

Kroger Limited Partnership

INDEX

UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 700

INDIANAPOLIS CLERKS

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TERM: NOVEMBER 1, 1998 THRU NOVEMBER 1, 2003

PREAMBLE

This Agreement is mutually entered into on November 1, 1998, by and between Kroger Limited Partnership, I, Indianapolis, Indiana, or its successors, hereinafter referred to as the Employer, and the United Food and Commercial Workers Local 700 chartered by the United Food and Commercial Workers International Union, AFL-CIO, hereinafter referred to as the Union.

ARTICLE 1. INTENT AND PURPOSE

The Employer and the Union each represent 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.

ARTICLE 2. UNION SECURITY

Section 2.1 **Coverage:** The Employer recognizes the Union as the sole collective bargaining agent with respect to working conditions, rates of pay, hours and other terms and conditions of employment for all grocery department employees in the Employer's retail stores as classified in Schedule "A" attached hereto and made a part of this Agreement located in the counties listed in Schedule "D" attached hereto and made a part of this Agreement.

Section 2.2 For the purpose of this Agreement, grocery department employees shall be all employees of the Employer not specifically exempted herein who are engaged in the handling or selling of items classified as groceries. Exempted are Store Managers, Co-Managers, employees whose work is exclusively and wholly performed within the Meat Department, guards, and professional and supervisory employees as defined in the Labor Management Relations Act of 1947 as amended.

Section 2.3 **Union Shop:** It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the execution date of this Agreement shall remain members in good standing and those who are not members on the execution date of this Agreement shall, on the thirty-first (31st) day following the execution 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 execution date shall, on the thirty-first (31st) day following the beginning of such employment, become and remain members in good standing in the Union. The Employer may secure new employees from any source whatsoever. During the first thirty (30) days of employment, a new employee shall be on a trial basis and may be discharged at the discretion of the Employer. By mutual agreement between the Employer and the Union, such trial period may be extended for an additional thirty (30)-day probationary period. For the purpose of this paragraph, the execution date of this Agreement shall be considered its effective date.

- Section 2.4** **Check-Off:** The Employer agrees to deduct initiation fees, dues and uniform general assessments from the wages of employees in the bargaining unit who are members of the Union and who provide the Employer with a voluntary written authorization which shall be irrevocable for a period of more than one (1) year or beyond the termination date of this Agreement, whichever occurs sooner. Deductions will be made by the Employer from wages of employees on a weekly basis (weekly deductions will commence within ninety (90) days of ratification) or the first pay period of each calendar month (as determined by the Local Union) and will be transmitted weekly to Local 700.
- Section 2.5** **Credit Union:** Credit Union deductions will be made by the Employer. Before any money is deducted, the Union must provide the Company with a signed authorization form from the employee stating the amount to be deducted weekly. The Company will transmit this money monthly to the designated U.F.C.W. Credit Union which will be located within the state of Indiana.
- Section 2.6** **A.B.C. Deduction:** The Employer agrees to honor and to transmit to the Union contribution deductions to the U.F.C.W. Active Ballot Club from employees who are Union members and who sign deduction authorization cards. The deductions shall be in the amounts and with the frequency (weekly or monthly in accordance with Section 2.4 above) specified on the Political Contribution Deduction Authorization Cards.
- Section 2.7** **Union Visitation:** The Manager of a store shall grant to any accredited official of the Union access to the store for the purpose of satisfying himself that the terms of this Agreement are being complied with.
- Section 2.8** **Union Store Card and Buttons:** The Employer agrees to display a Union Store Card and/or decal in a prominent place in its stores. The Union Store Card and/or decal is and shall remain the property of the Union.
- Section 2.9** Members of the Union may wear their Union buttons when on duty.

Section 2.10 **New and Terminated Employees:** The Employer agrees to give the Union a list of new employees weekly showing employee's name, residence address, social security number, store number, date of employment, birth date and rate of pay.

Section 2.11 The Employer shall provide the Union with a list of terminated employees weekly.

Section 2.12 **Other Agreements:** The Employer agrees not to enter into any agreement or contract with its employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement.

ARTICLE 3. **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 other legitimate reasons, the right to study or introduce new or improved production methods or facilities (subject to the provisions of Article XIV, Section 14.3 and Article XV) and the right to establish and maintain rules and regulations covering the operation of the stores, 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 4. **DISPUTE AND ARBITRATION PROCEDURE**

Section 4.1 **Grievance Procedure:** 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 Union Steward, the salaried Union Representative, or both, with the Manager of the store.

Step 2. By conference between the salaried Union Representative and the Zone Manager. (Step 2 shall be held within seven (7) calendar days after the conclusion of Step 1. Failure of the

Zone Manager to meet within such time limit, unless by mutual agreement, shall result in the grievance proceeding to Step 3.)

Step 3. By conference between an official or officials of the Union and the Personnel Manager, or such other representative designated by the Employer.

Step 4. In the event the last step fails to settle the difference, dispute or complaint satisfactorily, the Employer shall reply in writing to the Union's written grievance within ten (10) working days from the conclusion of the Step 3 meeting.

Section 4.2 No grievance will be considered or discussed which is presented later than twenty-one (21) calendar days after such has happened. Grievances if not settled in Step 1 in the above procedure, shall be reduced to writing with copies for the employee, the Union, the Personnel Manager, and the Zone Manager. The time limitation above will not apply to wage claims which involve changes in classification, bracket increases, or scheduled calendar wage increases, which must be presented within six (6) months after such has happened. The Employer shall reduce to writing any grievances settled in Step 3 and shall submit same to the Union.

Section 4.3 If satisfactory to both the Union and the Employer, Steps 1 and 2 of this grievance procedure may be dispensed with.

Section 4.4 **Discharge and Indefinite Suspension:** The Employer may at any time discharge any employee for proper cause. The Employer shall notify the Union promptly of such discharge. The Union, if it wishes to contest the discharge, shall file a grievance with the Employer within six (6) calendar days after notification. Such grievance shall be taken up promptly and if the Employer and the Union fail to agree, it may be referred to Arbitration. Should the Arbitrator determine that it was an unfair discharge, the Employer shall reinstate the employee in accordance with the findings of the Arbitrator.

Section 4.5 In discharge or indefinite suspension grievances, the Employer agrees to hold a Step 3 meeting within ten (10) days (excluding weekends and holidays) after receipt of a Union request in writing to the Personnel Department for such meeting. In the event said meeting is not held within the time limit, the grieved employee shall be paid for each day after the ten (10) days provided for above that the Employer fails to meet.

Section 4.6 **Arbitration:** After receiving the Employer's written answer in Step 4 of the grievance procedure above, the Union, if it desires to proceed to arbitration, shall make its written request known to the Employer within

sixty (60) days. Failure of the Union to request arbitration within the time limits stated above, shall cause the grievance to be resolved on the basis of the Employer's written Step 3 answer.

Section 4.7 The parties hereby agree to use a permanent panel of twelve (12) arbitrators:

- | | |
|------------------------------|--------------------------------|
| <i>1. Steven Briggs</i> | <i>7. John P. McGury</i> |
| <i>2. Alexander Cocalis</i> | <i>8. Peter R. Meyers</i> |
| <i>3. Earl M. Curry, Jr.</i> | <i>9. Prof. John J Murphy</i> |
| <i>4. Alvin L. Goldman</i> | <i>10. Michael A. Paolucci</i> |
| <i>5. Jonas B. Katz</i> | <i>11. Donald J. Petersen</i> |
| <i>6. James P. Martin</i> | <i>12. Aaron S. Wolff</i> |

Section 4.8 The twelve (12) Arbitrators shall be maintained upon a list arranged in alphabetical order by first name. The Arbitrator will be assigned on the basis of rotation, starting at the top of the list.

Because of the above system of rotation, it shall not be necessary to notify the arbitrators of their selection as members of the permanent panel.

Section 4.9 The party seeking arbitration shall obtain from the Arbitrator available hearing dates and thereupon shall arrange a mutually satisfactory hearing date with the other party. If the Arbitrator is unable to hear the matter within forty-five (45) days, either party at its option may require that the next Arbitrator on the list be appointed, and that succeeding Arbitrators be appointed until an Arbitrator is selected who will hear the matter within forty-five (45) days. An Arbitrator who has been passed because of unavailability shall be removed to the bottom of the list.

Section 4.10 In the event that any individual or two (2) individuals named above are no longer capable of acting as an Arbitrator, the parties agree that the permanent panel shall consist of ten (10) or eleven (11) Arbitrators as the case may be. Provided, however, that by mutual agreement, the parties may add a new Arbitrator or Arbitrators to the permanent panel. In the event that two (2) individuals named above are no longer capable of acting as Arbitrators, the parties agree to meet for the purpose of seeking panel replacements. In the event the parties are unable to agree on panel replacements, they shall select Arbitrators for all future cases from panels submitted by the Federal Mediation and Conciliation Service.

Section 4.11 The party desiring arbitration shall notify the other party, in writing, of its intention to arbitrate. Said party shall also notify, in writing, the appropriate Arbitrator of his appointment with a copy to the other party.

Section 4.12 The decision of the Arbitrator shall be binding upon the Employer, the Union, and the aggrieved employee. The fees and expenses of the arbitrator are to be borne equally by the Union and the Employer.

The Arbitrator is not vested with the power to change, modify or alter this Agreement, but only to interpret the provisions of this Agreement.

Section 4.13 Constructive Advice Records: When a Constructive Advice Record or any disciplinary action is to be discussed with an employee, the employee, upon request, shall have the Union Steward or salaried Union Representative present.

Section 4.14 Constructive Advice Records used by the Employer shall not affect the employee's right to file a grievance, and upon signing such Constructive Advice Record, the employee shall receive a copy thereof.

Any probationary period resulting therefrom shall be limited to a period not to exceed sixty (60) days. Additional periods of thirty (30) days may be imposed if necessary improvement is lacking and the employee and the Union shall be advised.

Section 4.15 Any such Constructive Advice Record not received by the Union within twenty-one (21) days of the consultation date shall be null and void.

Section 4.16 Any Constructive Advice Record which does not involve a disciplinary suspension and is more than twelve (12) months old, shall not be used in any disciplinary proceedings.

Section 4.17 All Constructive Advice Records shall be issued and signed by management personnel (non-bargaining unit employees).

Section 4.18 Constructive Advice Records will be discussed with the employee no later than the employee's first working day following issuance.

Section 4.19 Time Limits: Any time limitation set forth in this Article may be extended by mutual agreement of both parties to this Agreement.

ARTICLE 5. NO STRIKE, NO LOCKOUT/PICKET LINE

Section 5.1 During the term hereof, the Union agrees that there shall be no strike, slowdown, sympathy strike, boycott, 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.

Section 5.2 No employee shall be required to cross a legal picket line which has been officially recognized by the Union. Before the Union gives official recognition to any picket line, such action will be discussed with the Employer and notification given to the Employer shall be by registered mail. In case a picket line is officially recognized by the Union, employees shall not leave their jobs before completing the work at hand, disposing of perishable merchandise, and properly accounting for all money and other property in their custody.

ARTICLE 6. WAGES

Section 6.1 **Rates of Pay:** Rates of pay as set forth in Schedule "A" Wages, attached hereto, shall remain in effect for the life of this Agreement and constitute the basis for determination of wages for time worked. The Employer will recognize previous comparable work experience in determining the rates of pay upon hiring employees.

Section 6.2 **Other Work:** Employees shall perform any work ordered by supervision 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 lesser-rated job and desires to retain such job rather than accept a layoff.

Section 6.3 **Progression:** The Employer, when hiring employees at any of the wage brackets, agrees to advance said employee to the next highest bracket within such time as is designated in the wage schedule.

Section 6.4 **Department Head Relief:** Any employee assigned to relieve a Department Head for a period of one (1) week or more shall receive the minimum contract rate for the relief job in effect in the store involved for such time spent on relief. When the Employer is aware a Department Head is going to be off work for any reason for one (1) week or more, The Company will assign an employee to relieve the Department Head.

Section 6.5 **Management Relief:** Relief of a member of store management by a member of this bargaining unit shall be on a voluntary basis. Employees

who are requested to perform such relief work will be advised of the rate of pay and approximate schedule of work hours in advance.

Section 6.6 **Night Work:** Sixty cents (\$.60) per hour additional compensation will be paid for all work performed between store closing time (or 10:00 p.m., whichever is sooner) and 6:00 a.m. Any employee working the majority of his hours during this period shall receive this additional compensation for all hours worked that day.

Section 6.7 **Employee in Charge:** In any store in which a Store Manager and Co-Manager are absent from the store during store hours, except for lunch and rest breaks, the Employer shall designate one (1) employee as "Employee in Charge" who shall have limited responsibilities for the operation of the store. Such employee shall receive a premium of seventy cents (70¢) per hour for any hours worked as Employee in Charge during the basic workweek between the hours of 7:00 a.m. and 10:00 p.m., excluding Sundays and holidays.

Section 6.8 **Employee Premiums:** Employees assigned as DSD Receivers, Lead Clerks, Back-Up Department Heads, Lead File Maintenance Clerks, and employees working in the office shall receive a forty cent (\$.40) per hour premium above his/her current hourly rate.

Section 6.9 **New Job Classification:** In the event the Employer creates a new job or classification which involves new job duties, responsibilities, or skills, the Employer agrees to negotiate with the Union the rate of pay for the new job or classification, and the Employer shall notify the Union two (2) weeks prior to the implementation of such new job or classification.

Section 6.10 **Back-Up Department Heads:** Where the Employer feels a Back-Up Department Head is necessary, they may appoint one for each department (Front-End, Deli, Bakery, Grocery and Produce). Employees will be selected based on type of work, ability to perform the work, and in accordance with seniority.

ARTICLE 7. HOURS OF WORK

Section 7.1 **Basic workweek:** The basic workweek shall be forty (40) hours, Monday through Saturday, to be worked in five (5) days or less. The basic workweek for employees hired after May 11, 1987 will be Sunday through Saturday.

Section 7.2 **Weekly Overtime:** All time worked in excess of the workweek, as specified in Section 7.1 above, shall be paid for at time-and-one-half (1-1/2) the regular rates.

Section 7.3 **Daily Overtime:** All work in excess of eight (8) hours per day shall be paid for at time-and-one-half (1-1/2) the regular hourly rates except for night stock employees who have mutually agreed in writing with the Employer to work a weekly schedule of four (4) ten (10)-hour days. In such event, all time worked in excess of ten (10) hours per day shall be paid for at time-and-one-half (1-1/2) the regular hourly rate.

No Pyramiding: 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.

Section 7.4 No employee will be required to accept time off as compensation for overtime.

Section 7.5 **Sixth (6th) Day Overtime:** Any employee called into work the sixth (6th) day of any one (1) workweek shall be paid at the rate of time-and-one-half (1-1/2) the regular hourly rate for all hours worked on the sixth (6th) day. For pay purposes, the sixth (6th) day shall be the employee's normally scheduled day off, unless the employee is scheduled to work six (6) days in one (1) workweek, in which case it shall be the sixth (6th) day in which work is performed by that employee.

Section 7.6 **Sunday Premium:** Employees on the payroll prior to May 12, 1987, who work on Sunday shall be paid time-and-one-half (1-1/2) for the hours worked on that day and shall not be considered as part of the basic workweek. There will be no pyramiding of premium pay and any hours paid for at premium pay will not be counted in computing overtime. Sunday hours shall not be computed in qualifying or disqualifying for transfers.

Employees hired on or after May 12, 1987, who work on Sunday shall be paid at their regular straight-time hourly rate.

Section 7.7 **Minimum Daily Work Schedules:** Each employee who is scheduled or reports for work upon request is guaranteed not less than four (4) hours pay or work for that day at his applicable hourly rate, providing he does whatever work is assigned to him. The payment of four (4) hours shall not apply to employees whose hours of work are restricted by circumstances beyond the control of the Employer. This clause will in no way directly or indirectly interfere with an employee's right to be scheduled for the maximum number of hours nor with the employee's right to claim hours.

- Section 7.8** **Minimum Weekly Work Schedule:** An employee who is scheduled and/or works during any week shall be guaranteed a minimum of eight (8) hours of work or pay. The eight (8) hours work requirement shall not be used to defeat the right of any employee to be scheduled or claim available hours. Similarly, the claiming of an employee's scheduled hours shall not defeat the right of the employee to receive eight (8) hours work or pay. This eight (8) hour weekly minimum does not apply to employees who are not scheduled to work during a given week, and yet are called in to work as an absentee replacement. This eight (8) hour weekly minimum does apply to all employees (whether scheduled or not) who are called into work for hours which are in addition to those on the posted work schedule.
- Section 7.9** **Lunch Hour:** Employees shall be granted one-half (1/2) hour uninterrupted period for meal time at approximately the middle of the working day. Every effort will be made so that this meal period shall not be scheduled until an employee has worked three (3) hours and the employee will not be required to work more than five (5) hours prior to beginning such meal period. (Employees who certify in writing that they desire the meal period of one (1) hour on a continuing basis shall be entitled to the hour meal period.) Meal periods will not be required unless an employee has been scheduled for seven (7) hours or more, unless in conflict with State or Federal laws. Scheduling of meal periods, whether one (1) hour or one-half (1/2) hour, will not defeat the employee's right to maximize his/her hours.
- Section 7.10** **Rest Periods:** All employees shall be entitled to one (1) fifteen (15)-minute rest period. These rest periods shall be in lieu of and not in addition to previous informal rest periods. Rest periods will be scheduled in approximately the middle of each half shift. An employee who works more than four (4) hours will receive two (2) rest periods. No rest period shall be scheduled until the employee has worked at least one (1) hour except in emergency.
- Section 7.11** **Employer Meetings:** Hours spent in meetings called by the Employer at which employee attendance is required shall be considered hours worked and shall be paid accordingly. (The call-in provision in Article VII, Section 7.7 shall not apply to store meetings.)
- Section 7.12** Employees will be required to wait on customers in the store at closing time.

ARTICLE 8. WORK SCHEDULES

Section 8.1 **Posting Work Schedule:** The hours for each employee shall be scheduled by the Employer. A working schedule for the succeeding week shall be posted no later than 10:00 a.m. Friday of the current week. This schedule will be posted in ink and a copy will be given to the Store Steward. In the event such schedule is not posted by 10:00 a.m. Friday, the schedule for the preceding week shall prevail except in the week of a holiday.

No changes will be made unless in accordance with other provisions of this Agreement, in the schedule for an employee who has averaged thirty (30) hours or more per week for eight (8) consecutive weeks, unless due to an emergency beyond the control of the Employer (such as fire, flood, and Acts of God).

No changes will be made unless in accordance with other provisions of this Agreement in the schedule of other employees without six (6) hours advance notice unless due to an emergency beyond the control of the Employer (such as fire, flood, and Acts of God).

Any changes in the work schedule will be reflected on the posted schedule at the time the change is made. All schedules will be posted together, and each schedule will list employees in seniority order.

Section 8.2 **Intent of Scheduling:** It is understood that the work schedules will be arranged so as to provide as many employees eight (8) hours per day schedules and as many employees forty (40) hours per week schedules as is consistent with the limitations set forth in Section 8.3 and with the further understanding that hours not consistent with the needs of the business will not be added to accomplish this objective.

Employees who are not available to work hours under the provisions of 8.2 and 8.3 of this Article for bona fide reasons (it is understood that an employee who desires to restrict his/her availability due to other employment is not a bona fide reason) must notify the Company in writing with a copy to the Union that they have voluntarily limited their availability. This limiting of availability will be a minimum of six (6) months.

Section 8.3 **Available Hours:** Employees shall be scheduled for available hours up to and including eight (8) hours per day or forty (40) hours per week, (thirty-two (32) hours in a holiday week), in accordance with seniority, type of work and ability to perform the work assigned within the five (5) highest hour days in the week (four (4) highest hour days in a holiday week), excluding Sunday and holidays.

If an employee with one (1) or more years seniority in the Regular Clerk classification (Cashiers, Stockers, Produce, Dairy, Frozen Food and Non-Food) who has the necessary seniority wishes to increase his or her weekly hours within the classification up to a maximum of forty (40), and it is claimed that the employee is not capable of performing such assignment, the employee must notify the Zone Manager and Union in writing of such desire. The Zone Manager will honor such request. The employee will then be given the necessary training to accomplish this within a reasonable period of time consistent with the prudent management of the business. This is on a store-by-store basis and shall not exceed three (3) such employees per sixty (60) day period per store. For the purpose of this paragraph only, an employee who opts to take advantage of this clause must take an entire daily shift, or a portion of either end of the shift, but in no event may cause the "claimed on" junior employee to be reduced below the daily or weekly minimum of hours called for in this Agreement. Section 8.2 guarantees the intent of the scheduling procedures.

Employees hired after January 13, 1994, shall be entitled to the week's schedule of work with the most hours in accordance with his/her seniority, availability, and ability to perform the work required.

Section 8.4 **Claiming of Hours:** If a less senior employee is scheduled hours that a more senior employee is entitled to, the more senior employee must notify the Manager within twenty-four (24) hours after the posting of the schedule and the schedule will be changed accordingly.

In the event the Employer refuses to change the schedule, employee(s) involved shall be paid straight-time for all hours lost, provided it is a valid claim.

All Utility Clerks hired after July 7, 1990 will be entitled to the week's schedule of work with the most hours within their department in accordance with their seniority, availability and ability to perform the work required.

Section 8.5 **Desirable Shift Scheduling:** The Employer will recognize seniority and classification in scheduling employees for their continuing preferential shift selection, on a daily basis, including days off, provided that qualified, experienced and competent employees are on duty at all times to serve the customer.

Preferential shift means what is preferential to that employee. This could be nights, days, etc.; however, once selected, the preference will remain in effect for a minimum time period of four (4) months.

Employees must indicate their preference in writing. The night stock crew may exercise his/her preference of shift within the night stock crew only.

Section 8.6 **Sunday Scheduling:** Sunday work will be scheduled at least one (1) week in advance. Sunday work, when required, will be confined to the employees regularly assigned to the store involved, provided the employee has been scheduled hours during the basic workweek in which the Sunday schedule is posted. Such work shall be voluntary, rotated and allocated as equally as possible among the employees provided they are capable of performing the work required in each of the required classifications. For purposes of Sunday work rotation only, Department Head classifications will be rotated among the Regular Clerk classifications (except Head Deli/Bakery which will be rotated among the Regular Clerks in their department). Should the Employer be unable to obtain enough voluntary workers, reverse seniority shall apply.

If an employee with one (1) or more years of seniority expresses an interest, in writing, for Sunday work and is not capable of performing the work required, such employee will be trained by seniority to perform the Sunday work required within a reasonable period of time (a minimum of four (4) such employees per store per thirty (30) days).

Section 8.7 **Holiday Scheduling:** The Employer will post in each store a volunteer work list at least (10) days prior to any given holiday set forth in Article X. Employees desiring to work said holiday shall sign this listing. The Employer will schedule the necessary employees from this listing in accordance with seniority considering the classifications required and provided the employee is capable of performing the work required. Should the Employer be unable to obtain enough voluntary workers, reverse seniority shall apply.

Section 8.8 **Additional or Replacement Hours:** If additional or replacement hours become necessary during the week, the hours shall be offered to employees by seniority, classification and ability, with the intent of providing the more senior employees with the greater number of hours, while at the same time, providing the optimum in customer service. "If telephone calls are required, the following persons in sequence shall place the calls: first, Union Steward; second, Head Cashiers; and third, a member of the bargaining unit."

Section 8.9 Such additional or replacement hours will not be required when such hours would necessitate the payment of daily or weekly overtime.

Section 8.10 Employees Working in More Than One (1) Store: Employees will not be scheduled to work in more than one (1) store per week, unless a vacancy is created by absenteeism and where the Employer cannot fill the vacancy under Article VIII, Section 8.8 above.

Section 8.11 Scheduling Overtime: Scheduled overtime shall be offered by seniority within each classification in each store. Daily overtime not previously scheduled shall be offered by seniority within the classification and the ability to perform the work in the store among employees present when the need for overtime arises.

Section 8.12 Split-Shifts: No employee shall be required or permitted to work a split-shift schedule. A split-shift is defined as two (2) work periods separated by more than the normal lunch period. For any violation of this provision, the employee shall be paid as time worked between the two (2) work periods at the applicable rate of pay.

Section 8.13 Period Between Shifts: All employees shall have an unbroken rest period of not less than eight (8) hours between work periods. If an employee is called back during his eight (8)-hour rest period, he shall be paid one-and-one-half (1-1/2) times his straight-time hourly rate for all hours worked during his eight (8)-hour rest period, except for employees who are working four (4) ten (10)-hour days in which the unbroken rest period will be ten (10) hours. This paragraph shall not apply to the week preceding or the week of a new store opening.

Section 8.14 Any work which is declined by the senior employee may be assigned to the junior qualified employee, within the classification, who is available.

ARTICLE 9. OTHER WORKING CONDITIONS

Section 9.1 The Employer may utilize any vendor stock assistance on D.S.D. products which are available to the trade.

Section 9.2 Management Work: In stores having both Managers and Co-Managers, the Employer agrees they will not be scheduled to check out customer orders or stock shelves, except: 1) routine customer service; 2) any emergency occasioned by accident, Act of God, or mechanical equipment failure which requires immediate remedial action; 3) MSI ordering, emergency basis only; 4) ordering of Bakery Department product; or any other work normally done by bargaining unit members. This does not prohibit Managers and Co-Managers from doing the above due to employees being absent and where no one is available to do the work.

- Section 9.3** In the event of a proven violation of Section 9.1 and 9.2 above, the Employer will pay to the employee filing the grievance the amount of time spent in such proven violation, but no less than one (1) hour's pay at the employee's regular rate of pay. If this would result in the employee receiving more than forty (40) hours pay, the employee filing the grievance will receive straight-time pay for the amount of time of the proven violation, but no less than one (1) hour's pay. In the event the Union files said grievance, the pay shall go to the more senior employee working at the store where the violation occurred.
- Section 9.4** **Uniforms:** Any uniform deemed necessary by the Employer for the employees shall be furnished and laundered by the Employer. Where dacron or similar type uniforms are furnished to employees, such uniforms shall be laundered by the employee. Rain gear will be provided for carry-outs. Uniforms will be replaced as necessary.
- Section 9.5** **Physical Examinations:** In the event of a city ordinance or where the Company requires a physical examination for the employees, the cost of such examination shall be paid for by the Employer.
- Section 9.6** **Polygraph Tests:** No employee will be required to take a polygraph (lie detector) or voice or stress evaluator test.
- Section 9.7** **Employees on Duty:** The Employer agrees that there will be a minimum of two (2) employees, not necessarily members of the bargaining unit, in the store except in cases of emergency, such as fire, flood, Acts of God, or because of employee illness.
- Section 9.8** **In-Store Work Related Injury:** Employees shall be paid for the balance of the shift in the event of an in-store work related injury, plus the next scheduled day, providing the doctor certifies that such additional time is necessary. Any accident where the employee suffers time off work, the Union will be sent a copy of the accident report.
- Section 9.9** **Time Cards:** All employees covered by this Agreement shall document his/her time worked in accordance with Company policies and this labor Agreement.
- Employee's time cards shall show the employee's job classification code.

ARTICLE 10. HOLIDAYS

- Section 10.1** **Holidays Observed:** The following shall be recognized as legal holidays under the terms of this Agreement: New Year's Day, Decoration Day,

Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or days legally celebrated in lieu thereof. If a holiday set forth in this paragraph occurs on a Sunday, the following Monday shall be observed for the purpose of computing holiday pay.

Part-time employees hired after July 7, 1990, upon attaining full-time status, will receive holiday pay as outlined in Article X.

Part-time employees hired after July 7, 1990 shall receive two (2) national holidays - Thanksgiving and Christmas. After one (1) year of continuous service, these employees shall receive two (2) additional national holidays - Memorial Day and Labor Day. After two (2) years of continuous service, these employees shall receive two (2) additional holidays, New Year's Day and July 4th.

Section 10.2 **Computation of Holiday Pay (Unworked Legal):** Any employee who has averaged thirty (30) hours or more for the eight (8) weeks preceding any of the above legal holidays, shall be entitled to eight (8) hours pay for such day. Employees who have averaged less than thirty (30) hours in the eight (8) week period preceding the holiday and who have been employed for eight (8) consecutive weeks, shall be entitled to holiday pay based on the average hours worked per day in the previous four (4) weeks (dividing the total hours worked by twenty (20) days) preceding the holiday or four (4) hours pay, at their classified straight-time rate of pay, whichever is greater. To be eligible for holiday pay, all employees must work the scheduled day before, and the scheduled day after such holiday (except in the case of proven illness when employees shall receive holiday pay provided they have worked any part of the holiday week).

Section 10.3 **Personal Holidays:** Employees hired before May 12, 1987, with one (1) year or more continuous service, shall receive a total of three (3) personal holidays. These employees will receive a fourth (4th) personal holiday after completing fifteen (15) years of continuous service.

Employees hired on or after May 12, 1987 will receive personal holidays based on the following schedule:

<i>1 Year of Continuous Service</i>	<i>1 Personal Holiday</i>
<i>2 Years of Continuous Service</i>	<i>2 Personal Holidays</i>
<i>8 Years of Continuous Service</i>	<i>3 Personal Holidays</i>
<i>15 Years of Continuous Service</i>	<i>4 Personal Holidays</i>

Part-time employees hired after July 7, 1990, upon attaining full-time status, will receive personal holidays as stated above.

In some cases where several of the employees select the same personal holiday, seniority shall prevail with the understanding that the Employer reserves the right to have qualified personnel on duty at all times. These days may be taken as sick days where mutually agreeable between Employer and employee. Employees will receive these days prior to their next anniversary date of employment.

- Section 10.4** Computation of Holiday Pay (Unworked Personal): Any employee who has averaged thirty (30) hours or more for the eight (8) weeks preceding a personal holiday shall be entitled to eight (8) hours pay for such day. Employees who average less than thirty (30) hours will be entitled to four (4) hours pay for such day.
- Section 10.5** Additional Compensation: When computing holiday pay as provided for in Section 10.2 and 10.4 above, the Employer agrees to pay the employee any additional compensation as provided for in Article VI, Sections 6.6 and 6.8, that the employee would have normally received had the day not been a holiday.
- Section 10.6** Holiday Premium (Worked Legal): Employees on the payroll prior to May 12, 1987, who work on any of the holidays listed in Section 10.1 of this Article, shall be paid time and one-half (1-1/2) for the hours worked on that day. There will be no pyramiding of this premium pay and any hours paid for at this premium pay will not be counted in computing overtime.
- Employees hired on or after May 12, 1987, who work on any of the holidays as indicated above, shall receive a premium of one dollar (\$1.00) per hour for such hours worked.
- Section 10.7** Holiday Workweek: No employee shall be required to work more than thirty-two (32) hours in a holiday week. Any employee who works thirty-two (32) hours in a holiday week shall receive eight (8) hours holiday pay. Any employee who is hired prior to May 12, 1987 of this Agreement and works more than thirty-two (32) hours in a holiday week shall receive time and one-half (1-1/2) for all hours worked in excess of thirty-two (32).
- Section 10.8** Christmas - New Year's: No employee shall be required to work past 6:00 p.m. on Christmas Eve or 8:00 p.m. on New Year's Eve. Such work after 6:00 p.m. on Christmas Eve and 8:00 p.m. on New Year's Eve, if deemed necessary by the Employer, will be performed by employees on a voluntary basis. In the event a sufficient number of employees fail to volunteer, then reverse seniority shall apply.

No employee will be required to work on Christmas Day.

ARTICLE 11. SENIORITY

Section 11.1 **Determining Seniority:** Seniority shall be defined as length of continuous employment with the Employer and shall begin with the employee's most recent date of employment within the bargaining unit in the jurisdiction of the Local Union.

No employee shall acquire seniority until employed by the Employer for at least thirty-one (31) days, after which seniority shall start with the date of employment.

An employee hired after July 7, 1990, who works an average of thirty (30) hours or more per week for ten (10) consecutive weeks, shall be classified as full-time and entitled to all contract benefits unless specifically exempted elsewhere in this Agreement. An employee classified as full-time who fails to work an average of thirty (30) hours or more per week for ten (10) consecutive weeks shall be reclassified to part-time; however, for seniority purposes only, this employee shall maintain full-time seniority rights for an additional eight (8) week period. Weeks used for classification to full-time shall not also be used for reclassification to part-time. Employees reclassified to part-time as a result of this provision shall revert to original seniority date. Status will not be reviewed during the months of November and December. Students' hours during the summer months will not count towards progressing to full-time. Part-time employees shall not accumulate seniority over full-time employees. For employees hired after January 13, 1994, an employee who works an average of thirty-four (34) hours or more per week for ten (10) consecutive weeks shall be classified as full-time. For employees hired after May 22, 1995, an employee who works an average of thirty-six (36) hours or more per week for ten (10) consecutive weeks shall be classified as full-time. For employees hired after May 22, 1995, hours worked up to forty (40) per week shall be included in the average.

Full-time employees who are reduced to part-time status involuntarily shall retain his/her personal holidays and vacations as earned while under full-time status.

Employees that are involuntarily reduced in hours shall remain at his/her current rate of pay until he/she works a sufficient number of hours to achieve full-time status. An employee who voluntarily reduces his/her hours worked shall be placed at the capped part-time rate until he/she works a sufficient number of hours to achieve full-time status.

- Section 11.2** If two (2) or more employees have the same seniority date, the employee who punches in first will be the more senior. In the event that the Employer has no records available to determine who punched in first, the employee or employees involved with the lowest sequence of the last four (4) digits of the social security number shall be considered to be the more senior.
- Section 11.3** **Application of Seniority:** In layoffs, recalls, promotions and transfers, the principle of seniority shall apply as hereinafter provided for in this Agreement.
- Section 11.4** **Seniority Classifications:** Each employee shall accrue seniority within the following department classifications:

1. *Department Heads (Department Head seniority will be within each separate Department Head classification.)*
2. *All Regular-Clerks (Cashiers, Stockers, Produce, Dairy, Frozen Food and Non-Food)*
3. *Bakery and/or Deli Clerks*
4. *Utility Clerks*
5. *Demonstrators*
6. *Floral Department*
7. *Nutrition Department*
8. *Salad Bar*

Employees working in any of the classifications set forth in this Section above in sub-paragraphs 3, 4, 5, 6, 7 and 8, may exercise their seniority rights over new applicants for Food Clerk classification. Any of these employees who exercise their seniority rights into the Food Clerk classification will be placed into the next highest wage bracket above their then current rate of pay.

Department Heads shall have two (2) seniority dates, to wit, a date of hire and a date of promotion to the current classification. In the event of layoffs, Department Heads shall be laid off within their Department Head classification based upon date of promotion and shall be reduced to Regular Clerk based upon date of hire. Their seniority date shall be their most recent date of hire.

Qualified Utility Clerks may exercise their seniority rights over new applicants to obtain a Clerk job vacancy. The promoted Utility Clerks shall have two (2) seniority dates, to wit, the date of promotion and the date of hire. In the layoff of Regular Clerks (who were promoted from Utility Clerks), the promotion date shall be used. For seniority purposes, a Regular Clerk who elects to accept a Utility Clerk classification, rather than

accept a layoff, will revert back to original date of hire. However, if such employee is reclassified back to Regular Clerk within six (6) months, then such employee will retain his previous Regular Clerk seniority date.

Section 11.5 **Night Stock Employees:** Night stock employees with one (1) year of service on the night stock crew may exercise their seniority rights in transferring (a minimum of one (1) employee each sixty (60) calendar days) to day hours over any less senior employee in their store, and the Employer will offer a reasonable period of training to accomplish this transition. Such employees must advise the Employer in writing of their desire for day hours. In the event an employee claims hours from a night stock employee in order to maximize hours, the one (1) year service requirement will not apply.

Section 11.6 **Termination of Seniority:** Seniority of employees shall be terminated for any of the following reasons:

1. *Voluntary resignation*
2. *Discharge for proper cause*
3. *Absent from work due to a layoff for a period of nine (9) months with the exception of one (1) year due to Acts of God*
4. *Failure to report back to work within seven (7) calendar days after receiving notification to return to work following layoff by certified mail to the employee's last known address.*

Section 11.7 **Seniority Lists:** Agreed upon seniority lists shall be established, maintained and kept current and such records shall be available to the Union at all times.

Section 11.8 **Promotions:** Promotions to Department Head positions shall be made from the list of persons who have completed the required training for the particular Department Head position, and the Union shall receive a copy of this list on a monthly basis. Promotion from this list shall be made by seniority. Employees interested in Department Head positions will so notify the Personnel Department and the Union in writing. Employees may apply for Department Head training provided they have work experience in that department. If all job qualifications are considered to be equal, seniority shall apply.

Those employees who successfully complete the required training will then be placed on the list of available, promotable employees for the particular Department Head position. Promotion from this list will be offered by seniority within the geographical grouping after first reviewing existing Department Heads of the same merchandising department. Geographical

grouping, for the purposes of this paragraph only are: 1) Metropolitan Indianapolis; 2) Outside Metropolitan Indianapolis.

Promoted employees shall be granted a thirty (30) day trial period in the new position. Employees unsuccessful in qualifying on the new position shall be removed from the position and be governed by all applicable terms and conditions of this Agreement.

Employees disqualified from the Department Head position shall not be eligible to be considered for a like position for a minimum of six (6) months.

No employee shall be demoted from a Department Head position without just cause.

- Section 11.9** Reduction in Hours - Metropolitan Indianapolis Area: Employees who have worked thirty-eight (38) to forty (40) regular hours per week for eight (8) weeks who have their hours reduced through no fault of their own shall have the opportunity to transfer to another store to maintain their forty (40) hours status, within their geographical groupings as set forth in Schedule "C" of this Agreement. Basis of the transfer would be the replacement of the least senior thirty-eight (38) to forty (40) hour employee in that geographical grouping performing similar work.
- Section 11.10** Employees who have averaged thirty (30) hours or more for eight (8) consecutive weeks, whose hours are reduced through no fault of their own as set forth in Section 11.15 of this Article, will have the opportunity to transfer to another store within their geographical grouping. Basis of the transfer would be the replacement of the newest employee who has worked an average over thirty (30) hours for the preceding eight (8) weeks period on the seniority list within the geographical grouping performing similar work.
- Section 11.11** Employees working less than thirty (30) hours whose hours are reduced through no fault of their own as set forth in Section 11.15 of this Article shall have the opportunity to transfer to another store within their geographical grouping. Basis of the transfer would be the replacement of the newest employee on the seniority list within the geographical grouping performing similar work.
- Section 11.12** The least senior employee who is replaced as a result of the above shall be reduced within that store or may upon written request to the Employer, with copies to the Union, replace the least senior employee in his hours group as set forth in Sections 11.9, 11.10, and 11.11 above performing similar work within the Metropolitan Indianapolis Area.

Section 11.13 Reduction in Hours - Outside Metro Indianapolis Area: Employees whose hours have been reduced through no fault of their own and who have transfer rights as set forth in Section 11.9, 11.10, and 11.11 above will be transferred on the same basis with the exception that they will replace the least senior employee performing similar work in a store closest to their residence.

Section 11.14 The least senior employee who is replaced as a result of Section 11.13 above shall be reduced within that store or may, upon written request to the Employer, with copies to the Union, replace the least senior employee as set forth in Sections 11.9, 11.10, and 11.11 above performing similar work in the jurisdiction of the Local Union.

Section 11.15 Reduction in Hours in Order to Transfer: Employees who are involuntarily reduced in hours by more than five (5) hours per week during the basic workweek, Monday through Saturday, (from the "base period") for two (2) weeks and whose hours are reduced by five (5) hours or more for the third week when the schedule is posted for the third week, will be eligible to transfer as set forth in Sections 11.9 through 11.12, 11.13, and 11.14 of this Article. The "base period" is defined as average weekly hours worked for the immediate three (3) week period which precedes the hours reduction. This paragraph will not apply to employees who are temporarily working additional hours due to replacement of absent employee.

In the event of reduction in hours which is less than set forth in this Section above, the employee shall not have the store transfer rights, but shall be limited to the claiming of hours as set forth in Article VIII, Section 8.4 of this Agreement.

Employees exercising these rights in January and February of any year will have their "base period hours" consisting of the hours worked in the tenth (10th) period of the preceding year.

Section 11.16 Layoff: Employees permanently laid off through no fault of their own shall have the opportunity to replace the least senior employee performing similar work in their geographic grouping. If there is not a less senior employee, then the employee may replace the least senior employee in the Local Union jurisdiction. For the purpose of a transfer, a permanent layoff is defined as a period of two (2) consecutive weeks of no work.

Section 11.17 An employee who is laid off for more than one (1) week in their respective classification may claim, within the employee's store only, the hours worked by the least senior employee within their classification. If the

hours claimed involves work which the employee has not previously performed, then the Employer shall offer the employee a reasonable period of training.

It is understood that training hours are over and above the normal work schedule and no employee will suffer a reduction in hours due to training hours. These hours will not be claimed by another employee.

- Section 11.18** In the event that an employee has no transfer rights within the geographical grouping, they may exercise their rights within the Local jurisdiction as set forth above.
- Section 11.19** **Transfer Rules Re: Reduction of Hours and Layoff:** When an employee exercises their transfer rights as set forth above, the transfer will be based upon the latest information that is available within the last eight (8) weeks at the time the transfer is requested.
- Section 11.20** If the eligible employee does not advise the Employer in writing within twenty-one (21) days of his intent to transfer, he shall forfeit all rights to the transfer. Any transfer involved will be at the employee's expense.
- Section 11.21** The Employer will arrange the transfer at the beginning of the second week after the request by the eligible employee.
- In case of store closing, displaced employees will be transferred the week following the store closing.
- Section 11.22** The employee must complete the transfer on the date scheduled by the Employer or forfeit all rights to the transfer.
- Section 11.23** **Transfer Rights Over New Applicants:** Employees who have one (1) or more years of seniority and who desire to increase or maximize their hours shall notify the Personnel Department with a copy to the Union in writing of their desire and set forth the store numbers in which they would be willing to transfer to in order to maximize their hours. The Employer agrees to transfer said employee over any new applicant and before anyone is promoted from a lower rated classification into their classification.
- Section 11.24** Once every two (2) years, employees who desire to transfer to a store closer to their residence shall notify the Personnel Department with a copy to the Union in writing of their desire and set forth the store number they desire to transfer to. The Employer agrees to transfer said employee over any new applicant and before anyone is promoted from a lower rated classification into their classification.

Section 11.25 Expense of Transfer: Any transfer as provided for in this Section of the Agreement shall be at the employee's expense. The employee will continue to work on a reduced hours basis until the transfer has been completed.

Section 11.26 New Store Openings: In the event of the opening of a new store (not a replacement of an existing store), the available jobs that are created will be filled as follows:

At least four (4) weeks prior to the opening of the new store, the Employer will post a notice in all stores covered by this Agreement, describing each job that is to be filled and the number of forty (40) hour and less than forty (40) hour jobs available. The notice shall remain posted for ten (10) days including date of posting.

Employees seeking those jobs shall make their request in writing to the Personnel Department with a copy to the Union. Such request must be postmarked no later than ten (10) days following the date of posting.

All available job positions will be filled by such employee requests according to seniority, job classification and ability to perform the work. Any position not filled by the procedure just described, will be offered to employees on layoff status less than nine (9) months according to seniority.

Any remaining job openings to be filled may then be filled by newly hired employees.

Employees transferred from existing stores to a new store, if subject to layoff or reduction in hours in accordance with Article XI, Section 11.9 through 11.14, within a period of six (6) weeks after the store is opened, have the right to return to the store from which they were transferred and assume the job that their seniority would warrant.

Section 11.27 When a new store is opened replacing an existing store, employees of the existing store shall have transfer rights for the available jobs in the new store and the remaining jobs will be filled as set forth above.

ARTICLE 12. VACATIONS

Section 12.1 **Vacation Entitlement:** Employees will be entitled to vacations according to the following schedule:

<i>One (1) year of continuous service</i>	<i>One (1) week</i>
<i>Two (2) years of continuous service</i>	<i>Two (2) weeks</i>
<i>Eight (8) years of continuous service</i>	<i>Three (3) weeks</i>
<i>Fifteen (15) years of continuous service</i>	<i>Four (4) weeks</i>
<i>Twenty (20) years of continuous service</i>	<i>Five (5) weeks</i>

Part-time employees hired after July 7, 1990, upon attaining full-time status, will receive vacations as outlined above.

Part-time employees hired after July 7, 1990 will receive one (1) week's vacation after one (1) year of continuous service. Following two (2) years of continuous service, these employees shall receive two (2) weeks of vacation. Following eight (8) years of continuous service, these employees shall receive three (3) weeks of vacation.

Section 12.2 **Vacation eligibility:** An employee will be eligible for a one (1) week vacation as of the first anniversary of continuous service, provided he has completed one (1) year of continuous service as of that date.

After qualifying for his first one (1) week vacation, an employee who has completed one (1) year of continuous service (but less than two (2) years) prior to January 1, is eligible for one (1) week vacation as of January 1.

If an employee qualifies for one (1) 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 and take both weeks together.

Employees qualifying for additional weeks of vacation shall do so on the same basis set forth above.

Section 12.3 **Computation of Vacation Pay:** Vacation pay for eligible employees shall be computed on the basis of the total number of hours worked in the vacation qualifying year divided by fifty-two (52) to a maximum of forty (40) hours straight-time pay for each week of vacation in accordance with Section 12.1 of this Article. (Weeks not worked due to paid vacation, sick leave, or other authorized leave of absence shall be excluded from the divisor.) Employees who have averaged thirty-eight (38) hours or more per week under the provisions of this paragraph will receive forty (40) hours pay for each week of vacation. Employees working the majority of their

hours at premium rates as outlined in paragraphs 6.6 and 6.8 for the four (4) weeks prior to the start of a vacation shall receive such premium pay with their vacation pay.

Section 12.4 **Effect of Holiday:** If a holiday occurs during the period of any employee's vacation, that employee shall (upon mutual agreement) be entitled to an extra day for his vacation or straight-time pay. Basis to determine holiday pay shall be any employee who has averaged thirty (30) hours or more for eight (8) weeks preceding a holiday shall be entitled to eight (8) hours pay for such day. Employees who average less than thirty (30) hours will be entitled to four (4) hours pay for such day.

Section 12.5 **Effect of Leave of Absence:** Leaves totaling ninety (90) days or less in any calendar year shall not affect a vacation earned in that year; leaves totaling 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 totaling 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 totaling more than two hundred seventy (270) days shall disqualify for vacation. In the event an employee is off work because of illness, pregnancy and/or injury, the Employer shall count all time off through one hundred twenty (120) days as time worked for the purpose of computing vacation payments. For time off in excess of one hundred twenty (120) days, the above formula shall apply.

Employees who are on leave of absence and not receiving or eligible for time lost benefits from the Health & Welfare Trust shall be entitled to take any earned vacation and vacation pay due the employee during a leave of absence.

Employees who received vacation pay while on leave of absence as set forth above, shall not be required to take time off after returning from leave of absence.

Section 12.6 **Effect of Termination:** Upon termination of employment after one (1) year of employment, the employee shall be paid earned vacation pay as follows:

Annual vacation pay then due the employee but unpaid, plus pro-rata vacation pay, on the additional week, if such employee would have qualified for an additional week's vacation as of their next anniversary date provided the employee is not discharged for proven dishonesty.

Section 12.7 Vacation pay will be paid in advance.

Section 12.8 Scheduling Vacation: Vacations must be scheduled in the calendar year, except where necessary, vacations which fall due in November or December may be carried over to January of the next year if mutually agreed between the Employer and the employee; no employee shall be given pay in lieu of vacation.

Section 12.9 Choice of vacation dates will be granted on the basis of seniority any time during the calendar year. In cases where several of the employees select the same week or weeks for vacation, seniority shall prevail with the understanding that the Employer reserves the right to have qualified personnel on duty at all times. The Employer will post a notice effective February 1st of each calendar year and the employees will sign the roster as to the choice of vacation. This list will remain posted until March 31 of each calendar year.

Any employee who fails to sign such roster prior to March 31 will be permitted to take vacation at a time that will not interfere with the other employees' established vacation periods.

Section 12.10 When the vacation dates have been established, they will not be changed unless mutually agreeable between the employee and the Employer.

Section 12.11 Vacation dates for bargaining unit employees will not be affected by the vacations of non-bargaining unit employees, except for Department Heads.

Section 12.12 Employees entitled to more than one (1) week's vacation shall be permitted to take two (2) weeks consecutively by seniority any time during the calendar year. If more than two (2) consecutive weeks are requested due to extended trips, illness, or any other acceptable reason, it shall be by mutual agreement between the employee, the Employer and the Union.

Section 12.13 Employees will not be permitted to work during their vacation. Employees allowed to work during their vacation will receive time-and-one-half (1-1/2) for all hours worked except as set forth in Section 12.5, paragraphs 2 and 3 above.

ARTICLE 13. NO DISCRIMINATION

Section 13.1 The Employer and the Union agree that there shall be no discrimination against any employee because of race, religion, color, creed, national origin, sex, age, handicap, veteran's status or union activity in accordance with existing law.

Section 13.2 Any reference in the Agreement to the words "he" or "his" shall be applicable to both male and female sex.

ARTICLE 14. UNION COOPERATION

Section 14.1 The Union agrees to encourage its members to uphold all rules and regulations of the Employer with regard to punctual and steady attendance, proper and sufficient notification in case of absences, conduct on the job, proper care of equipment, prevention of waste and other reasonable rules and regulations established by the Employer, and not in conflict with the Agreement.

Section 14.2 The Union recognizes the need of 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, (subject to the provisions of Section 14.3 below) in suggesting improved methods, and in the education of its members on the necessity for changes and improvements.

Section 14.3 In the event that the Employer contemplates the introduction of major technological changes affecting bargaining unit work, advance notice of such change will be given to the Union. If requested to do so, the Employer will meet with the Union to discuss the implementation of such changes before putting such changes into effect. (See Article XV.)

ARTICLE 15. AUTOMATION

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:

- A. 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.
- B. The Employer has the right to install such equipment.
- C. Any training or necessary retraining will be furnished expense free by the Employer to affected employees.
- D. Where employees who average thirty (30) hours or more per week for the preceding eight (8) consecutive weeks would be displaced

by such installation, the Employer will make every effort to affect a transfer.

- E. If an employee who averaged thirty (30) hours or more per week for eight (8) consecutive weeks is not re-trained 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:
1. The employee (except Utility Clerks) had two (2) or more years of service in which he averaged thirty (30) hours or more per week for eight (8) consecutive weeks.
 2. Does not refuse a transfer first within the mutually agreed upon geographical grouping and then within the Local Union jurisdiction.
 3. Does not refuse to be retrained.
 4. Such action does not occur more than six (6) months from date of installation.
 5. Does not voluntarily terminate employment.
- F. Employees who have averaged thirty (30) or more hours per week within the two (2) years preceding the installation of such equipment would receive severance pay in the amount of one (1) week's pay for each year over two (2) years up to a maximum of eight (8) weeks.
- G. 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 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 violations, then that part shall be null and void, and the parties agree to begin negotiations within thirty (30) days to replace said void part with a valid provision. When an eligible employee (an employee who has averaged thirty (30) hours or more per week for the preceding eight (8) week period) is separated for incompetence, or is permanently laid off due to a discontinuance of the job, or reduction in

force, he shall be entitled to one (1) week's notice or one (1) week's pay in lieu of notice, except in cases of dishonesty, drinking on the job, being under the influence of liquor on the job, use of illegal drugs, gross insubordination or discourtesy to customers. This is in addition to any other pay or benefits employees may be entitled to.

ARTICLE 17. LEAVES OF ABSENCE

Section 17.1 **Sickness, Injury or Pregnancy:** A leave of absence because of sickness, injury or pregnancy, not to exceed ninety (90) days, shall be granted to employees with thirty (30) days or more of continuous service upon written request supported by proper medical evidence. Extension will be granted up to ninety (90) days at a time for a cumulative total of two (2) years, if requested and granted in writing supported by proper medical evidence prior to each expiration.

Prior to returning to work, employees who were on leave of absence due to sickness, injury or pregnancy, must provide to their Employer a statement from the attending physician which states the date the employee may safely return to work.

Section 17.2 **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 fourteen (14) days notice in writing specifying the length of time off, but in no case shall the length of time off exceed one (1) year.

Section 17.3 **Military Leave:** Any employee who enlists or is inducted into military service shall be returned to his job and retain his seniority under the provisions of the Federal Selective Training Act.

Section 17.4 **Personal Leave:** Any employee with thirty (30) days continuous service shall be granted a leave of absence up to (30) days for an urgent or compelling reason but not for the purpose of engaging in gainful employment elsewhere. Personal leave may be extended at thirty (30) day intervals up to a maximum of ninety (90) days, by mutual agreement between Employer and Union.

No leave of absence will be granted to any employee for the purpose of trying out another job or to venture into business for himself. Failure to comply with this provision shall result in the complete loss of seniority rights for the employee involved.

Section 17.5 **Request for Leave of Absence:** All leave of absences in excess of fourteen (14) days, must be requested in writing to the Personnel Department with a copy to the Store Manager.

Any 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 to by the Employer and the employee. The length of leave shall be commensurate with the need. Failure to comply with this provision shall result in the complete loss of seniority of the employee involved unless there is a reasonable cause which does not permit the employee to submit a timely written request.

Section 17.6 **Returning From Leave of Absence:** Upon returning to work from a leave of absence, an employee shall be restored to the job previously held, or a job comparable with regard to work and rate of pay. Upon notice to the Employer of availability for work prior to Thursday, 4:00 p.m. of any week, the employee shall be restored to work to begin not later than the following Monday. If notice of availability for work is given after Thursday at 4:00 p.m. of any week, the Employer is required to schedule the employee on the second Monday following the posting of the schedule.

Section 17.7 **Effect of Leave of Absence on Seniority:** Time spent on leave of absence will not be counted as time worked for the purpose of wage computation or other benefits 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 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.

ARTICLE 18. FUNERAL LEAVE - JURY DUTY

Section 18.1 In case of a death in the immediate family of any employee, the employee shall be paid for a reasonable period of absence depending upon the circumstances, up to a maximum of three (3) scheduled days (except in cases of spouse, parent, or child, the employee shall be allowed up to four (4) scheduled days), but in no case will he receive more than his normal week's pay except that any daily overtime worked in such week will be paid even though this brings his total pay to more than the pay for a normal week. By immediate family is meant parents, brother, sister, wife, husband, child, mother-in-law, father-in-law, grandparents, grandchildren, step-parents, step-children, or any other relative residing with the employee. In case of a death of a member of the immediate family who lives out of town and additional time is necessary, the Employer will grant

reasonable additional time off without pay for the purpose of attending the funeral.

If an employee is notified of a death of his spouse, parent, or child while at work, he shall be granted the remainder of the day off and paid for scheduled work hours. This shall not be counted as part of the above four (4) days.

Section 18.2 Employees must attend the funeral in order to qualify for pay as outlined in this Section.

Section 18.3 No schedule shall be changed in order to make the employee's day off replace a day that would otherwise have been paid for under the provisions of Section 18.1 above.

Section 18.4 **Jury Duty:** When an eligible employee (an employee who has averaged thirty (30) hours or more per week for the preceding eight (8) week period) is summoned for jury service, he will be excused from work for the day on which he reports (providing he has been scheduled for that day) and shall be recompensed for any loss in income, based on a standard workweek and his classified straight-time hourly rate of pay.

This shall apply only when an eligible employee is summoned and reports and/or serves and shall not apply if he voluntarily offers his services as a juror.

Section 18.5 No payment shall be made to the employee unless he advises the Store Manager no later than the next scheduled workday as to the jury summons. Before any payment shall be made to any employee, he shall present to the Store Manager proof of the jury summons, time served, and amount of compensation received. When an employee (with the exception of Night Clerk employees) is released for a day or part of a day during any period of jury duty and they have more than the majority of their work schedule remaining, they shall report to their store and work the balance of their schedule.

Night Clerk employees serving on jury duty will be given the night off with pay either before or after the day of jury duty depending upon the work schedule of the employee so as to allow the maximum period of unbroken rest.

Section 18.6 Time spent by employees who are required to testify and/or assist the Employer in court will be considered as time worked.

ARTICLE 19. STORE CLOSING

Section 19.1 In the event the Employer closes or sells a store, employees shall have the right to transfer to another store of the Employer in accordance with Article XI, Sections 11.6 through 11.8 of this Agreement; or, at their option (except stores being closed due to replacement store), the right to receive severance pay computed as follows: one (1) week's pay for each year of continuous service commencing with the second year for employees working eight (8) weeks over thirty (30) hours and the seventh (7th) year for employees working eight (8) weeks less than thirty (30) hours up to, but not to exceed, eight (8) weeks pay at their regular rate. However, for those employees who have an incomplete year of continuous service as an employee, they will receive pro-rata severance pay for that year as follows:

0-3 months equals twenty-five percent (25%) of week's pay

3-6 months equals fifty percent (50%) of week's pay

6-9 months equals seventy-five percent (75%) of week's pay

Over 9 months equals one (1) week's pay

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

Section 19.2 The Employer shall continue contributions to the Pension and Health and Welfare Trust Funds for three (3) 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 Funds.

Section 19.3 Holidays that fall within thirty (30) days after termination and employees who are eligible for severance pay shall be entitled to holiday pay.

Section 19.4 All moneys due employees shall be paid in a lump sum upon termination of layoff.

Section 19.5 An employee who is terminated or laid off and who is eligible for severance pay and accepts severance pay shall not retain seniority or recall rights.

An employee who does not accept severance pay shall retain his recall rights for a period of nine (9) months at which time he shall receive severance pay.

Section 19.6 If a store is sold and the successor Employer offers employment to an employee who is otherwise eligible for severance pay under the terms of this Article, and if the new job is comparable, then the employee shall have the option of accepting the job or the severance pay.

- Section 19.7** The Employer agrees to give the employees and the Union two (2) weeks notice in advance of a store closing or sale.
- Section 19.8** Letters of recommendation will be given to all laid off employees at time of layoff.
- Section 19.9** The Company agrees to recall any laid off employees in any new location opened under the jurisdiction of the Local Union covered by this Agreement.
- Section 19.10** Vacation and holiday pay shall be based on the highest rate paid to an employee during the one (1) year period prior to the employee receiving said vacation and holiday pay.

ARTICLE 20. **UNION STEWARDS**

- Section 20.1** Where store operation is not adversely affected, the appointed Steward and/or Officer will not be scheduled to work later than 6:00 p.m. on the night (not more than one (1) per month) of the regular Local Union meeting. The Steward and/or Officer must notify the Store Manager prior to the posting of the schedule for the week in which the meeting occurs.
- Section 20.2** The Employer agrees to schedule the Union Steward and/or Officer with pay one (1) day per year for the purpose of attending a Union Steward Seminar. The Union agrees to notify the Company at least seven (7) days in advance of such Seminar. This benefit shall not exceed one (1) day off per store, per calendar year. The Union Steward and/or Officer shall sign an attendance record and said record will be mailed to the Personnel Office.
- Section 20.3** In case of a reduction in help, the Union Steward shall be the last person laid off in their classification in the store in which they work.

ARTICLE 21. **STORE SAFETY**

Employees will not be required to use equipment that may pose a serious hazard to their safety or health due to poor condition or repair. If equipment is not working properly or is in need of service or repair, employees should bring it to the attention of management so that arrangements for repairs can be made.

ARTICLE 22. TRAVEL PAY

In case of temporary transfer, the employee involved shall be reimbursed on travel expenses at the rate of twenty-five cents (\$.25) per mile. Travel pay will be determined based upon any additional miles the employee travels from his/her home store.

ARTICLE 23. PENSION

Section 23.1 The Company will make a contribution to the pension fund of up to thirty cents (\$.30) per hour on all hours paid up to forty (40) hours per week for all employees. Contributions shall commence the first of the month following the completion of one (1) year of continuous service. The Company's contributions will be waived or reduced for any one year period, if the Fund Actuary determines for such time period that the current contribution rates are more than are needed to fund the current level of benefits provided by the plan.

The employer will pay contributions to the fund for the two (2) months prior to the expiration of this agreement.

Section 23.2 Contributions shall be made to the UFCW Clerks Union and Food Employer Joint Pension 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.

Section 23.3 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 24. HEALTH & WELFARE

Section 24.1 The Employer agrees to contribute to the Indiana Area United Food and Commercial Workers Union Locals and Retail Food Employers Health and Welfare Trust Fund annual blended contribution rates based upon the Plan's prior twelve (12) months experience (HMO and non-HMO) as calculated by the fund consultant. Current rates are \$332.44 for full-time and \$128.02 for part-time coverage.

The employer will increase contributions as necessary to maintain the current level of benefits. Changes will be made on the following dates:

- Effective July 1999
- Effective July 2000
- Effective July 2001
- Effective July 2002
- Effective July 2003

Cost increases and decreases may be incurred to maintain the current level of benefits.

- * **Guarantees current level of benefits for duration of contract.**

Eligibility:

Hired on or prior to July 7, 1990

- * **Part-time** = 12 hour weekly average for ten (10) consecutive weeks.
- * **Full-time** = 30 hour weekly average for ten (10) consecutive weeks.

Employees hired after July 7, 1990

- * **Part-time** = six (6) month exclusion; twelve (12) hour weekly average for ten (10) consecutive weeks.
- * **Full-time** = six (6) month exclusion; thirty (30) hour average for ten (10) consecutive weeks.

Employees hired after January 13, 1994

- * **Part-time** = six (6) month exclusion; twelve (12) hour weekly average for ten (10) consecutive weeks.
- * **Full-time** = six (6) month exclusion; thirty-four (34) hour average for ten (10) consecutive weeks.

Employees hired after April 22, 1995

- * **Part-time** = six (6) month exclusion; twelve (12) hour average for ten (10) consecutive weeks. Hours up to forty (40) per week shall be included in the average calculation.
- * **Full-time** = six (6) month exclusion; thirty-six (36) hour average for ten (10) consecutive weeks. Hours up to forty (40) per week shall be included in the average calculation

Employees hired after October 30, 1998 will be placed into a new medical care plan. The employers contributions to this plan will be \$175.00 (one hundred seventy-five dollars) per month for each full time employee. (*full-time = 36 hours weekly average for ten (10) consecutive weeks. Must have six (6) months of continuous service. Hours up to forty (40) per week shall be included in the average calculation) and \$85.00 (eighty-five dollars) per month for each part-time employee. (*Part-time = must have twenty (20) hour average for ten (10) consecutive weeks. Must have six (6) months of continuous service. Hours up to forty (40) per week shall be included in the average calculation.)

Contributions may be increased as follows to maintain benefits:

- Effective July, 1999 up to 8%
- Effective July, 2000 up to 8%
- Effective July, 2001 up to 8%
- Effective July, 2002 up to 8%
- Effective July, 2003 up to 8%

Unused portions of the above capped increases shall be carried forward through the term of the agreement.

- Section 24.2** The Trustees shall take steps necessary to retain U.S. Treasury Department approval so that contributions by the Employer qualify as a tax deduction in accordance with applicable laws or regulations.
- Section 24.3** Contributions to the Trust Fund shall be discontinued as of the first (1st) of the month immediately following:
- A. A lay-off or leave of absence of thirty (30) calendar days or more except as otherwise provided below.
 - B. The employee's ceasing to be an eligible employee, due to his failure to work the average number of hours necessary to qualify.
- Section 24.4** Contributions to the Trust Fund shall be continued under the following conditions:

- A. In case of illness or a non-work related accident, one (1) month's contribution following the month in which the illness occurs.
- B. In case of pregnancy, one (1) month's contribution after the month in which the employee begins her pregnancy leave of absence.
- C. In case of compensable injury, six (6) months contribution including the month in which the injury occurs.

Section 24.5 An employee who ceases to be eligible for full-time benefits in accordance with 24.1 above due to an involuntary reduction in hours shall be covered without a waiting period by the part-time benefits, if the eligibility requirements for such benefits are met.

ARTICLE 25. EXPIRATION

This Agreement shall continue in effect from November 1, 1998, through November 1, 2003, 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 anniversary date thereafter of a desire for termination of or changes in this Agreement.

IN WITNESS WHEREOF, the said parties have caused duplicate copies to be executed by their duly authorized officers this 8th day of JANUARY, 1998.

FOR THE UNION:

FOR THE COMPANY:

David A. Kelly
David A. Kelly

Blm Carter
Lynne Brown

1/8/99
 Date

1-8-99
 Date

SCHEDULE "A" - WAGESI. Food Clerks/Deli/Salad Bar/Floral/Pharmacy

<u>Months</u>	<u>11/1/98</u>	<u>10/31/99</u>	<u>10/29/00</u>	<u>11/4/01</u>	<u>11/3/02</u>
0-6	\$6.25	\$6.30	\$6.35	\$6.45	\$6.50
6-12	\$6.30	\$6.35	\$6.40	\$6.50	\$6.55
12-18	\$6.35	\$6.40	\$6.45	\$6.55	\$6.60
18-24	\$6.40	\$6.45	\$6.50	\$6.60	\$6.65
24-30	\$6.45	\$6.50	\$6.55	\$6.65	\$6.70
30-36	\$6.50	\$6.55	\$6.60	\$6.70	\$6.75
36-42	\$6.75	\$6.95	\$7.05	\$7.15	\$7.20
42-48*	\$7.15	\$7.35	\$7.55	\$7.75	\$7.95
48-54**	\$7.45	\$7.65	\$7.85	\$8.05	\$8.25
48-54***	\$7.80	\$8.00	\$8.20	\$8.40	\$8.60
Thereafter	\$9.30	\$9.50	\$9.80	\$10.05	\$10.30

*42-48 Month wage bracket is maximum for part-time and Salad Bar/Floral Clerks. Part-Time Capped employees average less than 34 hours for 10 consecutive weeks. For employees hired after May 22, 1995, 36 hours for 10 consecutive weeks. Hours up to forty (40) per week shall be included in the average.

** Top rate for Full-Time Deli Clerks

*** Top rate for Lead Baker, Cake Decorator, Pharmacy Techs.

II. Utility Clerks

<u>Months</u>	<u>11/1/98</u>	<u>10/31/99</u>	<u>10/29/00</u>	<u>11/4/01</u>	<u>11/3/02</u>
0-6	\$ 5.60	\$ 5.70	\$ 5.80	\$ 5.90	\$6.00
6-12	\$ 5.75	\$ 5.85	\$ 5.95	\$ 6.05	\$6.15
Thereafter	\$ 5.80	\$ 5.90	\$ 6.00	\$ 6.10	\$6.20
Daytime*	\$ 6.10	\$ 6.20	\$ 6.30	\$ 6.40	\$6.50

*(7:00 a.m. - 6:00 p.m.)

SCHEDULE "A" - WAGES
(Continued)

Volume Brackets referred to below are as follows:

	<u>Head Cashier Store Volume</u>	<u>Head Produce Department Volume</u>	<u>Head Department Volume</u>	<u>Deli Department Volume</u>	<u>Head Stock Department Volume</u>
Volume 1	< than \$150,000	< than \$12,000		< than \$6,750	< than \$90,000
Volume 2	150001-250000	12001-20000		6751-11250	90000-140000
Volume 3	250001-325000	20001-26000		11251-14625	140001-180000
Volume 4	325001-420000	26001-32000		14626-20000	180001-220000
Volume 5	> than \$420,001	> than \$32,001		> than \$20,001	> than \$220,001

III. Head Cashier, Head Stock, Head Produce, Head Deli.

	<u>11/1/98</u>	<u>10/31/99</u>	<u>10/29/00</u>	<u>11/4/01</u>	<u>11/3/02</u>
Volume 1	\$11.60	\$11.90	\$12.20	\$12.55	\$12.85
Volume 2	\$11.75	\$12.05	\$12.35	\$12.70	\$13.00
Volume 3	\$11.95	\$12.25	\$12.55	\$12.90	\$13.20
Volume 4	\$12.25	\$12.55	\$12.85	\$13.20	\$13.50
Volume 5	\$12.45	\$12.75	\$13.05	\$13.40	\$13.70

IV. Grandfathered Employees (excluding Department Heads) will receive increases as follows:

	<u>11/1/98</u>	<u>10/31/99</u>	<u>10/29/00</u>	<u>11/4/01</u>	<u>11/03/02</u>
	\$0.40	\$0.30	\$0.30	\$0.30	\$0.30

V. Head Frozen Food/Dairy/Drug, G.M./Lawn, Garden Center

	<u>11/1/98</u>	<u>10/31/99</u>	<u>10/29/00</u>	<u>11/4/01</u>	<u>11/3/02</u>
	\$11.20	\$11.50	\$11.80	\$12.15	\$12.45

IV. Lead Floral Clerks

Department Volume	<u>11/1/98</u>	<u>10/31/99</u>	<u>10/29/00</u>	<u>11/4/01</u>	<u>11/3/02</u>
Less Than \$2000	\$7.35	\$7.65	\$7.95	\$8.25	\$8.50
2001 - 3000	\$8.35	\$8.65	\$8.95	\$9.25	\$9.50
Over \$3000	\$9.25	\$9.55	\$9.85	\$10.15	\$10.40

The above Lead Floral rates do not include the forty (\$.40) cents per hour premium.

SCHEDULE "A" - WAGE

(Continued)

- A. Upon ratification, employees shall move to the "ratification" rates outlined in Schedule "A" wages based upon his/her length of service with no reset of accumulated progression weeks.
- B. Employees who have progressed into or have been hired into any of the classifications above providing for progression steps (i.e., 0-6 months, 6-12 months, etc.) shall be required to work twenty-six (26) weeks in each progression step before moving into the next progression step. For the purpose of progression, each week that the employee performed some work will be counted in determining the twenty-six (26) week period.
- C. Lead Clerks will be selected based on type of work, ability to perform the work and in accordance with seniority.
- D. Wage adjustments based on volume will be made effective the first week in March based on the previous year's average sales.
- E. Employees working in any of the above classifications may exercise their seniority rights over new applicants for the Food Clerk classification. Any employee(s) exercising their seniority rights into the Food Clerk classification will be placed into the next highest wage bracket above their then current rate of pay.

SCHEDULE "B" - DEFINITIONS

- A. **Department Head** classifications as contained in this Agreement are defined as: An employee(s) who directs and is responsible for the operations of a given department under the direction of store management.
- B. **Demonstrators**: The duties of demonstrators shall include the preparation of product(s) so that it is adaptable for customer acceptance and sampling. Product for demonstrations shall be obtained from the sales area. Hours allocated to product demonstration shall not be included in hours chargeable to store operations as relates to allocated store hours.

The above refers to employees of the Employer and not to vendor demonstrators.

- C. **Manager Trainees**: are defined as employees identified and selected by management to be trained for store management responsibilities, and shall be permitted the necessary flexibility to adequately prepare for store management. Hours worked by management trainees shall not affect hours worked by permanent bargaining unit employees. Hours allocated to manager trainees shall not be included in hours chargeable to store operations as relates to allocated store hours.
- D. **Utility Clerks**: The duties of Utility Clerks shall be limited to sorting, bagging and packaging sold merchandise; carrying and loading sold merchandise; sweeping floors anywhere in the store; cleaning the parking lot and other adjacent areas outside the store; snow removal; maintenance of lawns and shrubs; returning shopping carts to the store; filling bag racks; cleaning areas around and in front of the checker lanes; cleaning rest rooms; collecting and sorting returnable containers; price checks at check stand; return merchandise to stock from check stand area; disposing of trash and rubbish; blocking, facing and sweeping floors, and cleaning anywhere in the store. Utility Clerks may be utilized to block and face. However, they will not be specifically scheduled to perform these duties.

It shall be a violation of this contract for Utility Clerks to perform any duties other than those specified above. In order to remedy violations of this Section, the parties agree as follows:

1. The Employer shall post in each of its stores a notice to the employees, signed by an authorized Employer representative, instructing all employees of the duties of Utility Clerks and instructing all employees that the performance of any other duties constitutes a violation of the contract.
2. Upon the first violation of this Section, the Utility Clerk in the store involved shall be paid the applicable Clerk's wage rate for all hours worked in the week or weeks in which the violation occurred, including hours worked in performance of Utility Clerk duties.

SCHEDULE "B" - DEFINITIONS
(CONTINUED)

3. Upon a second violation within a 90-day period from the first violation in the same store, all Utility Clerks in the store involved shall be paid the applicable Clerks wage rate for all hours worked in the week or weeks in which the violation occurred, including hours worked in performance of Utility Clerk duties.
4. Upon a third violation within a 90-day period from the second violation in the same store, all Utility Clerks in the store involved shall be paid one and one-half (1-1/2) times the Utility Clerk rate for all hours worked in the week or weeks in which the violation occurred, including hours worked in performance of Utility Clerk duties.

There shall be no right of claiming hours of work in this classification by employees in other classifications and vice-versa.

SCHEDULE "C" - GEOGRAPHICAL GROUPINGS

<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Group 5</u>
921	500	86	100	927
110	115	87	20	955
905	926	158	193	105
66	947	104	945	116
16	106	959	11	956
118	961	957	952	97
909		940	1	108
		906		958
		965		
		944		
		962		

Mechanics:

If no less senior person in his geographical grouping exists, then the employee will move to the next geographical grouping to the right, then to the left, then to the next adjacent group to the right, then to the next adjacent group to the left. Each group will be exhausted in succession.

Example: An employee in group 3 must exhaust Group 3, Group 4, Group 2, Group 5, and Group 1 in that order.

In the event an employee exhausts his rights in these areas, they would then go to the "outside" metro area replacing the least senior employee in his or her job classification.

SCHEDULE "D" - COUNTY COVERAGE

Marion	Grant
Hancock	Howard
Shelby	White
Johnson	Benton
Bartholomew	Cass
Monroe	Jasper
Morgan	Fountain
Putnam	Boone
Ripley	Hamilton
Hendricks	Madison
Fayette	Tipton
Rush	Wayne
Tippecanoe	Henry
Montgomery	Lawrence

LETTER OF UNDERSTANDING
BETWEEN
KROGER LIMITED PARTNERSHIP I
CENTRAL MARKETING AREA
AND
UFCW LOCAL 700 CLERKS

1. Previous letter dated March 8, 1987:

It is understood and agreed to by the parties to this Agreement that the Employer will recognize UFCW Local 700 as the sole collective bargaining Agent for all Grocery Department employees in the Employer's Kroger Retail Food Stores opening during the term of such Agreement within those counties within the State of Indiana within the jurisdiction of the Local Union not specifically provided for in Schedule "D". All terms and conditions of employment shall be negotiated by the parties with the understanding that the resulting agreement will be consistent with the wages, fringe benefits and working conditions which prevail in the stores of the major competitor(s) in that trade area.

2. Previous letter dated March 8, 1987:

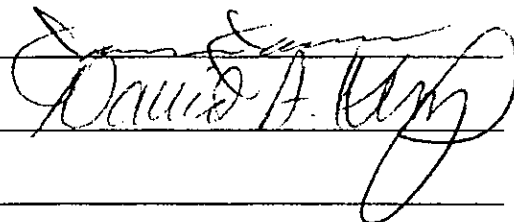
Economic Relief Provision:

If it becomes necessary for the Employer to request modification to economic clauses in the contract to keep from making it necessary to close a store, it is understood that the membership in the affected store shall vote on any contract modification. If there is more than one (1) store in a city, all stores within that city area must vote to accept the modifications. It would not, therefore, affect the contract for all other stores covered thereunder. If the Company has a store or stores affected by this clause, the Company shall give the Union thirty (30) days notice before any discussions with the employees. If any meetings are held, the Union Representative shall have the right to be present.

3. Previous letter dated July 6, 1990

It is understood and agreed to by the parties to this Agreement that where the Employer initiates outside floor care services, existing employees will not suffer a reduction in hours because of this service.


FOR THE UNION:

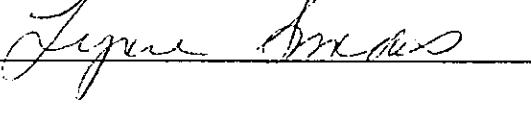


Date

1/5/99

FOR THE COMPANY:





Date

LETTER OF UNDERSTANDING
BETWEEN
KROGER LIMITED PARTNERSHIP, I
CENTRAL MARKETING AREA
AND
UFCW LOCAL 700 CLERKS

January 13, 1994

It is understood and agreed by the parties to this Agreement that employees may exercise their rights under the following articles relative to stores J-914 and J-920. Seniority shall (by classification) be carried by the employee to either store when effectuating a transfer under these conditions.

Article 11.8 (Promotion to Department Head)

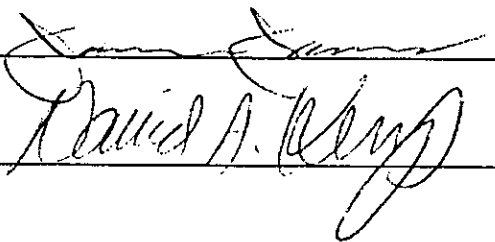
Article 11.24 (Transfer Closer to Home)

Article 11.26 (New Store Openings)

Article 19.1 (Store Closing)

The employee's rate of pay when transferring under the above Articles would be determined by the governing Agreement.


FOR THE UNION:



Date

1/13/99

FOR THE COMPANY:





Date

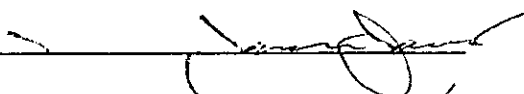
**LETTER OF UNDERSTANDING
BETWEEN
KROGER LIMITED PARTNERSHIP, I
CENTRAL MARKETING AREA
AND
UFCW LOCAL 700 CLERKS**

Health Plan Benefits

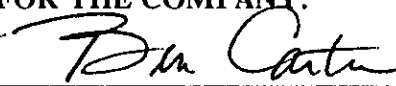
The Employer agrees to maintain 100% of the Incurred But Not Reported (INBR) non-HMO claims (the Minimum Reserve). The Employer agrees to contribute any deficiency in the Minimum Reserve in lump sum payment equal to the difference between the Minimum Reserve and the Funds' net assets. If a Reserve deficiency occurs, the Employer will contribute the appropriate lump sum payment within 15 working days of notification. If the Reserve deficiency is disputed, it will be paid by the Employer while the Fund's dispute resolution procedures are enacted. The consultant will review the Minimum Reserve Level every 3 months.

FOR THE UNION:

FOR THE COMPANY:



David A. Kemp



Lynne Snow

Date 1/9/97

Date