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Kroger Limited Partnership
and
UFCW Local 1529 (clerks)

INDEX

UNITED FOOD AND COMMERCIAL WORKERS

LOCAL #1529

CLERKS

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SCHEDULE "A" WAGES
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TERM: OCTOBER 5, 2003 THROUGH OCTOBER 6, 2007

3800

8/20/04

AGREEMENT

This Agreement has been entered into between Kroger Limited Partnership I of Memphis, Tennessee, and its successors or assigns, hereinafter designated as the Employer, and United Food and Commercial Workers Union, Local No. 1529, chartered by the United Food and Commercial Workers International Union, hereinafter designated as the Union.

ARTICLE 1. INTENT AND PURPOSE

The Employer and the Union each represents that the purpose and 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.

It is understood that wages and all other benefits contained in this Agreement will be implemented only to the extent permissible by law.

With the objective of having a positive impact on turnover and other employment matters, the Union and the Employer may, by mutual agreement, test and/or implement certain contract modifications.

ARTICLE 2. COVERAGE

A. The Union shall be the sole and exclusive bargaining agent for all employees in the classifications defined in Schedule "A", hereto attached, in the stores operated by the Company, now identified as the Delta Marketing Area, and not already under contract to other Local Unions, in the following locations:

1. State of Missouri
2. State of Mississippi
3. State of Arkansas
4. State of Tennessee
5. State of Kentucky

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

ARTICLE 3. SHOP CONDITION

A. The Union security provision specified in (B) below is acknowledged by the Employer and the Union as presently inoperative because it is contrary to the statutes of the States of Tennessee, Mississippi and Arkansas. However, should any Federal or State legislation hereafter legalize the operation of said Union security provision, the Employer and the Union agree that said provision shall be put into full force and effect as a part of this Agreement, beginning upon the earliest date permitted by such enabling legislation. Shop conditions are presently operative in the States of Missouri and Kentucky.

B. It shall be a condition of employment that all employees covered by this Agreement who are members of the Union 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 thirtieth (30th) day following the effective date of this Agreement, or of this clause, as the case may be, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by paragraph (B) and hired on or after its effective date shall, on the thirtieth (30th) day following the beginning of such employment become and remain members in good standing in the Union. For the purpose of this paragraph (B) only, the effective date of this Agreement, as referred to above, shall be determined in accordance with the provisions of paragraph (A) above.

C. In the interest of promoting cooperative relations, the Company agrees that within the first forty-eight (48) hours of employment of a new employee, a management representative of the store shall introduce the new employee to the store steward or an employee designated by the Union and give reasonable amount of time to explain the Union contract and answer questions.

D. The Employer will install enclosed, lockable bulletin boards for use by the Union. The Union shall have all keys. All general notices to be posted will first be submitted to the Human Resources Department for concurrence. All other notices will be submitted to the Store Manager(s) for concurrence.

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 a shop steward for each store. (One (1) additional steward may be appointed in stores averaging \$300,000 per week or more.) It shall be the duty of the shop steward to demand and inspect the cards of those coming under the jurisdiction of this Union and to report his findings to the Union office and to perform such other duties as the Union may require. The shop steward shall perform his duties with the least inconvenience to his Employer as possible.

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 promptly through the following steps:

- Step 1. By conference between the aggrieved employee, the recognized Union Representative, the Union Steward, or both, and the manager of the store.
- Step 2. By conference between the recognized Union Representative and the appropriate supervisor for the Employer.

Step 3. By conference between an official or officials of the Union and such management representatives as the Employer may designate. Before being considered in Step 3, a grievance must be reduced to writing.

Step 4. In the event the previous step fails to settle the complaint or grievance, the Union may request that the matter be referred to a Board of Arbitration. However, any request for arbitration must be made not more than ten (10) days after the Employer gives its answer in writing in Step 3, which will be within seven (7) days of the Step 3 meeting.

C. The time limits, as outlined in Steps 3 and 4 above, may be waived with mutual agreement of the Employer and the Union.

Grievance settlements at Steps 1 and 2 shall be non-precedent setting. (The non-precedent provision may be terminated by either party effective on any anniversary date of the Agreement by written notification prior to such anniversary date.)

Grievances must be handled according to the procedure outlined above, except that Steps 1 and 2 may be waived by mutual consent of the parties.

D. Grievances must be taken up promptly, and no grievance will be considered or discussed which is presented in Step 1 later than fourteen (14) calendar days after the occurrence from which such grievance arose. Nothing in this section shall be applied so as to be in violation of any time limits set forth in applicable state statutes.

E. Either the Union, the Employer, or both, shall request the Director of the Federal Mediation and Conciliation Service to supply a panel of arbitrators from which the arbitrator may be chosen. The arbitrator must be selected within sixty (60) days from the receipt of the panel. The date for the arbitration must be set within sixty (60) days after receipt of the arbitrator's available dates. The decision of the arbitrator shall be binding upon the Union, the Employer, and the aggrieved employee. Authorized expenses of the arbitration shall be paid equally and jointly by the Employer and the Union.

F. The arbitrator shall have authority and jurisdiction to determine the propriety of the interpretation and/or application of the Agreement reflecting the grievance in question, but he shall not have the power to alter or modify the terms of the Agreement.

G. Lengthy discussions between the employees and representatives of the Union, including the shop steward, or among themselves concerning disputes, shall not take place during working hours.

H. The Executive Board of the Local Union shall have the right to determine whether or not the employee's grievance is qualified to be submitted to arbitration by the Union.

I. Constructive advice forms shall be void after twelve (12) months. Constructive advice forms shall be forwarded to the Union promptly.

J. The Employer may at any time discharge a worker for proper cause. The Union may file a written complaint with the Employer within five (5) working days, excluding Saturday, Sunday and holidays, asserting that the discharge was improper. This five (5) day time limit will stand, provided the discharged employee was notified when discharged. Such complaints must be taken up promptly. If the Union and Employer fail to agree, the matter may be referred to the arbitration process.

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. It shall not be considered a violation of this Agreement for any member of the Union to support or refuse to cross a picket line established because of Union labor difficulties originating within the store or stores covered by this Agreement, provided such refusal or support is sanctioned by the United Food and Commercial Workers Union, Local No. 1529. However, before official recognition is given to such a picket line, the Union agrees to give the Employer forty-eight (48) hours advance notice in writing, after picketing commences of the Local Union's intention to honor such picket line.

ARTICLE 7.

DUES DEDUCTION

A. The Employer shall deduct initiation fees, uniform assessments and Union dues from the weekly pay of employees who are members of the Union and who individually and voluntarily certify in writing an authorization for such deductions in the amount certified by the Local Union to be due and owing. The Employer shall promptly remit all sums deducted in this manner to the Secretary-Treasurer of Local 1529.

B. The Employer will make deductions from employees according to the signed Active Ballot Club check-off card, and the monies collected will be forwarded to the Secretary-Treasurer of U.F.C.W., Local 1529 by a separate check.

C. Every two (2) weeks, the Employer will furnish the names, position for which hired, starting rate, addresses, work location, social security numbers, birth dates and employment dates of each new employee. The Employer shall also furnish the names of employees terminated each month along with the reason for termination.

ARTICLE 8.

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 been regularly assigned to a lower rated job and desires to retain such job rather than accept a layoff.

B. Any employee assigned to relieve a Produce Manager, Grocery Manager, Front End Manager or General Merchandise Manager for a period of one (1) week or more shall receive the contract rate in effect in the store involved for such time spent on relief.

Back up relief pay will be paid for the actual hours worked as a relief, but in no event will department head pay be paid in excess of five (5) days in a week. (Example: Relief works two (2) days of vacation relief and receives two (2) days relief pay. Department head works three (3) days and receives three (3) days of pay, plus two (2) vacation days pay.)

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 Health and Welfare and Pension contributions.

ARTICLE 9.

WAGES

A. Rates of pay and pay schedules 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 employee's hourly rate by the actual number of hours worked.

ARTICLE 10.

WORKING CONDITIONS

A. The hours for each employee shall be scheduled by the Employer. Employees scheduled to work on a particular day will be guaranteed the scheduled hours for that day, provided they report to work as scheduled.

B. The basic workweek shall consist of forty (40) hours to be worked in five (5) days. The basic workday shall not be in excess of eight (8) hours. Work performed in excess of the above hours on the day or week shall be paid for at one and one-half (1-1/2) times the employee's straight-time hourly rate of pay, whichever is greater, but in no case on both.

B.1. All hours worked on the sixth day of a workweek will be paid for at one and one-half (1-1/2) times the employee's straight-time hourly rate of pay. However, part-time employees who wish to maximize their hours may volunteer to work a sixth day at straight time.

B.2. When sixth day is the result of a full-time employee working on a scheduled day off, hours worked on the scheduled day off shall be deemed the sixth day and shall be paid at time and one-half (1 1/2) the straight time hourly rate of pay.

C. Any full-time employee who was full-time on May 23, 1965 and who works more than two (2) nights per week past 6:00 p.m., shall be paid time and one-half (1-1/2) for all hours worked between 6:00 p.m. and 6:00 a.m., beginning with the third night worked in any one week.

This provision does not apply to employees on a regularly scheduled night stocking operations or to employees hired after May 23, 1965, or who were on the payroll May 23, 1965, but were not full-time.

D. There shall be no split shift schedule for employees. Any employee working a split shift will be paid one and one-half (1-1/2) times their regular rate for all hours worked that day. Employees may voluntarily waive this provision.

E. Time to be regulated by Time Standard Policy to be posted in all stores.

F. Employees will be allowed one (1) hour off for lunch each day. No employee will be required to work less than three (3) hours or more than five (5) consecutive hours before an initial lunch period is granted. Employees will be scheduled to take lunch periods in reporting time order by job assignment.

G. Any uniform deemed necessary by the Employer for its employees shall be furnished by the Employer. A sufficient supply of such uniforms shall be furnished for the purpose of maintaining a neat and orderly appearance.

H. All employees who are instructed to report for work shall be guaranteed at least four (4) hours work.

I. The Employer agrees to display the Union Store Card in a prominent place in its stores. The Union Store Card is and shall remain the property of the Union.

J. There shall be a fifteen (15) minute uninterrupted rest period given without loss of pay for each four (4) hours or half (1/2) shift worked, not to exceed two (2) rest periods per day. In the event an employee is scheduled over five (5) hours but less than eight (8) hours, one (1) rest period will be scheduled for the shift and this rest period will be twenty (20) minutes. Employees scheduled five (5) hours or less will receive one (1) rest period of fifteen (15) minutes.

K. On a regular night shift between store closing and 6:00 a.m., fifty (.50) cents night premium shall be paid. Other regular employees scheduled to work beyond 12:00 midnight shall be paid night premium for hours worked between 10:00 p.m. to 6:00 a.m. Courtesy Clerks are not eligible for night premium pay.

L. A work schedule for store employees, listing surname and first initial, by seniority, shall be posted in ink in a designated place in each store by Friday noon for the subsequent week and shall remain posted for the week, and there shall be no changing of hours to avoid payment of overtime.

M. If the city or state requires a health examination of an employee, the renewal examination will be paid for by the Employer.

N. In the event of a temporary transfer of a regular employee at the request of management, which would incur additional expense on the part of the employee, such agreed upon expense will be paid by the Employer. If any agreed upon temporary transfer expense reimbursement should include mileage for use of a personal vehicle, the rate will be a minimum of .31 cents per mile.

O. No employee covered by this Agreement shall be required to take a polygraph (lie detector) test.

P. Wherever possible, part-time employees will be scheduled for a minimum of sixteen (16) hours per week, if available. However, additional hours will be scheduled whenever feasible.

Q. 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. There shall be no expansion of the present practice, which might tend to erode bargaining unit employment during the life of this Agreement.

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

It is understood the Employer may use vendor assistance in the General Merchandise section for those items not normally sold in the Grocery Department.

The Company may use outside floor care services.

R. Employees will be given a minimum of ten (10) hours off between shifts. If a new work shift starts prior to the ten (10) hours, all hours worked on that shift will be paid at time and one-half (1-1/2). Employees may voluntarily waive this provision.

S. No employee will be required to work seven (7) consecutive days in a two week period unless mutually agreed upon by Employer and Employee.

ARTICLE 11.

HOLIDAYS AND SUNDAY WORK

A-1. New Year's Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day shall be recognized as holidays (excluding Courtesy Clerks except, effective April 10, 1996, Courtesy Clerks with two (2) or more years of service). Effective January 1, 2007, Dr. Martin L. King, Jr. Day will be a recognized holiday. All holidays off shall be given on the basis of choice by seniority consistent with the practical operation of the business (offer to senior employees force junior employees). During a week in which one of the above holidays occur, regular employees shall receive eight (8) hours at straight-time rates in addition to wages earned. Absence the scheduled day before the holiday, (if scheduled) or the scheduled day after the holiday which is caused by proven illness of the employee or which is excused by management, shall not disqualify the employee for holiday pay, provided the employee has worked some part of the holiday week. (Contractually qualified funeral leave, jury duty and return from leaves of absence during the holiday week shall be included in excusable absences.) In the instance of employees working on recognized holidays, such hours will be compensated for at time and one-half (1-1/2) the employee's straight-time hourly rate.

Employees not qualifying for holiday pay under A-1 above will be paid holiday pay under the conditions set forth below under this section on the following basis: Use the average weekly hours for the four (4) weeks immediately preceding the holiday week according to the following schedule:

<u>Average Hours</u>	<u>Holiday Pay</u>
Under 12	2 Hours
12 - 24	4 Hours
25 - 31	6 Hours
32 - Over	8 Hours

Employees on the payroll as of November 11, 1984 only (excluding Courtesy Clerks) with one (1) or more years of continuous service, shall be granted two (2) personal holidays. It is understood no employee in the Courtesy Clerk classification will receive personal holidays; however, when an employee in the Courtesy Clerk classification who was on the payroll as of November 11, 1984 is promoted to a Clerk classification and has one (1) or more years service, that employee will be entitled to personal holidays beginning the following year.

Regular employees (excluding Courtesy Clerks) previously ineligible for personal holidays because of the November 11, 1984 restriction shall be eligible for two (2) personal holidays.

The days selected by the employee will be given to the Employer two (2) weeks in advance of the desired holiday. The Employer shall not be required to grant these personal holidays in another holiday week and shall retain the right to limit employees off at any one time.

A-2. Employees may be scheduled to work up to and including forty (40) hours in five (5) days in a holiday week at their regular rate of pay. Work on the holiday will be governed by paragraph A-1 above.

B. Regular employees working on Sunday will receive a premium of one dollar (\$1.00) per hour. Part-time employees (excluding Courtesy Clerks) working on Sunday will receive a premium of fifty cents (.50) per hour. Sunday work will be offered by seniority to employees with the ability to perform the necessary job duties. Such work will be voluntary with junior employees being scheduled if enough volunteers are not available. Volunteer list to be posted and effective on a quarterly basis, listing those employees who do not wish to work on Sunday. A new posting will be made one (1) week prior to any scheduling starting a new quarter and said schedule will remain posted by the regular weekly work schedule. If a regular employee is required to work on Sunday (by inverse seniority order), he shall be scheduled two (2) days off in succession (if he desires) during that week or the next succeeding week. If a regular employee is required to work on Sunday less than the basic workday (eight (8) hours), such hours will be in addition to the basic workweek and those Sunday hours will be compensated for at one and one-half (1-1/2) times the basic rate of pay in place of the above premium and such hours will not be counted in computing hours for the purpose of overtime. Such overtime work may be claimed by seniority, classification and ability to perform the work, regardless of whether the employee has signed the volunteer list.

ARTICLE 12.

VACATIONS

A. Employees (excluding Courtesy Clerks) shall be entitled to vacations according to the following schedule: ("Service" means continuous employment.)

1 year service	-	1 week
3 years service	-	2 weeks
7 years service	-	3 weeks
15 years service	-	4 weeks
20 years service	-	5 weeks
25 years service	-	6 weeks

Effective for employees hired after November 11, 1984, (excluding Courtesy Clerks) the following schedule will apply:

1 year	-	1 week
4 years	-	2 weeks
10 years	-	3 weeks
18 years	-	4 weeks

Effective April 10, 1996, Courtesy Clerks with two (2) or more years of service will be eligible for one (1) week of vacation.

Effective January 1, 2004, Courtesy Clerks with four (4) or more years of service will be eligible for one (1) additional week of vacation.

B. Vacations will be administered in accordance with the following conditions:

1. Eligibility for an employee's first vacation (one week) and for subsequent increases in vacation (i.e., two weeks, three weeks, four weeks) will be determined by the anniversary date of his employment. Arrangements must be made to permit employees to enjoy such earned vacations between the actual employment anniversary date and the end of the year in which it occurs. Where necessary, vacations due in the 12th or 13th periods may be carried over to the first period of the next year.
2. After an employee has qualified for his first one week vacation, he automatically qualifies for future one week vacations as of January 1 of each year.
3. After an employee has qualified for his first two weeks vacation, he automatically qualifies for future two weeks vacations as of January 1 of each year. (The same applies after he first qualifies for three, four, five and six weeks.)
4. If an employee qualifies for some portion (i.e., one week, etc.) as of January 1, and is due to complete the service necessary for additional vacation later in the year, he may take the first portion early or wait and take both portions together.
5. Vacations must be taken during the calendar year unless, due to an emergency, management finds it necessary to request postponement.
6. Vacation pay will be paid in advance.
7. If an employee who has not taken vacation earned by his service leaves (regardless of whether he gives notice) or is separated for any reason other than dishonesty, he will receive his vacation pay at the time of leaving. If an employee dies before receiving a vacation which he has earned, his estate is entitled to his vacation pay.
8. Leaves totaling less than ninety (90) days in any calendar year shall not affect a vacation. Any type of leave totaling more than ninety (90) days in a calendar year shall have the following effect upon vacation earned in that year:

Leaves of more than ninety (90) days, but not over one hundred eighty (180) days shall reduce vacation and vacation pay by one-fourth (1/4); leaves of more than one hundred eighty (180) days, but not over two hundred seventy (270) days shall reduce vacation and vacation pay by one-half (1/2); leaves of more than two hundred seventy (270) days shall disqualify for vacation.
9. Determination of vacation pay:
 - a. Hourly paid regular employees who worked on a full-time basis (at least 1800 hours) and who were not laid off for more than thirty (30) working days during the anniversary year or calendar year in which their vacations were earned will be paid their current straight-time earnings for their regularly scheduled workweek. In determining whether an employee has worked the required number of hours (at least 1800 hours), count up to forty hours a week for weeks not worked because of paid vacations or approved leave of absence (including sick leaves) as weeks so worked.

b. The weekly vacation pay of a regular employee who worked less than 1800 hours, or who was laid off for more than thirty (30) working days in the year will be computed at his current hourly rate for the average number of hours per week he worked during the anniversary or calendar year in which the vacation was earned. To determine the average number of hours worked per week, divide the total hours worked during his anniversary or calendar year by the number of weeks in the year; exclude from this divisor weeks off the job because of paid vacations, sick leave, or other authorized leaves of absence.

10. Employees may be invited to request split vacations which will keep part or all of their vacation out of the peak vacation seasons. Vacation may be split only when voluntarily requested by the employee and approved by management.

NOTE: Where substantial number of employees are entitled to long vacations, some split vacations are essential if more than just a few are to share in vacation weeks available during the summer months.

11. The store shall post a complete "vacation schedule" no later than January 31st of each year, setting forth the available vacation dates for each eligible employee in the operation. Choice of vacation dates will be granted to employees on the basis of length of continuous regular service. The "vacation schedule" shall be approved by March 15th and shall not be changed unless agreeable to the employee.

Each store shall post a "temporary vacation schedule" by no later than December 1st of each year to accommodate employees who may wish to request vacation time, for which they are eligible, between January 1st and March 15th of the next year.

The Employer will not block out any weeks of eligibility for vacations. However, the Employer may limit the number of employees to be off within a job classification, consistent with the efficient operation of the store.

12. An additional day with pay immediately following the employee's vacation shall be allowed when any of the recognized holidays occur during an employee's vacation period.
13. Part-time employees shall be given vacation on a pro-rata basis, computed by dividing the total number of hours provided in the year by fifty-two (52).

Part-time employees whose vacation is being reduced by the provisions of 12. B. 8. above, will have their vacation pro-rate computed by dividing the total number of hours provided in the year by the number of weeks worked during the year.

14. Employees who are eligible for at least two (2) weeks of vacations may take up to one (1) week of their vacation one (1) day at a time on mutually agreeable dates. Employees who are eligible for at least four (4) weeks of vacation may take up to two (2) weeks of their vacation one (1) day at a time on mutually agreeable dates. The Employer retains the right to limit the number of employees off in any one (1) week.

ARTICLE 13.

SENIORITY

A. Seniority will be determined by the employee's last date of hire or entry into the bargaining unit, whichever is later. Seniority will control layoffs, recalls, schedules of work by the number of hours and available vacation dates within a given store and in conjunction with other pertinent paragraphs of this Agreement, provided the employee is qualified to do the work available.

A-1. Employees shall be considered probationary for the first thirty (30) days of employment and may be discharged at the discretion of management. The probationary period may be extended for an additional thirty (30) days by mutual agreement of the Employer and the Union.

A-2. In the matter of employee transfers from one type of work to another or a permanent transfer from one store to another, consideration will be given to the employee's wishes. Where ability is reasonably equal, an employee having seniority may elect not to transfer.

A-3. In the matter of promotions within the bargaining unit, where ability is reasonably equal, the employee having the greatest seniority shall receive preference. A full-time employee who desires consideration for a Department Manager position shall notify the Human Resources Department in writing, with a copy to the Union.

Employees designated to relieve or back-up department heads shall have preference for department head openings.

A-4. When management deems a full-time, non-classified job opening to exist in a store, such opening will be posted in that store for ten (10) days. Part-time employees in that store who wish to be considered shall sign the posting notice.

All department manager openings will be posted in the seniority area for ten (10) days. Employees wishing to be considered shall sign the posting.

B. In case of a layoff, a full-time employee may:

- (1) take a layoff
- (2) work part-time within the store
- (3) claim the last full-time job on the respective seniority list in the city
- (4) Should seniority not permit the employee to claim the last full-time job in the city, he may claim the last full-time job in the seniority area.
- (5) Should seniority not permit the employee to claim the last full-time job in the area, he may claim the last full-time job in the area covered by this Agreement.

It is understood the affected employee must exercise their claim in writing (copy to the Human Resource Manager and the Union) no later than thirty (30) calendar days.

The above procedure will be followed in the case of a permanent layoff of a part-time employee.

C. Seniority shall be considered broken if an employee is duly discharged by the Employer, 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 layoff and does not report for work within one (1) week.

- D. Full-time and regular employees within a store and where the employee is qualified to do the work available will be given the schedule with the most hours by seniority.
- E. Non-regular employees with the most seniority within a store and where said employee is qualified and available will be given the remaining schedules with the most hours.
- F. Full-time and regular employees may claim hours of a less senior employee in the same type of work in the same store to bring his or her workweek to forty (40) hours.
- G. No hours may be claimed under paragraph F which would put an employee into overtime provisions or result in violation of any other part of this Agreement.
- H. Part-time employees who are instructed to report for work shall be guaranteed at least four (4) hours work.
- I. Any grievances arising out of scheduling must be presented by the employee involved not later than Saturday noon (or twenty-four (24) hours from the time the schedule is posted, whichever is later) of the week the schedule is posted. Otherwise, said employee will be deemed not to have a valid grievance.
- J. Part-time employees will be given preference for full-time positions over applicants with no previous experience provided qualifications are reasonably equal.
- K. In the event of a reduction of the work force of a store, or store closing, the steward shall be the last employee in his classification to be laid off or transferred.
- L. Employees within a store may transfer from night stock work to day work or vice-versa where vacancies occur within their classification on the basis of seniority, provided said employee is qualified to perform the work after given a reasonable length of time to train for the job involved.
- M. 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.
- N. Full-time employees will be given preference for earlier schedules consistent with the needs of the business whenever possible.
- O. Part-time employees will be allowed to claim daily weekly schedules within their store of less senior part-time employees based on seniority in order to provide up to thirty (30) hours per week. In order to claim hours, an employee 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 sixteen (16) hour minimum schedule as provided in this Agreement.
- O-1. The senior part-time employee available and able to perform the work available will be called in to work additional hours, providing the call-in will not exceed the thirty (30) hours as outlined above.

ARTICLE 14.

HEALTH AND WELFARE

A-1. The term "eligible employee" shall mean an employee (excluding Courtesy Clerks and Fuel Clerks) who has worked an average of thirty-five (35) hours per week for a period of twelve (12) consecutive calendar weeks (420 hours). Such an employee becomes eligible for health and welfare benefits on the first (1st) day of the first (1st) calendar month immediately following completion of the twelve (12) consecutive calendar weeks (420 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 an employee (excluding Courtesy Clerks and Fuel Clerks) who has worked an average of sixteen (16) hours or more per week for the twelve (12) consecutive weeks immediately preceding the first of any month. Such an employee becomes eligible for health and welfare benefits on the first (1st) day of the first (1st) calendar month immediately following completion of the twelve (12) consecutive calendar weeks, and such date shall hereinafter be referred to as his eligibility date.

A Courtesy Clerk or Fuel Clerk who is promoted will receive credit for time worked toward satisfying the requirement for health and welfare contributions and will be eligible for health and welfare benefits on the first day of the next calendar month.

A-3. Notwithstanding paragraphs A-1 and A-2 above, employees hired as, or promoted to part-time Clerk after December 11, 1987 shall not be eligible for health and welfare contributions until they have completed nine (9) months employment. Also, effective December 4, 1999, no student, age eighteen (18) and under, who has coverage through another source, will become eligible for health and welfare contributions. Students who leave school will not need to requalify if they meet all other qualifications.

A-4. Employees on the payroll and qualified as of July 1, 2001, shall continue to be covered by the plan identified by the Health and Welfare Plan & Trust as Plan A.

A-5. Full and part-time employees on the payroll and qualified after July 1, 2001, shall be eligible for a schedule of benefits identified as Plan B.

A-6. The Employer shall contribute monthly for each eligible employee to the United Food and Commercial Workers Union Local 1529 and Employers Health and Welfare Plan and Trust, which is a Fund jointly administered Employer and Union Trust Fund, as provided in the Trust Agreement. Contributions shall be as follows effective January 1, 2004:

Plan A Full-Time	\$539.59
Plan B Full-Time	\$438.02
Plan B Full-Time with Vision (12 months following qualification)	\$446.91
Plan A Part-Time	\$235.71
Plan B Part-Time	\$153.32
Plan B Part-Time with Dental (6 months following qualification)	\$165.49
Plan B Part-Time with Dental, Optical and Prescription (12 months following qualification)	\$214.14

Eligibility dates for benefits, plan design, and plan modifications shall be determined by the Trustees of the Health and Welfare Plan and Trust Fund. If contributions should be insufficient for the benefits provided, the Trustees may alter the coverage, benefits, and eligibility accordingly.

B. In order to maintain the reserve policy established in the Letter of Agreement, on an annual basis (January), the Employer's current contribution rate may be increased as determined necessary by the Trustees, in consultation with the Fund Consultant, and shall be documented in writing. Final resolution, if necessary, will rest with the Fund Consultant and Fund Auditor. However, an increased contribution rate shall not exceed on an annual basis, the following maximums commencing, January 1, 2005, maximum of eight (8) percent; January 1, 2006, maximum of eight (8) percent; January 1, 2007 Maximum of eight (8) percent. If the maximum contribution increase of eight (8) percent is not needed during any contract calendar year, the remaining percentage will be rolled over into the following year until the end of the Collective Bargaining Agreement. Rolled over contributions may be called at any time during the plan year.

Through the end of the Collective Bargaining Agreement, the Employer agrees to a Letter of Credit in the amount of six (\$6) million dollars. If dollars are withdrawn from the Letter of Credit, the amount withdrawn will be subtracted from the total amount provided herein. The terms of the Letter of Credit and the bank selected will be agreed upon by Kroger and the Fund Trustees. Such Letter of Credit will be callable by any Trustee within fifteen (15) days. The Employer will establish a one (\$1) million dollar stop loss reserve.

C. Contributions to the Trust Fund shall be discontinued as of the first (1st) of the month immediately following a layoff or leave of absence of thirty (30) calendar days or more, or if the employee fails to average the hours required to qualify for a payment.

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

1. In case of illness, pregnancy, 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.

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

F. When an employee fails to qualify for the thirty-five (35) hour contribution, but qualifies for the sixteen (16) hour contribution, that contribution shall be made when the thirty-five (35) hour contribution is discontinued. (Employees on the payroll as of December 4, 1999 will be disqualified for the higher contribution if they fail to maintain a thirty-two (32) hour average.)

ARTICLE 15.

LEAVE OF ABSENCE

- A. Request for leaves of absence must be made by the employee in writing to the Employer's Human Resource Office with a copy to the Union. Such requests must be made at least two (2) weeks prior to the desired date of leave, except in cases of sickness or injury or as otherwise specified below.
- B. Personal Leave: Employees may be granted a personal leave of absence not to exceed sixty (60) days. The Employer will not arbitrarily deny such request.
- C. Pregnancy, Sickness or Injury: A leave of absence because of pregnancy, sickness, or injury will be granted to any employee not to exceed ninety (90) days, upon written request supported by medical evidence. Extensions of ninety (90) days (not to exceed one (1) year total) will be granted upon written request supported by proper medical evidence prior to each extension. The employee will give the Employer one (1) week's notice in writing of his desire to return to work supported by a doctor's release. An employee on a leave of absence due to a compensable injury will have his case reviewed at the end of one (1) year, and his leave may be extended upon agreement of the parties.
- D. Any member of the Union employed by the Employer during the period of this Agreement who is elected to office or as a delegate to any Union activity necessitating temporary leave of absence shall be granted such leave of absence and shall, at the end of the term in the first instance, or at the end of his mission in the second instance, be guaranteed re-employment at his former wage rate, plus any increase or less any reduction that may have become effective during such absence. Such leave of absence shall be limited to twelve (12) months but shall be renewable or extended further for a reasonable period upon request.
- E. Eligible employees (as defined by law) will be eligible for leaves of absence under the terms of The Family and Medical Leave Act of 1993. The conditions of such leaves shall be those prescribed by the law unless existing leave provisions in this contract provide more generous terms.
- F. Seniority rights shall not be broken when an employee is on a leave of absence. However, if an employee, while on leave of absence, accepts another job or goes into business for himself, he automatically terminates his employment and loses all rights with the Employer.
- G. Union Stewards (limited to one (1) per store) shall be granted one (1) day per year, paid at eight (8) hours, for the purpose of attending a Union Workshop. The Union will give the Employer two (2) weeks advance notice of such request. The Union shall recognize the needs of the business and avoid holiday weeks or weeks that traditionally are heavy sales weeks.
- H. A military leave of absence will be granted to an employee who is called into service under the Collective Service Act and to employees while on Military Reserve Duty ordered by the President or Governor for annual encampment, cruise or for national, state or local emergencies.

ARTICLE 16.

JURY SERVICE

If an employee is called for jury service, or called to be a witness, he shall be paid for hours necessarily absent from work because of said service. Employees will not be required to work and serve on said jury more than eight (8) hours in any day they serve on said jury. If an employee is released from jury or witness services in sufficient time to return to work and complete his scheduled workday, he shall do so.

ARTICLE 17.

DEATH IN FAMILY

If a member of a full-time or regular employee's immediate family shall die, said employee shall be paid for a reasonable period of absence, depending on the circumstances, but not to exceed a maximum of three (3) days. The term "immediate family" shall mean spouse, parent, child, brother, sister, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandparents, grandchildren or any relative residing with the employee.

Part-time employees shall receive time off up to three (3) days, as specified above; however, maximum compensation shall be one (1) day.

ARTICLE 18.

ENFORCEABILITY

A. The parties hereto agree that should any article, part, or paragraph of this Agreement be declared by a Federal or State Court of competent and final jurisdiction in the premises to be unlawful, invalid, ineffective or unenforceable, said articles, part or paragraph shall not affect the validity and enforceability of any other article, part or paragraph hereof, and the remainder of this Agreement shall continue in full force and effect.

B. The parties also agree to renegotiate any article, part or paragraph of the Agreement that has been declared unlawful, invalid, ineffective, or unenforceable as specified above.

ARTICLE 19.

DEFINITION OF A REGULAR EMPLOYEE

A. An employee shall be classified as a "regular" employee at the end of any twelve (12) consecutive workweeks during which his average hours worked per week equal or exceed thirty-five (35) hours.

B. Time not worked because of a holiday shall be counted as time worked toward qualification as a regular employee, regardless of whether or not the employee is entitled to holiday pay.

C. For an employee who meets the aforesaid requirements, continuous service as a regular employee shall be dated back to the first day worked in the first of the twelve (12) qualifying weeks.

D. Once an individual has qualified as a regular employee, he shall be removed from regular status only:

If he is discharged.

If he quits voluntarily, or becomes unavailable for full-time work because of another job.

If he is permanently laid off due to elimination of job.

If he has been reduced, at his voluntary written request, to less than half-time work for one (1) full Kroger period. Upon receipt of such request, the employee shall be notified of the date on which his regular status and benefits will be terminated, provided he does not return to full-time work in the meantime.

If, prior to completion of two (2) years of service as a regular employee, he has worked less than half-time or has been laid off in ten (10) or more weeks in three (3) consecutive periods, including the last two (2) weeks of the most recent period.

If, after completion of two (2) years of service as a regular employee, he has worked less than half-time or has been laid off in twenty (20) or more weeks in six (6) consecutive periods, including the last two (2) weeks of the most recent period.

E. If separated from regular status in accordance with the preceding paragraph, the employee has suffered a break in service which cannot be bridged or eliminated by subsequent employment. To qualify as a regular employee, he must again meet the requirements set forth in the first paragraph.

F. A day student averaging thirty-five (35) hours or more per week during the summer will be retained on a probationary basis until October 15. If he is still working at that time, has met all the requirements for classification as a regular employee, and is currently averaging fifty percent (50%) or more of the basic workweek, he shall be classified as a regular employee, his beginning date of continuous service shall be dated back to the beginning of his qualifying service as defined in the preceding paragraph.

G. Any employee who qualifies or is qualified as a regular employee will remain as a regular employee (unless disqualified as provided above) and will enjoy all benefits as are provided in the Agreement for regular employees, as long as such employees are able to work when and any number of hours up to forty (40) hours per week as the Company schedules. Should an employee be unable to work in this manner, such employee will be reduced to the appropriate part-time rate of pay. All other benefits will be re-adjusted to part-time benefits, and shall remain there until they requalify according to the terms and provisions of this Agreement. Regular employees on the payroll as of November 11, 1984 will not have their rate of pay reduced as a result of the above re-classification other than as provided for other regular employees and will retain regular seniority until December 1, 1985, at which time the employee must be available for full-time work or revert to part-time seniority.

ARTICLE 20.

PENSION

A. The Employer agrees to make a contribution according to the attached Pension Letter of Agreement for each paid hour up to and including forty (40) hours per week for all employees in the bargaining unit after twelve (12) full months of employment to the United Food and Commercial Workers Unions and Employers Pension Fund. 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.

Effective December 17, 1995, employees formerly covered by the Gulf Coast Stores labor agreement between the parties became covered by either the Memphis Clerks or Memphis Meat labor agreement between the parties, as appropriate. Meat and Deli employees covered by the Coast contract at ratification (December 12, 1995) were participants in the U.F.C.W. Unions and Employers Pension Plan (Atlanta). They will be red-circled as continuing participants in that plan.

If, during the term of this Agreement, Kroger Atlanta agrees to any changes with respect to contribution amounts, requirements or method of calculation in the pension article of it's Atlanta Clerks food contract with U.F.C.W. Local 1996, the Employer agrees to adopt the same changes at the same time as Atlanta.

B. 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 hereafter entered into by the parties hereto for the sole purpose of providing pensions for eligible employees as defined in such Pension Plan.

C. Said Pension Plan and the 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. Sec. 401, et. seq., and that no part of such payments shall be included in the regular rate of pay of any employee.

D. It is further understood and agreed that all employees covered by this collective bargaining agreement shall be ineligible to participate in or receive any benefits under the Kroger Employee's Retirement Income Plan.

ARTICLE 21.

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:

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 effect 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 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.

ARTICLE 22.

STORE CLOSING

A. In the event the Employer closes or sells a store and employees are terminated as a result thereof, pro rata vacation and severance pay equal to one (1) week's pay for each year of continuous service, commencing with the third (3rd) year of continuous service for employees up to, but not to exceed eight (8) weeks pay at their regular rate. However, those employees who have an incomplete year of continuous service as an employee will receive pro rata severance pay for that year as follows:

- 0 - 3 months equals twenty-five percent (25%) of a week's pay.
- 3 - 6 months equals fifty percent (50%) of a week's pay.
- 6 - 9 months equals seventy-five percent (75%) of a week's pay.
- Over 9 months equals one (1) week's pay.

Severance pay shall be computed based on the average hours worked per week for the fifty-two (52) weeks preceding a voluntary layoff or termination.

B. Employees terminated as a result of store closing shall receive, in addition to severance pay, pro rata vacation pay.

C. The Employer shall continue contributions to the Pension and Health and Welfare Trust Fund for three (3) full months following termination for those employees who receive severance pay, except those employees who secure employment with a contributing Employer in the Pension and Health and Welfare Trust Fund.

D. All monies due employees, including severance pay, shall be paid in a lump sum upon termination.

E. The Employer agrees to give to the employees and the Union four (4) weeks notice in advance of a store closing or sale. When such notice is given, an employee shall remain with the Employer until the store closes or forfeits his rights under this Article, unless mutually agreed to by the employee, Employer and the Union.

F. No benefits shall accrue under the terms of this Article unless the Employer makes a business decision to close or sell a store. If a store closing is caused by fire, flood, storm, land condemnation, or remodeling, then this Article shall not apply.

G. No benefits shall accrue under the terms of this Article if the employee refuses a transfer within a twenty-five (25) mile radius.

H. 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 23.

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. The Union will be furnished with a copy of changes in or additions to rules as established.

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

D. 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.

E. 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.

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.

ARTICLE 24.

ANTI-DISCRIMINATION

The Employer and the Union agree that they will not discriminate against any employee because of race, color, religion, sex, age, national origin, qualified disability, or Union affiliation. Wherever in this Agreement words such as "he", "she", "him", "her", etc. are used, the intent of the parties is that the application of the contract shall be applied equally and on a non-discriminatory basis regardless of gender.

The Employer shall not discharge or discriminate against an employee for upholding the Union principles, or serving on a committee of the Union or any of its organizations.

ARTICLE 25.

EXPIRATION

This Agreement shall continue in effect from October 5, 2003 through October 6, 2007, 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 hereof to be executed by their duly authorized officers this _____ day of _____, 2004.

FOR THE UNION:

James S. [unclear]
Paul S. [unclear]

FOR THE EMPLOYER:

[unclear]
Reginald [unclear]
[unclear]

UNION NEGOTIATING COMMITTEE:

**SCHEDULE "A" WAGES
ZONE A**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Grocery, Produce, Front-End and General Merchandise Managers</u>				
Average Weekly Volume				
0 - 200,000	14.55	14.85	15.10	15.50
200,001 - 400,000	14.70	15.00	15.25	15.65
400,000 - Over	14.85	15.15	15.40	15.80

The above rates will be effective for department managers appointed on and after December 5, 1999.

<u>Grocery, Produce, Front-End and General Merchandise Managers</u>				
0 - 150,000	14.55	14.85	15.10	15.50
150,000 - Over	14.85	15.15	15.40	15.80

The above rates will be effective for department managers appointed on or before December 4, 1999.

<u>Lead File Clerk</u>	14.55	14.85	15.10	15.50
<u>Regular Clerk/Cashier (Hired prior to 10/4/81)**</u>	12.95	13.20	13.45	13.80
<u>Regular Clerk/Cashier</u>				
Start	7.15	7.15	7.15	7.15
After 3 Months	7.40	7.40	7.40	7.40
After 6 Months	7.90	7.90	7.90	7.90
After 12 Months	8.35	8.35	8.35	8.35
After 18 Months	8.65	8.65	8.65	8.65
After 24 Months	9.10	9.10	9.10	9.10
After 30 Months	9.40	9.40	9.40	9.40
After 36 Months***	9.85	9.85	9.85	9.85
After 42 Months	10.35	10.35	10.35	10.35
After 48 Months	10.75	10.75	10.75	10.75
Thereafter	11.31	11.56	11.81	12.16

**Employees in this special classification are red-circled.

***Maximum experience pay unless rehired from the Employer

**SCHEDULE "A" WAGES
ZONE A**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Full-Time Fuel Clerk</u>				
Start	7.15	7.15	7.15	7.15
After 3 Months	7.40	7.40	7.40	7.40
After 6 Months	7.90	7.90	7.90	7.90
After 12 Months	8.35	8.35	8.35	8.35
After 18 Months	8.65	8.65	8.65	8.65
After 24 Months***	9.10	9.10	9.10	9.10
After 30 Months	9.40	9.40	9.40	9.40
After 36 Months	9.85	10.10	10.35	10.70
<u>Part-time Clerk/Cashier/Fuel Center</u>				
Start	6.00	6.00	6.00	6.00
After 3 Months	6.15	6.15	6.15	6.15
After 6 Months	6.40	6.40	6.40	6.40
After 12 Months	6.65	6.65	6.65	6.65
After 18 Months	6.90	6.90	6.90	6.90
After 24 Months	7.15	7.15	7.15	7.15
After 30 Months	7.45	7.45	7.45	7.45
After 36 Months***	7.75	7.75	7.75	7.75
After 42 Months	8.00	8.00	8.00	8.00
After 48 Months	8.35	8.35	8.35	8.35
Thereafter	8.75	9.00	9.25	9.50
<u>Courtesy Clerks</u>				
Start	5.90	5.90	5.90	5.90
After 6 Months	6.10	6.10	6.10	6.10
After 12 Months	6.30	6.30	6.30	6.30
After 18 Months	6.50	6.50	6.50	6.50
Thereafter	6.60	6.70	6.80	6.90

***Maximum experience pay unless rehired from the Employer

**SCHEDULE "A" WAGES
ZONE B**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Grocery, Produce, Front-End and General Merchandise Managers</u>				
Average Weekly Volume				
0 - 200,000	14.45	14.75	15.00	15.40
200,001 - 400,000	14.60	14.90	15.15	15.55
400,000 - Over	14.75	15.05	15.30	15.70

The above rates will be effective for department managers appointed on and after December 5, 1999.

<u>Grocery, Produce, Front-End and General Merchandise Managers</u>				
0 - 150,000	14.45	14.75	15.00	15.40
150,000 - Over	14.75	15.05	15.30	15.70

The above rates will be effective for department managers appointed on or before December 4, 1999.

<u>Lead File Clerk</u>	14.45	14.75	15.00	15.40
<u>Regular Clerk/Cashier</u> <u>(Hired prior to 10/4/81)**</u>	12.85	13.10	13.35	13.70
<u>Regular Clerk/Cashier</u>				
Start	7.10	7.10	7.10	7.10
After 3 Months	7.35	7.35	7.35	7.35
After 6 Months	7.85	7.85	7.85	7.85
After 12 Months	8.30	8.30	8.30	8.30
After 18 Months	8.60	8.60	8.60	8.60
After 24 Months	9.05	9.05	9.05	9.05
After 30 Months	9.35	9.35	9.35	9.35
After 36 Months***	9.80	9.80	9.80	9.80
After 42 Months	10.30	10.30	10.30	10.30
After 48 Months	10.70	10.70	10.70	10.70
Thereafter	11.26	11.51	11.76	12.11

**Employees in this special classification are red-circled.

***Maximum experience pay unless rehired from the Employer.

**SCHEDULE "A" WAGES
ZONE B**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Full-Time Fuel Clerk</u>				
Start	7.10	7.10	7.10	7.10
After 3 Months	7.35	7.35	7.35	7.35
After 6 Months	7.85	7.85	7.85	7.85
After 12 Months	8.30	8.30	8.30	8.30
After 18 Months	8.60	8.60	8.60	8.60
After 24 Months***	9.05	9.05	9.05	9.05
After 30 Months	9.35	9.35	9.35	9.35
After 36 Months	9.80	10.05	10.30	10.65
<u>Part-time Clerk/Cashier/Fuel Center</u>				
Start	6.00	6.00	6.00	6.00
After 3 Months	6.15	6.25	6.25	6.25
After 6 Months	6.40	6.50	6.50	6.50
After 12 Months	6.65	6.75	6.75	6.75
After 18 Months	6.90	7.00	7.00	7.00
After 24 Months	7.15	7.25	7.25	7.25
After 30 Months	7.45	7.50	7.50	7.50
After 36 Months***	7.75	7.75	7.75	7.75
After 42 Months	8.00	8.00	8.00	8.00
After 48 Months	8.35	8.35	8.35	8.35
Thereafter	8.75	9.00	9.25	9.50
<u>Courtesy Clerks</u>				
Start	5.90	5.90	5.90	5.90
After 6 Months	6.10	6.10	6.10	6.10
After 12 Months	6.30	6.30	6.30	6.30
After 18 Months	6.50	6.50	6.50	6.50
Thereafter	6.60	6.70	6.80	6.90

***Maximum experience pay unless rehired from the Employer.

**SCHEDULE "A" WAGES
ZONE C**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Grocery, Produce, Front-End and General Merchandise Managers</u>				
Average Weekly Volume				
0 - 200,000	14.25	14.55	14.80	15.20
200,001 - 400,000	14.40	14.70	14.95	15.35
400,000 - Over	14.55	14.85	15.10	15.50

The above rates will be effective for department managers appointed on and after December 5, 1999.

<u>Grocery, Produce, Front-End and General Merchandise Managers</u>				
0 - 150,000	14.25	14.55	14.80	15.20
150,000 - Over	14.55	14.85	15.10	15.50

The above rates will be effective for department managers appointed on or before December 4, 1999.

<u>Lead File Clerk</u>	14.25	14.55	14.80	15.20
<u>Regular Clerk/Cashier (Hired prior to 10/4/81)**</u>	12.65	12.90	13.15	13.50

<u>Regular Clerk/Cashier</u>				
Start	7.05	7.05	7.05	7.05
After 3 Months	7.30	7.30	7.30	7.30
After 6 Months	7.80	7.80	7.80	7.80
After 12 Months	8.25	8.25	8.25	8.25
After 18 Months	8.55	8.55	8.55	8.55
After 24 Months	9.00	9.00	9.00	9.00
After 30 Months	9.30	9.30	9.30	9.30
After 36 Months***	9.75	9.75	9.75	9.75
After 42 Months	10.25	10.25	10.25	10.25
After 48 Months	10.65	10.65	10.65	10.65
Thereafter	11.21	11.46	11.71	12.06

**Employees in this special classification are red-circled.

***Maximum experience pay unless rehired from the Employer.

**SCHEDULE "A" WAGES
ZONE C**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Full-Time Fuel Clerk</u>				
Start	7.05	7.05	7.05	7.05
After 3 Months	7.30	7.30	7.30	7.30
After 6 Months	7.80	7.80	7.80	7.80
After 12 Months	8.25	8.25	8.25	8.25
After 18 Months	8.55	8.55	8.55	8.55
After 24 Months***	9.00	9.00	9.00	9.00
After 30 Months	9.30	9.30	9.30	9.30
After 36 Months	9.75	10.00	10.25	10.60
<u>Part-time Clerk/Cashier/Fuel Center</u>				
Start	6.00	6.00	6.00	6.00
After 3 Months	6.15	6.15	6.15	6.15
After 6 Months	6.40	6.40	6.40	6.40
After 12 Months	6.65	6.65	6.65	6.65
After 18 Months	6.90	6.90	6.90	6.90
After 24 Months	7.15	7.15	7.15	7.15
After 30 Months	7.45	7.45	7.45	7.45
After 36 Months***	7.75	7.75	7.75	7.75
After 42 Months	8.00	8.00	8.00	8.00
After 48 Months	8.35	8.35	8.35	8.35
Thereafter	8.75	9.00	9.25	9.50
<u>Courtesy Clerks</u>				
Start	5.90	5.90	5.90	5.90
After 6 Months	6.10	6.10	6.10	6.10
After 12 Months	6.30	6.30	6.30	6.30
After 18 Months	6.50	6.50	6.50	6.50
Thereafter	6.60	6.70	6.80	6.90

***Maximum experience pay unless rehired from the Employer.

**SCHEDULE "A" WAGES
EQUILIZATION OF JACKSON, MS AND JACKSON, TN AREAS
FROM ZONE C TO ZONE A**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Grocery, Produce, Front-End and General Merchandise Managers</u>				
Appointed on and after December 5, 1999.				
Average Weekly Volume				
0 - 200,000	14.25	14.70	14.95	15.50
200,001 - 400,000	14.40	14.85	15.10	15.65
400,000 - Over	14.55	15.00	15.25	15.80
<u>Grocery, Produce, Front-End and General Merchandise Managers</u>				
Appointed on or before December 4, 1999.				
0 - 150,000	14.25	14.70	14.95	15.50
150,000 - Over	14.55	15.00	15.25	15.80
<u>Lead File Clerk</u>	14.25	14.70	15.15	15.50
<u>Regular Clerk/Cashier (Hired prior to 10/4/81)**</u>	12.65	13.05	13.30	13.80
<u>Regular Clerk/Cashier</u>				
Start	7.05	7.10	7.10	7.15
After 3 Months	7.30	7.35	7.35	7.40
After 6 Months	7.80	7.85	7.85	7.90
After 12 Months	8.25	8.30	8.30	8.35
After 18 Months	8.55	8.60	8.60	8.65
After 24 Months	9.00	9.05	9.05	9.10
After 30 Months	9.30	9.35	9.35	9.40
After 36 Months***	9.75	9.80	9.80	9.85
After 42 Months	10.25	10.30	10.30	10.35
After 48 Months	10.65	10.70	10.70	10.75
Thereafter	11.21	11.51	11.76	12.16
<u>Full-Time Fuel Clerk</u>				
Start	7.05	7.10	7.10	7.15
After 3 Months	7.30	7.35	7.35	7.40
After 6 Months	7.80	7.85	7.85	7.90
After 12 Months	8.25	8.30	8.30	8.35
After 18 Months	8.55	8.60	8.60	8.65
After 24 Months***	9.00	9.05	9.05	9.10
After 30 Months	9.30	9.35	9.35	9.40
After 36 Months	9.75	10.05	10.30	10.70

**Employees in this special classification are red-circled.

***Maximum experience pay unless rehired from the Employer

SCHEDULE "A" WAGES

In the event the Federal Minimum Wage changes and impacts the contract rates during the life of this Agreement, the Union and the Company will meet and change the contract rates only to comply with the Federal law.

There shall be a Front End Manager, Produce Manager, Grocery Manager and General Merchandise Manager (in stores over 38,000 square feet where general merchandise sales are rung on a separate key) at the established rate for such classifications in all stores that have qualified under the provision, at all times except such jobs may remain vacant for a maximum period of two (2) weeks.

In stores averaging \$250,000 per week or more, Lead Floral, Lead Dairy and Lead Frozen Food Clerks will receive a \$.50 cent premium over their regular rate of pay.

The Employer shall appoint a back-up department head in the produce, front-end and drug general merchandise departments in stores averaging over \$250,000 in sales per week. Effective 1/01/05, back-up department heads shall receive a fifty-cent (\$.50) per hour premium.

All stores will have a Head night stock clerk assigned and shall receive a one dollar and fifty cent (\$1.50) premium.

The above jobs, based on weekly sales volume, will be reviewed based on the Company's thirteen (13) period fiscal year. Any changes will be effective the second period of the subsequent fiscal year.

In new or major remodeled stores, the classified jobs will be reviewed based on twelve (12) weeks average weekly sales, excluding the two (2) opening weeks. Any rate adjustments based on reclassifications will be retroactive to the date of the store opening.

Employees who are classified as night clerks and work the majority of hours between 10 p.m. and 6 a.m., will have all hours paid calculated using their straight time hourly rate of pay in addition to any premiums received.

Employees who are classified as Lead clerks and back-up department heads will have all hours paid calculated using their straight time hourly rate of pay in addition to any premiums received.

For previous experience to be recognized, the experience must be shown on the application for employment.

New employees will be given credit for previous experience in the following manner:

- A. Full credit will be given for previous comparable experience at a supermarket represented by the UFCW.
- B. A minimum of one-half credit will be given for previous comparable experience at a supermarket not represented by the UFCW. Any previous experience over one-half credit must be agreed upon before going to work.

- C. A minimum of one-half credit for previous experience in work other than that from a supermarket may be given when deemed necessary and appropriate. Any previous experience credit must be agreed upon before going to work.

No employee will have his wage rate reduced as a result of signing this Agreement other than as provided in the Agreement.

Part-time employees promoted to full-time will be placed on the next highest full-time rate that represents a minimum fifteen cents (\$.15) per hour increase.

All hours worked by bargaining unit employees will be compensated per the terms of this Agreement.

Department Heads and Full-time employees in Schedule "C" wage groups in the Jackson, Tennessee and Jackson, Mississippi stores listed below, will progress into wage Zone "A" by increasing their rate of pay by half the difference on October 3, 2004 and the remainder half on October 1, 2006 as shown in Schedule "A" Wages - Equalization.

Jackson, Tennessee	Jackson, Mississippi
V-372	V-345
V-398	V-390
V-448	V-432
V-468	V-357
	V-442
	V-449
	V-377
	V-388
	V-363

ECONOMIC RELIEF

During the term of this Agreement, should the Employer experience economic difficulties in a store, the Employer may request a meeting with the Union to attempt to negotiate economic relief, (such meeting to take place within thirty (30) days.) Any agreement reached would be subject to ratification of the Union Executive Board and the employees in the affected store only. Such agreement will be presented to the store employees within ninety (90) days. Such time may be extended by mutual agreement.

COURTESY CLERKS

A Courtesy Clerk is an employee with limited duties who will not be allowed or permitted to stock, check, process product for stocking and for display, nor work in the office.

Courtesy Clerks will not be used to reduce the hours of employees on the payroll as of January 1, 1984, (in stores where Courtesy Clerks are presently employed or the employees on the payroll in future stores where Courtesy Clerks are added).

Courtesy Clerks will be promoted to part-time by seniority provided they are qualified to perform said duties. Their seniority date for the Clerk classification is the date they are promoted to the classification.

In the event a Courtesy Clerk is promoted to part-time and then demoted to a Courtesy Clerk classification by seniority, they will be the first to be promoted when an opening occurs. When promoted, they shall receive all benefits and progression increase for the time spent while reduced to Courtesy Clerk.

- (a) In the event of any violation of this section, the Union shall notify the Employer in writing, stating the store in which the violation occurred. If the violation is substantiated, the most senior Clerk in this classification will be paid for all hours worked, on the day the violation took place, at the starting part-time Clerk rate. In the event of a second violation of this section occurring within the same store, the Union shall have the right to terminate the Courtesy Clerk classification for a period of three (3) months in the store involved.
- (b) In the event a third violation should occur in a store, then the Union shall have the right to terminate the Courtesy Clerk classification for a period of one (1) year in the store in which the violations have occurred.
- (c) Where the Union exercises its right to terminate the Courtesy Clerk classification, then those employees working in the store under the Courtesy Clerk classification shall be promoted to the Clerk classification and that rate shall prevail thereafter for such employees.

Notification as outlined above will be by registered mail to the Vice President of Operations. No progression of penalty will take place until the above registered notification takes place.

SCHEDULE "B"

ZONES - SENIORITY AREAS

- ZONE A. Greater Memphis area (to be defined as an area twenty-five (25) miles from the city limits).
- ZONE B. Stores located in Blytheville, Forrest City, Helena, and Jonesboro, Arkansas; Clarksdale, Mississippi; and Kennett, Missouri.
- ZONE C. All other stores covered by this Agreement.

Stores may be reclassified from Zone B to Zone C (or vice versa) by the addition of or deletion of organized competition with a comparable contract.

SENIORITY AREAS:

Seniority areas for this Agreement shall be as follows:

1. Memphis Metro (25 miles city limits)
2. Arkansas and Missouri
3. Western Tennessee and Western Kentucky
4. Mississippi Delta West of I-55 (including Helena, Ark.)
5. Mississippi Hills East of I-55
6. Canton, Mississippi and South

FUEL SUPPLEMENT

The terms and conditions (Clerk Contract) shall apply with the following modifications:

A Fuel Center Clerk's responsibilities will be to perform all tasks associated with the operation of the Fuel Center as directed by store management. Clerk/Cashiers will not be required to perform any Fuel Center duties, except in cases of employee relief or emergencies.

Seniority within the Fuel Center shall prevail.

Holidays will include Christmas and five (5) floating holidays which will be earned after 6 months of employment. These floating holidays must be taken by November 15 of each year. Full time employees will receive eight (8) hours of holiday pay and part time will receive four (4) hours of holiday pay. Floating holidays will be scheduled by mutual agreement between the Employer and employee.

The Employer may utilize any vendor services available to the trade at no additional cost. Management may perform any tasks necessary to ensure the efficient operation of the center.

All time worked as a Fuel Center Clerk will not be counted towards qualifying for Health & Welfare or Pension. However, upon promotion to Store Clerk, all time worked as Fuel Center Clerk will be counted towards qualifying for Health & Welfare and Pension. A Fuel Center Clerk, after nine (9) months of service, shall be given preference by seniority for Store Clerk openings.

When management deems a full-time non-classified job opening to exist in the store, such opening will be posted in that store to ten (10) days. Full-time Fuel Center clerks who have more than 9 months of service may apply for such opening if they are qualified for the position or can be trained within a reasonable amount of time. Full-time Fuel Center clerks will have preference over any existing part-time clerk. Full-time fuel clerks transferring into the store will retain their full-time seniority date earned in the fuel center and that date can be used in the determination of greater seniority over existing store clerks.

Store Clerks interested in transferring to the Fuel Center Clerk classification shall put their interest in writing to the Store Manager, with a copy to the Union.

Prior work experience may be considered in determining a new hire's rate of pay.

A Lead Fuel Center Clerk will be appointed at each Fuel Center. Lead Fuel Center Clerks will be paid \$0.50/hour premium. Employees who are classified as Lead Fuel Center clerks will have all hours paid calculated using their straight time hourly rate of pay in addition to any premiums received.

Only work performed in excess of forty (40) hours per week will be paid for at the one and one-half (1½) times the employee's straight time hourly rate of pay.

Effective January, 2005, Full-time Lead Fuel Clerks will be eligible for the New Hire Full-time and Part-time Health and Welfare Plan to be developed by the Board of Trustees of the Health and Welfare Plan and Trust.

Full-time Lead Fuel Clerks will be eligible for a contribution to the Atlanta Pension Fund in October, 2007, if qualification criteria is met.

Letter of Agreement

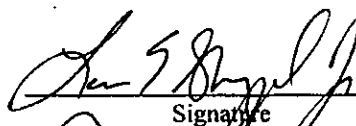
Health and Welfare

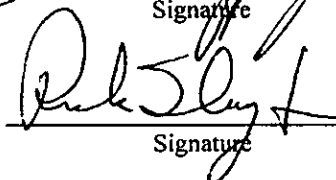
Effective on the date of ratification of this Agreement, the Company shall make a lump-sum payment to the Health and Welfare Plan equal to an amount necessary to replenish the Plan's cash reserve to \$3,500,000 based on cash reserves as determined by the Plan Auditor's letter dated January 13, 2004.

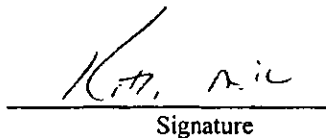
The Trustees, upon ratification, will immediately begin studying ways to keep the plan financially sound throughout the term of this Agreement, including the development of a new hire plan by January 1, 2005.

During the term of this Agreement, the Company is further obligated to make a one-time \$1,000,000 lump-sum payment (\$1,000,000 Stop-Loss Reserve referenced in Health and Welfare Article) to the Health and Welfare Plan, if the Plan cash reserves decline to \$1,500,000. The Plan Consultant and Auditor will monitor the cash reserve and inform the Trustees when the \$1,500,000 cash reserve threshold is breached. The Trustees will notify the Company of such event and the Company shall make this \$1,000,000 lump-sum payment within fifteen (15) days of receiving such notification. In addition, immediately after such notification is sent, the Trustees must meet and study what benefit design changes are necessary to preserve \$2,500,000 in cash reserves through the subsequent Plan years. It is understood this one time lump sum \$1,000,000 payment is separate and apart from the six (\$6) million dollar Letter of Credit.

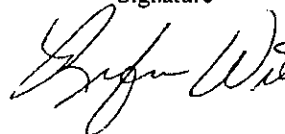
During the term of this Agreement, the Employer agrees to a Letter of Credit in the amount of six (\$6) million dollars. If dollars are withdrawn from the Letter of Credit, the amount withdrawn will be subtracted from the total amount provided herein. The Letter of Credit can be called if the Plan's cash reserves decline to \$2,000,000 million or the Kroger Company has not at least sixty (60) days prior to the expiration date of this Letter of Credit, provided a renewal, extension, additional Letter of Credit or entered into another agreement with respect to this Letter of Credit. The Plan's Consultant and Auditor will monitor the cash reserve and inform the Trustees when the \$2,000,000 cash reserve threshold is breached. The Trustees will notify the Company of such event. The terms of the Letter of Credit and the bank selected will be agreed upon by Kroger and the Plan Trustees. Such Letter of Credit will be callable by any Trustee within fifteen (15) days.


Signature 4/26/04


Signature 4-26-04


Signature 6-11-04


Signature 6-11-04


Signature 6-11-04

Letter of Agreement

Pension

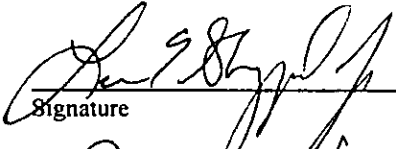
The Bargaining Parties expect the Board of Trustees of the UFCW Unions and Employers Pension Fund to take actions necessary to avoid triggering an ERISA minimum, funding deficiency, including the utilization of all available approved actuarial methods and assumptions. The Bargaining Parties anticipate that the Trustees will adopt the currently pending extension of amortization bases under 412(e) if approved by the IRS. The Bargaining Parties also anticipate that the Trustees will make benefit changes consisting of a 30% reduction in the pension multiplier for future service (based on the current \$52 accrual rate) or actuarial equivalent (impact on the credit balance is the same in fifteen (15) years as determined by the plan actuary) of that reduction on March 2, 2004. Once the actions of the Trustees are adopted, the contribution rate will be increased to forty-five cents (\$.45) per hour for eligible hours. The Kroger Company will agree to open the pension article of all Kroger participating collective bargaining agreements in the Atlanta Pension Fund for the sole purpose of changing the contribution rate from thirty-five cents (\$.35) to forty-five cents (\$.45).

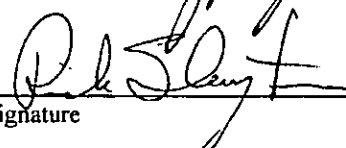
In case the currently pending extension of amortization bases under 412(e) is not approved by the IRS or the changes above are not sufficient to avoid projecting an ERISA minimum funding deficiency during the next fifteen years, the Bargaining Parties anticipate that the Trustees will make benefit changes consisting of a 50% reduction in the pension multiplier for future service (based on the current \$52 accrual rate) or actuarial equivalent of that reduction. The Kroger Company will agree to open the pension article of all Kroger participating collective bargaining agreements in the Atlanta Pension Fund for the sole purpose of changing the contribution rate from thirty-five cents (\$.35) to fifty-five cents (\$.55) per hour.

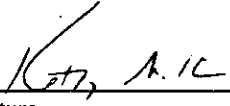
If at some future valuation, the ratio of plan assets (measured at market value) to the Plan's actuarial liabilities as of the same date exceeds 100%, and there is no projected minimum funding deficiency after the benefit increase based on the current plan assumptions for the next fifteen years, benefits will be restored in whole or in part, to the extent that the funding ratio after restoration continues to exceed 100%. If the Trustees take the above action, the contribution rate will be restored to the original thirty-five cent (\$.35) per hour contribution rate.


UNION


EMPLOYER


Signature _____ Date 4/26/04


Signature _____ Date 4-26-04


Signature _____ Date 6-11-04


Signature _____ Date 6-11-04


Signature _____ Date 6-11-04