

UNITED FOOD AND COMMERCIAL WORKERS LOCAL NO 1000

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DALLAS, TEXAS CLERKS

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TERM: MAY 11, 1997 THROUGH DECEMBER 7, 2002

AGREEMENT

This agreement has been entered into between the Dallas K.M.A., or its successors or assigns, hereinafter designated as the Employer and the United Food and Commercial Workers Local Union No. 1000, AFL-CIO, its successors or assigns, chartered by the United Food and Commercial Workers International Union, hereinafter designated as the Union.

ARTICLE 1. INTENT AND PURPOSE

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

ARTICLE 2. COVERAGE, CHECK-OFF, AND UNION SECURITY

Section 2.01 The Union shall be the sole and exclusive bargaining agent for all retail store employees in the stores of the Employer in Dallas County, Tarrant County, Collin County, Brown County, Grayson County, Denton County, Gregg County, Harrison County, Lamar County, Ellis County, Hood County, Johnson County, Rockwall County, Rusk County and Parker County, Texas, excluding store manager, assistant or co-managers, grocery manager, meat department managers, all meat department employees, watchman, guards, and supervisors as defined in the Act.

Section 2.02 The Employer shall deduct Union initiation fees, as authorized and shall deduct Union dues of employees who are members of the Union and who individually and voluntarily certify in writing authorization for such deductions. The Employer shall promptly remit all sums deducted in this manner to Local Union No. 1000. Dues and initiation fees will be deducted and remitted to the Union on a weekly basis.

A.B.C. deductions and remittance will be handled on a weekly basis in the same manner as outlined above.

Section 2.02A Employees will be employed on a trial basis for the first forty-five (45) days and shall not accumulate seniority for this period. However, if said employee is retained following the forty-five (45) days trial period, his seniority will revert to the last date of hire. Employees discharged during the trial period shall not have recourse through any other provision

of this Agreement. Probationary period may be extended up to ninety (90) days upon mutual agreement between the Employer and the Union.

Section 2.03 If, during the life of this Agreement, or any renewal or extension thereof, the law is changed or amended to make Union Shop Agreements valid, paragraph 2.03a of Article 2 shall immediately become effective upon the earliest date permitted by such enabling legislation as a part of this Agreement or any renewal or extension thereof.

Section 2.03a It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the execution date of this Agreement shall remain members in good standing and those who are not members on the execution date of this Agreement shall on the thirty-first (31st) day following the execution date of this Agreement or on the day thereafter become and remain members in good standing in the Union. It shall also be a condition of employment that employees hired on or after its execution date shall, on the thirty-first (31st) day following the beginning of such employment or the day thereafter become and remain members in good standing in the Union.

Section 2.04 To prevent erosion of bargaining unit work, driver salesmen, book salesmen or sales representatives shall not perform work or services in the Employer's retail establishments in excess of the prevailing practice in the industry in the Dallas-Fort Worth area at the time of this Agreement.

Section 2.05 This paragraph will confirm our understanding that UFCW Local Union 1000:

1. Will obtain and retain a valid dues check -off authorization form for each individual for who initiation and/or weekly dues are deducted.
2. Will be responsible for setting-up and maintaining all information concerning initiation fees and /or weekly dues deductions.
3. Will be responsible for making any change in initiation fees and/or weekly dues deductions.
4. Will be responsible for discontinuing deductions if and when a deduction authorization is revoked and notifying the company.
5. Will refund any deductions improperly made.

UFCW Local Union 1000 understands and accepts the above and agrees to hold The Kroger Co. harmless.

ARTICLE 3.

MANAGEMENT RIGHTS

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

ARTICLE 4.

DISPUTE PROCEDURE

Section 4.01

The Union shall have the right to designate store stewards for each store. The store stewards so designated shall not exceed two (2) per store. Store Stewards shall have super seniority over all other part-time/full-time employees as it applies to layoffs and recalls only. Store Stewards shall retain this right only while they are Store Stewards.

Section 4.02

It is agreed that agreements and settlements reached in Step 1 or Step 2 will be on a non-precedent setting basis and will have no bearing on any other grievance or settlement. Should any differences, disputes or complaints arise over the interpretation or application of the contents of this Agreement, there shall be an earnest effort on the part of both parties to settle such promptly through the following steps:

- Step 1. No grievance will be considered or discussed which is presented later than ten (10) calendar days after such has happened. Where an employee has no knowledge that he is aggrieved until he receives his paycheck for the period in question, such ten (10) calendar days shall date from the day that he received such pay. By conference between the aggrieved employee and/or the Union representative and/or the store steward and manager of the store.

- Step 2. The grievance must be presented in writing. The written grievance shall include a statement of the grievance, date of the occurrence, parties involved, and a statement of the provision of the agreement alleged to have been violated.

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Section 4.06 Lengthy discussions between employees and representatives of the Union, including the store steward, or among themselves concerning disputes, shall not take place during working hours.

Section 4.07 It is agreed that Steps 1 and 2 of this dispute procedure may be waived if acceptable by both the Employer and the Union.

Section 4.08 The Board of Arbitration is not vested with the power to change, modify or alter this Agreement, but only to interpret the provisions of this Agreement.

ARTICLE 5. NO STRIKE, NO LOCKOUT

Section 5.01 During the term hereof, the Union agrees that there shall be no strike, or any other interference with or interruption of the normal conditions of the Employer's business by the Union or its members. The Employer agrees that there shall be no lockout.

Section 5.02 Forty-eight (48) hours written notice (after picketing commences) shall be given to the Company by Local 1000 of its intent to honor a legal picket line.

Section 5.03 No employee shall be required to cross a legal picket line when his health or safety would be endangered.

ARTICLE 6. OTHER AGREEMENTS

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

ARTICLE 7. OTHER WORK

Section 7.01 Employees shall perform any work which the manager of the store or zone manager may direct with the understanding that when an employee is assigned to a job with a lesser rate, he will be entitled to his regular rate of pay, unless due to a decrease of work, he has regularly been assigned to a lower rated job and desires to retain such job rather than accept a layoff.

Where a Department Head is demoted for just cause, he or she shall be returned to the appropriate rate of pay with service credit for time spent as a Department Head.

Section 7.02 Any employee assigned to relieve a bargaining unit department head for a period of five (5) days or more in a workweek, and who assumes normal duties of the job, shall receive the contract rate in effect in the store involved, for such time spent on relief.

ARTICLE 8. WAGES

Section 8.01 Rates of pay as set forth in Wage Schedule "A" attached hereto, shall remain in effect for the life of this Agreement and shall constitute the basis for determination of wages for time worked.

Section 8.02 When an employee works less than a full week, payment for the time worked shall be computed by multiplying the hourly rate by the actual number of hours worked.

ARTICLE 9. WORKING CONDITIONS

Section 9.01 The hours for each employee shall be scheduled by the Employer. Schedules shall be prepared in ink indicating last name and first initial. A schedule for full-time employees prepared in ink shall be posted by noon Friday for the succeeding week and such schedule shall not be changed without the consent of the employee, unless such change is necessitated by sickness or emergency. Emergency means strike, fire, flood, etc.

Section 9.02 A schedule for part-time employees shall be posted by noon Friday for the succeeding week. This schedule is subject to change based on the needs of the business. Employees will be given twenty-four (24) hours notice of any schedule change after the schedule is posted except where the change is caused by conditions beyond the control of the Employer. Senior employees affected will not be forced to work.

Section 9.03 If a full-time employee is required to work outside of his regular schedule, he shall not be required to take time off from his schedule that week in order to avoid payment of overtime.

Section 9.04 The workweek shall consist of not more than forty (40) hours to be worked in five (5) shifts, not necessarily consecutive. The five (5) day shift week shall not apply to students during the school term. A student is to be defined as any employee currently enrolled in higher education (high school, technical school or college).

Section 9.05 All work in excess of forty (40) hours per week shall be paid for at time and one-half (1 1/2).

Section 9.06 All work in excess of eight (8) hours per shift, except one (1) shift in excess of ten (10) hours per shift for employees scheduled (who stock) for Grocery, Produce, and Drug/G.M., shall be paid at time and one-half (1 1/2). Time and one-half (1 1/2) shall be paid on the weekly basis or shift basis, whichever is greater, but in no case on both.

Section 9.07 (a) Hours worked on Sundays and holidays will be paid at a premium of fifty cents (.50) per hour in addition to the employee's straight-time hourly rate for employees with two (2) or more years of service.

(b) There shall be no pyramiding of premium pay and any hours paid for at premium pay will not be counted in computing overtime, except as provided in Section 9.09.

Section 9.08 Work on Sundays and the holidays set forth in Article 16, Section 16.01, shall be on a voluntary basis. However, qualified employees who indicate in writing they are available to work on a continuing basis, shall be rotated for such work by classification, provided work for their classification is needed. Where additional employees are needed, the junior employees must work in inverse seniority order by store.

Section 9.09 If an employee works on Sunday and five (5) other days, hours worked on the sixth (6th) day will be paid at the time and one-half (1 1/2) rate.

Section 9.10 Any employee, except a student who works before or after school hours on any of his scheduled school days, who is instructed to report for work shall be guaranteed at least four (4) hours work or four (4) hours straight-time pay in lieu thereof.

Section 9.11 There will be a minimum of nine (9) hours between work shifts unless otherwise mutually agreed upon between the employee and the Company.

Section 9.12 Employees shall be given one (1) hour each shift without pay for lunch between the beginning of the fourth (4th) hour and the beginning of the sixth (6th) hour after starting time. Less than one (1) hour may be taken for lunch where mutually agreeable to the store manager and employee.

An employee will not be required to take a lunch period if mutually agreeable between the store manager and the employee.

Section 9.13 If an employee works four (4) hours or more, but less than seven (7) hours in a shift, he shall receive a fifteen (15) minute rest period. If he works seven (7) hours or more in a shift, he shall receive two (2) fifteen (15) minute rest periods in a shift. If he works ten (10) hours or more in a shift, he shall receive three (3) fifteen (15) minute rest periods in a shift. These rest periods shall be in lieu of and not in addition to previous informal rest periods. No employee will be required to take a rest period within one (1) hour after reporting time or within

Section 9.17 The Employer shall make available to the Union a place in each store to post whatever notices may be necessary for the conducting of the Union's business.

Section 9.18 The Employer and the Union agree that a proven violation of time recording rules, including working before recording in or after recording out, may subject such an employee to disciplinary action up to and including discharge.

When an employee fails to record his time or when an error is recorded, the employee shall report such failure or error to the store manager or designate, who shall confirm the proper time and it shall be initialed by both the employee and the store manager.

Section 9.19 Time spent by employees in travel from store to store during the work shift in order to perform work assigned to them by the Employer shall be paid for as time worked.

Section 9.20 If an employee is transferred from one store to another, he shall be given twenty-four (24) hours advance notice of such transfer except when the employee is needed immediately in the other store. Employees will be told of transfer as soon as this information is available to the store manager.

Section 9.21 Texas law regarding employees time off for voting shall be followed. Any employee who is scheduled to work eight (8) hours on election day and who is registered to vote shall be allowed time off to vote in all State and Federal elections (without pay).

Section 9.22 Hours spent in meetings called by the Employer at which employee attendance is required shall be considered hours worked and shall be paid accordingly.

Section 9.23 If agreeable between the employee, the Company and the Union, an employee may be scheduled four (4) ten (10) hour shifts, not necessarily consecutive, without incurring daily overtime after eight (8) hours.

Section 9.24 Employees (other than night stocking clerks) who object to working late schedules shall have their schedules rotated with other employees who perform the same primary work assignment, when practical to do so.

Section 9.25 If there becomes an opening on the day shift for a forty (40) hour employee, these hours will be offered by seniority and job assignment to night employees provided a qualified employee is available to do the work. If the opening on the day shift is a part-time opening, the same would apply to a part-time employee working nights.

ARTICLE 10.

JURY DUTY

Section 10.01 In case an employee is known to have served on any duly constituted jury, or to have been subpoenaed as a witness, he shall be paid for hours necessarily absent from work. Employees who assume responsibility of citizenship by serving in such capacity will be privileged to retain jury or witness fees in addition to their pay. The employees will notify the Employer upon receipt of jury service notice as soon as possible. Employees shall not be required to work nine (9) hours prior to reporting for jury duty.

Section 10.02 Any employee required to appear in legal proceeding on behalf of the Employer shall be paid for any time necessary for that purpose, including travel time to the proceeding from the store and shall be reimbursed for parking fees resulting from parking for such proceeding. Parking receipt must be presented to receive reimbursement.

Section 10.03 This article does not apply to probationary employees.

ARTICLE 11.

SEPARATION PAY

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

ARTICLE 12.

LEAVE OF ABSENCE

Section 12.01 Union business: The Employer shall grant the necessary time off without discrimination or loss of seniority rights and without pay to any employee designated by the Union to attend a labor convention or serve in any capacity on other official Union business. The employee shall, upon returning to work, receive any wage increase or any wage reduction that may have become effective during such absence, provided the Employer is given at least one (1) week's notice in writing specifying the length of time off. Such leave of absence shall be limited to twelve (12) months.

Section 12.02 Personal Leave of Absence: Leaves of absence up to thirty (30) days shall be granted for reasonable personal reasons but not for the purpose of engaging in gainful employment elsewhere. Any employee desiring a leave of absence from the job shall secure written permission from the Employer with a copy to the Union, the length of absence to be agreed by the Employer and the employee. The length of leave shall be commensurate with the need. Failure to comply with this provision shall result in the complete loss of seniority rights of the employee involved.

Section 12.03 Pregnancy, Sickness or Injury: A leave of absence because of pregnancy, sickness or injury not to exceed ninety (90) days shall be granted to a regular employee upon written request supported by medical evidence. Extensions will be granted up to ninety (90) days at a time for a cumulative total of one (1) year, if requested in writing supported by proper medical evidence prior to each expiration.

Section 12.04 Family Leave: Federal Family Leave Act provisions will apply.

Section 12.05 Military: Any employee in Military Service under the provisions of Federal Law shall be returned to his job and retain his seniority in accordance with such law. An employee on National Guard or Reserve Duty will not be required to use his vacation for this purpose.

Section 12.06 Time spent on leave of absence will not be counted as time worked for the purpose of wage computation or other benefits and will not result in loss of seniority. Failure to report back to work at the end of a leave of absence shall result in employee being considered a voluntary quit. Any employee accepting employment elsewhere while on leave of absence shall be considered a voluntary quit, except in a case where such employee works for the Union.

ARTICLE 13 DEATH IN FAMILY

In case of a death in the immediate family of any employee, provided he attends the funeral, shall be paid for a reasonable period of absence depending upon the circumstances, but not to exceed a maximum of three (3) days and in no case shall he be paid for more than the number of hours in the basic work week. "Immediate family" shall include spouse, parent, child, brother, sister, grandchildren, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandmother, grandfather, or any relative residing with him.

Pay for part-time employees will be determined by scheduled time missed, or in the case where no schedule is posted, the Employer will pay the difference between hours worked during the week of the funeral and the average hours worked in the four (4) weeks prior to the funeral week, up to a maximum of twenty-four (24) hours.

This article does not apply to probationary employees.

ARTICLE 14

HEALTH AND WELFARE

The Employer shall contribute to the established new MED 1000 Plan the amount of \$.90 cents per hour for all hours paid, not to exceed forty (40) hours per week, after thirty (30) calendar days of employment.

Effective March 1, 1998 thru March 1, 2001 - \$.90 cents per hour.

Effective March 1, 2001 - \$1.00 per hour.

Effective March 1, 2002 - \$1.10 per hour

It is understood the Employer contributions are used exclusively for the benefit of its eligible employees represented by Local 1000, and will not be used to subsidize any other employer or group of employees.

PRESCRIPTION DRUG PLAN

Effective March 1, 1998, the Employer will provide a prescription drug benefit to all employees who are presently or become eligible for health care, for as long as they maintain such eligibility during the term of the collective bargaining agreement. The benefit provided herein as a discount to eligible employees is administered through the company.

Employees eligible for health care plan AA or A will have family coverage and employees eligible for health care plan B will have employee only coverage.

Eligible employees will receive a prescription drug card valid at any Kroger Pharmacy. The benefit and deductible charge is as follows:

100% payable - generic drugs (mandatory)

80% payable (20% by employee) - brand name (no generic available)

Any employee who works in an outlying area where a Kroger Pharmacy is not readily available may receive prescription drugs via mail order.

If a generic drug is legally available as a substitute for a brand name drug, the generic must be purchased. If the employee purchases the brand name drug instead of the generic drug, then the employee must pay the difference in price.

The Employer cost to provide the prescription drug benefit shall not exceed .10 cents per hour for eligible hours outlined in Article 14. Health and Welfare.

The Employer and the Union will meet in July and January of each year to review the cost to the Employer in providing the prescription drug benefit for the prior calendar half.

In the event that the cost to the Employer of providing the prescription drug benefit for the prior calendar half does not exceed the defined cents per hour amount, the parties will determine how the difference shall be applied for the benefit of the employees covered by the collective bargaining agreement.

In the event that the cost to the Employer exceeds the foregoing cents per hour amount, then the amount(s) payable by the employee as set forth above will be increased in order to recover the excess cost experience from the prior half year. The Employer agrees to meet with the Union to discuss the increases before they are implemented.

ARTICLE 15. PREVIOUS EXPERIENCE

Section 15.01 Previous proven comparable experience within ten (10) years from date of present employment, as shown on application for employment shall be the basis for determination of the new employee's rate of pay. Maximum experience credit is five (5) years. Falsification of application shall be reason for discharge.

Section 15.02 Claims for rate adjustment based on previous experience not listed on the application for employment must be filed in writing within thirty (30) days from date of employment; otherwise, the employee forfeits any claim under this provision.

Section 15.03 In the event that the Employer is unable to verify previous experience, the employee and the Union shall be notified in writing. The employee shall have ten (10) days from receipt of such notice in which to file a grievance.

ARTICLE 16. HOLIDAYS

Section 16.01 The following shall be recognized as holidays: New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day or days legally celebrated in lieu thereof. Employees who work a full week in which a holiday occurs shall receive eight (8) hours pay in addition to the hours worked, provided that there shall be no deduction from pay of employees who work a full week in which a holiday occurs. Employees who are absent during a holiday week shall not be paid holiday pay unless such absence is due to proven illness or is excused by the Employer in which case the employee shall receive holiday pay, provided he worked any part of the holiday week. Overtime at time and one-half (1 1/2) will be paid in a holiday week after the hours actually worked exceed forty (40) straight-time hours.

Section 16.02

Part-time employees shall be entitled to holiday pay for the holidays set forth in Section 16.01. Employees who are absent during a holiday week shall not be paid holiday pay unless such absence is due to proven illness or is excused by the Employer in which case the employee shall receive holiday pay, provided he worked any part of the holiday week. Holiday pay shall be determined by averaging the hours worked during the previous four (4) weeks to the holiday week in accordance with the following schedule:

AVERAGE HOURS	HOLIDAY PAY
Under 12	2 hours
12 to 24	4 hours
24 to 32	6 hours
32 and over	8 hours

Section 16.03

Employees shall earn personal holidays on the following basis:

- 4 Years of Service - 1 Personal Holiday
- 10 Years of Service - 2 Personal Holidays
- 15 Years of Service - 3 Personal Holidays
- 20 Years of Service - 4 Personal Holidays

Personal holidays are defined as any days in a year which are chosen by the employee who will notify the Employer two (2) weeks in advance of the holiday choice. The Employer may restrict the number of employees off within any one day on personal holidays, provided that conflicts of the choice of days shall be resolved on a seniority basis.

Employees may take two (2) or more personal holidays together as a mini-vacation providing it is mutually agreed upon between the employee and the store manager.

Probationary employees will be excluded from all holidays.

Personal holidays not taken during any calendar year may not be carried over into the following year unless the holidays are earned in the 12th or 13th periods.

ARTICLE 17

VACATIONS

Section 17.01 All employees shall be eligible for vacation in accordance with years of continuous service with the Employer and the following schedule:

- 18 Months of Service - 1 Week
- 5 Years of Service - 2 Weeks
- 10 Years of Service - 3 Weeks
- 15 Years of Service - 4 Weeks
- 20 Years of Service - 5 Weeks

Section 17.02 After qualifying for their first one (1) week vacation, an employee will qualify for future one (1) week vacation as of January 1. After an employee qualifies for additional weeks of vacation as outlined above, they shall become eligible for those additional weeks as of January 1.

Section 17.03 Full-time employees will be paid their straight-time earnings for their basic workweek as vacation pay.

Section 17.04 Part-time employees will be paid a vacation week equal to the hours in their anniversary year divided by fifty-two (52) and will earn weeks of vacation as outlined in Section 17.01.

Section 17.05 Vacation pay shall be paid in advance.

Section 17.06 Choice of vacation dates will be granted on the basis of seniority, consistent with the operation of the business. However, once a vacation has been scheduled, it can only be changed for good cause or by mutual agreement between the employee and the Company.

Section 17.07 Vacations must be scheduled in the calendar year, except where necessary, vacations which fall due in the 12th or 13th periods may be carried over to the first period of the next year. No employee shall be given pay in lieu of vacation. No vacation may be carried over unless the vacation is earned in the 12th or 13th periods.

Section 17.08 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.

Section 17.09 If an employee who has not taken the vacation which he has earned by reason of his service leaves (regardless of whether he gives notice), goes into military service, or

is separated for any reason other than confessed or proven dishonesty, he shall receive his vacation pay at the time of leaving.

Section 17.10 In case a granted holiday falls during an employee's vacation, the employee shall be granted an additional day of paid vacation or eight (8) hours pay at his straight-time rate in lieu thereof. The Employer shall have the option as to the additional day of vacation or eight (8) hours pay.

Section 17.11 Leaves totaling ninety (90) days or less in any calendar year shall not affect vacation earned in that year; leaves totaling more than ninety (90) days but not over one hundred eighty (180) days shall reduce vacation and vacation pay by one-fourth (1/4); leaves totaling more than one hundred eighty (180) days but not over two hundred seventy (270) days shall reduce vacation and vacation pay by one-half (1/2); leaves totaling more than two hundred seventy (270) days shall disqualify for vacation.

ARTICLE 18. SENIORITY

Section 18.01 In layoffs and rehiring, the principle of seniority shall apply. Seniority shall be determined on the length of service of the employee, with regard to his experience and ability to perform the work. All circumstances being reasonably equal, length of service shall be the controlling factor.

Section 18.02 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 have the right to exercise his final judgment after giving due regard to seniority.

Employees desiring a transfer from one store to another will submit a request in writing to the Union, Human Resources Department and Zone Manager. The request will remain on file for a period of six (6) months.

Transfers shall be granted when a job vacancy exists provided the employee is qualified and available to perform the work.

Any employee who desires consideration for promotion shall notify his Zone Manager in writing with a copy to Human Resources Department and the Union. Employees will be considered from those who apply in accordance with seniority. The request will remain on file for a period of six (6) months.

Employees will be promoted from those who apply in accordance with seniority, availability and ability to perform the work before another is hired. The request will remain on file for a period of six (6) months.

Courtesy Clerks promoted to another classification will have the date of promotion as their seniority date for scheduling purposes. All present employees seniority date will be their date of hire.

Employees who transfer from one department to another department in the same store will maintain their seniority, rate of pay, and months accumulated toward their next length of service increase.

All employees promoted or transferred from one type of work to another shall be on probation for forty-five (45) consecutive workdays. If the employee does not qualify within the above time, the Employer shall return the employee to their former position.

Section 18.03 Seniority shall be considered broken if an employee is duly discharged by the Employer, if he voluntarily quits, if he has been laid off continuously for a period of more than six (6) months, or if he is called back to work after a layoff and does not report for work within one (1) week.

Section 18.04 Seniority for full-time employees shall be store, geographic territory (as agreed by the parties) and division basis as follows:

Full-time Lead Sales Clerks (Level 4)
Full-time Food Clerks
Full-time General Merchandise Clerks
Full-time Delicatessen-Bakery Clerks
Full-time Utility Clerks
Full-time Courtesy Clerks

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Section 18.05 Seniority for part-time employees shall be on a store basis as follows:

Part-time Food Clerks
Part-time General Merchandise Clerks
Part-time Delicatessen-Bakery Clerks
Part-time Utility Clerks
Part-time Courtesy Clerks

In the event of a total layoff (0 hours) for two (2) consecutive weeks, seniority for part-time employees, with six (6) months service, shall be store, geographic territory (as agreed by the parties) and division.

In a general layoff or where inequities exist, the Employer and the Union will meet and such arrangements worked out will be final and binding on all parties. If agreement cannot be reached, contract provisions will apply.

Section 18.06

Effective June 7, 1998 current part-time employees and new employees shall be reclassified to full-time status and full-time rate upon working an average of thirty five (35) hours per week, for twelve consecutive weeks. Seniority date will revert to the original date of hire in the bargaining unit. This provision shall not apply to employees performing relief work in the place of another employee, or students available for additional hours May thru August.

Effective June 7, 1998 current employees on a full-time rate will maintain such full-time rate by working an average of twenty eight (28) hours per week for twelve (12) consecutive weeks. If such employee (excluding those currently on a red-circled rate), disqualifies by working an average of less than twenty-eight (28) hours per week for twelve (12) consecutive weeks and subsequently requalifies for full time status, he/she will return to their former full-time rate. (Example: a current employee on a there-after rate disqualifies and then re-qualifies, he/she shall return to their former there-after rate.) If a current employee on a red-circled rate restricts their availability for work resulting in their working an average of less than twenty-eight (28) hours per week for twelve (12) consecutive weeks, such employee will be re-classified to part-time status and part-time rate. If such employee re-qualifies for full-time status by working an average of twenty-eight (28) hours per week for twelve consecutive weeks he/she will be returned to their former red-circled rate. Employees on a red circle rate who restrict their availability three (3) or more times will be subject to permanent reclassification to part-time status and part-time rate.

Section 18.07

Agreed upon seniority lists shall be established and maintained, and such lists shall be available to the Union at all times.

Section 18.08

If it is necessary to reduce hours of a full-time employee in a classification in a store, the least senior employee in such classification shall have his hours reduced. If such employee has his hours reduced below forty (40) for four (4) consecutive weeks, he may take the job of the least senior employee in his classification in his geographic territory who is working forty (40) hours per week or be classified to part-time. (Weeks of less than forty (40) hours due to approved leaves of absence will not count towards the four (4) weeks.)

The same procedure will apply in the Marketing Area (portion of Marketing Area covered by this Agreement). The full-time employee eligible for transfer must request same in writing within fourteen (14) days after being advised of his change in status, or forfeits all rights to the transfer.

New employees and current part-time employees who achieved full time status and full time rate may be reclassified to part time status and part-time rate as a result of working an average of less than thirty-two (32) hours per week for twelve (12) consecutive weeks or if the employee voluntarily elects part time. The employee will receive the appropriate part time rate of pay based on length of service.

Full time employees who are excused from their work week for the benefit of the Employer, or who are absent due to illness, injury, vacation, leave of absence or jury

duty and average less than thirty-two (32) hours worked, shall not be reclassified to part time. In the event a disqualification is contested in the grievance procedure, the reclassification and rate adjustment will be suspended until final resolution is determined. In the event the grievance is denied, it is understood and agreed that the Employer will have the right to recover all overpayment.

Section 18.09 Seniority date shall be the employee's last date of hire in this bargaining unit.

Section 18.10 If a part-time employee transfers from one store to another store, he will take his seniority date to the new store.

Section 18.11 If a full-time employee transfers to an existing vacancy in a store covered by a separate Agreement with Local Union 1000, he will take his seniority date to the new store.

Section 18.12 If an employee accepts a job assignment with the Company outside of the bargaining unit and remains continuously employed, he will retain his seniority date up to one (1) year. If the employee returns to the bargaining unit after one (1) year, or ceases to be continuously employed, he will establish a new seniority date upon his re-entry into the bargaining unit.

Section 18.13 A part-time employee shall have the first choice for a full-time job in his classification in his store based on his seniority, provided he is capable of performing the work, and he may be offered a full-time job in another store, provided that he has notified his store manager in writing with a copy to his zone manager and the personnel manager, that he is available for a full-time job in his store or any other store in his zone.

Section 18.14 (a) The Employer will schedule employees, not to exceed eight (8) hours per day or forty (40) hours per week (thirty-two (32) hours in a holiday week) in accordance with their seniority, availability, ability to perform the work and job classification, in the individual store, provided that this does not conflict with another provision of this Agreement. It is further agreed that if an employee with seniority does not feel that a schedule of hours has been correctly assigned, he must advise the store manager within twenty-four (24) hours after the schedule is posted or he has no claim on such schedule of hours. Employees currently on the full-time seniority list will be scheduled forty (40) hours unless due to reduced sales, a sufficient number of forty (40) hour schedules are not available. Work schedules will not be written to prevent forty (40) hour schedules, but the needs of the business will be served.

(b) Full-time employees, by classification and job assignment, may exercise a preference and claim a total weekly schedule by seniority. This claim must be made by

12:00 noon Saturday after posting of the schedule for the succeeding weeks hours of work. Such schedule shall not be arbitrarily or capriciously changed by the Employer.

(c) Part-time employees, by classification with the most seniority within a store, will be allowed to claim daily and weekly schedules up to eight (8) hours per day or forty (40) hours per week. It is understood the hours must be consecutive and further understood job assignments may be combined on a given day provided the employee is qualified to do the work and is available for the entire shift. (For example, an employee is scheduled for thirty-two (32) hours Monday through Thursday, four (4) hours of work is available on Friday that the employee is qualified to perform. That employee may claim those hours.) Back to back schedules may be combined when possible without interfering with the needs of the business. The resulting combined schedules with the most hours will be available to the senior employee.

(d) For the purpose of this entire section, management maintains the right to assign specific employees to certain job classifications and assignments which required certain skills, training, or qualifications. These job assignments shall not be subject to any claiming provision as outlined in this Article for full-time or part-time employees.

The Manager of Labor Relations / Zone Manager and the Director of Servicing / Business Agent will meet and agree on appointments to job assignments as described in Level IV (Lead Sales Clerks). Demotions from Level IV (Lead Sales Clerks) and Level V (Department Heads) are subject to the grievance procedure.

(e) All hours must be consecutive and no employee can claim the daily schedule of another employee with the same or less hours. It is further understood that employees may not claim overtime hours, nor is it the intention of this provision to provide preferential selection of scheduled hours of work.

(f) Employees with restricted schedules shall not be exempt from claiming.

The Employer agrees to make every effort to continue to maximize the number of full-time jobs during the term of this agreement.

Section 18.15 No employee (excluding Courtesy Clerks) will be scheduled (if available) less than fifteen (15) hours per work week.

Stores with sales volume less than \$250,000 per week are limited to ten (10) work schedules of 15 hours and stores over \$250,000 are limited to 15 work schedules of 15 hours. Courtesy clerks with less than one (1) year of service are excluded from the above.

Section 18.16 Within each store and by job assignment, overtime for work on an extra day shall be offered by seniority. Daily overtime not previously scheduled shall be offered by seniority to the employees, by job assignment, working when the need for overtime arises. Nothing in this provision will require the Employer to work employees on overtime.

Section 18.17 Unscheduled and vacated hours will be filled from a voluntary call-in list in seniority order, provided the employee can perform the job. If unable to fill the hours, employees will be called in on a reverse seniority basis. Employees on the list who refused two (2) consecutive assignments will be removed from the list.

ARTICLE 19. UNION MANAGEMENT COOPERATION

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Section 19.01 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.

Section 19.02 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 store, and in caring for equipment and machinery.

The Kroger Co. intends to assign in some stores clean-up work in Meat Markets to Retail Clerk employees. It is understood, however, that this is not an attempt to change work jurisdiction between the bargaining units on a permanent basis, and the work may be reassigned at any time in whole or in part. While performing this work, the Retail Clerk employees will continue to receive their regular rate of pay.

Section 19.03 The Union recognizes the need for improved methods and output in the interest of the employees and the business and agrees to cooperate with the Employer in the installation of such methods, in suggesting improved methods, and in the education of its members in the necessity for such changes and improvements.

Section 19.04 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.

Section 19.05 The Union agrees to cooperate in correcting inefficiencies of members which might otherwise necessitate discharge.

Section 19.06 In the interest of promoting cooperative relations, the store manager will introduce each new employee in his store to the Union store steward within forty-eight (48) hours after the new employee reports to work. At this meeting, which shall take place during working hours, the store steward shall give the new employee a copy of the contract and shall explain its operation. This store steward may answer any questions the new employee asks him, may request the new employee to join the Union and may make arrangements for the new employee to become a member.

Section 19.07 The management of a store shall grant to any accredited Union Official access to the store, including discussions with employees', reviewing employees' schedules, payroll recaps, and seniority lists for the purpose of satisfying himself that the terms of this Agreement are being complied with.

Section 19.08 Up to two (2) store stewards per store will be allowed up to two (2) days off per year with pay to attend Union workshops. The Union will give the Company at least two (2) weeks advance notice. Holiday weeks will be excluded for time off.

Section 19.09 Up to two (2) store stewards per store will be granted super seniority. The Union will provide the Company with a list of stewards and up date the list as needed.

Section 19.10 The parties have reached agreement on the following list of items.

The Company will insure that shop stewards will be scheduled off to attend the annual meeting with no loss of time from their regular weekly schedule.

The Company will maintain the current level of electronic exchange of employee information.

The Company will maintain the current level of support for The Voluntary Organizing Committee (VOC).

The Company will cooperate with the Local in its fight against Leukemia by allowing canisters to be placed in store for eight (8) weeks during the year.

Section 19.11 As an incentive for the Employer to open stores in outlying areas which are not feasible under current agreements, the following shall apply:

It is understood and agreed that should the Employer open a new store (s) in an outlying geographic area in which it is not currently operating, then such store (s) shall be under the jurisdiction of UFCW Local 1000. All terms and conditions of employment shall be negotiated by the parties with the understanding that the resulting Agreement will be consistent with the wages, fringe benefits, and working conditions which prevail in the stores of the competitor (s) in the trade area, as well as area economic conditions.

ARTICLE 20. GENERAL

Section 20.01 This Agreement contains all of the covenants, stipulations and provisions agreed upon by the parties hereto.

Section 20.02 The Employer and the Union agree that there shall be no discrimination against any employee on account of union activities or affiliation or because of race, religion, color, creed, national origin, sex, age, disability, or veteran's status in accordance with existing law. Where the word "he" appears in this agreement, the parties agree that it applies to both "male and female" employees.

Section 20.03 The Company may request that a store (or group of stores) may have the labor agreement opened for negotiation due to special considerations.

Section 20.04 No employee shall, as a condition of employment, be required to submit to a Polygraph Test without approval of the Union and the employee involved.

ARTICLE 21. SEPARABILITY

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

ARTICLE 22. INJURY ON THE JOB

When an employee is injured on the job and returns to work following such injury and is certified as ready and able to perform all of his regular duties, but requires medical treatment as a result of the same injury, the Employer shall adjust the work schedule without penalty to the employee or the Employer so that the employee may have the necessary time off for medical care, without pay, and still work the average number of hours for which he has been scheduled in the preceding four (4) consecutive weeks.

ARTICLE 23. PENSION

Section 23.01 The Employer agrees to make a contribution of thirty-five (35¢) for each paid hour up to and including forty (40) hours per week for all employees in the bargaining unit, including probationary employees. Employees hired after April 4, 1987 will have contributions made after one (1) year of service. Paid hours shall include paid hours of vacation, holidays, and hours of leave paid for by the Employer. Such contributions shall be made not later than the twentieth (20th) day of the month for the preceding calendar month.

The Employer agrees that if during the term of this agreement, should the Houston K.M.A. agree in collective bargaining with Local 455 to change the contribution as set forth in Section 23.01, Article 23 Pension of the Dallas K.M.A. agreement with Local 1000,

the Employer will make the same changes on the same effective dates as those agreed to by the Houston K.M.A.

Section 23.02 Contributions shall be made to the United Food and Commercial Workers Union's Southern Division and Employer's Pension Fund, which is a jointly administered Employer-Union Trust Fund and is administered by an equal number of trustees representing the Employers and an equal number of trustees representing the Unions. The Pension Trust Fund has been established pursuant to a Pension Trust Agreement and Pension Plan to be hereinafter entered into by the parties hereto for the sole purpose of providing pensions for eligible employees as defined in such Pension Plan.

Section 23.03 Said Pension Plan and Trust Agreement establishing the Pension Trust Fund shall be submitted to the United States Treasury Department for the approval and rulings satisfactory to the Employer, that said Plan is qualified under I.R.C. Section 401, et. seq., and that no part of such payments shall be included in the regular rate of pay of any employee.

ARTICLE 24. TECHNOLOGICAL CHANGE

Section 24.01 The parties recognize that automated equipment and technology is now available for the retail food industry. The Employer recognizes that there is a desire to protect and preserve work opportunities. At the same time, the Union recognizes that the Employer has the right to avail itself of modern technology. With this common objective, the parties agree as follows:

In the event the Employer introduces major technological change, which for the purpose of this Article is defined as price marking and electronic scanner which would have a direct material impact affecting bargaining unit work, sixty (60) days advance notice of such change will be given to the Union.

In addition, the parties agree:

- (a) The Employer has the right to install such equipment.
- (b) Any training or necessary retraining will be furnished expense free by the Employer to affected employees.
- (c) Where employees would be displaced by such installation, the Employer will make every effort to affect a transfer.
- (d) If an employee is not retrained or transferred and would be displaced as a direct result of major technological change, as

defined above, then the employee would qualify for separation pay if:

1. The employee had two (2) or more years of continuous service.
 2. Does not refuse a transfer within a twenty-five (25) mile radius.
 3. Does not refuse to be retrained.
 4. Such action does not occur more than one (1) year from date of installation.
 5. Does not voluntarily terminate employment.
- (e) Severance pay would be paid at the rate of one (1) week's pay for each year of service in excess of two (2) years not to exceed eight (8) weeks.
- (f) Severance pay would equate the average number of hours worked the fifty-two (52) weeks preceding displacement, not to exceed forty (40) hours straight-time.

ARTICLE 25.

STORE CLOSING

Section 25.01

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

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

Section 25.02

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

Section 25.03 Employees terminated as a result of store closing shall receive, in addition to severance pay, pro rata vacation pay.

Section 25.04 The Employer shall continue contributions to the Pension and Health and Welfare Trust funds for three (3) full months following termination on a hourly basis in direct relationship to the severance pay received for those employees who receive severance pay, except those employees who secure employment with a contributing Employer in the Pension and Health and Welfare Trust Funds.

Section 25.05 All monies due employees, including severance pay, shall be paid in a lump sum upon termination.

Section 25.06 The Employer agrees to give to the employees and the Union sixty (60) days notice in advance of a store closing or sale. When such notice is given, an employee shall remain with the Employer until the store closes or forfeits his rights under this Article, unless mutually agreed to by the employee, Employer and the Union.

Section 25.07 No benefits shall accrue under the terms of this Article unless the Employer makes a business decision to close or sell a store. If a store closing is caused by fire, flood, storm, land condemnation, or remodeling, then this Article shall not apply.

Section 25.08 No benefits shall accrue under the terms of this Article if the employee refuses a transfer within a twenty-five (25) mile radius.

Section 25.09 Any employee who is terminated and who is eligible for, and accepts severance pay, forfeits all seniority and recall rights. An employee who does not accept severance pay shall retain his recall rights for a period of six (6) months, and if still not recalled by the Employer, shall then receive his severance pay and has no further recall rights.

F I E O O D V

ARTICLE 26.

EXPIRATION

This Agreement shall continue in effect through December 7, 2002, and shall automatically be renewed from year to year thereafter unless either party serves notice in writing to the other party sixty (60) days prior to the expiration date, or prior to any anniversary date thereafter of a desire for termination of or for changes in this Agreement.

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

FOR THE UNION

R. Hart

4/30/98

Date

FOR THE COMPANY

Kevin Lento

4-30-98

Date

**LOCAL 1000 SCHEDULE "A" WAGES
DALLAS METROPLEX**

<u>Level 1 Classification</u>	<u>12-7-97</u>	<u>6-7-98</u>	<u>12-6-98</u>	<u>6-6-99</u>	<u>6-4-00</u>	<u>6-3-01</u>	<u>6-2-02</u>
Courtesy Clerks							
Training Rate (Employees under age 20 for 90 days)	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75
Start		5.15	5.15	5.15	5.15	5.15	5.15
<u>Level 2 Classification</u>							
Part Time Sales Clerks							
Start		5.25	5.25	5.25	5.25	5.25	5.25
90 days		5.40	5.40	5.40	5.40	5.40	5.40
6 months		5.70	5.70	5.70	5.70	5.70	5.70
12 months		6.00	6.00	6.00	6.00	6.00	6.00
18 months		6.40	6.40	6.40	6.40	6.40	6.40
24 months		6.70	6.70	6.70	6.70	6.70	6.70
30 months (effective 6-7-98)		6.85	6.85	6.85	6.85	6.85	6.85
36 months (effective 6-6-99)				7.05	7.05	7.05	7.05
42 months (effective 6-4-00)					7.25	7.35	7.45
<u>Level 3 Classification</u>							
Start		\$6.00	\$6.00	6.00	\$6.00	\$6.00	6.00
6 months		6.40	6.40	6.40	6.40	6.40	6.40
12 months		6.70	6.70	6.70	6.70	6.70	6.70
18 months		7.20	7.20	7.20	7.20	7.20	7.20
24 months		7.70	7.70	7.70	7.70	7.70	7.70
36 months		8.20	8.20	8.20	8.20	8.20	8.20
48 months		8.70	8.70	8.70	8.70	8.70	8.70
54 months	9.20	9.20	9.35	9.35	9.60	9.75	10.05
*Red Circle	11.30	11.30	11.50	11.50	11.70	12.00	12.30
<u>Level 4 Classification</u>							
Key Positions: One 40 hour Cash Office, Dairy, Frozen Food, SOA, Cake Decorator, Receiver, File Clerk, & Floral Attendant							
Rate		9.30	9.30	9.45	9.70	9.85	10.15
<u>Level 5 Classification</u>							
<u>Department Heads</u> (Dell, Produce, Front End)							
1st Year	11.785	11.785	11.985	11.985	12.185	12.485	12.785
2nd Year	11.935	11.935	12.135	12.135	12.335	12.635	12.935
3rd Year	12.085	12.085	12.285	12.285	12.485	12.785	13.085
<u>General Merchandise Mgr.</u>							
1st Year	11.595	11.595	11.835	11.835	12.085	12.435	12.785
2nd Year	11.695	11.695	11.955	11.955	12.215	12.575	12.935
3rd Year	11.795	11.795	12.065	12.065	12.335	12.705	13.085

Local 1000 SCHEDULE "B" WAGES *

BROWNWOOD, CLEBURNE, DENISON, GRANBURY, HENDERSON, LONGVIEW, MARSHALL, PARIS, SHERMAN

<u>Level 1 Classification</u>	<u>12-7-97</u>	<u>6-7-98</u>	<u>12-6-98</u>	<u>6-6-99</u>	<u>6-4-00</u>	<u>6-3-01</u>	<u>6-2-02</u>
Courtesy Clerks							
Training Rate (Employees under age 20 for 90 days)	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75
Start		5.15	5.15	5.15	5.15	5.15	5.15
Level 2 Classification							
Part Time Sales Clerks							
Start		5.15	5.15	5.15	5.15	5.15	5.15
90 days		5.25	5.25	5.25	5.25	5.25	5.25
6 months		5.45	5.45	5.45	5.45	5.45	5.45
12 months		5.75	5.75	5.75	5.75	5.75	5.75
18 months		6.15	6.15	6.15	6.15	6.15	6.15
24 months		6.45	6.45	6.45	6.45	6.45	6.45
30 months (effective 6-7-98)		6.60	6.60	6.60	6.60	6.60	6.60
36 months (effective 6-6-99)				6.80	6.80	6.80	6.80
42 months (effective 6-4-00)					7.00	7.10	7.20
Level 3 Classification							
Full Time Sales Clerk (Part Time Cake Decorator, Floor Supv., Office Clerk)							
Start		5.75	5.75	5.75	5.75	5.75	5.75
6 months		6.15	6.15	6.15	6.15	6.15	6.15
12 months		6.45	6.45	6.45	6.45	6.45	6.45
18 months		6.95	6.95	6.95	6.95	6.95	6.95
24 months		7.45	7.45	7.45	7.45	7.45	7.45
36 months		7.95	7.95	7.95	7.95	7.95	7.95
48 months		8.45	8.45	8.45	8.45	8.45	8.45
54 months	8.95	8.95	9.10	9.10	9.35	9.50	9.80
*Red Circle	11.05	11.05	11.25	11.25	11.45	11.75	12.05
Level 4 Classification							
Key Positions: One 40 hour Cash Office, Dairy, Frozen Food, SOA, Cake Decorator, Receiver, File Clerk, & Floral Attendant							
Rate		9.05	9.05	9.20	9.45	9.60	9.90
Level 5 Classification							
Department Heads (Deli, Produce, Front End)							
1st Year	11.535	11.535	11.735	11.735	11.935	12.235	12.535
2nd Year	11.685	11.685	11.885	11.885	12.085	12.385	12.685
3rd Year	11.835	11.835	12.035	12.035	12.235	12.535	12.835
General Merchandise Mgr.							
1st Year	11.345	11.345	11.585	11.585	11.835	12.185	12.535
2nd Year	11.445	11.445	11.705	11.705	11.965	12.325	12.685
3rd Year	11.545	11.545	11.815	11.815	12.085	12.445	12.835

* Effective 12-5-1999, Employees on Schedule B will be placed on Equivalent Schedule A rates, as outlined by the terms and conditions in the Letter of Agreement J-1 between the Company and the Union.

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LOCAL 1000 SCHEDULE "C" WAGE*
(Hired before 5-6-90)
CLEBURNE, GRANBURY, HENDERSON, LONGVIEW

	<u>12-7-97</u>	<u>6-7-98</u>	<u>12-6-98</u>	<u>6-6-99</u>	<u>6-4-00</u>	<u>6-3-01</u>	<u>6-2-02</u>
Thereafter Rates	8.95	8.95	9.10	9.10	9.35	9.50	9.80
Red Circle	9.845	9.845	10.045	10.045	10.245	10.545	10.845
Level 4 Classification							
Key Positions: One 40 hour Cash Office, Dairy, Frozen Food, SOA, Cake Decorator, Receiver, File Clerk, & Floral Attendant							
Rate		9.050	9.050	9.200	9.450	9.600	9.900
Level 5 Classification							
Department Heads - (Deli, Produce, Front End)							
1st year	10.43	10.43	10.97	10.97	11.475	12.005	12.535
2nd year	10.58	10.58	11.12	11.12	11.625	12.155	12.685
3rd year	10.73	10.73	11.27	11.27	11.775	12.305	12.835
General Merchandise Mgr.							
1st year	10.10	10.10	10.68	10.68	11.250	11.805	12.535
2nd year	10.20	10.20	10.78	10.78	11.350	11.905	12.685
3rd year	10.30	10.30	10.88	10.88	11.450	12.005	12.835

*Effective 12-6-1998, Employees on Schedule C will be placed on Equivalent Schedule B rates, as outlined by the terms and conditions in the Letter of Agreement J-1 between the Company and the Union.

Level Wage Administration

Current classifications will be replaced with five (5) levels. The levels are determined by the knowledge, skills, abilities and duties. Each level will be assigned wage rates commensurate with the above. Employees would progress from Level 1 to Level 5 based upon knowledge, skill, ability, and seniority with regard to the needs of the business.

Level 1 - would be new employees who would perform general courtesy clerk duties. The Courtesy Clerks service shall not be considered in determining his or her rate of pay upon promotion to part time or full time. The duties of a Courtesy Clerk shall be sacking, carrying customers purchases, handling bascarts, performing clean-up work around the check stands and store entrance area, assisting customers in the parking lot and handling empty bottles, or containers returned by customers and general housekeeping.

In the event of any violation of this section, the Union shall notify the Employer, in writing, stating the store in which the violation occurred. If the violation is substantiated, the most senior Clerk in this classification will be paid for all hours worked on the day the violation took place at the appropriate regular Clerk rate. In the event of a second (2nd) violation of this section occurring within the same store, the Union shall have the right to terminate the Courtesy Clerk classification for a period of three (3) months in the store involved.

In the event a third (3rd) violation should occur in a store, then the Union shall have the right to terminate the Courtesy Clerk classification for a period of one (1) year in the store in which the violations have occurred.

Where the Union exercises its right to terminate the Courtesy Clerk classification, then those employees working in the store under the Courtesy Clerk classification shall be promoted to the appropriate Clerk classification, and that rate shall prevail thereafter for such employees

Level 2 - would be part time employees who could perform any type work in the store with training and demonstrated skills; i.e., checker, produce, floral, grocery, drug/GM, deli, bakery. Employees who are promoted from Level 2 to Level 3 (part time to full time) will move to the same rate on the Level 3 schedule and retain their date of next increase. Where there is no rate that applies, they will move to the next higher rate of pay on level 3 progression and will begin a new date of next increase.

Level 3 - would be employees working in the cash office or floor supervisors (part time or full time), employees assigned as cake decorators (part time or full time) and all other full time employees. Level 3 employees are capable of performing all production and customer service in assigned departments. These employees also provide leadership and act as a resource for Level 2 employees.

Level 4 - would be employees managing specific sections/work assignments in their departments and may be expected to perform any assignments for Level 5. Level 4 employees may provide direct close supervision of Level 3, 2 and 1 employees. Positions include: one employee assigned to Cash Office, Dairy, Frozen Food, Store Orientation Administrator, Cake Decorator, Receiver, File Clerk and Floral Attendant based on the needs of the business; i.e., 40 hour schedule available.

Level 5 - would be responsible for managing specific departments and supervise, schedule, order, inventory, etc. An employee who desires consideration for Department Head training, shall notify the Store Manager and Business Representative in writing.

General Merchandise Manager will be appointed in a store when determined necessary by management.

Employees promoted to cash office, floor supervisors, or cake decorator, (Level 3), Level 4 and Level 5 employees who are subsequently reassigned/demoted will receive the appropriate part time or full time rate of pay based on length of service and status.

LETTER OF UNDERSTANDING
BETWEEN THE KROGER CO.
DALLAS MARKETING AREA AND
UFCW CLERKS LOCAL 1000

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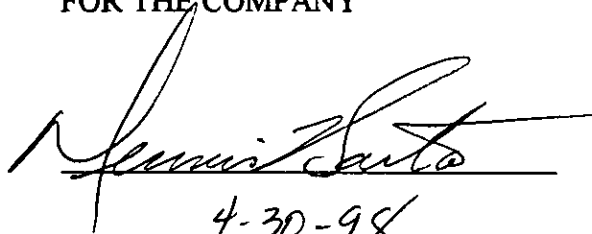
The parties mentioned above have reached agreement on the following:

1. Schedule "A" Wages will be modified to add a new classification "Chinese Restaurant Clerk".
2. The Wage rates for Chinese Restaurant clerks will be the same as Deli Clerks.
3. All Articles of the local agreement will apply to Chinese Restaurant clerk and the classification will be included in the body of the labor agreement where appropriate.

FOR THE UNION

FOR THE COMPANY





4/30/98

4-30-98

Date

Date

Letter of Understanding
 Between The Kroger Co.
 Dallas Marketing Area &
 UFCW Clerks Local 1000

This letter of understanding outlines the conditions under which Oriental Wok Chefs will be employed in stores containing Chinese Kitchens.

Chinese Kitchens

The classification of Oriental Wok Chef is added to the contract, the appropriate rates for this classification are listed below.

	<u>Oriental Wok Chef Classification Rates</u>					
	Current	12-7-97	6-6-99	6-4-00	6-3-01	6-2-02
Start rate:	\$6.50					
6 month rate:	\$6.75					
12 month rate:	\$7.00					
18 month rate:	\$7.25					
24 month rate:	\$7.50					
30 month rate:	\$7.75					
36 month rate:	\$8.00					
48 month rate:	\$8.75					
54 month rate:		8.95	9.10	9.35	9.50	9.80
<u>Lead Oriental Wok Chef</u>						
(One per Chinese Kitchen)						
Volume less than \$12,000	\$9.00	9.20	9.35	9.60	9.75	10.05
Volume \$12,000 or more	\$9.20	9.30	9.45	9.70	9.85	10.15

Oriental Wok Chefs and Lead Oriental Wok Chefs will be considered as a separate classification and a separate job assignment. In the event of a layoff, Oriental Wok Chefs and Lead Oriental Wok Chefs will exercise their seniority within their classification. As such, hours scheduled for Oriental Wok Chefs will not be subject to claiming by employees in other classifications.

Job assignment and selection of employees working as Oriental Wok Chef classification will be based on the following.

- > Employees must have exposure to the Oriental culture; i.e. language, food type, preparation and education.
- > Employees must have experience in preparation in serving of oriental cuisine; i.e. Chinese/Asian restaurant or restaurant serving oriental cuisine.

Seniority, health and welfare, pension, vacation and holiday shall be based on the current collective bargaining agreement negotiated effective December 7, 1997. Employees transferring from the Deli department into the Oriental Wok Chef position, his/her seniority date shall be the date of transfer. The employees original date of hire, however, shall prevail for all other matters, such as earned vacations, holidays and total employees service.

Previous proven comparable oriental cooking and food preparation experience within ten (10) years of the date of hire shall be the basis for determination of the employees rate of pay. Previous experience must be stated at the time of employment and upon the application for employment, otherwise the employee forfeits any claim under this provision. Maximum experience credit is **five (5) years**.

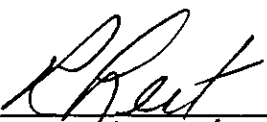
Where previous experience is claimed but the employee does not demonstrate qualifications for the rate, the union and employer will meet to establish the rate commensurate with the employees demonstrated ability and qualifications.

Current oriental wok cooks shall be placed on the corresponding wage rate based upon their length of service and/or the previous experience granted at the time of their application.

All other provisions of the Dallas agreement between UFCW Local 1000 and the Dallas KMA of the Kroger Co. not conflicting with this letter shall be in effect.

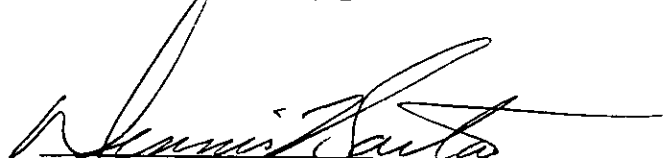
This letter shall be in effect only for the term of the collective bargaining agreement that expires on December 7, 2002, but not thereafter, unless specifically renewed in writing by the parties.

FOR THE UNION



Date 4/30/98

FOR THE COMPANY



Date 4-30-98

Letter of Agreement

The parties agree that the Employer will provide aggregate medical stop-loss coverage for the MED 1000 Health and Welfare Plan for the first year (March 1, 1998 through February 28, 1999). Such coverage will be designed so as not to exceed an annual premium total of \$50,000 and the premium paid by the Employer will be in addition to the agreed upon contribution amount to the fund and the pharmacy benefit provided by the Employer.

FOR THE UNION

R. Hart
4/30/98
Date

FOR THE COMPANY

William R. Hart
4-30-98
Date

Letter of Agreement

The parties agree that the Employer will advance against the first month's contribution, the amount required to pay all reasonable start-up expenses associated with the establishment of the MED 1000 Health and Welfare Trust Fund up to a maximum of \$250,000. The total paid prior to the remittance of the first month's contribution will be deducted from the first month's contribution.

FOR THE UNION

R. Hart
4/30/98
Date

FOR THE COMPANY

William R. ...
4-30-98
Date

Letter of Agreement

In the event of termination of the MED 1000 Health and Welfare Trust, if there are any eligible claims incurred prior to the termination of benefit eligibility for which there are not sufficient assets of the trust to fund, the Employer agrees to fund the payment of those claims (after depletion of all fund assets) up to an amount equal to three (3) times the last monthly contribution made by the Employer to the fund. For example, if the last monthly payment to the fund was \$1,000,000; the maximum liability of the Employer after depletion of fund assets would be \$3,000,000.

FOR THE UNION

R. Hart
4/30/98
Date

FOR THE COMPANY

William Sento
4-30-98
Date

Letter of Agreement

The parties agree that employees currently progressing on Schedule C wages will be placed on an equivalent Schedule B rate(s) effective December 6, 1998.

The parties agree that employees currently progressing on Schedule B wages will be placed on an equivalent Schedule A rate(s) effective December 5, 1999.

It is understood and agreed that any individual store which faces closure and/or negative EBIT-D as the result of the added wage expense (based on year end 1998 operating results-schedule C and 1999 operating results-schedule B), may negotiate an addendum to this agreement to avoid termination of the Employer's business at such store(s). The Company may open the contract for negotiation for such store(s) by written notice to the Union thirty (30) days prior to the date of wage increase.

Any and all reduction in benefits or economics negotiated in this addendum must be ratified through the same process as the original collective bargaining agreement, but only by the affected members employed in the affected store(s).

No employees employed outside of the affected store can be forced to transfer into the affected store after a change has been completed.

All changes covered in a ratified addendum to the original Collective Bargaining Agreement will remain in effect until the termination of that addendum or the original contract term (whichever is later). Any discrepancies between the two documents will be decided through the grievance and arbitration process.

FOR THE UNION

R. Hart
4/30/98

Date

FOR THE COMPANY

William B. ...
4-30-98

Date


Letter of Agreement

The parties agree that the value of up to ten (10) cents per hour of the scheduled increases for the Thereafter rates, Redcircle rates, and Department Head rates effective June 2000 and June 2001 may be diverted each month for each of the consecutive twelve (12) months following the effective date(s) of such increase to the MED 1000 plan. It is understood and agreed that the value may be achieved by diverting any combination of scheduled increase (not limited to those of Thereafter rates, Redcircle rates, and Department Head rates) at the discretion of the Union.

It is understood such election by the Union is irrevocable and effective for the consecutive twelve (12) month period and shall be used to fund current benefits only.

It is further understood that the affected hourly rates shall be reduced by the amount diverted up to ten (10) cents.

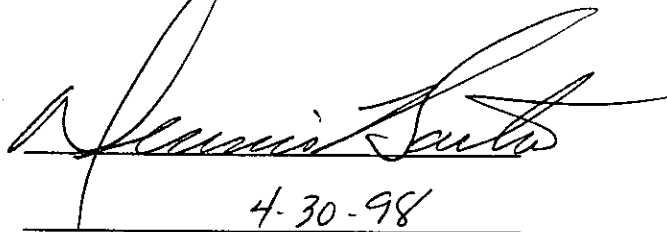
FOR THE UNION



4/30/98

Date

FOR THE COMPANY



4-30-98

Date

Letter of Agreement

It is agreed by the parties that employees currently at a rate of pay of \$9.595, \$10.80 and \$11.05 with twenty (20) years of service or more who are on the payroll as of ratification may elect to resign and receive a five thousand dollar (\$5,000) payment less legal deductions. Eligible employees must indicate their desire to resign and accept this payment in writing within two (2) weeks from ratification.

FOR THE UNION

R. Peet
4/30/98
Date

FOR THE COMPANY

[Signature]
4-30-98
Date

Letter of Agreement

The parties agree that the Manager of Labor Relations and the Director of Servicing for UFCW Local 1000 will meet and agree upon a schedule to integrate the wage schedules of the test stores to the wage schedules contained herein.

Such agreement shall be implemented and communicated on or before July 1, 1998.

FOR THE UNION

R. Beut
4/30/98
Date

FOR THE COMPANY

William S. ...
4-30-98
Date

RATIFICATION PAYMENT

Upon ratification, the following payments (less legal deductions) will be made within two (2) weeks to eligible employees on the payroll.

Department Heads		\$280.00
Red Circle (11.05, 10.80, 9.595)	Status 1 and 3	\$280.00
	Status 4	\$100.00
Thereafter (8.95 and 8.60)	Status 1 and 3	\$280.00
	Status 4	\$100.00

In addition, the following payment (less legal deductions) will be made to active eligible employees. Employees eligible must be employed on or before March 14, 1997. Payment will be based on medical plan coverage in effect on March 14, 1997.

Plan AA	\$50.00
Plan A	\$50.00
Plan B	\$25.00