employee shall be defined as an employee who works forty (40) hours per week. A part-time employee shall be defined as an employee who works less than forty (40) hours per week.

A-2. An employee who was hired for full-time work and is normally scheduled forty (40) hours per week, shall be considered to be a full-time employee. Any other employee who is normally scheduled forty (40) hours per week for eight (8) consecutive weeks shall also be considered to be a full-time employee. Sunday work and temporary assignments because of vacations and/or absenteeism to a forty (40) hour week shall not be included in this criteria.

A-3. An employee who is hired for part-time work, and is scheduled and works less than forty (40) hours per week, shall be considered to be a part-time employee. Any other employee who is scheduled and works less than forty (40) hours per week for eight (8) consecutive weeks shall also be considered to be a part-time employee.

B. The workweek shall consist of not more than forty (40) hours to be worked in five (5) days or less except in stores which close one-half (1/2) day per week, in six (6) days or less. This does not apply to part-time claiming of available hours under Article 12, paragraph J.

C. All work in excess of forty (40) hours (thirty-two (32) hours in a holiday week) shall be paid for at time and one-half (1-1/2). Employees hired after December 10, 1987 will be paid time and one-half (1-1/2) for hours worked over forty (40) in a holiday week. Sunday and holiday rotation will not apply to employees hired after December 10, 1987 of the Agreement.

D. All work in excess of nine (9) hours per day shall be paid for at time and one-half (1-1/2).

E. Time and one-half (1-1/2) shall be paid on the weekly basis or daily basis, whichever is greater, but in no case on both.

F. There shall be no split shift schedules.

G. If a full-time employee is required to work outside of his schedule, he shall not be required to take time off from his schedule that week in order to avoid overtime.

H. Employees shall be allowed one (1) hour without pay for lunch. No employee shall be required to work more than five (5) hours without a lunch period. By mutual agreement between an employee and store management, a lunch period of thirty (30) minutes duration may be observed.

I-1. The following shall be recognized as holidays: New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day or on days legally celebrated in lieu thereof. Full-time employees who work their scheduled day immediately preceding a holiday and their scheduled day immediately following a holiday shall receive eight (8) hours pay in addition to the hours worked. Full-time employees who are absent on their scheduled day immediately preceding a holiday or a scheduled day immediately following a holiday shall not be paid holiday pay unless absence is due to proven illness or the absence is excused by the Employer, in which case the employee shall receive holiday pay provided he worked any part of the holiday week. Overtime at time and one-half (1-1/2) the employees straight-time hourly rate of pay will be paid for all hours worked over thirty-two (32) hours in a holiday week. Any extra hours worked during the holiday week which do not exceed the normal workweek will be paid for at straight-time. Sunday and holiday work shall be rotated among qualified employees who are available for such work.

Employees hired after December 10, 1987 will be paid time and one-half (1-1/2) for hours worked over forty (40) in a holiday week. Sunday and holiday rotation will not apply to employees hired after December 10, 1987 of the Agreement.

Employees hired after December 10, 1987 of the Agreement will become eligible for the five (5) basic holidays named in paragraph I-1 of this Article as of their first anniversary date. These employees will not be eligible for any other holidays listed in the Agreement, except as follows:

For employees covered by this provision, the following shall apply:

Effective after two (2) years service, each employee will be eligible for a personal holiday to be observed on a mutually agreed upon day.

Effective after four (4) years service, each employee will be eligible for a second personal holiday to be observed on a mutually agreed upon day.

I-2. A full-time employee with one (1) year or more of continuous service shall receive an additional holiday subject to the same conditions set forth in Article 11, paragraph I-1 for other holidays. Effective January 1, 1988, this holiday will become a personal holiday.

I-3. A part-time employee who has worked in twelve (12) or more weeks shall be entitled to holiday pay for the holidays set forth in Article 11, paragraph I-1 and after one (1) year or more of continuous service in paragraph I-2 above, provided he was scheduled for work in the holiday week and worked his scheduled hours in the holiday week. Employees who are absent of their own accord during a holiday week shall be paid only for the hours actually worked, except where absence is caused by proven illness or is excused by the Employer, the employee shall receive the holiday pay provided he worked any part of the holiday week. Holiday pay shall be figured on the average hours worked for the four (4) consecutive weeks immediately preceding the holiday week on the following basis:

AVERAGE HOURS WORKED	HOLIDAY PAY
Less than 32 hours	4 hours
32 hours and over	8 hours

I-4. Employees with one (1) year of continuous service shall be granted an additional paid holiday subject to the provisions set forth in paragraphs I-1 and I-3 above. Such holiday shall be a personal holiday and shall be celebrated on a day that is mutually agreeable between the employee and the store manager. However, the personal holiday shall be granted no later than thirty (30) days after the employee's request.

I-5. Employees shall be granted two (2) additional days pay with the first week of vacation subject to the provisions set forth in paragraphs I-1 and I-3 above in lieu of an eighth (8th) and ninth (9th) paid holiday.

I-6. There shall be no work performed on Christmas Day. Scheduled work to be performed on Thanksgiving or Easter Sunday will be offered to senior employees by classification. In the event there are not enough volunteers, employees will be required to work in inverse seniority order. An employee shall not be required to work prior to 6:00 a.m. the day following Christmas Day. Any employee who works prior to 6:00 a.m. the day following Christmas Day will be paid for at time and one-half (1 1/2X) the employee's straight time hourly rate.

J. Any uniforms deemed necessary by the Employer for its employees shall be furnished and laundered by the Employer. However, where dacron or similar type uniforms are furnished to employees, such uniforms shall be laundered by the employee.

K. Any employee who is instructed to report for work shall be guaranteed at least four (4) hours work except that part-time employees working after school in stores that close before 8:00 p.m. will be guaranteed two (2) hours work.

L. The union card shall be displayed in all stores covered by this Agreement.

M. Employees working four (4) hours per day up to seven (7) hours per day shall receive one (1) fifteen (15) minute rest period per day. Employees working seven (7) hours or more per day shall receive two (2) fifteen (15) minute rest periods per day. Rest periods will be scheduled in accordance with the needs of the business but no earlier than one (1) hour after reporting time.

N. If an employee is transferred from one store to another, he shall be given twenty-four (24) hours advance notice of such transfer except in case of emergency.

O. The Employer and the Union agree that a proven violation of established time clock rules including working before punching in or after punching out may subject such an employee to disciplinary action up to and including discharge.

P. Part-time employees will be scheduled for a minimum of twelve (12) hours per week Monday through Saturday, except that a part-time employee called in on Saturday (who has not previously worked that week) will be scheduled for the hours from the time called in to the time the store closes.

For employees hired after December 10, 1987, the following shall apply:

Part-time employees will be scheduled for a minimum of twelve (12) hours per week Sunday through Saturday, except that a part-time employee called in on Saturday (who has not previously worked that week) will be scheduled for the hours from the time called in to the time the store closes.

Q. In case of a temporary transfer, at the request of the Employer, involving more than ten (10) additional miles of travel per day, the employee will be reimbursed for the additional miles traveled at the applicable Marketing Area cents per mile.

R. All work and services connected with or incidental to the handling or selling of merchandise (except potato chips, beverages, cookies, bakery products, rack jobbers) offered for sale to the public in the Employer's retail establishments covered by this Agreement, shall be performed only by employees of the bargaining unit. This Agreement shall not be construed as restricting a sales representative from inspecting any and all merchandise of his respective company for spoilage or replacement, nor shall it apply to new or remodeled stores or to initial special displays unless such special displays have a tendency to become too constant or too often. There shall be no expansion of the present practice which might tend to erode bargaining unit employment during the life of this Agreement.

R-1. If the Employer violates this section, using non-bargaining unit people, the most senior part-time clerk shall be paid equal to the journeyman clerk rate for time spent by the non-bargaining unit person performing bargaining unit work.

S. A night premium of thirty-five cents (.35¢) per hour will be paid for all hours worked between 7:00 p.m. and 7:00 a.m. Monday through Thursday, 9:30 p.m. and 7:00 a.m. Friday, and 7:30 p.m. and 12:00 midnight Saturday. Employees hired after December 10, 1987 shall receive the night premium for hours worked between 12:00 midnight Saturday and 7:00 a.m. Sunday and 7:30 p.m. Sunday and 12:00 midnight Sunday, and 12:00 midnight Sunday and 7:00 a.m. Monday. Effective May 6, 2001, a night premium of fifty cents (.50¢) per hour will be paid for all hours between 10:00 p.m. and 7:00 a.m. Sunday through Saturday. This is separate from and in addition to the employee's basic rate.

T. Full-time schedules (other than night stock employees) with hours after 6:30 p.m. will be rotated among available employees as far as it is practical to do so.

U. There will be no pyramiding of premium pay. Any hours paid for at premium pay will not be used in computing overtime. Where an employee is being paid overtime at time and one-half (1-1/2) rate, the night premiums provided in Article 11, paragraphs S and T shall not apply.

V. Work performed after 7:00 p.m. on Christmas Eve will be paid for at double (2x) the employee's straight-time hourly rate.

W. There shall be a break of a minimum of ten (10) hours between shifts for night stock crews.

X. No employee will be required to take a polygraph examination.

Y. The Employer may schedule night stockers four (4) ten (10) hour shifts, not necessarily consecutive, without incurring daily overtime, provided it is agreeable with the Union and the majority of the employees involved.

Z. The Employer and the Union agree that a proven violation of established time clock rules may subject such employee to disciplinary action up to and including discharge.

The Fair Labor Standards Act as amended, requires among other things, that all time worked by employees be accurately recorded and that employees receive compensation for all time worked in excess of 40 hours in any work week at 1 1/2 times their regular hourly rate of pay. The parties recognize and agree that strict compliance with this Act is in the best interest of the Employer, the Union and the employees. Therefore, the Employer will not request, suffer or permit any employee to work off the clock and the Union agrees to cooperate with and to assist the Employer in assuring strict compliance with this important Federal legislation.

So that discipline will be applied consistently and uniformly, the following steps will be taken to discipline employees who violate the "Fair Labor Standards Act" as stated herein.

First offense - written warning
Second offense - one week disciplinary
suspension - without pay
Third offense - discharge

ARTICLE 12. SENIORITY

A. In layoffs and recalls, seniority shall apply. There shall be one seniority list for full-time employees and a separate seniority list for part-time employees and a separate seniority list for courtesy clerks. Full-time seniority shall be defined as a date employee was last classified full-time. Part-time seniority shall be defined as the length of last continuous employment. (Excluding time spent as courtesy clerk). Full-time employees shall have seniority

over all part-time employees. Seniority for layoffs shall be administered in accordance with the provisions of Appendix "A" attached.

B. In the matter of permanent transfers, seniority shall be the controlling factor.

C. In the matter of promotions within the bargaining unit, seniority will be the controlling factor as long as the employee has the ability to perform the work. A full-time employee who desires consideration for a department head position shall notify the Personnel Department in writing.

C-1. Permanent vacancies for the position of Front End Manager and/or Head Checkers, Head Produce Clerk, and Head Stock Clerk will be posted in each store within the Zone Manager's area and the seniority quadrant within Area 1 where the opening occurs for a minimum of four (4) days prior to the appointment subject to the provisions of the above paragraph. Such notice shall be of a uniform size and shall be posted in a prominent location to be seen by all employees.

D. In the event employees engage in an authorized work stoppage, employees will be called back by seniority within their classification as needed in their store on termination of the authorized work stoppage.

E. Seniority shall be considered broken if an employee is duly discharged by the Employer, if he is promoted to a position outside the bargaining unit, if he voluntarily quits, if he has been laid off continuously for a period of more than six (6) months, or if he is called back to work after a lay-off and does not report for work within one (1) week. This should not apply to employees who are temporarily assigned to relieve employees outside the bargaining unit for vacation purposes or emergencies not to exceed five (5) weeks at any one time.

F. During the first forty-five (45) days of employment, a new employee shall be considered as being on a trial basis and may be discharged at the discretion of the Employer. No employee shall acquire any seniority rights until he has been employed by the Employer for at least forty-five (45) days.

G. Part-time employees will be given preference for full-time jobs if qualified. Employees interested in such full-time jobs will notify the Personnel Manager in writing.

H. Each week the Employer will give the Union a listing of newly hired and active employees. This listing shall include names, social security numbers, home addresses, store numbers and seniority dates and shall be given to the Union in the form of a computerized tape or disk in the format that matches the Union's computer, if possible.

I. The Union shop steward (not the alternate shop steward) shall be the last employee in his classification in his store to be transferred or laid off. The Employer must receive written notification of the stewards appointment prior to granting above.

J. A part-time employee will be allowed to claim daily schedules Monday through Saturday within his store in his classification based on seniority in order to provide up to forty (40) straight-time hours per week, excluding overtime hours. A part-time employee hired after December 10, 1987, will be allowed to claim daily schedules Sunday through Saturday within his store in his classification based on seniority in order to provide up to forty (40) straight-time hours per week, excluding overtime hours. Such employees must claim hours within the area of their job assignment and must be available and able to perform the work. In no instance shall the claiming of hours result in a reduction of an employee's schedule to less than the twelve (12) hour part-time guarantee. Hours in newly remodeled stores and new stores will not be available for claiming until the store is classified.

The Business Agent will inform the Store Manager and the Atlanta Personnel Department of any violations pertaining to scheduling of hours on a seniority basis, and a decision will be rendered within one week.

First Violation

The Store Manager will correct such violation in the following manner:

Assign the hours to the most senior part-time employee who is available and qualified to perform the work. Should the hours have already been worked by a less senior employee, the most senior employee who is available and qualified shall be paid for said hours that the junior employee worked that the senior employee could have worked.

Second Violation

Should Hours be assigned to a less senior employee, the more senior employee who is available and qualified to perform the work shall be paid at two (2) times their regular rate of pay for all hours the junior employee worked that the senior employee could have worked.

Third Violation

Should hours be assigned to a less senior employee, the most senior employee who is available and qualified to perform the work shall be paid at three (3) times their regular rate of pay for all hours assigned to the less senior employee that the senior employee could have worked.

Senior employees or the business agent shall be able to claim all or portion of less senior employee's schedules on a daily basis up to and including forty (40) hours.

Claims for payment as outlined above shall not be valid after thirty (30) days.

If after the third (3rd) violation, it is determined that the schedule is being deliberately manipulated to prevent senior part-time employees from claiming hours, the two (2) most senior part-time employees in the store shall be reclassified to full-time.

One or more senior part-time employees may claim hours from a junior employee so as to eliminate that junior employee from the schedule entirely. However, schedules may not be claimed from a part-time employee so as to leave the employee with less than the twelve (12) hour guarantee unless that employee is totally removed from the schedule.

Schedules will be posted in one (1) location in the store by work location, classification and seniority order. Copies of this weekly schedule will be maintained in the store for a minimum of thirty (30) days.

K. When employees object to night stock work, the night stock work shall be assigned by seniority within his store beginning with the least senior full-time stock clerk.

L. Part-time employees who are about to be permanently laid off may exercise their seniority in accordance with Appendix "A" attached.

M. An employee in one of the following classifications, Checker/Stock Clerk who desires a transfer to another location may request such a transfer in writing to the Atlanta Personnel Department with a copy to his supervisor and the Local Union. When a vacancy occurs, the Employer will review by request filed for that location by seniority, and a decision will be made based on the employees seniority, ability, and consistent with the needs of the business. Requests for transfer shall be valid for a period of six (6) months from the date received in the Personnel Department. Head Grocery Clerks, Head Produce Clerks, and Head Checkers/or Front End Managers may request a transfer as provided above. However, in the case of such request, a decision will be made based upon the experience and ability to perform the work as determined by the Employer.

N. Perry Merger: Effective May 6, 2001, it is the intent of the Company and the Union to merge the Perry Clerks agreement into what is presently known as the Atlanta bargaining unit. The Perry Clerk employees will hereafter become part of the Kroger Atlanta Clerks agreement and shall hereafter enjoy all rights, privileges, and benefits as noted in that agreement, except as specified in this agreement.

Merger of seniority lists: Effective May 6, 2001, the Company will create a combined seniority list between each unit that dovetails each seniority list into one (1) list for the Atlanta Clerks agreement. In the event an employee is transferred from the Perry store to an Atlanta store, and vice-versa, the employee's seniority date will be their date of hire or beginning date of full-time continuous service in accordance with this agreement. Employees currently covered under the Perry agreement prior to May 6, 2001, will not suffer any losses in pay or benefits as a result of this merger.

ARTICLE 13 VACATION

A. Employees will be entitled to vacation according to the policy of the Employer, a summary of which is attached as Appendix "B", except that employees with seven (7) or more years of continuous service shall receive three (3) weeks vacation and employees with fourteen (14) years or more of continuous service shall receive four (4) weeks vacation. Employees with twenty (20) or more years continuous service shall receive five (5) weeks vacation.

Effective with employees hired after December 10, 1987, the following vacation schedule will apply:

1 years service - 1 week vacation
4 years service - 2 weeks vacation
10 years service - 3 weeks vacation
17 years service - 4 weeks vacation

B. In case a granted holiday falls during a vacation, the employee shall be given an additional day or pay in lieu thereof.

C. A part-time employee who is not entitled to vacations according to the policy of the Employer shall be granted a part-time vacation under the same general rules as provided in the policy of the Employer for regular employees except that the part-time vacation will be figured on the number of hours in the vacation qualifying year divided by fifty-two (52).

The qualifying date for all vacation purposes of any part-time employee who subsequently, and without a break in his employment, qualifies as a regular employee (by Employer definition) shall be the date from which his service has been counted for part-time vacation purposes rather than the date he qualified as a regular employee.

Flexible Vacation: A full-time employee who is eligible for three (3) weeks or more of vacation shall be eligible to take one (1) week in days providing such employee has given seven (7) days advance notice or is mutually agreeable by the Employer.

ARTICLE 14 ABSENCE DUE TO JURY DUTY

A. A full-time employee who serves on jury duty shall be paid for time necessarily lost from work provided the employee makes every reasonable effort to be available for work within his or her regular work schedule when not occupied with jury duty. The pay should be the difference between each day's jury fee and the employee's regular rate for time lost from work.

B. In the event any employee is subpoenaed by the Employer to appear in court on behalf of the Employer, or assist in any legal proceedings on behalf of the Employer, the employee will be compensated for the time involved at his regular rate of pay, straight-time or premium as set forth in Article 2 of this Agreement less any compensation provided by the court.

ARTICLE 15 SEPARATION PAY

A. A full-time employee with more than six (6) months full-time service who is discharged for incompetence or is permanently separated due to discontinuance of the job, store closing, or reduction in force shall be given one (1) week's notice or one (1) week's pay in lieu of notice. An employee separated during the week for any of these reasons is entitled to pay through the day he was told of his dismissal, plus pay for one (1) additional week which, at the option of the Employer, may either be worked out or paid in lieu of notice.

B. In the event the Employer closes or sells a store and employees are terminated as a result thereof, full-time employees who have completed two (2) years service shall receive severance pay equal to one (1) week's pay for each year of continuous full-time service, commencing with a third year, but not to exceed four (4) weeks pay at their regular rate. No benefits shall accrue under the terms of this Article if the employee refuses a transfer within a twenty-five mile radius.

C. Any employee who is terminated and who is eligible for and accepts severance pay, forfeits all seniority and recall rights. An employee who does not accept severance pay shall retain his recall rights for a period of six (6) months, and if still not recalled by the Employer, shall then receive his severance pay and has no further recall rights.

ARTICLE 16 SEPARABILITY

Nothing contained in this Agreement is intended to violate any Federal or State Laws, rules or regulations made pursuant thereto. If any part of this Agreement is construed to be in such violation, then that part shall be null and void, and the parties agree that they will, within thirty (30) days, begin negotiations to replace said void part with a valid provision.

ARTICLE 17 NON-DISCRIMINATION

The Employer and the Union agree that there shall be no discrimination against any employee on account of Union activities or affiliation or because of race, religion, color, creed, national origin, sex, age, disability, or veteran's status in accordance with existing law. Where the word "he" appears in this Agreement, the parties agree that it applies to both "male and female" employees.

ARTICLE 18 UNION COOPERATION

A. The Union agrees to uphold the rules and regulations of the Employer in regard to punctual and steady attendance, proper and sufficient notification in case of necessary absence, conduct on the job, and all other reasonable rules and regulations established by the Employer.

B. The Union agrees to cooperate with the Employer in maintaining and improving safe working conditions and practices, in improving the cleanliness and good housekeeping of the stores, and in caring for equipment and machinery.

C. The Union recognizes the need for improved methods and output in the interest of the employees and the business and agrees to cooperate with the Employer in the installation of such methods, in suggesting improved methods, and in the education of its members in the necessity for such changes and improvements.

D. The Union recognizes the need for conservation and the elimination of waste and agrees to cooperate with the Employer in suggesting and practicing methods in the interest of conservation and waste elimination.

E. The Union agrees to cooperate in correcting inefficiencies of members which might otherwise necessitate discharge.

ARTICLE 19 HEALTH AND WELFARE

A-1. The term "eligible employee" shall mean any employee except Courtesy Clerks who has been employed for a period of eight (8) consecutive calendar weeks immediately preceding the first of any month and during said eight (8) week period has worked at least two hundred and twenty-four (224) hours. Such an employee becomes eligible for health and welfare benefits on the first day of the second calendar month immediately following completion of the eight (8) week period (224 hours) and such date shall hereinafter be referred to as his eligibility date.

A-2. In the case of part-time employees, the term "eligible employee" shall mean any employee, except Courtesy Clerks, who has been employed for a period of eight (8) consecutive weeks immediately preceding the first of any month and during said eight (8) week period, has worked at least ninety-six (96) hours. Such an employee becomes eligible for health and welfare benefits on the first day of the second calendar month immediately following the eight (8) week period (96 hours) and such date shall hereinafter be referred to as his eligibility date.

Employees hired after December 10, 1987, the following shall apply:

A-1. The term "eligible employee" shall mean any employee except Courtesy Clerks who have been employed for a period of six (6) months and who have averaged thirty-two (32) hours for twelve (12) consecutive weeks (384 hours). Such an employee becomes eligible for health and welfare benefits on the first day of the second calendar month immediately following completion of six (6) months of service and such date shall hereinafter be referred to as his eligibility date.

A-2. In the case of part-time employees, the term "eligible employee" shall mean any employee, except courtesy clerks, who has been employed for a period of six (6) consecutive months immediately preceding the first of any month and during the last eight (8) week period has worked at least ninety-six (96) hours.

A-3. Employees hired prior to May 6, 2001 will continue to qualify and progress under the existing plans in accordance with existing eligibility requirements.

Employees hired May 6, 2001 and after will enter Plan E, the following shall apply:

A-1. In the case of full-time employees, the term "eligible employee" shall mean any employee except Courtesy Clerks, who have been employed for a period of six (6) consecutive months and who have averaged thirty-five (35) hours for twelve (12) consecutive weeks (420 hours). Such an employee becomes eligible for health and welfare benefits on the first day of the second calendar month immediately following completion of six (6) months of service and such date shall hereinafter be referred to as his eligibility date.

A-2. In the case of part-time employees, the term "eligible employee" shall mean any employee, except Courtesy Clerks, who has been employed for a period of six (6) consecutive months immediately preceding the first of any month and during the last twelve (12) week period has worked at least one hundred-forty four (144) hours. Coverage will be full-time or part-time determined by average hours.

A-3. After completion of thirty-six (36) months of contributions in Plan E, the employee will be covered in Plan A.

A-4. Plan E participants will be eligible for all major medical benefits, excluding dental coverage. After twelve (12) months of contributions in Plan E, participants will become eligible for dental coverage in accordance with the schedule of benefits for the applicable plan.

For Perry Store only: (paragraphs A-5 - A-13)

A-5. Employees hired prior to May 6, 2001 continue to qualify and progress under the existing Plan B in accordance with existing eligibility requirements listed below.

A-6. The term "eligible employee" shall mean any employee, except Courtesy Clerks, who has been employed for a period of six (6) months and who has worked thirty-two (32) hours per week for a period of twelve (12) consecutive calendar weeks (384 hours). Such an employee becomes eligible for health and welfare benefits on the first day of the second calendar month immediately following the completion of six (6) months of service, and such date shall hereinafter be referred to as his eligibility date.

A-7. In the case of part-time employees, the term "eligible employee" shall mean any employee, except Courtesy Clerks, who has been employed for a period of six (6) months and who has worked twelve (12) hours or more per week for twelve (12) consecutive weeks immediately preceding the first of any month. Such an employee becomes eligible for health and welfare benefits on the first day of the second calendar month immediately following the completion of six (6) months of service and such date shall hereinafter be referred to as his eligibility date.

A-8. Contributions to the Trust Fund shall be discontinued as of the first of the month immediately following:

1. A layoff or leave of absence of thirty (30) calendar days or more except as otherwise provided below.
2. The employee's ceasing to be an eligible employee due to his failure to work an average of thirty-two (32) hours per week for twelve consecutive weeks (384 hours) or in the case of a part-time employee, due to his failure to work an average of twelve (12) hours per week for twelve (12) consecutive weeks.

For the purpose of this section, an eligible employee who is on an approved personal leave of absence of two (2) weeks or less or on military leave of absence of two (2) weeks or less shall be credited with the hours he would normally have worked in such week or weeks.

A-9. Contributions to the Trust Fund shall be continued under the following conditions:

1. In case of illness, non-compensable or compensable injury, six (6) months contributions following the month in which the illness or injury occurred.
2. The Employer agrees to pay the contributions to the Trust Fund for eligible employees for one (1) month following termination of employment. This obligation shall not be required when an employee is discharged for dishonesty, drinking or drunkenness on the job or resigns to go into business for himself.

A-10. Employee contributions which have been discontinued in paragraph A-8 will be resumed on the first day of the month following a return to work on the Employer's active payroll after illness or injury.

A-11. Employees shall become eligible for benefits in accordance with the "Rules of Eligibility" as adopted by the Trustees or may be amended from time to time by the Trustees. Such rules are in the Plan Document.

A-12. Effective May 1, 2003, employees who are eligible for Plan B, will progress to Plan A in accordance with eligibility requirements listed in this agreement.

A-13. All new employees hired May 6, 2001 and after will enter Plan E in accordance with eligibility requirements listed in this agreement.

B-1. The employer agrees to increase the contribution rates up to the amount indicated in the table below if needed to maintain the benefits in effect as ratified on April 29, 2001. Actual contributions required to fund the cost of benefits may be less than shown in the table below and will be determined by the Fund Consultant on an annual basis.

	5/1/01	5/1/02	5/1/03	5/1/04
Plan A Full-time	\$374.00	\$427.00	\$499.00	\$542.00
Plan A Part-time	92.00	92.00	92.00	92.00
Plan B Full-time	264.00	300.00		
Plan B Part-time	46.00	46.00		

	5/1/01	5/1/02	5/1/03	5/1/04
Plan E Full-time	\$200.00	\$227.00	\$280.00	\$292.00
Plan E Part-time	40.00	40.00	44.00	49.00

The employer agrees to build reserves of approximately \$5,000,000 over thirty-six (36) months following May 6, 2001 with the actual amount to be determined by the Fund Consultant.

The parties agree that should a reduction in health and welfare benefits become necessary during the term of any existing collective bargaining agreement with Local 1996, that both parties will reopen discussions for the purpose of Health and Welfare, Article 19 or applicable articles dealing with Health and Welfare benefits under other collective bargaining agreements between Local 1996 and the Atlanta Marketing Area. Both parties further agree that Article 6, No Strike – No Lockout or articles containing No Strike – No Lockout in other collective bargaining agreements between Local 1996 and the Atlanta Marketing Area will not prohibit the members from exercising their right to strike the employer over applicable articles dealing with Health and Welfare should no agreement be reached. However, if the Company contributes in the amount of the shortfall and maintains benefits, then it is agreed that it is not necessary for the parties to meet.

Effective with employees hired after December 10, 1987 and prior to May 6, 2001 of this Agreement, the following will apply:

- A. Courtesy Clerks will continue to be excluded from coverage.
- B. All other employees will receive no coverage for six (6) months.
- C. After completion of the six (6) month period above employees will be covered by Plan B for a period of eighteen (18) months.
- D. After completion of the above eighteen (18) months the employee will be covered by Plan A.
- E. Coverage will be full-time or part-time determined by average hours.

Effective with employees hired May 6, 2001 and after of this Agreement, the following will apply:

- A. Courtesy Clerks will continue to be excluded from coverage.
- B. All other employees will receive no coverage for six (6) months.
- C. After completion of the six (6) month period above employees will be covered by Plan E for a period of thirty-six (36) months.
- D. After completion of the above thirty-six (36) months the employee will be covered by Plan A.
- E. Coverage will be full-time or part-time determined by average hours.

B-2. The Employer shall contribute for each eligible employee five dollars (\$5.00) per month to the United Food and Commercial Workers Union and Employers Legal Assistance Fund, which Fund is a jointly administered Employer and Union Trust Fund, as provided in the Trust agreement.

In the event the legal plan's reserves exceed eight (8) months, contributions will be suspended until the Trustee's deem additional monies are necessary (goal of 6 months reserves).

The legal plan must maintain its present tax exemption status or the Employer will no longer be required to make contributions.

Note: The parties agree that should the Plan be terminated, the assets of the Plan will be transferred to the Health Care Plan if allowed by law subject to approval of the Board of Trustees.

- C. Contributions to each Trust Fund shall be discontinued as of the first of the month immediately following:
 1. A layoff or leave of absence of thirty (30) calendar days or more, other than Family and Medical Leave, or as otherwise provided below.
 2. Effective for employees hired prior to December 10, 1987, contributions to the Trust Fund shall be discontinued as of the first of the month immediately following:

The employee's ceasing to be an eligible employee due to his failure to work an average of twenty-eight (28) hours or more for eight (8) consecutive calendar weeks (224 hours) or in the case of a part-time employee due to his

failure to work an average of twelve (12) hours or more per week for the eight (8) consecutive weeks immediately preceding the first day of any month.

3. Effective for employees hired December 10, 1987, contributions to the Trust Fund shall be discontinued as of the first of the month immediately following:

The employee's ceasing to be an eligible employee due to his failure to work an average of thirty-two (32) hours or more for twelve (12) consecutive calendar weeks (384 hours) or in the case of a part-time employee due to his failure to work an average of twelve (12) hours or more per week for the twelve (12) consecutive weeks immediately preceding the first day of any month.

4. Effective for employees hired May 6, 2001 and after, contributions to the Trust Fund shall be discontinued as of the first of the month immediately following:

The employee is ceasing to be an eligible employee due to his failure to work an average of thirty-five (35) hours or more for twelve (12) consecutive calendar weeks (420 hours) or in the case of a part-time employee, due to his failure to work an average of twelve (12) hours or more per week for the twelve (12) consecutive weeks immediately preceding the first day of any month.

For the purpose of this section (19.C), an eligible employee who is on an approved personal leave of absence of two (2) weeks or less or on military leave of absence of two (2) weeks or less shall be credited with the hours he would normally have worked in such week or weeks.

D. Contributions to each Trust Fund shall be continued under the following conditions:

1. In case of illness, non-compensable or compensable injury, six (6) months contribution following the month in which the illness or injury occurred.

In case of compensable injury, contributions will be made until such time as the employee is allowed to return to work or a final settlement is reached on his claim.

2. The Employer agrees to pay the contributions to the Trust Fund for eligible employees for one (1) month following termination of employment. This obligation shall not be required when an employee is discharged for dishonesty, drinking, or drunkenness on the job or resigns to go into business for himself.

3. The Employer agrees to pay the contributions to the Trust Fund for eligible employees on an approved Family and Medical Leave of absence, not to exceed twelve (12) weeks pursuant to the provisions of the Family and Medical Leave Act.

4. Employees shall become eligible for benefits in accordance with the "Rules of Eligibility" as adopted by the Trustees or may be amended from time to time by the Trustees. Such rules are in the Plan Document.

E. Employee contributions which have been discontinued as provided in paragraph D-1 will be resumed on the first day of the month following a return to work on the Employer's active payroll after illness or injury.

F. The eight (8) consecutive calendar weeks referred to in paragraphs A shall mean the eight (8) consecutive calendar weeks immediately preceding the first day of the calendar month.

G. When an employee fails to qualify for the twenty-eight (28) hour contributions as provided in paragraph A-1 but qualifies for the twelve (12) hour contribution provided in paragraph A-2, that contribution shall be made when the contribution provided in paragraph A-1 is discontinued.

ARTICLE 20 INJURY ON THE JOB

When an employee is injured on the job, there shall be no deduction from the employee's pay for his hours scheduled for the day on which he was injured and reported for medical care. When such employee returns to work following the injury, and is certified as ready and able to perform all regular duties, but requires medical treatment as a result of the same injury, the Employer shall adjust his work schedule without penalty to the employee, to provide both the time for medical care and the number of hours for which the employee is regularly scheduled.

ARTICLE 21 PENSION

A. The Employer agrees to make a contribution of forty cents (.40¢) per hour for each paid hour up to and including forty (40) hours per week for all employees in the bargaining unit. Paid hours shall include paid hours of

vacation, holidays and hours of leave paid for by the Employer. Such contribution shall be made not later than the twentieth (20th) day of each month for the preceding calendar month.

In the case of employees hired after 10/1/84, contributions will commence after the employee has completed twelve (12) months of service.

A-1. Effective retroactively to January 1, 1987, change contribution rate to thirty-five cents (.35¢) per hour.

For Perry Store only: (paragraphs B-E)

B. Employees hired prior to May 6, 2001, will continue to qualify under the current Pension Plan as listed below.

B-1. The Employer agrees to make a contribution of thirty-five cents (\$.35) per hour for each paid hour up to and including forty (40) hours per week for all employees in the bargaining unit. Paid hours shall include paid hours of vacation, holidays, and hours of leave paid for by the Employer. Such contributions shall be made not later than the twentieth (20th) day of each month for the preceding calendar month (Clerks - Grocery, Front-end & Produce).

C. Contributions to this Pension Fund shall begin effective November 1995.

D. The term "eligible employee" shall mean any employee who has completed twelve (12) consecutive months of employment.

E. All new employees hired May 6, 2001 and after will qualify for Pension in accordance with the eligibility requirements within this agreement as listed in paragraphs A.

F. Contributions shall be made to a jointly administered Employer-Union Trust Fund which shall be administered by an equal number of trustees representing the Employer and an equal number of trustees representing the Union.

The Pension Trust Fund shall be established pursuant to a Pension Trust Agreement and Pension Plan to be hereinafter entered into by the parties hereto for the sole purpose of providing pensions for eligible employees as defined in such Pension Plan.

G. Said Pension Plan and Trust Agreement establishing the Pension Trust Fund shall be submitted to the United States Treasury Department for the approval and rulings satisfactory to the Employer, that said Plan is qualified under I.R.C. Section 401, et. seq., and that no part of such payments shall be included in the regular rate of pay of any employee.

ARTICLE 22 TECHNOLOGICAL CHANGE

The Employer and the Union recognize that technological change involving certain automated equipment is now available to the retail food industry, particularly as it pertains to the Universal Product Code and electronic checkout equipment. In recognition of this, the parties agree that:

1. Where installations of such equipment will materially affect bargaining unit work, the Union will be pre-notified by the Employer sixty (60) days prior to installation.
2. The Employer has the right to install such equipment.
3. Any training or necessary retraining will be furnished expense free by the Employer to affected employees.
4. Where full-time employees would be displaced by such installation, the Employer will make every effort to affect a transfer.
5. If a full-time employee is not retrained or transferred and would be displaced as a direct result of major technological change, as defined above, then the employee would qualify for separation pay if:
 - a. The employee (except Courtesy Clerks) had two (2) or more years of full-time service.
 - b. Does not refuse a transfer within a fifty (50) mile radius.
 - c. Does not refuse to be retrained.
 - d. Such action does not occur more than six (6) months from date of installation.
 - e. Does not voluntarily terminate employment.

6. Severance pay would be paid at the rate of one (1) week's pay for each year of full-time service in excess of two (2) years not to exceed eight (8) weeks.

7. Severance pay would equate the average number of hours worked the four (4) weeks preceding displacement, not to exceed forty (40) hours straight-time pay.

8. To the extent the Employer installs U-Scans in its stores, the Employer agrees that such operations shall not cause any employee (hired prior to May 6, 2001) to be laid off, and for these employees, paragraphs 5, 6, and 7 shall be null and void.

**ARTICLE 23.
EXPIRATION**

A. This agreement shall continue in effect from May 6, 2001 through May 14, 2005, and shall automatically be renewed from year to year thereafter unless either party serves notice in writing to the other party sixty (60) days prior to the expiration date or prior to any anniversary date thereafter of a desire for termination of or for changes in this Agreement.

IN WITNESS WHEREOF the said parties have caused duplicate copies to be executed by their duly authorized officers this 18th day of June, 2002.

FOR THE UNION:
UFCW Local 1996
Atlanta, Georgia

FOR THE EMPLOYER:

Steve Lomax

Glynn Jenkins

Leon Holderfield

Peggy Prescott

Ricardo L. McMillian

APPENDIX "A"
APPLICATION OF SENIORITY

For purposes of layoffs or permanent reduction of hours, the following classifications shall be established.

- (1) Clerks – this classification shall include stock clerks, dairy clerks, frozen food clerks, receiving clerks, floorman, and stock clerks designated as head night stock clerks.
- (2) Checkers – this classification shall include cashiers, backup front-end managers and backup head checkers, file maintenance clerks, general merchandise clerk. (General merchandise clerk shall not apply to stores with non-food agreements.)
- (3) Floral Clerks, Produce Clerks, Nutrition Clerks.
- (4) Courtesy Clerks.
- (5) Front-End Manager/Head Checker.
- (6) Head Produce Clerk.
- (7) Head Grocery Clerk.
- (8) Head Deli Clerk.
- (9) Deli Clerk.
- (10) Salad Bar Clerk.

In layoffs or permanent reduction of hours affecting full or part-time employees in classifications as outlined above, the following procedures shall apply. Two seniority areas will be established as follows:

Area I Metropolitan Atlanta, Georgia to include Fulton, DeKalb, Cobb, Clayton, Fayette, Gwinnett, Douglas, Henry, Newton, Rockdale and Cherokee Counties, and the Cumming, Georgia store.

Area II All other stores of the Atlanta Division covered by this Agreement.

Area I will be divided into four seniority groups. Divided North and South by Interstate 20 and East and West by Roswell Road – Peachtree Road and Interstate 75.

The Company shall furnish the Union an updated list of stores in each seniority group in Area I during the life of the Agreement.

- (1) An employee who is about to be laid off or permanently reduced from full-time to part-time employment in a store in one of the groups in Area I may displace the least senior employee within their classification within their store.
- (2) The employee thus displaced may exercise their seniority to displace the least senior employee within their classification within their group.
- (3) The employee thus displaced may exercise their seniority to displace the least senior employee within their classification in Area I.
- (4) The employee thus displaced may exercise their seniority to displace the least senior employee within their classification in store nearest to store in which the displacement occurred in Area II, who would then be laid off or reduced to part-time. (Should the employee not be able to exercise seniority in the nearest store in Area II, that employee may displace the least senior employee within their classification in the division.)

Should it become necessary to layoff or permanently reduce from full-time to part-time an employee in Area II, the employee affected may displace the least senior employee thus displaced may then exercise their seniority to displace the least senior employee within their classification on the following basis: (1) city, (2) county, (3) store nearest store in which the displacement occurred within Area II, (4) the employee thus displaced may exercise their seniority to displace the least senior employee within their classification in which the displacement occurred in

Area II. (Should the employee not be able to exercise seniority in the nearest store in Area II, the employee may displace the least senior employee within their classification in the division.)

In case of permanent reductions due to store closings, front-end managers/head checkers shall be given the option of displacing either the least senior employee within their classification or the least senior employee in the checker classification as outlined above. Head Produce Clerks, Head Grocery Clerks, and Head Deli Clerks shall be given the option of displacing either the least senior employee within their classification or the least senior employee in the clerks classification as outlined above.

A full-time employee about to be laid off may choose the option as outlined above or elect to be reclassified to part-time within their store and will maintain their full-time seniority date. Any employee who is voluntarily reduced from full-time to part-time shall have part-time seniority based upon employment date. Part-time employees will be laid off on the same basis as full-time employees.

APPENDIX "B" **VACATION POLICY**

1. ELIGIBILITY

- A. A regular employee will be eligible for a one week vacation as of the first anniversary of his beginning date of continuous full-time service provided he has completed one year of continuous full-time service as of that date.
- B. After qualifying for his first one week vacation, a regular employee who has completed one year of continuous full-time service (but less than three years) prior to January 1 is eligible for one week vacation as of January 1.
- C. A regular employee will become eligible for a second week of vacation as of the third anniversary of his beginning date of continuous full-time service provided he has completed three years of continuous full-time service as of that date.
- D. After qualifying for his first two week vacation, a regular employee who has completed three years of continuous full-time service prior to January 1 is eligible for a two week vacation as of January 1.

2. VACATION PAY

- A. Employees will be paid their straight-time earnings for their basic workweek.
- B. Vacation pay will be paid in advance.

3. GENERAL PROVISIONS

- A. Vacations must be scheduled in the calendar year except that where necessary, vacations which fall due in the 12th or 13th periods may be carried over to the first period of the next year; no employee shall be given pay in lieu of vacation.
- B. If an employee qualifies for a one week vacation as of January 1 and is due to complete the service necessary for an additional week of vacation later in the year, he may take the first week early or wait to take both weeks together.
- C. Choice of vacation dates will be granted on the basis of seniority; except that the Employer reserves the right to grant vacations to any employee when his absence will least affect the operation. Vacation schedule for full-time employees shall be posted in each store not later than March 15 of each year.

4. SEPARATIONS

If an employee who has not taken the vacation which he has earned by reason of his service leaves (regardless of whether he gives notice), goes into military service or is separated for any reason other than confessed or proven dishonesty, he shall receive his vacation pay at the time of leaving.

5. EFFECT OF ABSENCE LEAVE

Leaves totaling 90 days or less in any calendar year shall not affect vacation earned in that year; leaves totaling more than 90 days but not over 180 days shall reduce vacation and vacation pay by one-fourth (1/4); leaves totaling more than 180 days but not over 270 days shall reduce vacation and vacation pay by one-half (1/2); leaves totaling more than 270 days shall disqualify for vacation. This shall not apply in case of compensable (on the job) injury.

**Atlanta Clerks
Schedule "A" Wages - Area I and Area II**

Produce Manager, Grocery Manager, Front-End Manager

	5/6/01	5/5/02	5/4/03	5/2/04
Store Volume less than \$250,000	\$14.90	\$15.25	\$15.60	\$15.95
\$250,001-\$375,000	15.15	15.50	15.85	16.20
\$375,001-\$450,000	15.40	15.75	16.10	16.45
\$450,001 and over	15.65	16.00	16.35	16.70

Checker/Stock Clerk (Full-time prior 9/9/84)

	5/6/01	5/5/02	5/4/03	5/2/04
	\$13.20	\$13.55	\$13.90	\$14.25

Checker/Stock Clerk (Full-time between 9/9/84 and 12/14/97)

	5/6/01	5/5/02	5/4/03	5/2/04
Start	\$5.40	\$5.40	\$5.40	\$5.40
After 6 months	5.50	5.50	5.50	5.50
After 12 months	5.70	5.70	5.70	5.70
After 18 months	5.90	5.90	5.90	5.90
After 24 months	6.25	6.25	6.25	6.25
After 30 months	6.65	6.65	6.65	6.65
After 36 months	7.00	7.00	7.00	7.00
After 42 months	7.50	7.50	7.50	7.50
After 48 months	8.00	8.00	8.00	8.00
After 54 months	10.90	11.25	11.60	11.95

Checker/Stock Clerk - Full-time (Hired 12/14/97 and after)

	5/6/01	5/5/02	5/4/03	5/2/04
Start	\$5.40	\$5.40	\$5.40	\$5.40
After 6 months	5.50	5.50	5.50	5.50
After 12 months	5.70	5.70	5.70	5.70
After 18 months	5.90	5.90	5.90	5.90
After 24 months	6.25	6.25	6.25	6.25
After 30 months	6.65	6.65	6.65	6.65
After 36 months	7.00	7.00	7.00	7.00
After 42 months	7.50	7.50	7.50	7.50
After 48 months	8.00	8.00	8.00	8.00
After 54 months	8.75	8.75	8.75	8.75
After 60 months	10.90	11.25	11.60	11.95

Courtesy Clerks \$5.15

Effective 12/14/97, Courtesy Clerks who have been in the position for thirty-six (36) consecutive months will have their rate increased to \$5.40 per hour.

Assistant Grocery Manager

	5/6/01	5/5/02	5/4/03	5/2/04
\$250,001-\$375,000	\$11.85	\$12.20	\$12.55	\$12.90
\$375,001-\$450,000	12.85	13.20	13.55	13.90
\$450,001 and over	13.35	13.70	14.05	14.40

Effective May 6, 2001, if a designated Assistant Grocery Manager has a personal rate higher than the Assistant Grocery Manager rate, they will receive a fifty cents (\$.50) per hour premium in addition to their personal rate.

Lead File Maintenance

	5/6/01	5/5/02	5/4/03	5/2/04
Store volume less than \$250,000	\$11.35	\$11.70	\$12.05	\$12.40
\$250,001-\$375,000	11.85	12.20	12.55	12.90
\$375,001-\$450,000	12.85	13.20	13.55	13.90
\$450,001 and over	13.35	13.70	14.05	14.40

Effective May 6, 2001, if an appointed Lead File Maintenance clerk has a personal rate higher than the Lead File Maintenance rate, they will receive a forty cents (\$.40) per hour premium in addition to their personal rate.

Checker/Stock Clerk - Part-time (Hired 12/10/87 and after)

	5/6/01	5/5/02	5/4/03	5/2/04
Start	\$5.40	\$5.40	\$5.40	\$5.40
After 9 months	5.50	5.50	5.50	5.50
After 18 months	5.70	5.70	5.70	5.70
After 27 months	5.90	5.90	5.90	5.90
After 36 months	6.25	6.25	6.25	6.25
After 45 months	6.65	6.65	6.65	6.65
After 54 months	7.00	7.00	7.00	7.00
After 63 months	7.40	7.40	7.40	7.40
After 72 months	7.90	8.10	8.30	8.50

Perry Clerks Wages

Perry Produce Manager, Grocery Manager, Front-End Manager

	05/06/01	11/11/01	5/05/02	5/04/03	5/02/04
Store Vol than \$250,000	\$14.70	\$14.90	\$15.25	\$15.60	\$15.95
\$250,001 - \$370,000	\$14.95	\$15.15	\$15.50	\$15.85	\$16.20
\$375,001 - \$450,000	\$15.20	\$15.40	\$15.75	\$16.10	\$16.45
\$450,001 and over	\$15.45	\$15.65	\$16.00	\$16.35	\$16.70

Perry Full-time Clerk (Hired prior to 11/9/1997)

	05/06/01	06/10/01	11/11/01	5/05/02	5/04/03	5/02/04
Start	\$5.40	\$5.40	\$5.40	\$5.40	\$5.40	\$5.40
After 6 months	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
After 12 months	\$5.70	\$5.70	\$5.70	\$5.70	\$5.70	\$5.70
After 18 months	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90
After 24 months	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25
After 30 months	\$6.65	\$6.65	\$6.65	\$6.65	\$6.65	\$6.65
After 36 months	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
After 42 months	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50
After 48 months	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
After 54 months	\$10.45	\$10.70	\$10.90	\$11.25	\$11.60	\$11.95

Perry Full-time Clerk (hired between 11/9/1997 and 05/06/01)

	05/06/01	11/11/01	5/05/02	5/04/03	5/02/04
Start	\$5.40	\$5.40	\$5.40	\$5.40	\$5.40
After 6 months	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
After 12 months	\$5.70	\$5.70	\$5.70	\$5.70	\$5.70
After 18 months	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90
After 24 months	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25
After 30 months	\$6.65	\$6.65	\$6.65	\$6.65	\$6.65
After 36 months	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
After 42 months	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50
After 48 months	\$8.75	\$8.75	\$8.75	\$8.75	\$8.75

Employees on this scale will qualify for bonus at the 48 month rate

After 54 months	\$9.15	\$9.15	\$9.15	\$9.15	\$9.15
After 60 months	\$11.95	\$10.50	\$10.90	\$11.25	\$11.60

Employees currently at \$8.75 will move to 9.15 on May6, 2001 and will progress to \$10.90 no later than 11/11/01.

Perry Full-time Clerk (hired May 6, 2001)

	05/06/01	11/11/01	5/05/02	5/04/03	5/02/04
Start	\$5.40	\$5.40	\$5.40	\$5.40	\$5.40
After 6 months	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
After 12 months	\$5.70	\$5.70	\$5.70	\$5.70	\$5.70
After 18 months	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90
After 24 months	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25
After 30 months	\$6.65	\$6.65	\$6.65	\$6.65	\$6.65
After 36 months	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
After 42 months	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50
After 48 months	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
After 54 months	\$8.75	\$8.75	\$8.75	\$8.75	\$8.75
After 60 months	\$10.50	\$10.90	\$11.25	\$11.60	\$11.95

Perry Assistant Grocery Manager

	05/06/01	11/11/01	5/05/02	5/04/03	5/02/04
\$250,001 - \$375,000	\$11.65	\$11.85	\$12.20	\$12.55	\$12.90
\$375,001 - \$450,000	\$12.65	\$12.85	\$13.20	\$13.55	\$13.90
\$450,001 and over	\$13.15	\$13.35	\$13.70	\$14.05	\$14.40

If a designated Assistant Grocery Manager has a personal rate higher than the Assistant Grocery Manager rate, they will receive a fifty cents (.50) per hour premium in addition to their personal rate.

Perry Lead File Maintenance

	05/06/01	11/11/01	5/05/02	5/04/03	5/02/04
Store volume less than \$250,000	\$11.15	\$11.35	\$11.70	\$12.05	\$12.40
\$250,001 - \$375,000	\$11.65	\$11.85	\$12.20	\$12.55	\$12.90
\$375,001 - \$450,000	\$12.65	\$12.85	\$13.20	\$13.55	\$13.90
\$450,001 and over	\$13.15	\$13.35	\$13.70	\$14.05	\$14.40

If an appointed Lead File Maintenance clerk has a personal rate higher than the Lead File Maintenance rate, they will receive a fifty cents (.50) per hour premium in addition to their personal rate.

Perry Checker/Stock Clerk Part-time :

	5/6/01	5/5/02	5/4/03	5/2/04
Start	\$5.40	\$5.40	\$5.40	\$5.40
After 9 months	\$5.50	\$5.50	\$5.50	\$5.50
After 18 months	\$5.70	\$5.70	\$5.70	\$5.70
After 27 months	\$5.90	\$5.90	\$5.90	\$5.90
After 36 months	\$6.25	\$6.25	\$6.25	\$6.25
After 45 months	\$6.65	\$6.65	\$6.65	\$6.65
After 54 months	\$7.00	\$7.00	\$7.00	\$7.00
After 63 months	\$7.40	\$7.40	\$7.40	\$7.40
After 72 months	\$7.90	\$8.10	\$8.30	\$8.50

Miscellaneous

Employees designated as Lead Floral, Lead File Maintenance, Head Night Stock Clerk, and Lead Nutrition (where appointed), and Assistant Front-End Manager (in stores whose total volume is \$250,001 and over) will receive a premium of thirty cents (30¢) per hour in addition to their personal rate. Effective November 1, 1992, employees designated as Assistant Head Produce Clerk and where applicable, Lead Receiving Clerk, will receive a premium of thirty cents (30¢) per hour in addition to their personal rate. An employee who desires a promotion may request the same in writing to the Human Resources Manager with a copy to the Zone Manager and local union. When a vacancy occurs, the Employer will review any requests on file, along with any other candidates, and a decision will be made based upon ability, seniority, and consistent with the needs of the business. Requests will be valid for six (6) months from date received by the Human Resources Manager.

Effective May 6, 2001, employees designated as Assistant Produce Manager, and Assistant Front-end Manager (in stores whose total volume is \$250,001 and over) will receive a premium of fifty cents (\$.50) per hour in addition to their personal rate.

Effective May 6, 2001, employees designated as Lead Floral, Head Night stock clerk, Lead File Maintenance, Lead Receiving, Lead Dairy, Lead Frozen Food, Lead Nutrition (where appointed) and Lead CAO (where appointed) will receive a premium of forty cents (\$.40) per hour in addition to their personal rate.

The Courtesy Clerk shall be defined as an employee who sorts, bags, and packages sold merchandise; assists customers with carry-out service, takes care of salvage and returnable containers; returns shopping carts to the store; fills bag racks; and performs general housekeeping duties such as mopping, sweeping, dusting, cleaning as may be required, returns rejected merchandise to shelf or case, checks prices against shelf or case prices, secures change from office, hangs signs and store decorations.

When openings occur for part-time clerks, Courtesy Clerks shall be offered such openings in seniority order. The Courtesy Clerk's service shall not be considered in determining his or her rate of pay upon promotion to part-time or full-time clerk.

It is agreed that a violation of this Addendum in any of the stores employing Courtesy Clerks shall result in the following remedy in the particular store where the violation occurs:

- 1) The Union shall inform the Employer in writing in the first instance.
- 2) An employee performing duties in violation of this Addendum shall be paid the part-time clerk's rate effective upon the date a complaint is filed in the second instance.
- 3) Courtesy Clerks shall be discontinued in the particular store in the third instance.

It is understood that for purposes of this paragraph, each store shall be considered separately.

**SCHEDULE "B"
EMPLOYEE INCENTIVE PLAN**

Effective with the first half 1988 and each full year thereafter during the term of this Agreement, eligible employees will participate in an incentive bonus plan as follows:

– **Eligible Employees**

Department Manager, employees on the top rate of their respective classification wage scale, and employees designated as lead floral clerks, lead file maintenance clerks, lead nutrition clerks, head night stock clerks, lead dairy clerks, and lead frozen food clerks, assistant front-end managers, assistant grocery managers, lead receiving clerks, assistant produce managers, lead CAO clerk excluding courtesy clerks.

To be eligible, employees in the above classifications or job assignments must have been in the position at the beginning and end of the half year in which the incentive bonus is earned.

– Percent (%) to be paid to be determined by percent (%) paid to the employee's Unit/Store Manager. In the event an employee transfers from one store to another, the percent (%) earned will be based on the store in which the employee spent the majority of their time in the half year. Should an employee move from one eligible position to another, the bonus potential will be the potential where the employee spends the majority of their time during the half year.

– Each eligible employee will be guaranteed a minimum payment of their potential incentive bonus for the 2nd half of 2001, 1st and 2nd half of 2002, 1st and 2nd half of 2003, 1st and 2nd half of 2004.

– The maximum potential incentive bonus an employee can earn on an annual basis will be as follows:

	<u>1st Half</u>		<u>2nd Half</u>		<u>Annual Totals</u>	
	Min.	Max.	Min.	Max.	Min.	Max.
Department Head						
Store Volume less than \$250,000	\$200	\$400	\$200	\$400	\$400	\$ 800
\$250,001-\$375,000	\$250	\$500	\$250	\$500	\$500	\$1000
\$375,001-\$450,000	\$300	\$600	\$300	\$600	\$600	\$1200
\$450,001 and over	\$300	\$750	\$300	\$750	\$600	\$1500
*Effective 1/2/94						
	<u>1st Half</u>		<u>2nd Half</u>		<u>Annual Totals</u>	
	Min.	Max.	Min.	Max.	Min.	Max.
Full-time top rate lead floral clerk, lead file maintenance clerk, lead nutrition clerk, head night stock clerk, lead dairy clerk, lead frozen food clerk, asst. front-end manager, asst. grocery manager, asst. head produce, lead receiving clerk, lead CAO clerk	\$150	\$300	\$150	\$300	\$300	\$600
Part-time top rate clerk	\$ 75	\$150	\$ 75	\$150	\$150	\$300

First half bonus will be paid by the sixth (6th) week after close of first half books.

The second half minimum bonus will be paid to all eligible employees the first week of December each year. The remainder amount earned will be paid six (6) weeks after the close of the year-end books.

Required legal deductions will be withheld from bonus payments.

Kroger Co.

October 24, 1997

UFCW Local 1996
5780 Old National Highway
College Park, GA 30349

ATTENTION: Steve Lomax, President

Dear Steve,

This letter serves as our understanding, that to the extent the Employer leases out space in its stores or uses vendors to supply product to our store, the Employer agrees that such operations shall not cause any employee represented by Local 1996 to be laid off.

Sincerely,

Glynn Jenkins
Director, Human Resources/
Labor Relation

The Kroger Co.

December 14, 1997

Mr. Steve Lomax
United Food and Commercial Workers
Union Local 1996
5780 Old National Highway
College Park, Georgia 30349

Dear Steve,

This letter is indicated to you and other interested parties the fact that employees hired prior to 7/19/81 progress on the old rate progressions to the old top rate.

The old rate progression is that progression which was part of the 1981 to 1984 contract and the top rate of that progression was \$10.30 for Area I. Employees in Area II top out at a rate of \$10.15. Courtesy Clerks are not included in these progressions. The Courtesy Clerk rate for employees hired prior to 7/19/81 is \$3.75 for Area I, \$3.70 for Area II.

Sincerely,

Glynn Jenkins
Director, Human Resources/
Labor Relations

GDS/cmc

The Kroger Co.

December 14, 1997

Mr. Steve Lomax
United Food and Commercial Workers
Union Local 1996
5780 Old National Highway
College Park, Georgia 30349

Dear Steve:

This letter of Agreement shall be attached to and become a part of the Agreement between The Kroger Co., Atlanta, Georgia and Local 1996, United Food and Commercial Workers International Union effective November 19, 1987 through November 2, 1991.

It is agreed that work performed on Sundays and holidays in stores covered by this Agreement shall be paid at time and one-half (1-1/2) the employee's base rate of pay.

It is agreed that:

The Employer will not hire employees for twelve (12) hour schedules for the purpose of circumventing the available hours clause.

Job assignments where possible and where the employee is available to perform the work, may be combined on a given day.

Hours worked after 7:00 p.m. Monday through Thursday, 9:00 p.m. Friday; and 7:30 p.m. Saturday, shall not be considered as premium hours for the purpose of claiming hours.

In the event the available hours clause results in administrative problems on a percentage of full-time hours which is detrimental to the efficient operation of the Employer's business, it is agreed that the parties, Union and Management will meet to attempt to mutually resolve the problem.

It is agreed that the Manager of the Store or the Co-Manager will not be scheduled to do work normally performed by members of the bargaining unit. It is recognized by the parties, however, from time to time, circumstances may arise that such work is necessary. It is also agreed that this restriction does not apply to the building of two (2) end of aisle displays per week, nor does it apply to Merchandising Representatives of the Employer.

For employees on payroll as of December 10, 1987, Sunday work to be on voluntary basis.

Sunday/holiday work to be a part of basic work-week and worked at straight-time rate of pay for employees hired after December 10, 1987.

Sunday rotation will not change as it is applied to present employees. Present employees shall not lose any Sunday or holiday work they have previously volunteered to work, except in the event that more present employees volunteer for Sunday/holiday work under the terms of the previous agreement.

Please indicate your approval by signing below.

Sincerely,

Glynn Jenkins,
Director, Human Resources/
Labor Relations

FOR THE UNION:

Steve Lomax

The Kroger Company

November 1, 1997

Steve Lomax, President
UFCW LOCAL 1996
5780 Old National Highway
College Park, GA 30349

Dear Steve,

We have discussed several areas of common interest regarding Health and Welfare and pension benefits for present and future employees. This letter of Agreement shall be attached to and become a part of the Agreement between The Kroger Co., Atlanta Marketing Area and United Food and Commercial workers Local 1996. It is agreed that:

Health & Welfare:

Meat, Deli/Bakery, Seafood employees who are eligible for coverage under the Meat H&W fund prior to May 1, 1998 shall be eligible for Health and Welfare coverage with United Food and Commercial Workers Unions and Employers Health and Welfare Plan pursuant to Article 19 (Clerks) effective May 1, 1998.

All Meat, Deli/Bakery, Seafood employees hired after May 1, 1998, shall be eligible for Health and Welfare coverage with United Food and Commercial Workers Unions and Employers Health and Welfare Plan pursuant to Article 19 (Clerks).

It is understood that this change will not negatively impact an employee's current coverage who are on the payroll and eligible for coverage prior to May 1, 1998.

Sincerely,

Glynn Jenkins