

R# 6379

Kruger Limited Partnership

INDEX

UNITED FOOD AND COMMERCIAL WORKERS

LOCAL #1529

MEAT AND DELI

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TERM: OCTOBER 5, 2003 THROUGH OCTOBER 6, 2007

3500

8/30/04

AGREEMENT

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

ARTICLE 1. INTENT AND PURPOSE

The Employer and the Union each 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.

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

ARTICLE 2. COVERAGE

A. The Employer recognizes the Union as the sole and exclusive bargaining agent for all employees working in the Meat, Seafood and Delicatessen Departments as listed in Article 6 of this Agreement regarding hours, wages, and working conditions for all employees who are engaged in the receiving, handling, ordering, cutting, grinding, slicing, display, processing, selling, wrapping and pricing of products, including those employees operating equipment used in the wrapping, cutting, tenderizing of such meat products in the area occupied by the refrigerated meat storage rooms, the meat preparation rooms, and the refrigerated service and/or self-service display cases where fresh, frozen, cooked and frozen meats, poultry, fish and seafood and delicatessen products are offered for retail sale, provided such work is performed in the retail store.

ARTICLE 3. SHOP CONDITIONS

A. The Company and the Union agree that all employees who are not members of the Union at the time of the signing of this Agreement or who are later employed, must, thirty (30) days after the signing of this Agreement, or thirty (30) days after their employment as the case may be, become and remain members in good standing in the Union for the duration of this Agreement.

B. It is agreed that the provisions of this Article will be effective when state and federal laws are amended to make said provision legal.

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

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

ARTICLE 4.

MANAGEMENT RIGHTS

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

ARTICLE 5.

DISPUTE PROCEDURE

A. The Union shall have the right to designate a shop steward for each store. It shall be the duty of the shop steward to demand and inspect the cards of those coming under the jurisdiction of this Union and to report his findings to the Union office and to perform such other duties as the Union may require. The shop steward shall perform his duties with the least inconvenience to his Employer as possible.

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

Step 1. By conference between the aggrieved employee, the recognized Union Representative, the Union Steward, or both, and the manager of the store.

Step 2. By conference between the recognized Union Representative and the appropriate supervisor for the Employer.

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

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

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

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

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

D. Grievances must be taken up promptly, and no grievance will be considered or discussed which is presented in Step 1 later than fourteen (14) calendar days after the occurrence from

which such grievance arose. Nothing in this section shall be applied so as to be in violation of any time limits set forth in applicable state statutes.

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

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

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

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

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

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

ARTICLE 6.

NO STRIKE, NO LOCKOUT

A. During the term hereof, the Union agrees that there shall be no strike or any other interference with or interruption of the normal conditions of the Employer's business by the Union or its members. The Employer agrees that there shall be no lockout. It is further agreed that the Employer is not to enter into any agreement or contract with his employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement.

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

ARTICLE 7.

DUES DEDUCTION

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

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

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

D. This authorization shall take effect as of the date hereof and shall continue in effect for successive one (1) year periods or until the termination of this Agreement.

ARTICLE 8.

OTHER WORK

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

B.- Any employee assigned to relieve a Meat Manager, or a Deli Manager for a period of one (1) week or more shall receive the contract rate in effect in the store involved for such time spent on relief.

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

ARTICLE 9.

WAGES

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

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

ARTICLE 10.

WORKING CONDITIONS

All terms and conditions described herein shall apply to the Agreement unless specifically indicated otherwise in this Agreement.

A. Forty (40) hours shall constitute the basic workweek to be worked in five (5) days. Hours are to be worked consecutively except that one (1) hour will be allowed for lunch.

B. One and one-half (1-1/2) times the employee's straight-time hourly rate of pay will be paid for all hours worked in excess of forty (40) hours per week or in excess of eight (8) hours per day.

C. Employees scheduled to work beyond 10:00 p.m. shall be paid a night premium for hours worked between 10:00 p.m. and 6:00 a.m. of fifty cents (.50) per hour, except that time and one-half (1-1/2) shall be paid for hours worked in excess of eight (8) in any one (1) day or forty (40) in any one (1) week.

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

E. There shall be no pyramiding of overtime for the same hours worked.

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

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

A. Full credit will be given for previous comparable experience at a supermarket represented by the U.F.C.W.

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

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

G. The Employer shall employ a Market Manager for each Meat Department.

The Employer shall appoint a Delicatessen Manager in stores where such departments exist.

A Lead Seafood Clerk will be appointed in Seafood Shops. Such Clerk will receive \$.50 hr. premium over the Thereafter Full-Time Meat Clerk rate of pay (schedule for employees hired after 5/27/83), unless the Lead Clerk is an employee receiving a rate of pay for employees on payroll as of May 27, 1983.

H. All employees shall receive the minimum rate for their classification as shown in Schedule "A" and under the conditions specified herein. Employees receiving more than the above rates of pay shall not be reduced.

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

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

K. Company meetings where attendance is required, shall be considered as time worked (call-in, split shift, etc. will not apply).

Note: This language is not intended to cover outings or attendance at Kroger Education Center training sessions.

L. Employees shall not be required to take inventory outside of regular working hours.

M. Union market cards shall be displayed in all places where members of the Union are employed and must hang in a conspicuous place. The card may be removed at any time by an officer of the Union when this condition does not prevail.

N. If the state or city requires a health examination of an employee, such examination shall be paid for by the Employer.

O. The Employer agrees to place a suitable covering over a floor in a market where concrete has been used.

P. The Employer agrees to provide a first aid kit in each market.

Q. Only qualified employees shall be permitted to use a power saw.

R. The Employer agrees to notify the Union when vacancies occur, and to make no agreement with its present or future employees which conflicts with this Agreement.

S. A copy of this Agreement shall be posted in the place of employment so that each employee shall have equal and easy access to same.

T. The Employer agrees to furnish and maintain all linens and laundry, shop tools, and to stand the expense of sharpening such tools. In addition, the Employer will furnish and launder Meat Clerks smocks.

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

V. All employees shall be given necessary time off to vote (not to exceed two (2) hours) in state or national elections without penalty or deduction from their pay. Such time will be scheduled by the Employer in consultation with the employee to prevent disturbing the operation of the store.

W. All full-time employees shall be allowed the first (1st) week of absence in any one (1) calendar year with pay for injury or injuries sustained on the job. This section does not apply to employees hired after December 11, 1987.

X. The Employer agrees to assist the Business Agent to see that all of his employees remain in good standing with the Union at all times concerning payments of Union dues during the life of this Contract subject to provisions of Article 3 of this Agreement.

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

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

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

AA. If any agreed upon temporary transfer expense reimbursement should include mileage for use of a personal vehicle, the rate will be a minimum of .31 cents per mile.

BB. At the discretion of Store Management, employees covered by this Agreement may work between the departments according to the attached Letter of Agreement.

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

ARTICLE 11. HOLIDAYS AND SUNDAY WORK

A. New Year's Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day being holidays, full-time employees shall receive eight (8) hours credit which shall be used in computing holiday pay. Effective January 1, 2007, Dr. Martin Luther King, Jr. Day will be a recognized holiday. Weeks in which a holiday occurs shall be considered as full weeks for full-time employees and there shall be no reduction in weekly pay. Absence the scheduled day before the holiday (if scheduled) or the scheduled day after the holiday, which is caused by proven illness of the employee or which is excused by management, shall not disqualify the employee for holiday pay, provided the employee has worked some part of the holiday week. (Contractually qualified funeral leave, jury duty and return from leaves of absence during the holiday week shall be included in excusable absences.) If the employee is scheduled to work a fifth (5th) day in a holiday week, it will be at straight-time.

B. All work performed on holidays shall be paid for at the rate of one and one-half times (1-1/2) the employee's straight-time classified hourly rate. All holiday work shall be given to employees by seniority on a rotating basis within the classification and store, and work performed on holidays shall be considered outside the basic workweek.

Full-time employees working on Sunday will receive a premium of one dollar (\$1.00) per hour. Part-time employees working on Sunday will receive a premium of fifty cents (.50) per hour. Sunday work will be offered by seniority to employees with the ability to perform the necessary job duties. Sunday schedules not taken by seniority will be rotated among all such available employees, consistent with the needs of the business. If a full-time employee is required to work on Sunday, he shall be scheduled two (2) days off in succession (if he desires)

during that week or the next succeeding week. If a regular employee is required to work on Sunday less than the basic workday (eight (8) hours), such hours will be in addition to the basic workweek and those Sunday hours will be compensated for at one and one-half (1-1/2) times the basic rate of pay in place of the above premium and such hours will not be counted in computing hours for the purpose of overtime. Such overtime work may be claimed by seniority, classification and ability to perform the work.

C. All full-time employees shall receive two (2) days off with pay as a personal holiday. The personal holiday may be taken at the beginning or end of the employee's vacation, or at any time mutually agreed upon between the employee and the Employer.

D. All part-time employees shall receive the holidays as listed in paragraph A above in accordance with the following schedule:

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

To determine average hours, use the average of the four (4) weeks prior to the holiday week.

E. All personal holidays (including birthdays) will be effective after twelve (12) months service.

ARTICLE 12.

VACATIONS

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

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

Effective for employees hired after July 1, 1986, the following schedule will apply:

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

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

1. Eligibility for an employee's first vacation (one week) and for subsequent increases in vacation (i.e., two weeks, three weeks, four weeks) will be determined by the anniversary date of his employment. Arrangements must be made to permit employees to enjoy such earned vacations between the actual employment anniversary date and the end of the year in which it occurs. Where necessary, vacations due in the 12th or 13th periods may be carried over to the first period of the next year.

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

Leaves of more than ninety (90) days, but not over one hundred eighty (180) days shall reduce vacation and vacation pay by one-fourth (1/4); leaves of more than one hundred eighty (180) days, but not over two hundred seventy (270) days shall reduce vacation and vacation pay by one-half (1/2); leaves of more than two hundred seventy (270) days shall disqualify for vacation.

9. Determination of vacation pay:
 - a. Hourly paid regular employees who worked on a full-time basis (at least 1800 hours) and who were not laid off for more than thirty (30) working days during the anniversary year or calendar year in which their vacations were earned will be paid their current straight-time earnings for their regularly scheduled workweek. In determining whether an employee has worked the required number of hours (at least 1800 hours), count up to forty hours a week for weeks not worked because of paid vacations or approved leave of absence (including sick leaves) as weeks so worked.
 - b. The weekly vacation pay of a regular employee who worked less than 1800 hours, or who was laid off for more than thirty (30) working days in the year will be computed at his current hourly rate for the average number of hours per week he worked during the anniversary or calendar year in which the vacation was earned. To determine the average number of hours worked per week, divide the total hours worked during his anniversary or calendar year by the number of weeks in the year; exclude from this divisor weeks off the job because of paid vacations, sick leave, or other authorized leaves of absence.

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

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

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

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

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

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

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

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

C. In the event of termination of service due to death, provided that at the time of death of such employee, he had become eligible to receive a vacation that had not been granted, payment in the amount equal to that which would have been paid the employee for such vacation shall be made to the beneficiary or estate of the employee.

ARTICLE 13.

SENIORITY

A. In layoffs and recall, the principle of seniority shall apply. Seniority shall be determined on the length of service of the employee, with regard to his experience and ability to perform the work. All circumstances being reasonably equal, length of service shall be the controlling factor. In the matter of promotions or transfers from one type of work to the other, or from one store to the other, the Employer shall give due regard to seniority. On permanent transfers, consideration will be given to the employee's wishes. Where ability is reasonably equal, the senior employee may elect not to transfer. The Union shall be notified of all transfers.

In the case of layoffs and transfers, Market Managers, Journeymen and Wrappers will have seniority over Market Assistants and Meat Clerks.

A full-time employee who desires consideration for a Department Manager position shall notify the Human Resources Department in writing with a copy to the Union.

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

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

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

B. Seniority shall be considered broken if an employee is duly discharged by the Employer, if he voluntarily quits, if he has been laid off continuously for a period of more than six (6) months, or if he is called back to work after a layoff and does not report for work within one (1) week.

C. Seniority shall be by classification.

If an employee is promoted to department head and subsequently reduced, he/she will return to the most recently held classification prior to the promotion, with full seniority rights.

Classifications are:

Market Manager
Market Assistant
Meat Clerk
Delicatessen Manager
Delicatessen Clerk
Lead Seafood Clerk

D. Seniority shall be based on total service with the Company in this bargaining unit.

Employees shall be considered probationary for the first thirty (30) days of employment and may be discharged at the discretion of management. The probationary period may be extended for an additional thirty (30) days by mutual agreement of the Employer and the Union. The above probationary period for a new store will be sixty (60) days for all employees.

E. Agreed upon seniority lists by areas shall be established and maintained and such records shall be available to the Union at all times. For the period of this Agreement, agreed seniority areas shall be as shown in Schedule "B".

F. Any employee who accepts a paid position with the Union shall be granted a leave of absence for a period of up to one (1) year with full seniority.

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

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

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

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

H. An employee permanently transferred to another seniority area will have full seniority in the area to which he is transferred after six (6) months and retain seniority in the area from which he was transferred for six (6) months.

I. When it becomes necessary to work full-time employees in more than one (1) store within the week, such employee will be the least senior employee by classification within the seniority area.

J. In the event of layoffs in the meat department in the stores, employees affected will be considered for any vacancies in the meat plant based on seniority and ability to do the work and will be given preference over any new hires.

K. A full-time employee is an employee who has worked an average of thirty-five (35) hours for ten (10) consecutive weeks, excluding any relief work due to a leave of absence. A full-time employee will be reduced to part-time when they become unavailable to work thirty-five (35) hours, request in writing to work part-time or if laid-off. (Time missed because an employee volunteers to go home will be added to time actually worked for purposes of qualifying for full-time.)

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

Full-time employees will be given preference for earlier schedules consistent with the needs of the business whenever possible.

M. Part-time Employees

Part-time employees shall be scheduled a minimum of sixteen (16) hours per week. However, additional hour will be scheduled whenever feasible.

Part-time employees will be given the schedule with the most hours by seniority.

Part-time employees will be allowed to claim daily/weekly schedules within their store of less senior part-time employees based on seniority in order to provide up to twenty (20) hours per week. In order to claim hours, an employee must be available and able to perform the work. In no instance shall the claiming of hours result in a reduction of an employee's schedule to less than the sixteen (16) hour minimum schedule as provided in this Agreement.

Any grievances arising out of scheduling must be presented by the employee involved, not later than Saturday noon (or twenty-four (24) hours from the time the schedule is posted, whichever is later) of the week the schedule is posted. Otherwise, said employee will be deemed not to have a valid grievance.

Part-time employees will be given preference for full-time positions over applicants with no previous experience provided qualifications are reasonably equal.

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

ARTICLE 14.

HEALTH AND WELFARE

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

A-2. In the case of part-time employees, the term "eligible employee" shall mean an employee who has worked an average of sixteen (16) hours or more per week for the twelve (12) consecutive weeks immediately preceding the first of any month. Such an employee becomes eligible for health and welfare benefits on the first (1st) day of the first (1st) calendar month immediately following completion of the twelve (12) consecutive calendar weeks, and such date shall hereinafter be referred to as his eligibility date.

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

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

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

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

Plan A Full-Time	\$579.31
Plan B Full-Time	\$450.19
Plan B Full-Time with Vision (12 months following qualification)	\$459.01
Plan A Part-Time	\$235.71
Plan B Part-Time	\$165.49
Plan B Part-Time with Dental (6 months following qualification)	\$177.63
Plan B Part-Time with Dental, Optical and Prescription (12 months following qualification)	\$226.30

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

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

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

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

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

1. In case of illness, pregnancy, non-compensable or compensable injury, six (6) months contribution following the month in which the illness or injury occurred.
In case of compensable injury, contributions will be made until such time as the employee is allowed to return to work or a final settlement is reached on his claim.
2. The Employer agrees to pay the contributions to the Trust Fund for eligible employees for one (1) month following termination of employment. This obligation shall not be required when an employee is discharged for dishonesty, drinking or drunkenness on the job, or resigns to go into business for himself.

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

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

G. The Employer will contribute eighty-one dollars (\$81.00) per month on behalf of employees who apply for and are officially approved for retirement benefits after January 1, 1980, pursuant to Article 20 of this same Agreement. Such contributions shall be made to the United Food and Commercial Workers Union Local #1529 and Employers Health and Welfare Plan and Trust Fund, which has been entered into by the parties hereto for purposes of providing eligible employees health and welfare benefits. Such contributions will be made only for retirees who are eligible for health and welfare benefits.

1. Contributions to the Trust Fund on behalf of such retirees will commence the beginning of the month immediately following the month contributions pursuant to paragraph B above are discontinued. (Example: Employee retires October 15; Employer will pay retiree contribution with payment paid in December.)
2. Contributions to the Trust Fund shall be discontinued whichever of the following occurs first:
 - a. The month immediately following the death of the retiree.
 - b. The month immediately following the retiree's becoming eligible for Medicare benefits or comparable benefits under another Employer's program.

ARTICLE 15.

LEAVE OF ABSENCE

A. Request for leaves of absence must be made by the employee in writing to the Employer's Human Resource Office with a copy to the Union. Such requests must be made at least two (2) weeks prior to the desired date of leave, except in cases of sickness or injury or as otherwise specified below.

B. Personal Leave: Employees may be granted a personal leave of absence not to exceed sixty (60) days. The Employer will not arbitrarily deny such request.

C. Pregnancy, Sickness or Injury: A leave of absence because of pregnancy, sickness, or injury will be granted to any employee not to exceed ninety (90) days, upon written request supported by medical evidence. Extensions of ninety (90) days (not to exceed one (1) year total) will be granted upon written request supported by proper medical evidence prior to each extension. The employee will give the Employer one (1) week's notice in writing of his desire to return to work supported by a doctor's release. An employee on a leave of absence due to a compensable injury will have his case reviewed at the end of one (1) year, and his leave may be extended upon agreement of the parties.

D. Union Leave: Any member of the Union employed by the Employer during the period of this Agreement who is elected to office or as a delegate to any Union activity necessitating temporary leave of absence shall be granted such leave of absence and shall, at the end of the term in the first instance, or at the end of his mission in the second instance, be guaranteed re-employment at his former wage rate, plus any increase or less any reduction that may have become effective during such absence. Such leave of absence shall be limited to twelve (12) months but shall be renewable or extended further for a reasonable period upon request.

E. Military Leave: A military leave of absence will be granted to an employee who is called into service under the Collective Service Act and to employees while on Military Reserve Duty ordered by the President or Governor for annual encampment, cruise or for national, state or local emergencies.

F. Eligible employees (as defined by law) will be eligible for leaves of absence under the terms of The Family and Medical Leave Act of 1993. The conditions of such leaves shall be those prescribed by the law unless existing leave provisions in this contract provide more generous terms.

G. Seniority rights shall not be broken when an employee is on a leave of absence. However, if an employee, while on leave of absence, accepts another job or goes into business for himself, he automatically terminates his employment and loses all rights with the Employer.

H. Union Stewards (limited to one (1) per store) shall be granted one (1) day per year, paid at eight (8) hours, for the purpose of attending a Union Workshop. The Union will give the Employer two (2) weeks advance notice of such request. The Union shall recognize the needs of the business and avoid holiday weeks or weeks that traditionally are heavy sales weeks.

ARTICLE 16.

JURY SERVICE

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

ARTICLE 17.

DEATH IN FAMILY

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

E. In the case of compensable injuries, the Employer will make contributions for six (6) months including the month in which the injury occurs.

ARTICLE 20.

TECHNOLOGICAL CHANGE

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

1. Where installations of such equipment will materially affect bargaining unit work, the Union will be pre-notified by the Employer sixty (60) days prior to installation.
2. The Employer has the right to install such equipment.
3. Any training or necessary retraining will be furnished expense free by the Employer to affected employees.
4. Where full-time employees would be displaced by such installation, the Employer will make every effort to effect a transfer.
5. If a full-time employee is not retrained or transferred and would be displaced as a direct result of major technological change as defined above, then the employee would qualify for separation pay if:
 - a. The employee had two (2) or more years of full-time service.
 - b. Does not refuse a transfer within a fifty (50) mile radius.
 - c. Does not refuse to be retrained.
 - d. Such action does not occur more than six (6) months from date of installation.
 - e. Does not voluntarily terminate employment.
6. Severance pay would be paid at the rate of one (1) week's pay for each year of full-time service in excess of two (2) years, not to exceed eight (8) weeks.
7. Severance pay would equate the average number of hours worked the four (4) weeks preceding displacement, not to exceed forty (40) hours straight-time pay.

ARTICLE 21.

STORE CLOSING

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

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

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

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

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

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

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

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

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

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

ARTICLE 22.

UNION COOPERATION

A. The Union agrees to uphold the rules and regulations of the Employer in regard to punctual and steady attendance, proper and sufficient notification in case of necessary absence, conduct on the job, and all other reasonable rules and regulations established by the Employer. The Union will be furnished with a copy of changes in or additions to rules as established.

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

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

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

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

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

ARTICLE 23.

ANTI-DISCRIMINATION

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

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

ARTICLE 24.

EXPIRATION

This Agreement shall continue in effect from October 5, 2003 through October 6, 2007, and shall automatically be renewed from year to year thereafter unless either party serves notice in writing to the other party sixty (60) days prior to the expiration date or prior to any anniversary date thereafter of a desire for termination of or for changes in this Agreement.

IN WITNESS WHEREOF the said parties have caused duplicate copies hereof to be executed by their duly authorized officers this _____ day of _____, 2004.

**SCHEDULE "A" MEAT WAGES
GROUP I**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Market Manager</u>				
Average Weekly Store Volume				
0 - 200,000	16.06	16.36	16.61	17.01
200,001 - 400,000	16.29	16.59	16.84	17.24
400,000 - Over	16.82	17.12	17.37	17.77

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

<u>Market Manager</u>				
Average Weekly Market Volume				
0 - 23,000	16.06	16.36	16.61	17.01
23,001 - 27,000	16.14	16.44	16.69	17.09
27,001 - 31,000	16.22	16.52	16.77	17.17
31,001 - 35,000	16.29	16.59	16.84	17.24
35,001 - 50,000	16.57	16.87	17.12	17.52
50,001 - Over	16.82	17.12	17.37	17.77

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

<u>Journeyman</u> (In classification prior to 11-8-87)*	15.12	15.37	15.62	15.97
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<u>Wrapper Clerk</u> (At top rate prior to 11-8-87)*	12.98	13.23	13.48	13.83
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<u>Market Assistant</u> (To be promoted from Meat Clerk when deemed necessary by the Company.)	13.45	13.70	13.95	14.30
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*Employees in these special classifications are red-circled.

**SCHEDULE "A" MEAT WAGES
GROUP I**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Full-Time Meat Clerk/Seafood Clerks</u>				
Start	7.15	7.15	7.15	7.15
After 3 Months	7.40	7.40	7.40	7.40
After 6 Months	7.90	7.90	7.90	7.90
After 12 Months	8.35	8.35	8.35	8.35
After 18 Months	8.65	8.65	8.65	8.65
After 24 Months	9.10	9.10	9.10	9.10
After 30 Months	9.40	9.40	9.40	9.40
After 36 Months***	9.85	9.85	9.85	9.85
After 42 Months	10.35	10.35	10.35	10.35
After 48 Months	10.75	10.75	10.75	10.75
Thereafter	11.31	11.56	11.81	12.16
<u>Part-time Meat Clerk/Seafood Clerk</u>				
Start	6.00	6.00	6.00	6.00
After 3 Months	6.15	6.15	6.15	6.15
After 6 Months	6.40	6.40	6.40	6.40
After 12 Months	6.65	6.65	6.65	6.65
After 18 Months	6.90	6.90	6.90	6.90
After 24 Months	7.15	7.15	7.15	7.15
After 30 Months	7.45	7.45	7.45	7.45
After 36 Months***	7.75	7.75	7.75	7.75
After 42 Months	8.00	8.00	8.00	8.00
After 48 Months	8.35	8.35	8.35	8.35
Thereafter	8.75	9.00	9.25	9.50

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

**SCHEDULE "A" MEAT WAGES
GROUP II**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Market Manager</u>				
Average Weekly Store Volume				
0 - 200,000	15.98	16.28	16.53	16.93
200,001 - 400,000	16.21	16.51	16.76	17.16
400,000 - Over	16.73	17.03	17.28	17.68

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

<u>Market Manager</u>				
Average Weekly Market Volume				
0 - 23,000	15.98	16.28	16.53	16.93
23,001 - 27,000	16.06	16.36	16.61	17.01
27,001 - 31,000	16.13	16.43	16.68	17.08
31,001 - 35,000	16.21	16.51	16.76	17.16
35,001 - 50,000	16.48	16.78	17.03	17.43
50,001 - Over	16.73	17.03	17.28	17.68

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

<u>Journeyman</u> (In classification prior to 11-8-87)*	15.04	15.29	15.54	15.89
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<u>Wrapper Clerk</u> (At top rate prior to 11-8-87)*	12.94	13.19	13.44	13.79
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<u>Market Assistant</u> (To be promoted from Meat Clerk when deemed necessary by the Company.)	13.41	13.66	13.91	14.26
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*Employees in these special classifications are red-circled.

**SCHEDULE "A" MEAT WAGES
GROUP II**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Full-Time Meat Clerk/Seafood Clerks</u>				
Start	7.10	7.10	7.10	7.10
After 3 Months	7.35	7.35	7.35	7.35
After 6 Months	7.85	7.85	7.85	7.85
After 12 Months	8.30	8.30	8.30	8.30
After 18 Months	8.60	8.60	8.60	8.60
After 24 Months	9.05	9.05	9.05	9.05
After 30 Months	9.35	9.35	9.35	9.35
After 36 Months***	9.80	9.80	9.80	9.80
After 42 Months	10.30	10.30	10.30	10.30
After 48 Months	10.70	10.70	10.70	10.70
Thereafter	11.26	11.51	11.76	12.11
 <u>Part-time Meat Clerk/Seafood Clerk</u>				
Start	6.00	6.00	6.00	6.00
After 6 Months	6.15	6.15	6.15	6.15
After 12 Months	6.40	6.40	6.40	6.40
After 18 Months	6.65	6.65	6.65	6.65
After 24 Months	6.90	6.90	6.90	6.90
After 30 Months	7.15	7.15	7.15	7.15
After 36 Months***	7.45	7.45	7.45	7.45
After 42 Months	7.75	7.75	7.75	7.75
After 48 Months	8.00	8.00	8.00	8.00
Thereafter	8.35	8.35	8.35	8.35
	8.75	9.00	9.25	9.50

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

**SCHEDULE "A" MEAT WAGES
GROUP III**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Market Manager</u>				
Average Weekly Store Volume				
0 - 200,000	15.76	16.06	16.31	16.71
200,001 - 400,000	15.99	16.29	16.54	16.94
400,000 - Over	16.52	16.82	17.07	17.47

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

<u>Market Manager</u>				
Average Weekly Market Volume				
0 - 23,000	15.76	16.06	16.31	16.71
23,001 - 27,000	15.84	16.14	16.39	16.79
27,001 - 31,000	15.92	16.22	16.47	16.87
31,001 - 35,000	15.99	16.29	16.54	16.94
35,001 - 50,000	16.27	16.57	16.82	17.22
50,001 - Over	16.52	16.82	17.07	17.47

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

<u>Journeyman</u> (In classification prior to 11-8-87)*	14.91	15.16	15.41	15.76
<u>Wrapper Clerk</u> (At top rate prior to 11-8-87)*	12.69	12.94	13.19	13.54
<u>Market Assistant</u> (To be promoted from Meat Clerk when deemed necessary by the Company.)	13.35	13.60	13.85	14.20

*Employees in these special classifications are red-circled.

**SCHEDULE "A" MEAT WAGES
GROUP III**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Full-Time Meat Clerk/Seafood Clerks</u>				
Start	7.05	7.05	7.05	7.05
After 3 Months	7.30	7.30	7.30	7.30
After 6 Months	7.80	7.80	7.80	7.80
After 12 Months	8.25	8.25	8.25	8.25
After 18 Months	8.55	8.55	8.55	8.55
After 24 Months	9.00	9.00	9.00	9.00
After 30 Months	9.30	9.30	9.30	9.30
After 36 Months***	9.75	9.75	9.75	9.75
After 42 Months	10.25	10.25	10.25	10.25
After 48 Months	10.65	10.65	10.65	10.65
Thereafter	11.21	11.46	11.71	12.06
<u>Part-time Meat Clerk/Seafood Clerk</u>				
Start	6.00	6.00	6.00	6.00
After 3 Months	6.15	6.15	6.15	6.15
After 6 Months	6.40	6.40	6.40	6.40
After 12 Months	6.65	6.65	6.65	6.65
After 18 Months	6.90	6.90	6.90	6.90
After 24 Months	7.15	7.15	7.15	7.15
After 30 Months	7.45	7.45	7.45	7.45
After 36 Months***	7.75	7.75	7.75	7.75
After 42 Months	8.00	8.00	8.00	8.00
After 48 Months	8.35	8.35	8.35	8.35
Thereafter	8.75	9.00	9.25	9.50

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

**SCHEDULE "A" DELI WAGES
GROUP I**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Delicatessen Manager</u>				
Average Weekly Volume				
0 - 200,000	14.55	14.85	15.10	15.50
200,001 - 400,000	14.70	15.00	15.25	15.65
400,001 - Over	14.85	15.15	15.40	15.80
<u>Full-Time Deli Clerk</u>				
Start	7.15	7.15	7.15	7.15
After 3 Months	7.40	7.40	7.40	7.40
After 6 Months	7.90	7.90	7.90	7.90
After 12 Months	8.35	8.35	8.35	8.35
After 18 Months	8.65	8.65	8.65	8.65
After 24 Months	9.10	9.10	9.10	9.10
After 30 Months	9.40	9.40	9.40	9.40
After 36 Months***	9.85	9.85	9.85	9.85
After 42 Months	10.35	10.35	10.35	10.35
After 48 Months	10.75	10.75	10.75	10.75
Thereafter	11.31	11.56	11.81	12.16
<u>Part-time Deli Clerk</u>				
Start	6.00	6.00	6.00	6.00
After 3 Months	6.15	6.15	6.15	6.15
After 6 Months	6.40	6.40	6.40	6.40
After 12 Months	6.65	6.65	6.65	6.65
After 18 Months	6.90	6.90	6.90	6.90
After 24 Months	7.15	7.15	7.15	7.15
After 30 Months	7.45	7.45	7.45	7.45
After 36 Months***	7.75	7.75	7.75	7.75
After 42 Months	8.00	8.00	8.00	8.00
After 48 Months	8.35	8.35	8.35	8.35
Thereafter	8.75	9.00	9.25	9.50

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

**SCHEDULE "A" DELI WAGES
GROUP II**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Delicatessen Manager</u>				
Average Weekly Volume				
0 - 200,000	14.45	14.75	15.00	15.40
200,001 - 400,000	14.60	14.90	15.15	15.55
400,001 - Over	14.75	15.05	15.30	15.70

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

Full-Time Deli Clerk

Start	7.10	7.10	7.10	7.10
After 3 Months	7.35	7.35	7.35	7.35
After 6 Months	7.85	7.85	7.85	7.85
After 12 Months	8.30	8.30	8.30	8.30
After 18 Months	8.60	8.60	8.60	8.60
After 24 Months	9.05	9.05	9.05	9.05
After 30 Months	9.35	9.35	9.35	9.35
After 36 Months***	9.80	9.80	9.80	9.80
After 42 Months	10.30	10.30	10.30	10.30
After 48 Months	10.70	10.70	10.70	10.70
Thereafter	11.26	11.51	11.76	12.11

Part-time Deli Clerk

Start	6.00	6.00	6.00	6.00
After 3 Months	6.15	6.15	6.15	6.15
After 6 Months	6.40	6.40	6.40	6.40
After 12 Months	6.65	6.65	6.65	6.65
After 18 Months	6.90	6.90	6.90	6.90
After 24 Months	7.15	7.15	7.15	7.15
After 30 Months	7.45	7.45	7.45	7.45
After 36 Months***	7.75	7.75	7.75	7.75
After 42 Months	8.00	8.00	8.00	8.00
After 48 Months	8.35	8.35	8.35	8.35
Thereafter	8.75	9.00	9.25	9.50

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

**SCHEDULE "A" DELI WAGES
GROUP III**

CLASSIFICATION	EFFECTIVE DATES			
	10-5-03	10-3-04	10-2-05	10-1-06
<u>Delicatessen Manager</u>				
Average Weekly Volume				
0 - 200,000	14.25	14.55	14.80	15.20
200,001 - 400,000	14.40	14.70	14.95	15.35
400,001 - Over	14.55	14.85	15.10	15.50

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

Full-Time Deli Clerk

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

Part-time Deli Clerk

Start	6.00	6.00	6.00	6.00
After 3 Months	6.15	6.15	6.15	6.15
After 6 Months	6.40	6.40	6.40	6.40
After 12 Months	6.65	6.65	6.65	6.65
After 18 Months	6.90	6.90	6.90	6.90
After 24 Months	7.15	7.15	7.15	7.15
After 30 Months	7.45	7.45	7.45	7.45
After 36 Months***	7.75	7.75	7.75	7.75
After 42 Months	8.00	8.00	8.00	8.00
After 48 Months	8.35	8.35	8.35	8.35
Thereafter	8.75	9.00	9.25	9.50

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

SCHEDULE "A" WAGES

On new markets or markets which may be remodeled, the Market Manager will be paid his previous rate for three (3) periods (12 weeks). At the end of three (3) periods, the market will be classified based on the average weekly meat sales for the three (3) periods and the Market Manager's rate will then be adjusted to the new classification with retroactive adjustment to the opening of the new or remodeled market.

The weekly meat sales for all Market Managers will be reviewed effective the second period of the Company's fiscal year.

The Journeyman classification is closed for the life of this Agreement with the exception of a Market Manager who may be reduced and returned to the classification.

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

The Employer shall appoint a back-up department head in the meat and deli departments in stores carrying over \$250,000 in sales per week. Effective January 1, 2005, back-up department heads shall receive a fifty-cent (\$.50) per hour premium.

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

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

Effective May 4, 1986, wrappers shall be permitted to use the knife and the cuber in the performance of their duties.

The Company agrees to increase the number of Market Assistants in the following manner:

An average of at least one (1) Market Assistant will be maintained per market not counting stores in the bottom ten percent (10%) in meat sales.

An average of at least two (2) Market Assistants will be maintained per market counting stores in the top twenty-five percent (25%) in meat sales.

ECONOMIC RELIEF

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

MEAT AND SEAFOOD
SCHEDULE "B" WAGE GROUPS

GROUP I

Memphis, Tennessee
Jackson, Tennessee
Blytheville, Arkansas
Jonesboro, Arkansas
Helena, Arkansas
West Memphis, Arkansas
Southaven, Mississippi

Jackson, Mississippi
Greenville, Mississippi
Clarksdale, Mississippi
Tupelo, Mississippi
Vicksburg, Mississippi
Dyersburg, Tennessee
Forrest City, Arkansas

GROUP II

Paragould, Arkansas
Columbus, Mississippi
Oxford, Mississippi
Starkville, Mississippi

Cleveland, Mississippi
Murray, Kentucky
Natchez, Mississippi
McComb, Mississippi

GROUP III

Paris, Tennessee
Union City, Tennessee
Brownsville, Tennessee
West Point, Mississippi
Kennett, Missouri

Corinth, Mississippi
Grenada, Mississippi
Laurel, Mississippi
Covington, Tennessee
Batesville, Mississippi

*All new stores outside of metro area 30 mile radius will automatically be in Group III, excluding towns presently covered by Groups I & II.

DELI
SCHEDULE "B" WAGE GROUPS

- GROUP I.** Greater Memphis area (to be defined as an area thirty (30) miles from the city limits.)
- GROUP II.** Stores located in Blytheville, Helena and Jonesboro, Arkansas, and in Clarksdale, Mississippi, Forrest City and Kennett, Missouri.
- GROUP III.** All other stores covered by this Agreement.

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

SCHEDULE "C" SENIORITY AREAS

WEST TENNESSEE

Dyersburg
Brownsville
Paris
Union City
Jackson, TN
Murray, KY
Corinth, MS
Covington

THE CITY OF MEMPHIS

This includes West Memphis, Arkansas
and Southaven, Mississippi (all stores
inside metro area 30 mile radius).

ARKANSAS AND MISSOURI

Forrest City
Kennett, MO
Jonesboro
Paragould
Blytheville

WEST MISSISSIPPI

Clarksdale
Cleveland
Greenville
Helena, AR
Batesville

EAST MISSISSIPPI

Tupelo
Oxford
West Point
Columbus
Starkville
Grenada

JACKSON, MISSISSIPPI

Jackson
McComb
Vicksburg
Natchez
Laurel

Letter of Agreement

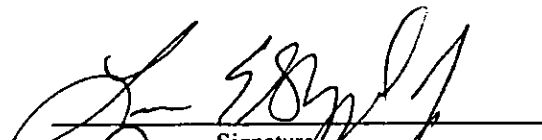
Health and Welfare

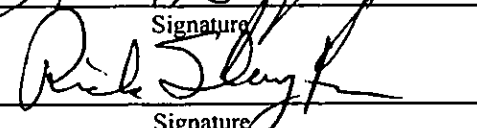
Effective on the date of ratification of this Agreement, the Company shall make a lump-sum payment to the Health and Welfare Plan equal to an amount necessary to replenish the Plan's cash reserve to \$3,500,000 based on cash reserves as determined by the Plan Auditor's letter dated January 13, 2004.

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

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


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

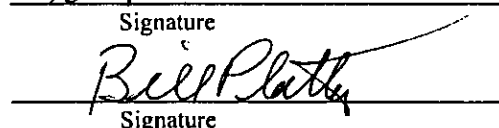


Signature


Signature
04/26/04

Date



Signature


Signature
6-11-04

Date

LETTER OF AGREEMENT
MEAT AND DELI
WORKING BETWEEN DEPARTMENTS

Exclusions: Meat and Deli Department Managers, Meat and Deli Back-Ups, Market Assistants and Journeymen are excluded from working in different departments.

Seniority: Schedules will be posted by seniority for the meat and deli departments based on the employee's classification. Employees will be entitled to additional hours within their own department before these additional hours are offered to employees in other departments.

Conflict Resolution: Any issues and/or problems that result from this practice will be resolved in the grievance procedure.

Review: If deemed necessary by the President and Secretary Treasurer of Local 1529, or the Delta Division Vice President of Operations, in January 2005, the meat, deli and seafood negotiating committee and the representatives of the Kroger negotiating committee will meet to discuss the practice of working in other departments, any issues or opportunities, and will, also, discuss possible changes or modifications to the process.

LETTER OF UNDERSTANDING

The following will apply to the implementation of the October 5, 2003 contract increases:

1. Full-time meat clerks in Group I at the 36 month rate (\$9.80), Group II at the 36 month rate (\$9.76), and Group III at the 36 month rate (\$9.70) will receive a \$.20 cent per hour increase. This rate will be maintained until progression to \$10.35 and \$10.30. (Time spent in progression will be maintained.)
2. Part-time employees at the 30 month rate (\$7.40) will receive a \$.15 cent per hour increase. This rate will be maintained until progression to \$7.75. (Time spent in progression will be maintained.)
3. Full-time deli clerks at the rate of \$10.16, \$10.11, and \$10.06 per hour will receive a \$.25 cents per hour increase. This rate will be maintained until next progression (\$10.75, \$10.70, \$10.65).
4. Full-time deli and seafood above present top rate \$10.16 (Group I), \$10.11 (Group II) and \$10.06 (Group III), will progress to \$10.75, and progress to the top rate after six months.
5. Full-time deli clerks above \$10.75 will progress to the thereafter rate with minimum of \$.25 cents retro.
6. Part-time deli over part-time rate (\$8.60) will receive the same amount increases as part-time clerks (.15/.25/.25/.25).
7. Minimum retro pay of \$.25 cents will be given to all employees on thereafter rate then progress according to Wage "A" Schedule.