

K # 6819

ees = 9,400

INDEX
UNITED FOOD AND COMMERCIAL WORKERS LOCAL #227
LOUISVILLE STORES

BLS

FILE COPY

ARTICLE 1.	Intent and Purpose	Page 1
ARTICLE 2.	Coverage	Page 1
ARTICLE 3.	Shop Conditions	Page 1
ARTICLE 4.	New Employees	Page 2
ARTICLE 5.	Management Rights	Page 3
ARTICLE 6.	No Strike, No Lockout	Page 3
ARTICLE 7.	Stewards and Union Activity	Page 3
ARTICLE 8.	Employee Discipline and Discharge	Page 4
ARTICLE 9.	Grievance and Dispute Resolution Procedure	Page 5
ARTICLE 10.	Working Conditions	Page 7
ARTICLE 11.	Schedules/Hours of Work	Page 8
ARTICLE 12.	Sunday & Holiday Provisions	Page 10
ARTICLE 13.	Vacations	Page 12
ARTICLE 14.	Seniority	Page 14
ARTICLE 15.	Promotions	Page 16
ARTICLE 16.	Transfers	Page 18
ARTICLE 17.	Leave of Absence (Non-Work Related)	Page 19
ARTICLE 18.	On the Job Injury	Page 20
ARTICLE 19.	Military Service	Page 21
ARTICLE 20.	Death in Family	Page 21
ARTICLE 21.	Jury Duty	Page 22
ARTICLE 22.	Severance	Page 22
ARTICLE 23.	Union Cooperation	Page 23
ARTICLE 24.	Separability	Page 23
ARTICLE 25.	Sales People Stocking	Page 23
ARTICLE 26.	Health and Welfare	Page 24
ARTICLE 27.	Pension	Page 28
ARTICLE 28.	New Store Acquisitions	Page 30
ARTICLE 29.	Expiration	Page 30

Schedule "A" - Seniority Areas

Schedule "B" - Wages

Meat Distribution Center Supplement

TERM: April 12, 1999 through April 10, 2004

AGREEMENT

This Agreement entered into by and between Kroger Limited Partnership I, Louisville Division of Louisville, Jefferson County, Commonwealth of Kentucky, its successors and assigns, hereinafter designated as the Employer, and the United Food and Commercial Workers (U.F.C.W.) Local Union No. 227, hereinafter designated as the Union.

ARTICLE 1. INTENT AND PURPOSE

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

There shall be no discrimination against employees or applicants for employment because of race, color, religion, national origin, sex, age, disability, or union activity. 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 agrees not to enter into any agreement or contract with employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement.

ARTICLE 2. COVERAGE

The Union shall be the sole and exclusive bargaining agent for all employees of the Employer's stores currently operated by the Louisville KMA, except store managers, co-managers, pharmacists, pharmacy interns, Direct Marketing Center Sales consultants, Direct Marketing Center clerical support personnel and parking lot attendants. It is understood that the employees of the Employer's stores which are represented by other UFCW bargaining agents are excluded from this coverage. The Union shall be the sole and exclusive bargaining agent for all employees of the Employer in the Meat Distribution and Direct Marketing Centers working in these classifications shown in Schedule "B" of the Supplement of this Agreement.

ARTICLE 3. SHOP CONDITIONS

A. It shall be a condition of employment that all employees of the Employer covered by this Agreement, who are members of the Union on the effective or

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

The Employer may secure new employees from any source whatsoever. During the first forty-five (45) days of employment, a new employee shall be on a trial basis and may be discharged at the discretion of the Employer. It is understood that by written mutual agreement between the Employer and a Union Representative, an employee's probationary period may be extended by fifteen (15) working days.

B. The Employer shall, for the term of this Agreement, deduct initiation fees, as authorized, and shall deduct Union dues, arrears, assessments or service fees, in an amount certified by the Union from the weekly wages of employees covered by this Agreement who individually and voluntarily certify in writing authorization for such deductions. The Employer shall promptly remit all sums deducted in this matter to the Secretary/Treasurer of Local 227 each month.

C. The Employer shall provide a payroll deduction for voluntary Active Ballot Club (ABC) contributions. Such deductions shall be made and remitted in accordance with Section B of this article.

ARTICLE 4. NEW EMPLOYEES

A. The Employer agrees to consider past comparable experience and may reflect that experience in the appropriate wage progression. Experience credit shall be limited to prior Kroger experience and a maximum of thirty-six (36) months other comparable experience. The employee shall be placed on a contract rate.

An employee who leaves the company and returns to work within two (2) years shall be returned to the appropriate full time or part time wage schedule. The employee shall be given credit for previous Kroger experience based on current wage progression.

A Kroger retiree, drawing a pension from the National Pension Fund, who returns to work within one - hundred and eighty (180) days of retirement, shall be returned to work at the appropriate full time rate commensurate with previous Kroger time.

B. When an employee is hired, rehired, or terminated, the Employer shall notify the Union with name, address, phone number, date of hire (termination), social security number, job classification, and rate of pay.

C. Store Managers or Co-Managers shall introduce new employees to the Chief Shop Steward during the first week of employment.

ARTICLE 5. 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, 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 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 shall not be used for the purpose of discrimination against any employee.

ARTICLE 6. NO STRIKE, NO LOCKOUT

During the term hereof, the Union agrees that there shall be no official 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.

ARTICLE 7. STEWARDS AND UNION ACTIVITY

A. The Union may designate Steward(s) at each store covered by this Agreement. The Union Steward(s) shall be employees in the bargaining unit. The Union shall designate a Primary Steward and an Assistant Steward at each store covered by this Agreement. The Primary Steward or Assistant Steward shall normally process grievances.

B. The Employer shall grant up to one (1) day with pay, eight (8) hours, per year for up to two (2) Stewards per store to attend a Steward's meeting upon adequate notification by the Union. If there is more than one (1) Steward in a department, only one (1) steward shall be allowed to attend the scheduled meeting if it creates a hardship in the department.

C. Lengthy discussions between employees and Representatives of the Union, or among themselves concerning disputes, shall not take place during working hours. However, with the approval of Store Management, if required, the Union Steward

may be granted reasonable time during working hours to conduct Agreement activities.

D. The manager of a store shall grant to any accredited Union official access to the store for the purpose of satisfying the union that the terms of this Agreement are being complied with.

E. The Union, also through its Representatives, shall have the right to visit the Employer's places of business which are represented by the Union at mutually agreed upon times, during working hours, for the purpose of updating Union records and fringe benefit entitlements.

F. The Union shall furnish the Employer with the name of the Union Steward(s) and, as necessary, shall apprise the Employer of any change in the name of the Union Steward(s).

G. The Union shall furnish the Employer at least one (1) Union store card or Union store decal for use at each location. Each such card or decal shall remain the property of the Union and shall be surrendered to the Union upon demand.

H. The Union shall have the right to maintain a bulletin board for the posting of official Union business, such as recreational or social affairs, Union elections, Union appointments, Union meetings, and other notices concerning bona fide Union activity.

ARTICLE 8. EMPLOYEE DISCIPLINE AND DISCHARGE

A. The Employer may at any time discipline, discharge or suspend any employee for proper cause. However, the Employer shall not discharge any member of the bargaining unit without first giving notification to the Union and second, giving the Union a reasonable opportunity to discuss the matter with the Employer, except for proven intoxication, dishonesty, insubordination, destruction of company property, or deliberate and malicious abuse of inventory and/or equipment.

B. When requested by the effected employee, a Union Steward shall be present when an employee is given a written reprimand. Union officers or representatives are permitted to attend any store meetings which could result in discipline or discharge of union members. A one hour notification shall be given to Union officials when non-store Employer officials are conducting a meeting which could result in the discharge of an employee.

C. Discharge or indefinite suspension shall proceed to Step 3 of the Grievance Procedure within fourteen (14) days. If requested, the Employer within fourteen (14)

calendar days of the request shall provide the Union in writing the reasons for the discipline.

D. No constructive advise record shall be used against any employee after it has been in effect for one (1) year, except for last chance, final warning agreements.

E. The Employer shall not request that an employee submit to a polygraph or electrical examination.

ARTICLE 9. GRIEVANCE & DISPUTE RESOLUTION PROCEDURE

A. Either party shall have the unqualified right to register complaints or grievances and to testify in any proceeding involving provisions of this Agreement without in any way jeopardizing their employment status or being subject to discrimination. Grievances shall be filed within seven (7) calendar days after the fact.

B. The grievance procedure shall be as follows:

Step 1: By conference between the aggrieved employee and the shop steward and/or the Union Representative, and the store manager/immediate supervisor. If the grievance is not settled in the first step, it shall within seven (7) calendar days be reduced to writing, and referred to Step 2.

Step 2: By conference between an official of the Union and the Zone Manager. If the grievance is not settled in this second step, it shall be referred to Step 3.

Step 3: By conference between an official or officials of the Union and the KMA President or a representative of the Employer so delegated by the KMA President, or both.

Both parties must provide their position to a grievance within fourteen (14) calendar days of the third step, as outlined above, except where the time is extended by agreement of both parties.

The employer and the Union shall have 90 days to process a grievance through the first, second, and third steps. During that 90 day period, the Union shall meet with the Store Management, Zone Manager, and a Human Resources Representative in an attempt to resolve the issue(s).

Grievances resolved in the first step and/or the second step with the Store Management and/or Zone Manager shall be non-precedent setting and cannot be used by either side in an arbitration or third step situations.

Step 4: If a grievance is not settled, dropped, or withdrawn within that 90 day period, on the 91st day the grievance shall be advanced to arbitration by written notice from either party.

During the 30 days following the notice of arbitration, the President of the Union or his/her representative and the Director of Human Resources or his/her representative shall meet and attempt to resolve the issue. The time limits set forth in this Step may be extended at the mutual agreement of the parties.

If the parties are unable to resolve that pending arbitration within that 30 day window, the parties agree to proceed with all due speed to an arbitration hearing as follows:

1. Parties agree to a mutually agreeable arbitrator;
2. Parties agree to a system of a permanent panel of arbitrators;
3. If the parties cannot mutually agree to one or two above, then either party may request a panel of nine (9) arbitrators from the Federal Mediation and Conciliation Service. Upon receipt of the panel, each party shall have the right to strike a name until there is one (1) arbitrator left on the list, who shall hear and decide the case. A toss of the coin shall decide who has the first strike. It is understood that the arbitrator is not empowered to change, modify, or alter the Agreement or any supplements thereof. The expense of the arbitrator shall be shared jointly by the Union and the Employer.

The decision of the arbitrator on any issue properly before the arbitrator in accordance with the provisions of the Agreement shall be final and binding on the Employer, the Union, and the employee or employees involved.

C. No grievance shall be discussed unless the outlined procedure has been followed.

D. Grievances must be taken up promptly. The senior-employee filing a grievance shall receive the award agreed upon.

E. At any step in the grievance procedure, the Executive Board of the Local Union shall have the final authority in respect to any aggrieved employee covered by this Agreement to decline to process a grievance, complaint, difficulty, or dispute further if in the judgment of the Executive Board, such grievance lacks merit or lacks justification under the terms of this Agreement or has been adjusted or justified under the terms of this Agreement to the satisfaction of the Union Executive Board.

The Union must appeal the grievance to arbitration within a reasonable period, not to exceed thirty (30) days after receipt of the Employer's position at the

completion of the Third Step or the grievance shall be considered withdrawn. The time limits set forth in this Article may be extended at the mutual agreement of the parties.

ARTICLE 10. WORKING CONDITIONS

A. Specialty clothing (smocks, aprons, logo apparel) shall be furnished by the Employer. This clothing shall be laundered by the employee, with the exception of meat coats and dry clean only materials. Rain gear shall be provided for carry outs.

B. A meal period of one (1) hour on the employee's own time shall be granted approximately in the middle of the work shift, but no employee shall be required to take a meal period less than three (3) hours after reporting for work. Where an employee is scheduled for six (6) hours or less work in a day, it is not mandatory that a meal period be granted. Where an employee is scheduled for more than eight (8) hours in a day, the employee may, at the employee's option, have a scheduled time off of thirty (30) minutes for a second meal break, on the employee's own time. If the Employer chooses to give a meal break before an employee has worked more than six (6) hours, that employee shall be entitled to two (2) breaks.

A one half (1/2) hour meal period may be scheduled, if mutually agreed upon by Store Management and the employee.

C. Employees shall have a fifteen (15) minute rest period for each half of a working day. Employees shall be granted a fifteen (15) minute rest period for work up to and inclusive of six (6) hours worked. Employees scheduled for shifts of more than six (6) hours shall be granted a second fifteen (15) minute break. Rest periods shall be granted as near the middle of the work period as possible. Employees scheduled for shifts or worked over eight (8) hours shall be entitled to an additional fifteen (15) minute rest period. Employees shall punch time cards for rest periods.

D. Employees working in the meat department shall be allowed to perform any work in the meat department.

For the purpose of this section, journeymen and apprentices who were on the payroll prior to September 17, 1987 shall be red-circled and shall not be reduced in hours as a result of the change. Any red-circled full-time journeymen scheduled for forty (40) hours work shall receive his/her rate for all hours worked provided he/she works in the meat department for at least a portion of that week. In the event a red-circled full-time journeyman, in lieu of a layoff, exercises his/her seniority rights as a clerk for a forty (40) hour schedule outside the meat department, he/she shall receive the red-circled journeyman rate.

E. Stores shall close Christmas Eve at 5:00 p.m. and no one shall be required to work later than 5:30 p.m., unless necessary to serve customers that were in the store at closing time.

There shall be no work on Christmas Day. However, the Employer shall have the right to be open for business in the event a major competitor or major competitors are open for business. The store shall be staffed with volunteers and in the event an inadequate number of volunteers are available, the Employer shall schedule by inverse seniority.

Stores shall be staffed with volunteers on Thanksgiving Day. In the event, an inadequate number of volunteers are available, the Employer shall schedule by inverse seniority. Employees required to work as a result of inverse seniority shall not be required to work more than a four (4) hour shift. However, the Employer has the right to require more than four (4) hours of work to meet the needs of the business.

F. Store rules shall be KMA-wide and a copy of all changes in store rules shall be sent to the Union.

G. No bargaining unit employee shall be required to work in a store unless there is at least one (1) other member of the bargaining unit or a member of management in the store at the same time.

ARTICLE 11. SCHEDULES/HOURS OF WORK

A. The hours for each employee shall be scheduled by the Employer. The Employer shall post a work schedule for the week by noon (12:00) Friday of the preceding week.

B. All departmental work schedules shall include the employee's complete first and last name and weekly total hours. Each week, Store Management shall collect the departmental schedules and retain these work schedules for a fourteen (14) week period. Each week, Store Management shall pull a recap of hours actually worked, listing name and total hours worked. Schedules and recaps shall be kept in a binder in a location agreed upon by the Store Manager and Steward. The binder shall be accessible to the Shop Steward at all times. Employees shall have the right to review schedules and recaps.

C. Any claims by employees about improper scheduling must be filed with store management within thirty (30) hours (6:00 p.m. Saturday) after the schedule is posted.

The store manager shall not reduce part time hours from the schedule if a grievance is filed regarding claiming of hours. The manager has the right to correct a scheduling error without penalty if brought to his attention.

D. The basic work week shall be forty (40) hours to be worked in five (5) eight (8) hour days (thirty-two (32) hours to be worked in four (4) eight (8) hour days in a holiday week excluding the holiday) Sunday through Saturday, except employees hired prior to September 26, 1987, the basic work week shall be Monday through Saturday.

E. All work in excess of eight (8) hours per day or forty (40) hours per week shall be paid at time and one-half (1 1/2) the employee's straight-time hourly rate. In a holiday week, time and one-half (1 1/2) shall be paid after the employee has worked thirty-two (32) hours at the straight-time rate. Overtime shall be paid on the daily basis or weekly basis, whichever is greater, but in no case on both.

F. There shall be no split schedules for employees. It is understood the Employer shall notify an employee at least two (2) hours in advance of starting time if the employee is not needed for work.

G. An employee who is scheduled to work shall be guaranteed four (4) hours of work or four (4) hours pay at their straight-time rate in lieu thereof on the day so scheduled, provided the employee is available for work and reports for work as scheduled.

H. Any employee promoted to full-time prior to September 27, 1987 who works more than two (2) nights per week past 6:00 p.m., shall be paid time and one-half (1 1/2) the employee's regular hourly rate for all work between 6:00 p.m. and 6:00 a.m. beginning with the third night worked in any week except that work between 6:00 p.m. and 6:30 p.m. shall be paid for at straight-time on any day when the store closes at 6:00 p.m. and such work shall not be counted as night work. This provision does not apply to employees on a regularly scheduled night stocking operation.

Effective January 6, 1991, any employee promoted to full-time between September 27, 1987, and December 16, 1990, who works more than three (3) nights per week past 6:00 p.m., shall be paid time and one-half (1 1/2) the employee's regular hourly rate for all work between 6:00 p.m. and 6:00 a.m. beginning with the fourth night worked in any week. This provision does not apply to employees on a regularly scheduled night stocking operation.

I. Insofar as possible, Friday and Saturday night work shall be rotated by seniority within the classification or job assignment for both full-time and part-time, full-time with full-time and part-time with part-time. This does not apply to

employees on night stock crews. Department Heads and Assistant Department Heads shall not be excluded from night work.

J. Employees shall be allowed at least eight (8) hours off between shifts, except in cases of emergency or if waived by the employee; otherwise, the employee shall be paid at the rate of time and one-half (1 1/2) for hours worked less than the eight (8) hour period.

K. Where the hours are available in the store, part-time employees shall be given the part-time schedules with the greater number of hours by seniority. The Employer shall not allow any more part-time regular from part-time, but present (at time of ratification on 6/1/80), part-time regular employees shall continue to receive their present holiday pay and vacation benefits as spelled out in the expired contract unless they are reduced to part-time by the Employer's policy.

ARTICLE 12. SUNDAY & HOLIDAY PROVISIONS

A. After twelve (12) months of continuous service all employees shall receive the following holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day or any other day or part thereof declared as a holiday by the Employer in any community.

A-1. Full-time employees and grandfathered regular part time employees shall receive three (3) personal holidays and part time employees shall receive two (2) personal holidays provided they have completed twelve (12) months continuous service. A personal holiday may be taken as a day off with pay or as pay in lieu of time off. All personal days must be scheduled and taken prior to November 1 of each year. Choice of day off / day's pay (maximum of eight (8) straight time hours per each day) must be made by the date of vacation selection. It is understood that the Employer shall not eliminate a particular day(s) of the workweek for scheduling of personal holidays. Based on the needs of the business, the Employer shall work with the employee to mutually agree on the employee's personal holiday. Preferences shall not be given to taking personal days in conjunction with vacation. Pay for personal holiday shall be taken in accordance with other provisions of this article. Effective January 1, 2003, one (1) additional personal holiday shall be added for employees who have achieved fifteen (15) years or more of service.

B. Work performed on Sundays and the above holidays shall be paid for at time and one-half (1-1/2) the straight-time hourly rate of pay, except that employees hired after September 26, 1987 shall be paid at straight-time for hours worked on Sundays and holidays. Eight (8) hours straight-time pay shall be paid for a full day's holiday not worked. Where a holiday for part of a day is declared, the employee shall receive eight (8) hours pay for that day provided the employee works the designated number of hours for the day.

C. Full-time employees who work a full week (thirty-two (32) hours) in which a holiday occurs shall receive eight (8) hours straight-time pay in addition to hours worked. Full-time employees who are absent of their own accord during a holiday week shall be paid only for the hours actually worked, except where absence is caused by proven illness or is excused by the Employer, the employee shall receive holiday pay provided the employee worked any part of the holiday week. Any hours worked in excess of thirty-two (32) during a week in which one of the above listed holidays occur shall be paid for at the rate of time and one-half (1-1/2) the regular rate of pay. Part-time employees who work thirty-two (32) hours during a holiday week shall receive holiday pay on the same basis as full-time employees and part-time employees regularly working thirty-two (32) or more hours per week shall not be reduced below thirty-two (32) hours in a holiday week to avoid payment of holiday pay.

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

<u>AVERAGE HOURS WORKED</u>	<u>HOLIDAY PAY</u>
30 hours or less	4 hours
Over 30 hours (except as otherwise provided in paragraph "C" above)	6 hours

E. Each January 1, May 1, and September 1, a list shall be posted in each store for full and part time Sunday and holiday work. Interested employees shall sign the sheet and be rotated. If an employee "passes" twice in a period, the employee is eliminated from the list for that period. Two (2) copies of the list shall be posted for each store and, when completed, shall be initialed by the store manager and shop steward. Full-time employees indicating a continuing preference for Sunday and holiday work shall be rotated by seniority within the classification and job assignment. If there are insufficient volunteers, inverse seniority shall be applied to qualified employees to cover the work. The above shall be applicable to employees hired prior to September 27, 1987. The rotation of Sunday and holiday work as it is presently applied for the above employees shall not be altered.

F. Sunday and holiday hours of work shall be included for the purposes of qualification for vacation and holiday pay.

ARTICLE 13. VACATIONS:

A. All full-time employees shall be eligible for one (1) week vacation after one (1) year of continuous service, two (2) weeks vacation after three (3) years or more of continuous service, three (3) weeks after eight (8) or more years of continuous service, four (4) weeks vacation after fifteen (15) or more years of continuous service, and five (5) weeks vacation after twenty (20) or more years of continuous service, effective January 1, 2002 six (6) weeks vacation after twenty-five (25) years of continuous service.

All part-time employees shall be eligible for one (1) week vacation after one (1) year of continuous service and two (2) weeks vacation after three (3) or more years of continuous service. Effective January 1, 1995, part-time employees shall be eligible for three (3) weeks after ten (10) years or more of continuous service. Part-time employees shall be eligible for a maximum of three (3) part time vacation weeks.

B. **EMPLOYEE VACATION CALCULATIONS:**

Full-time vacation is calculated as follows:

STEP 1: In the vacation qualifying year, if a full-time employee works forty (40) weeks and averages forty (40) hours for each week, the full-time employee shall be eligible for forty (40) hours per vacation week earned. If a full-time employee does not qualify under this calculation, Step 2 would apply. Weeks absent due to an on-the-job injury shall be counted as weeks worked (40 hours).

STEP 2: In the vacation qualifying year, if the full-time employee does not qualify under Step 1, calculation shall be figured based on the total number of hours divided by the number of non-zero weeks.

Part time vacation is calculated as follows:

Part time vacation is calculated based on the number of hours in the vacation qualifying year divided by fifty two (52) as follows:

<u>AVERAGE HOURS WORKED</u>	<u>VACATION</u>
20 hours or less	10 hours
Over 20 hours up to and including 30 hours	20 hours
Over 30 hours	30 hours

Recalculation in a Calendar Year:

When a part-time employee is reclassified to full-time status, the number of weeks vacation he or she is then entitled to as a part-time employee shall be changed as a result of such full-time reclassification; however, the number of vacation hours shall not be recalculated. Conversely, when a full-time employee is reclassified to part-time, his or her vacation weeks shall be changed as a result of such part-time reclassification; however, the number of vacation hours shall not be adjusted.

C. EFFECTS OF LEAVE OF ABSENCE

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

Full-time employees who are excused from their work week for the benefit of the Employer and work less than forty (40) hours, shall not have their vacation reduced. This does not apply to disciplinary actions or layoffs. Vacation reduction provisions shall not apply to absences resulting from on-the-job injury.

D. VACATION PAY

1. Employees shall be paid their straight-time earnings for their basic work week.
2. Vacation pay shall be paid in advance.
3. When a holiday occurs during a full-time employee's scheduled vacation, the employee shall receive either an extra day of vacation at the end of the employee's regular vacation or pay in lieu thereof, as determined by mutual agreement between the Employer and employee.
4. Employees may elect to work in a vacation week; however, vacation pay plus time worked may not exceed 40 hours.
5. Part-time employees may receive pay for total vacation hours up to 40 hours in one vacation week.

E. SEPARATIONS

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

F. GENERAL VACATION PROVISIONS

1. Vacation selection shall be made by seniority within the store. Vacations shall be permitted fifty-two (52) weeks of the year with the understanding that the Employer shall determine the number of employees to be on vacation on any given week. Vacation schedule shall be posted on January 30 for

- selection by March 15. Those employees who fail to select by March 15 may select from the remaining open weeks. A copy of the final schedule shall be given to the Union Steward by April 1.
2. Choice of vacation dates shall be granted on the basis of seniority, except that the Employer reserves the right to grant vacations to any employee when the employee's absence shall least affect the operation.
 3. After April 1, changes to vacation selection shall not be permitted, unless mutually agreed upon by the Employer and employee. If requested by the employee and granted by the Employer, the employee must pick from the available remaining vacation weeks. Management has the right to require a vacation postponement in the event of an emergency.
 4. Employees are initially eligible for one (1) week vacation on the first anniversary of their date of employment. Employees shall be allowed to take such earned vacations between the actual employment anniversary date and the end of the year in which it occurs.
 5. Vacations must be scheduled in the calendar year, except that where necessary, vacations which fall in the last two (2) periods of the calendar year may be carried over to the first period of the following year. No employee shall be given pay in lieu of vacation.
 6. If an employee qualifies for a 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.
 7. Employees must work part of the calendar year in order to receive vacation pay.
 8. All employees eligible for three (3) weeks or more vacation may elect to split one (1) week into single days, Sunday through Saturday, which may be scheduled by mutual agreement between the employee and the Store Manager with two (2) weeks advance notice. The employee must declare their intent to split a vacation week by March 15th.

ARTICLE 14. SENIORITY

A. In layoffs, rehiring and reduction of hours, the principle of seniority shall apply. Seniority shall be determined by the length of service of the employee with regard to the employee's 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. Agreed upon seniority lists shall be established and maintained and such records shall be available to the Union at all times, one list for full-time employees and another for part-time employees.

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

C. The above mentioned full-time and part-time seniority list shall apply in each seniority area and is not transferable or accumulative, except as accumulative for work performed in the same seniority area. Seniority shall be applied on a store basis for scheduling of straight time, overtime, premium pay hours and transfers from one type work to another.

D. A part-time employee shall not accumulate seniority over a full-time employee. When a part-time employee becomes a full-time employee, the employee shall be placed on the full-time seniority list and the employee's seniority date on the full-time seniority list shall be the date that the employee becomes full-time. When a full-time employee is reduced to part-time, the employee shall be placed on the part-time seniority list and the employee's date on the part-time seniority list shall be the employee's last date of hire. This provision shall not change the seniority date of any employee on the full-time seniority list as of the effective date of this Agreement.

E. In the case of a store closing or a burnout, employees may exercise their seniority to displace the least senior employee in their classification in their seniority area and then in the bargaining unit. As a second option to the above, full-time employees may elect the severance pay provisions of Article 22.

F. The Employer shall provide the Union with a seniority list each January and July, including seniority date, length of service, classification, location and rate of pay. Store Managers shall keep a weekly Employee Record Summary available in the store office and the Union Steward shall be allowed to review it upon request.

G. Employees with the same full time date shall revert to the original date of hire, and employees hired on the same date shall use their last four digits of their social security number with the lowest number having the highest seniority.

H. Customer Service Clerks shall have store seniority within the classification. In the event hours are reduced in a store employing Customer Service Clerks, the following shall occur:

1. Former Customer Service Clerks shall first return to Customer Service Clerk status and rate of pay.

2. Then, if hours are reduced, other part-time clerks may claim an entire weeks schedule of Customer Service Clerks at the Customer Service Clerk rate of pay in lieu of layoff.

- I. Seniority areas are defined in Schedule "A".
- J. A full-time employee may be reduced to part-time as a result of hours reduction by the Employer or if the employee voluntarily elects part-time.
- K. Overtime shall be offered or scheduled by seniority, ability and experience to perform the work, as follows: Overtime work needed shall be offered to the senior employees working in the department at that time. If overtime is scheduled or if overtime is required on a call-in basis, the principle of seniority shall apply.

ARTICLE 15. PROMOTIONS

A. Department Head: When a permanent Department Head vacancy occurs, the Employer shall declare the job open within the seniority area. The Employer shall promptly notify the Union. The Employer shall then post the opening for ten (10) days within the seniority area. A qualified Department Head shall have the right to claim the opening. Final selection shall be based on qualifications, type of work, and ability to perform the work. When qualifications and ability are equal, seniority shall prevail.

A-2. If a qualified Department Head does not claim the opening, the position shall be filled by a qualified Assistant Department Head from within the seniority area.

A-3. Determination of an Assistant Department Head's qualifications for the Department Head position shall be based on qualifications, type of work, and ability to perform the work. When qualifications and ability are equal, seniority shall prevail.

A-4. If a qualified Assistant Department Head is offered a Department Head position, the employee shall have the right to refuse the Department Head position on the following basis:

- a. One refusal based on employee determination.
- b. Refusal based on the driving distance necessitated by the promotion (computed from home store to promotion store, mileage of 40 miles or more would constitute a hardship).

Refusal, except on the above basis, to accept a Department Head position shall result in disqualification from an Assistant Department Head position.

B. Assistant Department Head: The following departments shall have an Assistant Department Head: Grocery, Produce, Deli, Meat, Front-end.

B-2. When a permanent Assistant Department Head vacancy occurs, the Employer shall declare the job open within the seniority area. The Employer shall promptly notify the Union. The Employer shall then post the opening for ten (10) days within the seniority area. A qualified clerk from within the seniority area shall have the right to claim the opening based on the principle of seniority.

B-3. If a qualified Assistant Department Head does not claim the opening, the position shall be filled by a qualified clerk from within the seniority area.

B-4. If a qualified Lead is offered an Assistant Department Head position, the employee shall have the right to refuse the Assistant Department Head position on the following basis:

- a. One refusal based on employee determination.
- b. Refusal based on the driving distance necessitated by the promotion (computed from home store to promotion store, mileage of 40 miles or more would constitute a hardship).

Refusal, except on the above basis, to accept an Assistant Department Head position shall result in disqualification from a Lead position.

B-5. When a permanent lead (as outlined in schedule "B" Wages) vacancy occurs, the Employer shall declare the job open within the seniority area. The Employer shall promptly notify the Union. The Employer shall then post the opening for ten (10) days within the seniority area. A qualified clerk from within the seniority area shall have the right to claim the opening based on the principle of seniority.

If a qualified lead clerk does not claim the opening, the position shall be filled by a qualified clerk from within the seniority area.

C. Part-time to Full-time: Promotions from part-time shall be on an individual store basis based on the principles of seniority. If Store Management declares a full-time opening or if a part-time employee works forty (40) hours per week (thirty two (32) hours in a holiday week) for twelve (12) consecutive weeks, the Employer shall post the opening for seven (7) days within the store. Employees must complete the Full-Time Request Form. This provision shall not apply to employees performing relief work in place of another or employees on special KMA project assignments. Based on the principles of seniority, a qualified employee shall be appointed to the full-time position, and the employee's full-time seniority date shall be the date of the close of the posting.

D. All notices of posted jobs required under sections A, B, and C, must be dated (opening / closing dates) and signed by Store Management and the Union Steward and retained for a minimum of thirty (30) days after the close of the posting.

BLS
FILE COPY

D-1. If the Employer is unable to fill the job as a result of the posting procedure, the Employer may assign and / or hire an employee for that position.

E. Store Vacancies: Full-time and part-time employees must be on record, in writing, of their continuing interest to be chosen for work in another department in their store. To be considered for another department, the requests must be filed with the Store Manager, Human Resources Department and the Union prior to the occurrence of the opening.

E-1. When management deems a full-time or part-time vacancy exists in a department, those full-time and part-time employees who have expressed an interest in writing, as described above, shall be given the right to transfer to that department by the principles of seniority.

E-2. If no full-time or part-time clerk in a store expresses an interest in transferring to a new department as described above, the Employer may promote a customer service clerk based on the principle of seniority or directly hire new employees for the position.

E-3. Lateral departmental transfers within a store can be limited to two (2) move per year by store management.

ARTICLE 16. TRANSFERS

A. In the matter of permanent transfers and promotions, the Employer shall notify the Union no later than the day the transfer or promotion occurs.

B. In the matter of temporary and permanent transfers, the senior employee qualified and available shall have first refusal. The junior employee must accept the transfer.

C. No employee who has seniority within their classification within a store shall be required to transfer to another store.

D. Full-time and part-time employees may transfer from their home store to a new store in their seniority area provided they have notified, in writing, the Human Resources Department and the Union at least eight (8) weeks prior to the new store opening. The Employer shall select first for those vacancies in the new store from those employees who have expressed an interest in writing as above and who have the seniority and work experience to do the work required.

E. Full-time employees with two (2) years of full-time seniority shall have an opportunity to transfer to one (1) other store location per year. The Employer shall accept such transfer requests on January 1st and July 1st of each year. The request

form must include store location desired and specification as to the employee's experience. Transfers shall be offered after the store vacancy procedures outlined in Article 15 have been satisfied. The Employer shall make the final determination as to a vacancy and the transfer based on the principles of seniority.

F. Part-time employees with two (2) calendar years of employment shall have an opportunity to transfer to one (1) other store location per year. The Employer shall accept such transfer requests on January 1st of each year. The request form must include store location desired and specification as to the employee's experience. Transfers shall be offered after store vacancy procedures outlined in Article 15 have been satisfied.

ARTICLE 17. LEAVE OF ABSENCE -- NON-WORK RELATED

A. A leave of absence because of sickness or non-work related injury, not to exceed ninety (90) days, shall be granted to an employee upon written request, supported by medical evidence. Extensions shall be granted up to ninety (90) days at a time, if requested in writing and supported by proper medical evidence prior to each expiration, but in no case shall the leave exceed two (2) years in duration.

B. The Employer agrees to grant the necessary and reasonable time off without discrimination, 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 forty-eight (48) hours written notice specifying the length of time off, is given to the Employer by the Union. The Union agrees that in making request for time off for Union activities due consideration shall be given to the number of employees affected in order that there shall be no disruption of the Employer's operations due to lack of available employees. Leave of absence for Union business shall be granted for a maximum period of one (1) year.

C. An employee may, upon written application, to the Employer's Human Resources Director, be granted a personal leave of absence, except for the purpose of seeking employment, without pay of up to ninety (90) days.

D. In accordance with Federal Law (reference Article 24, Separability) the Employer shall comply with the provisions of the Family Medical & Leave Act.

E. An employee enrolled as a full time student in a post - secondary or accredited vocational / technical institution may request an educational leave of absence under the following conditions:

1. Institution is beyond a reasonable commuting distance to a Kroger store.

2. Leave must be requested on an Educational Leave of Absence Form in advance and must be accompanied by a written confirmation of attendance from the institution.
3. Leave shall be granted for a period not to exceed the length of the institution's designated session, i.e. semester, trimester, or quarter.
4. Student must report to management no later than seven (7) days from the end of the session.
5. Seniority shall not accumulate during an educational leave. All other contract provisions shall apply.
6. When school is not in session and the student lives beyond a reasonable commuting distance, the student may request a leave under the same terms and conditions as other educational leaves.
7. Notification of educational leave shall be made to the Union for dues purposes.

ARTICLE 18. ON THE JOB INJURY

A. A leave of absence because of work related sickness or injury shall not exceed three (3) years in duration for seniority purposes.

Any full-time employee unable to work because of an injury received during the regularly scheduled workweek and whose injury resulted out of or during the course of employment on the store premises, shall be entitled to a full day's pay (not to exceed eight (8) hours) for each day lost because of such injury, but not to exceed five (5) days (day on which injured plus four (4) days) provided, however, that the employee shall report upon receipt of the injury to the store manager who shall refer the employee to a physician. Any part time employee unable to work because of injury during the regularly scheduled workweek and whose injury resulted out of or during the course of employment on the store premises, shall be entitled to pay, on the day of the injury, for the remainder of the employee's shift, not to exceed eight (8) hours.

Time lost due to injury on the job shall not effect an employee's wage progression. If an employee is in the twelve (12) week full-time qualification period and is injured on-the-job, additional weeks needed shall begin with the employee's return to work, provided full-time hours are necessary.

The physician's decision with respect to length of time required off from the job shall be controlling; providing further that nothing in this provision shall affect

any rights accruing to either party under the Worker's Compensation Act of the state, and that the Employer shall receive credit for any payment made under this provision should any compensation be awarded in accordance with the State Worker's Compensation Act.

The Employer shall compensate employees for scheduled time lost due to return visits to the doctor which result from an on the job injury.

ARTICLE 19. MILITARY SERVICE

Any employee who is inducted into military service shall be returned to his job and retain his seniority under the provisions of the Federal Law.

ARTICLE 20. DEATH IN FAMILY

A. In the event of a death in a full-time employee's immediate family, the following shall apply:

A-1. Regular pay for time off through the day after the funeral, but not to exceed three (3) scheduled working days, provided such pay does not exceed the equivalent of forty (40) hours of pay at straight-time rate.

A-2. The immediate family consists of spouse, parents (step), brother, sister, grandparents, grandchildren, mother-in-law, father-in-law, children (step), son-in-law, and daughter-in-law of the employee or any relative living in the home of the family or with whom the employee is living. In the case of a death of an employee's brother-in-law or sister-in-law (either spouses of the employee's sister and brother or the employee's spouse's sister or brother) the employee shall be allowed one (1) day off with pay to attend the funeral.

A-3. An employee must attend the funeral to qualify for pay as outlined in this section.

B. Part-time employees who have completed one (1) year or more of continuous employment with the Employer shall be paid straight-time pay for scheduled hours off through the day after the funeral but not to exceed three (3) scheduled workdays.

B-1. The immediate family consists of spouse, parent (step), children (step), sister and brother of the employee.

B-2. The employee must attend the funeral in order to qualify for pay as outlined in this section.

ARTICLE 21. JURY DUTY

A. A full-time employee who is subpoenaed for jury service shall be paid for hours necessarily absent from work less jury fees. Such pay shall not exceed the pay for the normal workweek. However, where parking expenses are incurred by the employee while on jury service, that sum of money may be deducted from the jury fees and retained by the employee upon presentation of a receipt.

A-1. Night stock employees who are required to attend jury duty four (4) or more hours shall be excused from their shift that evening. Employees may be scheduled for work in such a manner as to reduce conflicts between work schedules and jury duty service.

B. Any employee who appears in court on behalf of the Employer shall be paid for the time so spent at the employee's straight-time hourly rate of pay.

ARTICLE 22. SEVERANCE

A. In the event the Employer permanently closes a store and full-time employees with at least two (2) years continuous full-time service are terminated as a result of the closing or are displaced as a result of a store closing, the employee shall be entitled to severance pay. (Does not apply if government closes stores in a national emergency or energy crisis.)

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. 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.

B. Recall Rights: An employee who is terminated and is eligible for severance pay and accepts severance pay forfeits the employee's seniority and has no recall rights. However, an employee may elect a voluntary layoff, not to exceed one (1) year. If the employee accepts layoff, the employee may, anytime after a ninety (90) day period, elect to take severance pay and lose seniority rights.

C. Disqualification: An employee shall be disqualified for severance pay in the event the employee:

- C-1. Refuses a transfer within a fifty (50) mile radius of the employee's store.
- C-2. Voluntarily terminates employment.
- C-3. Obtains employment with a company under contract with U.F.C.W. 227.
- C-4. Obtains employment with the successor employer.
- C-5. Is eligible for normal retirement under the provisions of the pension plan.

ARTICLE 23. UNION COOPERATION

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

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. It shall be the policy of the Employer to notify the Union of employee deficiencies. The Union agrees to cooperate in the correction of inefficiencies of members which might otherwise necessitate discharge.

D. The Union and its members agree to make an earnest effort to recommend new employees to the Employer and to aid in decreasing labor turnover in the stores.

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, including opposition to proven employee dishonesty.

ARTICLE 24. SEPARABILITY

Any portion of this Agreement which becomes inoperable as a result of State or Federal law shall automatically be deleted from this Agreement. The remaining sections of this Agreement shall continue to be binding upon the parties.

ARTICLE 25. SALES PEOPLE STOCKING

A. The practice of outside sales people stocking shelves shall not be expanded during the term of this Agreement except that if a brand of merchandise now being stocked by outside sales people is discontinued and another brand substituted or a new brand is added, sales people may stock all brands of the same type of merchandise, for example, if a new brand of baby food is added or substituted, sales person may stock the new brand.

B. The understanding in the paragraph immediately above shall not apply in new or remodeled stores during the first few weeks of operation.

C. It is further understood that the rotation of merchandise, replacing damaged or outdated merchandise or taking inventory shall not be considered stocking.

D. The items listed below are presently being stocked completely or partially by outside sales people:

Bottled Beverages

Cookies, Crackers and Snacks

Baby Foods

Wholesale Distributors; i.e., Specialty Foods, Housewares, Toys, Records,

Soft goods, Pet Supplies, Magazines, Books, Stationery, Dairy and Bakery

Cigarettes and Cigars

E. In addition to the procedure set forth in Article 25, paragraphs A, B, C, and D, sales people for items not listed in paragraph D may participate in reallocation and resets as follows:

E-1. Employees in the bargaining unit shall pull all stock which is to be reallocated off the shelves and shall clean the shelving except that the sales person may pull own product off the shelf.

E-2. Sales people shall set the facings for all the products to be reallocated or reset and shall assist the employees in the bargaining unit in restocking the shelving in order to complete the work as quickly as possible, with the further understanding that the sales person shall only help to restock the products that he/she reallocated or reset.

E-3. Any new product from the back room shall be stocked by employees in the bargaining unit.

E-4. It is understood that Kroger merchandising representatives may do any of the work outlined in sub-paragraph 2 of paragraph E as necessary.

F. Store Management shall not perform scheduled bargaining unit work, except in cases of emergency or to meet the needs of the business in servicing customers and the store.

ARTICLE 26. HEALTH AND WELFARE

A. The Health & Welfare Trust Fund shall be jointly administered by the Employer and the Union. The Employer shall contribute to the Health & Welfare Trust Fund entered into by the parties hereto, pursuant to the Health & Welfare Trust Agreement, for the purpose of providing health & welfare benefits, effective June 1, 1999, the sum of two hundred and sixty five dollars (\$265.00) per month, per eligible full-time employee who has a full-time seniority date prior to October 8, 1994. Such an employee becomes eligible for health & welfare contributions on the first day of

the calendar month immediately following qualification, and such date shall hereinafter be referred to as the employee's eligibility date.

On a semi-annual basis (February/August), the Employer's current contribution rate may be increased or decreased in order to maintain an available benefit program comparable to that in effect as of the effective date of this Agreement and provided in the letter dated April 17, 1999. The increase or decrease shall be determined necessary by the Trustees and shall be documented in writing. However, an increased contribution rate shall not exceed on an annual basis the following maximums commencing February 1, 2000, maximum of ten (10) percent (10%); February 1, 2001, maximum of twelve percent (12%); February 1, 2002, maximum of fifteen percent (15%); February 1, 2003, maximum of fifteen percent (15%); February 1, 2004, maximum of fifteen percent (15%).

The Employer contributions in excess of the Trust Fund's reserve policy shall be credited to the Employer on a semi-annual basis in February and August of each year.

B. The Employer shall contribute to the Health & Welfare Trust Fund for the purpose of providing health & welfare benefits, the sum of one hundred twenty four dollars and eighty two cents (\$124.82) per month effective June 1, 1999, per eligible full-time employee who has a full-time seniority date after October 8, 1994. Such an employee becomes eligible for employee only health & welfare contributions on the first day of the calendar month immediately following three (3) months of full time status, such date shall hereinafter be referred to as the employee's eligibility date. Full time employees who are eligible for Health and Welfare coverage can purchase insured family coverage (if available) at the Health and Welfare Plan's Family rate through contributory payroll deductions as follows:

From Eligibility to twenty four (24) months service: 100% percent employee contribution.

25-36 Months service: 50 percent employee contribution; 50 percent Employer contribution .

37-48 Months service : 25 percent employee contribution; 75 percent Employer contribution

After 48 Months service: a full time employee shall be eligible for contributions provided in Article 26A.

On a semi-annual basis (February/August) the Employer's current contribution rate may be increased or decreased in order to maintain an available benefit program comparable to that in effect as of the effective date of this Agreement and provided in the letter dated April 17, 1999. The increase or decrease shall be determined necessary by the Trustees and shall be documented in writing. However, an increased contribution rate shall not exceed on an annual basis the

following maximums commencing February 1, 2000, maximum of ten percent (10%); February 1, 2001, maximum of twelve percent (12%); February 1, 2002, maximum of fifteen percent (15%); February 1, 2003, maximum of fifteen percent (15%); February 1, 2004, maximum of fifteen percent (15%).

The Employer contributions in excess of the Trust Fund's reserve policy shall be credited to the Employer on a semi-annual basis in February and August of each year.

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

1. A layoff or leave of absence of thirty (30) calendar days or more except as otherwise provided below.
2. An employee limiting availability for work to less than forty (40) hours per week.
3. Termination.

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

1. In the case of a non-work accident, one (1) month's contribution following the month in which the employee incurred the accident.
2. In the case of illness, two (2) months contributions following the month in which the illness leave occurs.
3. In case of compensable injury, six (6) months contributions, including the month in which the injury occurs.

E. Effective January 1, 2000, the Employer shall offer through the Health & Welfare Trust Fund health & welfare benefits for the sum of sixty eight dollars and eighty one cents (\$68.81) per month per eligible part-time employee. Such an employee becomes eligible for health & welfare following twelve (12) months of service, work availability and declaration as outlined below and such date shall hereinafter be referred to as the employee's eligibility date. Part time employees who meet the eligibility requirements for Health and Welfare coverage can purchase insured single coverage (if available) at the Health and Welfare Plan's rate through contributory payroll deductions as follows:

From Eligibility to thirty six (36) months service: 100% percent employee contribution.

37-48 Months service: 75 percent employee contribution; 25 percent Employer contribution

49-60 Months service : 50 percent employee contribution; 50 percent Employer contribution

After 60 Months service: 100 percent Employer contribution.

On a semi-annual basis (February/August) the current contribution rate may be increased or decreased in order to maintain the benefit program comparable to that as provided in the letter dated April 17, 1999. The increase or decrease shall be determined necessary by the Trustees and shall be documented in writing. However, an increased contribution rate shall not exceed on an annual basis the following maximums commencing February 1, 2000, maximum of ten percent (10%); February 1, 2001, maximum of twelve percent (12%); February 1, 2002, maximum of fifteen percent (15%); February 1, 2003, maximum of fifteen percent (15%); February 1, 2004, maximum of fifteen percent (15%).

The Employer contributions in excess of the Trust Fund's reserve policy shall be credited to the Employer on a semi-annual basis in February and August of each year.

A part-time employee who meets the service requirements must also be available to work forty (40) hours per week, including availability to work on Saturdays and Sundays on an unrestricted basis to participate in part time Health and Welfare Benefits. Employees who voluntarily reduce themselves from full time shall not be eligible.

On an annual basis (November), qualified employees based on service requirements and work availability must declare eligibility for participation in part time Health & Welfare benefits. Eligibility shall begin the following January. If a declaration is not made, the employee shall not be eligible until the following January.

Contributions to the Trust Fund shall be discontinued as of the first of the month immediately following:

1. A layoff or leave of absence of thirty (30) calendar days or more except as otherwise provided below.
2. An employee limiting availability for work to less than forty (40) hours per week or Saturdays and Sundays restrictions.
3. Termination.

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

1. In the case of a non-work accident, one (1) month's contribution following the month in which the employee incurred the accident.
2. In the case of illness, two (2) months contributions following the month in which the illness leave occurs.
3. In the case of compensable injury, six (6) months contributions, including the month in which the injury occurs.

1000

F. The Employer shall contribute fifty-six dollars and twenty cents (\$56.20) per month per eligible early retiree to the Health & Welfare Trust Fund. This contribution shall be only utilized for hospital and surgical coverage which may be provided through the Health & Welfare Trust Fund and is subject to the approval of the Trustees.

Coverage shall not include the following benefits:

- a. Maternity
- b. Weekly accident & sickness
- c. Dental
- d. Vision
- e. Accidental Death & Dismemberment
- f. Life Insurance

Contributions shall be made for no more than five (5) years from the date the employee becomes eligible for such contributions. Contributions shall cease in the event of the employee's death or is eligible for Medicare. Contributions shall be made on behalf of the employee's spouse for no more than five (5) years from the date the employee becomes eligible for such contributions. In the event of the employee's death, contributions shall be discontinued if the spouse remarries, obtains or has insurance coverage as a result of employment or becomes eligible for Medicare.

G. If an employee goes on an approved sick leave and is qualified for benefits at the time of the sick leave, when employee returns to work, the employee shall requalify for benefits based on the employee's availability to work forty (40) hours per week for a period of four (4) consecutive calendar weeks.

ARTICLE 27. PENSION

A. The Employer shall pay one hundred twenty-one dollars and thirty cents (\$121.30) per month for eligible full-time employees into the United Food and Commercial Workers International Union Industry Pension Fund. The first contributions under this Section shall be due and payable by the tenth (10th) day of the month immediately following three (3) months of full time status.

A-1. For employees promoted to full time after October 8, 1994, the Employer shall pay fifty-nine dollars and fifty cents (\$59.50) per month for each eligible full time employee; after three (3) years full time, seventy-nine dollars and fifty cents (\$79.50) per month and after six (6) years full time, one hundred twenty-one dollars and thirty cents (\$121.30) per month into the United Food and Commercial Workers International Union Industry Pension Fund. The first contributions under this Section

shall be due and payable by the tenth (10th) day of the month immediately following three (3) months of full time status.

B. The jointly administered Employer-Union Pension Fund shall be administered by an equal number of Trustees representing the Employer and an equal number of Trustees representing the Union. Said Pension Fund shall be used to provide benefit pensions for eligible employees of the Employer as provided in a Pension Plan, the terms and provisions of which are to be agreed upon, by the parties hereto; said Pension Plan shall, among other things, provide that all benefits under the Plan and costs, charges and expenses of administering the Plan and all taxes levied or assessed upon or in respect of said Plan or Trust or any income therefrom shall be paid out of the Pension Fund.

C. Said Pension Plan and the Trust Agreement establishing the Pension Fund has been 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.

D. A copy of the Trust Agreement and any Amendment thereto shall be made a part hereto, as herein at length set forth...Trust Agreement and Pension Plan shall in all respects comply with all applicable legal requirements.

E. Contributions to the Fund are to be discontinued as of the first of the month immediately following:

1. Layoff or leave of absence of thirty (30) calendar days or more, except as provided below.
2. The employee ceasing to be an eligible employee, due to the loss of full-time status as per Article 14 Seniority.
3. Termination.

F. Exceptions to E above:

1. In the case of a non-work accident, one (1) month's contribution following the month in which the employee incurred the accident.
2. In the case of illness, two (2) months contributions following the month in which the illness leave occurs.
3. In the case of compensable injury, six (6) months contributions, including the month in which the injury occurs.

G. If an employee goes on an approved sick leave and is qualified for benefits at the time of the sick leave, when employee returns to work , the employee shall

requalify for benefits based on the employee's availability to work forty (40) hours per week for a period of four (4) consecutive calendar weeks.

H. The Employer shall make a contribution to the pension fund in accordance with sections A & A-1 provided that such contribution is fully deductible under Federal Laws relating to Income Tax. The contribution shall be waived for any month in which such contribution is not deductible.

ARTICLE 28. NEW STORE ACQUISITIONS

If the Employer acquires comparable store(s) to those currently operated by the Employer, the Employer shall be given a three (3) month period of time to convert the store(s) to a Kroger facility. If retained, employees of the acquired store(s) shall be considered probationary and may be discharged at the discretion of the Employer during this period. Employees outside the acquired store(s) shall not be allowed to exercise seniority under the new store opening language, until such time as the acquired employees are placed in the store and a final determination has been made as to vacant jobs. However, employees from existing stores may be transferred to the acquired location under the terms of the existing contract. The Employer and Union shall meet to discuss wage and benefit conversions to an existing contract.

ARTICLE 29. EXPIRATION

This Agreement shall continue in effect from April 12, 1999 through April 10, 2004 and shall continue from year to year thereafter unless either party serves notice in writing sixty (60) days prior to the expiration date or any anniversary date thereafter of a desire for termination of or any changes in the terms of this Agreement.

IN WITNESS WHEREOF the said parties have caused duplicate copies hereof to be executed by their duly authorized officers the 2nd day of NOVEMBER 1999.

FOR THE UNION:

[Signature]
[Signature]

FOR THE EMPLOYER:

[Signature]
[Signature]

SCHEDULE "B" - WAGES

Head Deli,
Produce, Grocery
Head Checkers, Drug/GM*

	<u>Current</u>	<u>7/11/99</u>	<u>7/09/00</u>	<u>9/9/01</u>	<u>10/6/02</u>	<u>11/9/03</u>	<u>1/11/04</u>
A	\$13.88	14.03	14.23	14.53	14.83	15.18	15.38
B	13.93	14.08	14.28	14.58	14.88	15.23	15.43
C	13.98	14.13	14.33	14.63	14.93	15.28	15.48
D	14.10	14.25	14.45	14.75	15.05	15.40	15.60
E	14.25	14.40	14.60	14.90	15.20	15.55	15.75
F	14.40	14.55	14.75	15.05	15.35	15.70	15.90

Head Meat Cutters

A	\$14.40	14.55	14.75	15.05	15.35	15.70	15.90
B	14.45	14.60	14.80	15.10	15.40	15.75	15.95
C	14.50	14.65	14.85	15.15	15.45	15.80	16.00
D	14.55	14.70	14.90	15.20	15.50	15.85	16.05
E	14.70	14.85	15.05	15.35	15.65	16.00	16.20
F	14.85	15.00	15.20	15.50	15.80	16.15	16.35

Qualified
 Asst. Dept
 Heads

	\$11.65	11.85	12.10	12.35	12.60	12.70
--	---------	-------	-------	-------	-------	-------

Lead Clerks - Effective July 11, 1999 Lead Clerks shall have .75 premium added to the employee's appropriate clerk rate.

Lead Frozen Food

Lead Dairy

Lead Scan Integrity Coordinator

Lead Front End (Stores with average weekly customer count of 15,000 or above).

*Lead Drug GM (Effective 4/29/01, Lead Clerks that have performed that job for one year or more in Drug GM departments averaging \$50,000 or more weekly, will move to Department Head Rate.

Effective 4/27/03 all Drug GM Lead Clerks that have performed that job for one year or more shall move to Department Head Rate.

BLS
FILE COPY

*Existing Head Dairy Clerks as of April 12, 1999 shall receive the following wage increases:

<u>7/11/99</u>	<u>7/09/00</u>	<u>9/9/01</u>	<u>10/6/02</u>	<u>11/9/03</u>	<u>1/11/04</u>
\$13.27	.20	.30	.30	.35	.20

Plus any appropriate sales volume adjustments during the term of this contract.

Specialist - Effective July 11, 1999 Specialist shall have .25 premium added to the employee's appropriate clerk rate.

Floral Specialist (Average weekly sales of \$3,000 or above.)

Salad Bar Specialist (Average weekly sales of \$4,000 above.)

Meat Specialist (If excluding the Department Head, a meat department has no Journeyman on staff, the Employer shall designate a Meat Specialist(s) as needed to operate the department. To qualify for the Specialist rate, the employee(s) must perform the work of a Specialist(s) the majority of his/her scheduled week.)

Pharmacy Technician - Effective 04/12/99, a certified pharmacy technician shall have a \$1.00 premium added to the employee's appropriate clerk rate.

Full-time Clerks (promoted to full-time prior to 12/11/83 or hired prior to 11/19/77 and promoted to full-time after 09/26/87)

<u>Current</u>	<u>7/11/99</u>	<u>7/09/00</u>	<u>9/9/01</u>	<u>10/6/02</u>	<u>11/9/03</u>	<u>1/11/04</u>
\$12.37	12.52	12.72	12.97	13.22	13.47	13.57

Part-time Clerks
(hired between
1/13/78 and 5/31/80)

<u>Current</u>	<u>7/11/99</u>	<u>7/09/00</u>	<u>9/9/01</u>	<u>10/6/02</u>	<u>11/9/03</u>	<u>1/11/04</u>
\$9.77	9.92	10.12	10.37	10.62	10.87	10.97

CLERKS
(FULL-TIME & PART-TIME)

	CURRENT	<u>7/11/99</u>	<u>7/9/00</u>	<u>9/9/01</u>	<u>10/6/02</u>	<u>11/9/03</u>	<u>1/11/04</u>
START	6.00x	6.00x	6.00x	6.10x	6.15x	6.15x	6.20x
60 Days-6 Months		6.10x	6.20x	6.20x	6.30x	6.30x	6.35x
6-12 Months	6.10	6.20x	6.30x	6.40x	6.50	6.50	6.55
12-18 Months	6.30	6.30x	6.50	6.60	6.70	6.70	6.80
18-24 Months	6.50	6.50	6.65	6.75	6.85	6.85	7.00
24-30 Months	6.70	6.70	6.80	7.00	7.10	7.10	7.25
30-36 Months	6.90	6.90	7.00	7.25	7.40	7.40	7.60
36-42 Months	7.50	7.50	7.60	7.75	8.00	8.00	8.25
<u>42-48 Months</u>	<u>7.70*</u>	<u>7.70*</u>	<u>8.00*</u>	<u>8.30*</u>	<u>8.60*</u>	<u>8.60*</u>	<u>9.00**/**</u>
48-54 Months	7.90**	8.05**	8.25**	8.45**	8.65**	8.90**	9.25
54-60 Months	8.25	8.25	8.45	8.70	8.90	8.90	9.50
60-66 Months	8.50	8.50	8.70	9.00	9.15	9.15	9.80
66-72 Months	9.80	9.80	9.80	9.80	9.80	9.80	10.30
72-78 Months	10.00	10.00	10.10	10.15	10.25	10.25	11.45
78+	10.25	10.25	10.45	10.70	10.90	11.10	11.45

At
ratification
Current: 10.25 10.40 10.60 10.85 11.10 11.35 11.45
10.25/10.15

- * Top Part Time Effective 4/12/99
- ** Top Part Time for current (Zone I - 7.70/7.90 - Zone II - 7.60/7.80)
- ***Current full time employees effective 04/12/99 shall progress on the previous contract progression until the employee achieves the 8.25/8.15 rate, at which time the employee shall slot laterally into the new wage progression.

Customer Service Clerks

Start \$5.15x
6 months 5.50x

x - Zone I & II rates are the same.

Zone II wages are ten cents (.10) per hour less than Zone I as defined in the contract dated October 9, 1994 through April 11, 1999 and shall remain in effect until January 11, 2004, at which time Zone I and Zone II top rates shall be equalized.

Journeymen

Current 7/11/99 7/9/00 9/9/01 10/6/02 11/9/03 1/11/04

\$13.60 \$13.75 \$13.95 \$14.20 \$14.45 \$14.70 \$14.80

(This classification and Journeymen in this classification as of 9/26/87 are red-circled.)

Store Chef:

	<u>Current</u>	<u>7/11/99</u>	<u>7/9/00</u>	<u>9/9/01</u>	<u>10/6/02</u>	<u>11/9/03</u>	<u>1/11/04</u>
Start	\$ 9.65	\$ 9.80	\$10.00	\$10.25	\$10.50	\$10.75	\$10.85
6 months	10.55	10.70	10.90	11.15	11.40	11.65	11.75
12 months	11.45	11.60	11.80	12.05	12.30	12.55	12.65
18 months	12.35	12.50	12.70	12.95	13.20	13.45	13.55
24 months	12.60	12.75	12.95	13.20	13.45	13.70	13.80
30 months	12.70	12.85	13.05	13.30	13.55	13.80	13.90
36 months	12.80	12.95	13.15	13.40	13.65	13.90	14.00
42 months	13.50	13.65	13.85	14.10	14.35	14.60	14.70
48 months	14.05	14.20	14.40	14.65	14.90	15.15	15.25

Chef must be a graduate of a school of culinary arts and/or be an experienced chef. The Employer agrees to give due consideration to existing employees who meet qualification requirements.

The Store Chef shall provide service to customers, including the servicing, preparing, labeling, pricing, demonstrating and selling products in the service meat case or other specialty locations. Work shall be in conjunction with meat/seafood, deli-bakery, produce, grocery or other specialty locations.

All contract provisions shall be applicable to the Store Chef except Article 11H.

A store chef who has achieved the 48 month rate shall be reassigned as a Lead Chef. Premium rate shall not apply. Lead Chef openings shall be handled in accordance with Article 15.

DIRECT MARKETING CENTER

	CURRENT	7/11/99	7/9/00	9/9/01	10/6/02	11/9/03	1/11/04
START	6.00	6.00	6.00	6.10	6.15	6.15	6.20
60 Days-6 Months		6.10	6.20	6.25	6.30	6.30	6.35
6-12 Months	6.10	6.20	6.30	6.40	6.50	6.50	6.55
12-18 Months	6.30	6.30	6.50	6.60	6.70	6.70	6.80
18-24 Months	6.50	6.50	6.65	6.75	6.85	6.85	7.00
24-30 Months	6.70	6.70	6.80	7.00	7.10	7.10	7.25
30-36 Months	6.90	6.90	7.00	7.25	7.40	7.40	7.60
36-42 Months	7.50	7.50	7.60	7.75	8.00	8.00	8.25
<u>42-48 Months*</u>	<u>7.70*</u>	<u>7.70*</u>	<u>8.00*</u>	<u>8.30*</u>	<u>8.50*</u>	<u>8.60*</u>	<u>9.00*/**</u>
48-54 Months**	7.90**	8.05**	8.25**	8.45**	8.65**	8.90**	9.25
54-60 Months	8.25	8.25	8.45	8.70	8.90	8.90	9.25
60-66 Months	8.50	8.50	8.70	9.00	9.15	9.15	9.50
66-72 Months	9.80	9.80	9.80	9.80	9.80	9.80	9.80
72-78 Months	10.00	10.00	10.10	10.15	10.25	10.25	10.30
78+	10.25	10.25	10.45	10.70	10.90	11.10	11.45

i

At
ratification

Current:	10.25	10.40	10.60	10.85	11.10	11.35	11.45
	10.25/10.15						

- * Top Part Time Effective 4/12/99
- ** Top Part Time for current (Zone I - 7.70/7.90)
- ***Current full time employees effective 04/12/99 shall progress on the previous contract progression until the employee achieves the 8.25/8.15 rate at which time the employee shall slot laterally into the new wage progression.

Bartender: \$13.00 per hour (This rate shall be paid for only those hours worked as a Bartender.)

Catering Department Head

	CURRENT	7/11/99	7/9/00	9/9/01	10/6/02	11/9/03	1/11/04
0-6 mo.	11.25	11.40	11.60	11.90	12.20	12.55	12.75
6-12 mo.	12.00	12.15	12.35	12.65	12.95	13.30	13.50
Thereafter	12.85	13.00	13.20	13.50	13.80	14.15	14.35

BLS
FILE COPY

Catering Chef:

	Current	<u>7/11/99</u>	<u>7/9/00</u>	<u>9/9/01</u>	<u>10/6/02</u>	<u>11/9/03</u>	<u>1/11/04</u>
Start	\$ 9.65	\$ 9.80	\$10.00	\$10.25	\$10.50	\$10.75	\$10.85
6 months	10.55	10.70	10.90	11.15	11.40	11.65	11.75
12 months	11.45	11.60	11.80	12.05	12.30	12.55	12.65
18 months	12.35	12.50	12.70	12.95	13.20	13.45	13.55
24 months	12.60	12.75	12.95	13.20	13.45	13.70	13.80
30 months	12.70	12.85	13.05	13.30	13.55	13.80	13.90
36 months	12.80	12.95	13.15	13.40	13.65	13.90	14.00
42 months	13.50	13.65	13.85	14.10	14.35	14.60	14.70
48 months	14.05	14.20	14.40	14.65	14.90	15.15	15.25

Chef must be a graduate of a school of culinary arts and/or be an experienced chef.

All contract provisions shall be applicable to the Chef except Article 11H.

Department Head, Lead and Specialist Classifications

All department heads, leads and specialist shall be classified the first period each year based on the annual sales or customer count provided herein for the thirteen (13) full periods making up the Kroger operating year. The sales brackets may be adjusted annually.

Annual Sales Brackets

A = \$0	- \$8.9 million
B = \$8.9	- \$12.6 million
C = \$12.6	- \$17.3 million
D = \$17.3	- \$23.1 million
E = \$23.1	- \$31.2 million
F = Over \$31.2	million

In new stores or stores which may be remodeled, all department heads shall be paid their previous rates until the store has been open for three (3) full periods. At the end of three (3) full periods, the store shall be reclassified, based on the sales or customer count for the three (3) periods, and the department heads' rate and leads' or specialists' premium rates shall then be adjusted to the new classification with retroactive adjustment to the opening of the store.

Assistant Department Head

Employees promoted to Assistant Department Head positions shall receive an additional twenty-five cents (25¢) per hour on all hours worked. When qualification criteria have been met, the assistant shall be promoted to the assistant department head rate. An employee who is promoted to an assistant department head shall receive an additional twenty-five cents (.25) per hour premium or the appropriate assistant department head rate whichever is greater.

Relief

An employee relieving a Department Head (as classified) for one (1) week or more shall receive the rate of pay for that classification. An employee temporarily relieving an Assistant Department Head (as classified), shall receive the additional twenty-five cents (25¢) per hour after thirty (30) days of relief.

An employee temporarily relieving a Lead Clerk or Specialist (as classified), shall receive the appropriate premium per hour after thirty (30) days of relief.

Additional Leads and Specialists

By mutual agreement stores may be added to the stores designated with Specialists and Leads.

The premium outlined on schedule B shall be added to the appropriate clerk rate for all time not worked, for example, vacation and holidays. This application of the premium shall also apply to grocery night stock, grocery processing, floor people, overnight checkers and bakers.

Customer Service Clerks

- A. Available Hours: Customer Service Clerks only can claim hours in the Customer Service Clerk Classification.
- B. Duties: The duties of the Customer Service Clerk shall be in the area of customer service and housekeeping. Specifically, the Customer Service Clerk shall bag groceries, perform price checks, carry out customer order, assist customers in loading groceries, handle bascarts, handle and sort reusable return containers for refund, stocking nonsalable supplies, and performing interior and exterior store cleaning as understood by the parties.
- C. Violation of Duties: In the event of violations of the Customer Service Clerk duties, the following shall apply:
- C1. The Union shall file a grievance at the Step 2 level.
- C2. Upon the first proven violation in the store, the senior Customer Service Clerk shall be paid the part-time clerk rate for the hours worked in violation.
- C3. Upon the second violation in the store, the senior Customer Service Clerk shall be promoted to part-time clerk.
- D. Upon the third proven violation in the store, the Union may notify the Employer that the store in question has lost the right to use the Customer Service Clerk classification for the life of the Agreement or shorter period as they deem appropriate.
- E. Any employee in the Customer Service Clerk classification who is involved in duties in violation of this Agreement without the consent of store management is subject to discipline up to and including discharge.

Night Premium

Grocery night stock, grocery processing, floor people, overnight checkers, and bakers shall receive a fifty (50) cents night premium for all hours worked between 9:00 PM and 6:00 AM. This compensation shall be paid for all work performed between 9:00 PM and 6:00 AM by regularly scheduled employees listed above. This compensation shall be paid on the entire daily workshift of those employees starting between 9:00 PM and 1:00 AM. If more than fifty percent (50%) of the total weekly hours are worked between 9:00 p.m. and 6:00 a.m., the premium shall be paid on all hours worked for that week.

Other employees shall receive thirty (30) cents night premium for hours worked between 10:00 PM and 6:00 AM. It is understood, should an employee receive a one and one-half (1-1/2) premium rate of pay during these hours, that employee shall not receive the night premium in addition.

Progressions

No full-time employee's progression increases shall be delayed because of absence due to proven illness or injury, provided such absence does not exceed thirty (30) days within the qualifying period of six (6) months.

Progression increases shall become effective the Sunday following completion of service requirement.

BLS
FILE COPY

April 17, 1999

*Mr. Marvin Russow, President
U.F.C.W. LOCAL 227
7902 Old Minors Lane
Louisville, KY 40219*

Dear Mr. Russow:

The following items are understandings that are to be covered by a Letter of Agreement as follows:

1. Union store card/decal, Article 7: The design/size of the store card/decal and display location shall be approved by the Employer.
2. If the necessity should arise for a conversation to take place between a Union Representative and employee, the Employer shall attempt to provide a place for that conversation off the sales floor. Every attempt shall be made to avoid lengthy conversations during working hours
3. Bulletin boards as per Article 7H.
 - a. Bulletin boards shall be installed by Union Representatives.
 - b. Location of bulletin board shall be determined by Store Manager. If room is available, bulletin board shall be placed in break room or in another area frequented by all employees.
 - c. Kroger reserves the right to approve all postings. The Shop Steward shall show the posting to the Store Manager prior to the actual posting.
 - d. Bulletin board postings shall be confined to legitimate union matters, such as notices of union meetings, notices of elections, notices of recreational and social affairs, organizing efforts. Statements of political positions, boycotts, etc., shall be avoided.
 - e. Shop Stewards shall remove outdated notices.
 - f. Notices of a controversial nature should be discussed in advance to avoid unnecessary store questions.
4. The Employer and Union shall develop, on a test basis, a joint orientation program for new employees.
5. Article 8: Written reprimand refers to a constructive advice record.
6. In reference to Article 10A, it is understood the Employer has the right to determine what clothing, personal appearance, and / or other accessories are appropriate. The Employer shall allow employees to wear Union insignias that are non obtrusive or offensive to customers.

7. Article 11: Friday & Saturday night rotation:
 - a. The decision on rotation of schedules concerning Department Heads and Assistant Department Heads shall be an individual store decision based on the needs of the business.
 - b. The minimum rotation requirements shall have Department Heads and Assistant Department Heads rotating with full-time employees within their classification and job assignment.
 - c. If business necessitates scheduling above the minimum requirements, store management shall meet and notify the effected individuals. Any disagreements shall be handled on a individual store basis and are subject to the grievance procedure.

8. ARTICLE 15 - PROMOTIONS PARAGRAPH A & B(2)

The parties agree to the following system to fulfill the Employer's obligation to promptly notify the union, as per Paragraph A & B(2) of Article 15.

1. The Company shall post all Department Head, Assistant Department Head and Lead Clerk vacancies as open jobs only.
2. Employees shall have 10 days to request that position by using the Department Head/Assistant Department Head/Lead Clerks Request.
3. Employees must send one (1) copy to each of the following:
 - A. Their Store Manager;
 - B. The Store Manager where the job is open
 - C. Human Resources
 - D. Local Union 227

If an employee fails to submit these four forms within (postmarked) the 10 days, they shall not be considered.

4. Once the job is awarded it shall not be re-posted.
5. Only employees who request the job opening shall be notified by the Employer of who received that job, and their seniority date.
6. After receipt of that notification, any employee who originally filed for the job may grieve, within seven (7) days of the notice, if the employee fills that Article 15 has been violated.

9. By June 12, 1999, the Union and Employer representatives (including one Union Representative, one Employer Human Resources Representative, two (2) Lead Clerks from the respective departments, and two (2) Store / Merchandising Management employees) shall develop a mutually agreed upon qualification criteria for each Lead Clerk position.
10. Article 16D. a) New store is defined as those without a designated replacement store. b) Sufficient notification of a new store opening date shall be provided to the Union and employees in the seniority area in order to accommodate the eight (8) week request provision.
11. Scheduling of night work per Article 11, shall not be punitive.
12. The Employer may elect to provide hiring/retention incentives to employees in an area or store. This may include cash bonuses, tuition credits, or other such programs. The Employer shall involve the Union in the programs established.
13. Based on previous contract practices, employees of permanently closed stores took their closed store seniority to the new store location. Therefore, the previous closed store seniority shall not be credited again if the employee moves to another location.
14. In reference to Article 26F, the same provisions outlined apply to early retirees to December 31, 1993 with the following exception: The Employer shall make contributions on behalf of the retired employee only until such time as the employee's death or eligibility for Medicare.
15. When the Employer determines a new job classification is necessary, the Employer and the Union shall mutually agree upon rate of pay and other relevant issues pertaining to the new position.
16. At the discretion of the Employer, a discount program or an incentive plan may be offered to employees.
17. Direct Marketing Center:

The catering schedule shall remain in effect; however, effective April 12, 1999, Area 7 seniority shall be converted to Area 1.

Any transfer from catering must be mutually agreed upon by the Employer, Union, and the employee.

If transferred within Area 1, prior catering seniority shall be used to determine the employee's seniority date.

Floral employees who originally transferred from the store to the Floral Center shall have their Area 1 seniority re-stated to include store and catering service.

18. Meat Plant:

The Meat Plant supplement shall remain in effect; however, effective April 12, 1999, Area 6 seniority shall be converted to Area 1.

Any transfer from Meat Distribution Center must be mutually agreed upon by the Employer, Union, and the employee.

If transferred within Area 1, prior Meat Distribution seniority shall be used to determine the employee's seniority date.

Employees, who were former Meat Plant Cutters shall be returned to the store at the red-circled journeyman rate.

If the Meat Distribution Center is integrated into the Distribution Center, the involved parties shall meet and discuss options available for the employees.

19. The following has been agreed to relative to Health and Welfare:

1. Employees who have a full time seniority date prior to April 11, 1999 shall qualify for family coverage under the terms and conditions of the previous Collective Bargaining Agreement.

2. Part time employees who were eligible prior to April 11, 1999, and remain eligible for the part time benefits as outlined in the October 9, 1994, letter of understanding shall continue to receive such benefits at the appropriate employee contribution rate of sixty eight dollars and eighty one cents (\$68.81) effective June 1, 1999.

3. Effective April 12, 1999, the following shall be included in the part time insured benefit program available to eligible part time.

Vision PPO
\$2500 AD&D and \$2500 Life Insurance Policy
Insured Major Medical Plan - single coverage
only

4. The following shall apply to employees eligible for full time benefits:

a. Effective January 1, 2003, increase lifetime major medical maximums to: PPO Plan - \$700,000; POS Plan - \$1,000,000

b. Increase weekly sickness and accident benefits:

January 1, 2000 - \$250.00

January 1, 2001 - \$275.00

January 1, 2002 - \$300.00

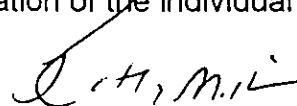
5. Effective July 1, 1999, full time employees shall have the opportunity to purchase on a contributory basis through payroll deductions insured optional plans which may be made available.

- a. Family Dental Plan
- b. Enhanced Dental Plan
- c. Long Term Disability
- d. Life Insurance

6. Effective July 1, 1999, part time employees who meet the declaration requirements shall be eligible to purchase the same contributory plans outlined above.

20. Employees hired prior to January 1, 1975 who are receiving Pension and Health and Welfare who are available to work no less than twenty-eight (28) hours up to forty (40) hours per week, shall continue to have contributions made on their behalf. These contributions shall continue provided the employee remains employed and is available on a continuous basis to work twenty-eight (28) up to forty (40) hours per week. Employees in multi-store areas shall be required to transfer to another store if twenty-eight (28) to forty (40) hours are not available in their present store. Such employees may personally waive their rights to these benefits.

21. Effective July 11, 1999, the L-255 supplement shall be null and void and employees shall become part of the main contract based on the current wage rate and/or classification of the individual employee.



KATHY MILLER
Director of Human Resources
& Labor Relations

For the Union:



12-2-99

Date

April 17, 1999

*Mr. Marvin Russow, President
U.F.C.W. LOCAL 227
7902 Old Minors Lane
Louisville, KY 40219*

Dear Mr. Russow:

Employees who (1) have a pre-July 1, 1984 Beginning Date of Continuous Service (BDCS) and (2) have been continuously employed by the Louisville Marketing Area since such BDCS through the date of ratification of the Memorandum of Agreement are Eligible Employees entitled to the following Special Long Term Savings Benefit.

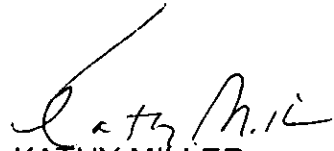
On behalf of each Eligible Employee who is actively employed as of August 14, 1999 (the ending date of The Kroger Co.'s second fiscal quarter), and thereafter, at the end of each fiscal quarter during which he/she is actively employed, through the last full fiscal quarter prior to the expiration of the Collective Bargaining Agreement, the Company shall contribute \$130.00 to the Eligible Employee's account in The Kroger Co. Savings Plan (Savings Plan).

On behalf of each Eligible employee who retires from the Company during the term of the Collective Bargaining Agreement, the Company shall, prior to the Eligible Employee's separation, make a one-time contribution to his/her Savings Plan account according to the following schedule:

Retires during first year of collective bargaining agreement.....	\$4,000.00
Retires during second year of collective bargaining agreement.....	\$3,000.00
Retires during third year of collective bargaining agreement.....	\$2,000.00
Retires during fourth year of collective bargaining agreement.....	\$1,000.00
Retires during fifth year of collective bargaining agreement.....	0.00

All contributions shall be made on a non-elective basis. All contributions and other matters related thereto are subject to the terms and conditions of the Savings Plan and applicable federal laws and regulations.

This Agreement is effective upon ratification through the last full fiscal calendar quarter prior to the expiration of the Collective Bargaining Agreement and shall terminate upon the expiration of the Collective Bargaining Agreement.


KATHY MILLER
Director of Human Resources
& Labor Relations

For the Union:



Date

12.2.99

UFCW LOCAL 227
7902 OLD MINORS LANE
LOUISVILLE, KY 40219-3055
(502) 241-6978

Fahmida Sleemi
U.S. Dept of Labor
2 Massachusetts Ave
NE Room 4175
Washington DC 20212