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**MEMORANDUM OF AGREEMENT
KROGER MID-ATLANTIC
AND
UFCW UNION LOCAL 347
10-10-99**

THIS MEMORANDUM OF AGREEMENT BY THE PARTIES INCLUDES THE CURRENT CONTRACT, PLUS THE ITEMS AGREED TO (10 PAGES, 35 ITEMS DATE 10/6/99 - ATTACHED) AND THE FOLLOWING REPRESENT THE FULL AND COMPLETE PACKAGE:

1. ARTICLE 13. INSURANCE

I. The Parties agree to the following fund reserve requirements and contribution rates for the term of this agreement:

A. Recommend to the Trustees of the UFCW Local 347 Health & Welfare Fund that they adopt a reserve policy that targets three (3) months of net asset reserves (after accounting for the fund incurred but not reported claims liability of two (2) months) at a minimum to be determined by the fund consultant and approved by the Board of Trustees.

B. The following maintenance of benefit hourly contribution rates are maximum rates for the specified year. The consultant of the Health & Welfare fund will calculate the necessary rate up to these maximums based on the projected cost of benefits and expenses plus fund reserves as defined in I.A above.

- **Effective November 1999 through April 30, 2000 the contribution will be \$.19 per hour.**
- **Effective May 1, 2000 through October 31, 2000, the contribution will be \$1.90 per hour.**
- **Effective November 1, 2000 through October 31, 2001, the contribution will be a maximum of \$2.55 per hour.**
- **Effective November 1, 2001 through October 31, 2002, the contribution will be a maximum of \$2.75 per hour.**
- **Effective November 1, 2002 through October 11, 2003, the contribution will be a maximum of \$2.97 per hour.**

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Duration = 10/10/99 - 10/11/2003

MEMORANDUM OF AGREEMENT**10-10-1999****PAGE 2 OF 7**

- II. Letter of agreement to recommend to the Board of Trustees to implement:**
- A. Advanced managed care (HMO, Point of Service (POS), Preferred Provider, Disease Management, etc.) after review/study as soon as reasonably feasible, but no later than 2/2001 (as long as viable plans are available).**
 - B. An incentive for greater generic drug utilization by 6/2000.**
- 2. ARTICLE 14. PENSION
SECTION 14.1 CHANGE AS FOLLOWS:**
- A. Effective 2/6/2000, change \$.49 per hour to \$.54 per hour.**
 - B. Effective 4/6/2003, change \$.54 per hour to \$.59 per hour.**
- 3. ARTICLE 19. EXPIRATION
SECTION 19.1 CHANGE AS FOLLOWS:**
✱ "This agreement shall continue in effect from October 10, 1999 through October 11, 2003...."
- 4. FUEL CENTER AGREEMENT - AS ATTACHED (ATTACHMENT #1)**
- 5. PHARMACY TECHS - PROVIDE FOR SEPARATE BARGAINING UNIT SENIORITY.**

MEMORANDUM OF AGREEMENT

10-10-1999

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FILE OUT**6. INCENTIVE PLAN -**

A. PROVIDE DECEMBER 1999 PAYMENT BASED UPON FIRST THREE (3) QUARTERS OF 1999 (Through 10/9/99).

B. CHANGE PROFIT SHARING AS FOLLOWS:

SECTION A.**THREE (3) PROFIT SHARING PERIODS:**

2000 WITH PAYMENT IN MARCH 2001

2001 WITH PAYMENT IN MARCH 2002

2002 WITH PAYMENT IN MARCH 2003

SECTION E.**CHANGE PAYMENT PERCENTAGE AS FOLLOWS:**

FOR PROFIT SHARING YEAR ENDING JANUARY 2001 - 50%

FOR PROFIT SHARING YEAR ENDING JANUARY 2002 - 70%

FOR PROFIT SHARING YEAR ENDING JANUARY 2003 - 90%

7. ARTICLE 9. VACATIONS

CHANGE 2ND TIER VACATION EFFECTIVE JANUARY 2000, AS FOLLOWS:

"2 WEEKS AFTER 7 YEARS" TO "2 WEEKS AFTER 4 YEARS"

"3 WEEKS AFTER 13 YEARS" TO "3 WEEKS AFTER 11 YEARS"

8. ARTICLE 13. INSURANCE**SECTION 13.2**

CHANGE \$175 TO \$200 EFFECTIVE THE SUNDAY AFTER RATIFICATION FOR EMPLOYEES COMMENCING KEMBA LEAVE OF ABSENCE; EFFECTIVE JANUARY 5, 2003, CHANGE TO \$205 PER WEEK.

9. MISCELLANEOUS NOTES #4:

CHANGE FIRST SENTENCE AND SECOND SENTENCE TO READ:

"Effective October 10, 1999, the position of Head Non-Food Clerk and Head Frozen Food Clerk will be established in stores averaging \$150,000 or more in weekly sales volume of the Charleston area stores for the thirteen (13) periods prior to the contract anniversary date. Each anniversary year, the volume will be reviewed to determine which stores qualify for these positions."

MEMORANDUM OF AGREEMENT**10-10-1999****PAGE 4 OF 7**

- 10. MISCELLANEOUS NOTES #7:
DELETE CURRENT DATES AND JOB NUMBERS AND REPLACE AS
FOLLOWS:**

**50 BY JANUARY 2, 2000
50 BY JANUARY 6, 2002
25 BY JANUARY 5, 2003
50 BY JANUARY 4, 2004**

11. COMPENSATION

- A. For employees at \$11.135 and above at ratification:**

<u>10/10/1999</u>	<u>10/08/2000</u>	<u>10/07/2001</u>	<u>10/06/2002</u>
\$.30	\$.30	\$.40	\$.40

- B. For full-time employees, effective 10/10/1999 the following new full-time wage scale:**

START	\$6.75
AFTER 6 MONTHS	\$7.00
AFTER 12 MONTHS	\$7.25
AFTER 18 MONTHS	\$7.40
AFTER 24 MONTHS	\$7.76
AFTER 30 MONTHS	\$7.99
AFTER 36 MONTHS	\$8.16
AFTER 42 MONTHS	\$8.54
AFTER 48 MONTHS	\$9.76
AFTER 54 MONTHS	\$10.36
AFTER 60 MONTHS	\$10.86
AFTER 66 MONTHS	\$11.06
AFTER 72 MONTHS	\$11.26

- C. For employees at \$8.00 at ratification:**

<u>10/10/1999</u>	<u>10/08/2000</u>	<u>10/07/2001</u>	<u>10/06/2002</u>
\$.25	\$.25	\$.25	\$.25

**MEMORANDUM OF AGREEMENT
10-10-1999
PAGE 5 OF 7**

D. Merge part-time scales effective 10/10/1999 as follows:

	10/10/1999	10/08/2000	10/07/2001	10/06/2002
START	\$5.25	\$5.25	\$5.35	\$5.35
After 6 months	\$5.35	\$5.35	\$5.45	\$5.45
After 12 months	\$5.40	\$5.40	\$5.55	\$5.55
After 18 months	\$5.50	\$5.50	\$5.65	\$5.65
After 24 months	\$5.55	\$5.55	\$5.75	\$5.75
After 30 months	\$5.60	\$5.60	\$5.85	\$5.85
After 36 months	\$5.70	\$5.70	\$5.95	\$5.95
After 42 months	\$5.90	\$5.90	\$6.05	\$6.15
After 48 months	\$6.35	\$6.35	\$6.40	\$6.45
After 60 months	\$6.45	\$6.45	\$6.50	\$6.55
After 72 months	\$6.55	\$6.55	\$6.60	\$6.75
After 84 months	\$6.75	\$6.75	\$6.75	\$6.85
After 96 months	\$7.00	\$7.00	\$7.00	\$7.10
After 108 months	\$7.40	\$7.50	\$7.60	\$7.70
After 120 months	\$7.60	\$7.80	\$8.20	\$8.65

E. Change premium to \$.50 per hour for File Maintenance effective Sunday following ratification.

F. Equalize Head Checker and Head Deli Clerk pay rate with Head Produce Clerk (\$.5575 differential at ratification) as follows:

- **Effective 2/6/2000: \$.1575 per hour**
- **Effective 2/4/2001: \$.15 per hour**
- **Effective 2/3/2002: \$.15 per hour**
- **Effective 2/2/2003: \$.10 per hour**

G. COURTESY CLERKS - EFFECTIVE 10/10/1999:

- a. **START \$5.15**
- 30 months \$5.30**
- 60 months \$5.50**

b. **ARTICLE 15. COURTESY CLERKS**
SECTION 15.4 CHANGE "twenty-five (25)" TO "thirty (30)" IN THE 1ST SENTENCE; CHANGE "twenty-five (25)" TO "thirty (30)" 3RD SENTENCE.

**MEMORANDUM OF AGREEMENT
10-10-1999
PAGE 6 OF 7**

**H. IT IS THE INTENT OF THE PARTIES THAT NO EMPLOYEE'S WAGE
RATE WILL BE REDUCED AS A RESULT OF THIS AGREEMENT.**

**THE NEGOTIATING COMMITTEE OF THE UNION AND THE COMPANY FULLY
AND UNANIMOUSLY RECOMMEND THIS ENTIRE MEMORANDUM OF
AGREEMENT.**

FOR THE UNION

FOR THE COMPANY

DATE

ATTACHMENT #1Page 7 of 7
10-10-99**LETTER OF UNDERSTANDING
KROGER MID-ATLANTIC AND UFCW 347
FUEL CENTER AGREEMENT**

The following summarizes our understanding of the agreement reached with regard to establishing the new employee classification of "Fuel Center Clerk".

A Fuel Center Clerk's responsibilities will be to perform all tasks associated with the operation of the Fuel Center as directed by store management.

The terms of the Collective Bargaining Agreement shall apply but Fuel Center Clerks shall not receive benefits of a monetary nature, except for wages, vacation and holidays as specified. It is understood that benefits such as health and welfare, pension, etc., are of a monetary nature and are not to be provided to the Fuel Center Clerk. Seniority within each Fuel Center shall prevail.

Vacations shall be granted per Article 9 of the contract. Holidays shall be granted per Article 7 of the contract.

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

A Fuel Center Clerk after two (2) years of service, shall be given preference by seniority, together with ability, practicability and availability, should an opening occur for a part-time store employee and shall further be given preference in the same way for full-time positions after they have been offered to the part-time employees.

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

Wages for Fuel Center Clerks will be under the appropriate contract scale for full-time and/or part-time clerks.

Current Fuel Center Clerks shall have the option, within two (2) weeks of ratification, to either remain working in the Fuel Center with existing wages, working conditions, and benefits, or to transfer back to the store in their previous position.

**KROGER MID-ATLANTIC
AND
UFCW UNION LOCAL 347
"AGREED TO" ITEMS
10-6-1999**

1. MISCELLANEOUS NOTE - SCHEDULE "A" ITEM #10:
DELETE.
(8/19/99)

2. ARTICLE 8. SENIORITY
SECTION 8.11

CHANGE TO READ AS FOLLOWS:

"Job opening notices shall be sent to all stores and union office for Head Dairy Clerk, Head Frozen Food Clerk, Head Night Stock Clerk, Assistant Head Checker and all full-time clerk positions as referenced in Section 8.12 below. Two (2) copies of job opening notices shall be sent to all stores with one (1) copy being posted for seven (7) days, other copy kept in store office. Employees desiring the job opening shall sign notice in store office. A copy of the signed notice shall be sent to union office immediately after receipt of such notice in the Human Resources Department. These positions would be filled by the senior person that signs the bid.

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. The request must be filed with the Store Manager and the Union prior to the occurrence of the opening. When management deems a full-time or part-time opening exists in a department, those full-time and part-time employees who have expressed an interest in writing, as described above, shall be transferred to that department by seniority. For the purpose of complying with this paragraph, each store would maintain a list per department.

By November 1st each year, employees in the presence of management, would date, print, and sign their name to each department list in which they have an interest in working for the next twelve (12) months. The manager would initial this signature. A copy of this list would be sent to the union office.

**Employees holding positions as listed in Section 7.31 of the contract will not be required to give up their positions as a result of signing these interest letters. All other interest requests are voided for that year once an employee is transferred to a department that they have requested."
(8/19/99)**

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"AGREED TO" ITEMS

10-6-99

PAGE 2 OF 10

3. ARTICLE 8. SENIORITY

- a. **BAKERY DEPARTMENTS AGREEMENTS AT STORES #669 AND #747 WILL CONTINUE WITH SEPARATE SENIORITY.**
- b. **SALAD BAR AND PCL WILL BECOME PART OF THE REGULAR SENIORITY GROUP. WITHIN FOUR (4) WEEKS OF RATIFICATION, THE EMPLOYER WILL BID THE FULL-TIME JOBS IN THOSE DEPARTMENTS.**

(8/20/99)

**4. ARTICLE 8. SENIORITY
SECTION 8.3
DELETE "by areas"****ADD 2ND SENTENCE:**

"As the result of elimination of seniority area lines, employees that have lost seniority due to the crossing of U.F.C.W. Local #347 seniority lines and do not have a break in service with U.F.C.W. Local #347 will be given back their original hire date seniority."

(8/20/99)

**5. ARTICLE 8. SENIORITY
SECTION 8.4
DELETE****"in the seniority area"**

(8/20/99)

**6. ARTICLE 8. SENIORITY
SECTION 8.7****FIRST AND LAST SENTENCE, REPLACE****"his seniority area." WITH "the bargaining unit."**

(8/25/99)

"AGREED TO" ITEMS**10-6-99****PAGE 3 OF 10****7. ARTICLE 8. SENIORITY****SECTION 8.8****CHANGE TO READ AS FOLLOWS:**

"In case a full-time employee is involuntarily reduced, he shall be entitled to claim up to any eight (8) hour shift of a younger employee, full-time or part-time in his store. In case a full-time employee would be laid off or reduced below forty (40) hours for more than one (1) week, he shall have the right to displace a less senior full-time employee in his classification in the bargaining unit. The full-time employee who is thus displaced shall have the right to displace a less senior full-time employee in his classification on the same basis. This will be limited to three (3) bumps. The Union and the Company agree to discuss the possible transfer of effected full-time employees to fill full-time jobs in accordance with the needs of the business in an effort to maintain the employees full-time status. Effected full-time employees will have the option to bump or transfer."

(8/20/99)**8. ARTICLE 8. SENIORITY****SECTION 8.12****ADD:**

"The Employer agrees that upon each quarterly financial closing they will inform the Union of the overall business condition of each store in its jurisdiction such as Sales and EBITDA.

(8/20/99)

"AGREED TO" ITEMS

10-6-99

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9. ARTICLE 8. SENIORITY**NEW ARTICLE 8.13**

"When an opening for a Head Meat Cutter, Head Checker, Head Produce Clerk, Head Grocery Clerk and Head Non-Foods Clerk occurs, a job opening notice for that Department Head position will be posted in every store within the bargaining unit. The most senior back-up in that department, who signed the job opening notice, will be awarded the position. If no back-up in that department accepts the position, the position will be filled by the most senior clerk who has their request filed in accordance with Section 8.11.

Present back-ups as of October 10, 1999, will maintain their position. Back-up list will be kept current and sent to Union office. As back-up positions become available, they will be filled by senior employees that have signed the appropriate department letter.

**If a back-up fails to bid the department head position in his home store when it becomes vacant, they will be removed from the back-up position."
(8/20/99)**

10. ARTICLE 8. SENIORITY**NEW ARTICLE 8.14**

**"It is understood that signing a job opening notice, and/or a job bid, is acknowledgment by the employee that if awarded the position, the employee must accept the position."
(8/20/99)**

11. ELIMINATE SCHEDULE "B" - SENIORITY AREAS**(8/20/99)****12. LETTER OF UNDERSTANDING DATED 10/13/94****DELETE ITEM #6****(8/20/99)**

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13. LETTER OF UNDERSTANDING DATED 10/13/94**CHANGE ITEM #12 TO READ:**

**"The parties agree to meet to discuss the impact of store closings and/or other situations of major hours reductions on the remaining stores to provide consideration for senior employees who are willing to transfer to other locations."
(8/20/99)**

"AGREED TO" ITEMS

10-6-99

PAGE 5 OF 10

14. **AGREEMENT:
CHANGE "THE KROGER CO., OF CHARLESTON, WEST VIRGINIA" TO
"KROGER MID-ATLANTIC, ROANOKE, VIRGINIA"
(8-24-99)**
15. **ARTICLE 3. SHOP CONDITION
SECTION 3.2
CHANGE "monthly" TO "weekly" IN BOTH SENTENCES.
(8-24-99)**
16. **ARTICLE 5. DISPUTE PROCEDURE
SECTION 5.2
CHANGE "seven (7)" TO "fourteen (14)" IN STEP 2 AND STEP 3.
(8-24-99)**
17. **ARTICLE 5. DISPUTE PROCEDURE
SECTION 5.3
DELETE 2ND PARAGRAPH AND REPLACE WITH THE FOLLOWING:
"Within ten (10) calendar days of the date of the notice to arbitrate, the parties shall
request from the Director of Federal Mediation and Conciliation Service a panel of
fifteen (15) arbitrators from which an arbitrator shall be chosen by the alternate
striking of names. The decision of the arbitrator shall be final and binding upon all
parties. The expenses of the arbitrator shall be shared equally by the Union and the
Employer. The arbitrator will render his decision within sixty (60) days of the
hearing."
(8-24-99)**
18. **ELIMINATE SCHEDULE "C" - PERMANENT PANEL OF ARBITRATORS
(8-24-99)**
19. **LETTER OF UNDERSTANDING THAT IT IS THE INTENT OF THE
EMPLOYER NOT TO SCHEDULE EMPLOYEES TO WORK BY
THEMSELVES.
(8-24-99)**
20. **LETTER OF UNDERSTANDING THAT IN DETERMINING SENIORITY
DATES FOR EMPLOYEES WITH THE SAME FULL-TIME DATE SHALL
REVERT TO THE ORIGINAL DATE OF HIRE AND EMPLOYEES HIRED ON
THE SAME DATE WILL USE THEIR FIRST LETTER OF THEIR LAST
NAME. A FEMALE EMPLOYEE CANNOT LOSE OR GAIN SENIORITY BY
GETTING MARRIED OR DIVORCED. (8-24-99)**

"AGREED TO" ITEMS

10-6-99

PAGE 6 OF 10

**21. ARTICLE 7. WORKING CONDITIONS
SECTION 7.15
CHANGE TO READ AS FOLLOWS:**

A. Temporary

"Temporary transfers from one store to another shall be made for a period not to exceed six (6) months. Temporary transfers must be agreeable to the employee being transferred. The Employer agrees that in the event of a temporary transfer from one city or town to another, to reimburse the employee for the increased transportation cost at the Employer's mileage reimbursement rates (As of ratification \$.31 per mile). When an employee is required to attend a meeting in another metropolitan area, they will be paid for mileage at the Employer's mileage reimbursement rate for miles driven in excess of his normal trip to his home store with the further understanding that car pools will be used where practical.

B. Permanent

Transfers from one store to another must be agreeable to the Employee, the Union, and the Employer. The needs of the business and the employee will be considered. When the Employer request an employee to transfer from one town to another, the expense of such transfer (household goods) shall be borne by the Employer"
(8-25-99)

**22. ARTICLE 3. SHOP CONDITION
SECTION 3.3 ADD AS NEW 2ND PARAGRAPH:**

"Effective the Second Kroger Accounting Period of 2000, and in each subsequent period thereafter, the Employer agrees to deduct once per period for an A.B.C. contribution from all employees who voluntarily authorize this deduction on a form agreed upon by the Employer and the Union. The Employer agrees to remit this deduction to the Union each period."
(9-2-99)

"AGREED TO" ITEMS

10-6-99

PAGE 7 OF 10

23. **ARTICLE 3. SHOP CONDITION**
SECTION 3.1 CHANGE TO READ AS FOLLOWS:
"It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the execution date of this Agreement shall remain members in good standing and those who are not members on the execution date of this Agreement shall, on the thirty-first (31st) day following the execution date of this Agreement become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its execution date shall, on the thirty-first (31st) day following the beginning of such employment become and remain members in good standing in the Union. The Employer may secure new employees from any source whatsoever. During the first 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. The probationary period for employees hired to work in new stores or major remodels where the store has been enlarged, will have a probationary period of forty-five (45) days after store has been opened for new business providing they are hired within a forty-five (45) day period prior to store opening.

The probationary period may be extended for any employee upon agreement between the Union and the Employer."
(9-3-99)
24. **ARTICLE 11. DEATH IN FAMILY AND JURY DUTY**
SECTION 11.1 ADD NEW 2ND SENTENCE:
"Funeral pay will not be paid beyond the day of the funeral."
(9-8-99)
25. **ARTICLE 18. STORE CLOSING**
SECTION 18.5 ADD AS NEW SENTENCE:
"The Employer agrees to provide a reasonable notice of store closings."
(9-8-99)
26. **ARTICLE 5. DISPUTE PROCEDURE**
SECTION 5.7 ADD AS LAST SENTENCE:
"Store management, when providing discipline to an employee, will upon request by the effected employee, have a Shop Steward present, if a Shop Steward is available."
(9-14-99)

"AGREED TO" ITEMS

10-6-99

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- 27. **ARTICLE 7. WORKING CONDITIONS**
SECTION 7.4 ADD SENTENCE
"Employees will be scheduled or if called in to work, a minimum of five (5) hours per shift."
(9-14-99)

- 28. **ARTICLE 7. WORKING CONDITIONS**
SECTION 7.11 DELETE 1ST SENTENCE
(9-14-99)

- 29. **ARTICLE 7. WORKING CONDITIONS**
SECTION 7.14 DELETE 3RD SENTENCE
(9-15-99)

- 30. **ARTICLE 7. WORKING CONDITIONS**
SECTION 7.20 CHANGE "6:15 P.M." TO "6:30 P.M."

CHANGE "\$.35" TO "\$.40"
(9-15-99)

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"AGREED TO" ITEMS

10-6-99

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31. **LETTER OF UNDERSTANDING THAT THE PARTIES AGREE TO MEET TO DEVELOP A FOUR (4) TEN HOUR DAY WORKWEEK TEST TO BE IMPLEMENTED AFTER JANUARY 1, 2000, WHICH INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING ITEMS:**

-QUARTERLY REVIEWS BY THE EMPLOYER AND THE UNION.

-LENGTH OF TEST TO BE AT LEAST ONE (1) YEAR.

-RELIEF ON ARTICLE 7. - SECTION 7.20 FOR EMPLOYEES WHO ARE SCHEDULED A FOUR (4) TEN (10) HOUR DAY WORKWEEK.

-NUMBER OF SCHEDULES TO BE DETERMINED BY THE NEEDS OF THE BUSINESS.

-CONSIDERATION FOR MINIMUM NUMBERS OF EMPLOYEES TO BE GRANTED FOUR (4) TEN HOUR DAY SCHEDULES.

-TIME AND ONE HALF (1 1/2) TO BE PAID AFTER TEN (10) HOURS.

-HOLIDAY PAY TO COINCIDE WITH WORKWEEK (4 TENS OR 5 EIGHTS) EIGHT HOURS OR TEN HOURS WHICHEVER APPLIES.

-OPTION FOR EXCLUDING CERTAIN WEEKS FROM THIS CONCEPT.

-EMPLOYEE OPTION

-THE PARTIES AGREE TO HAVE THIS PROGRAM READY FOR IMPLEMENTATION BY JANUARY 31, 2000.

-THIS PROGRAM WILL BE IMPLEMENTED IN TEST STORES A MINIMUM OF TWO (2) STORES PER ZONE.

(9-15-99)

"AGREED TO" ITEMS

10-6-99

PAGE 10 OF 10

32. **ARTICLE 7. WORKING CONDITIONS**
SECTION 7.10 CHANGE TO READ:
Scratch "the average hours...holiday falls."
After "...on the basis of" add "hours worked in a holiday week"
- Receive pay as follows:**
Up to nineteen (19) hours - four (4) hours pay
Nineteen (19) hours or higher - six (6) hours pay
(9-23-99)
33. **ARTICLE 8. SENIORITY**
SECTION 8.5 CHANGE TWELVE (12) HOURS TO FIFTEEN (15)
HOURS.
(9-24-99)
34. **ARTICLE 15. COURTESY CLERKS**
SECTION 15.4 CHANGE TWELVE (12) HOURS TO FIFTEEN (15)
HOURS.
(9-24-99)
35. **ACQUISITION AGREEMENT-LETTER OF UNDERSTANDING**
The parties agree to finalize an acquisition agreement to assist the Employer should
an acquisition occur. Items to be determined, but not limited to, are as follows:
- **Wages**
 - **Health care**
 - **Retirement**
 - **Language flexibility on scheduling, working conditions, transfers, etc.**
- (9-24-99)**



Reid
7/24/01

K 6746

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UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL #347
CHARLESTON AREA STORES

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- LETTER OF UNDERSTANDING

TERM: OCTOBER 10, 1999 THROUGH OCTOBER 11, 2003



LABOR AGREEMENT

AGREEMENT

This Agreement has been entered into between Kroger Mid-Atlantic, Roanoke, Virginia, herein designated as the Employer and Local No. 347, affiliated with the United Food and Commercial Workers International Union and the AFL-CIO hereinafter designated as the Union.

ARTICLE 1. INTENT AND PURPOSE

The Employer and the Union each represents that the purpose and the intent of this Agreement is to promote cooperation and harmony, to recognize mutual interest, 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

The Union shall be the sole and exclusive bargaining agent for all employees except store managers, co-managers and pharmacists in the stores of the Employer which are operated in the Charleston Area of Kroger Mid-Atlantic.

ARTICLE 3. SHOP CONDITION

Section 3.1 It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the execution date of this Agreement shall remain members in good standing and those who are not members on the execution date of this Agreement shall, on the thirty-first (31st) day following the execution date of this Agreement become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its execution date shall, on the thirty-first (31st) day following the beginning of such employment become and remain members in good standing in the Union. The Employer may secure new employees from any source whatsoever. During the first 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. The probationary period for employees hired to work in new stores or major remodels where the store has been enlarged, will have a probationary period of forty-five (45) days after store has been opened for new business providing they are hired within a forty-five (45) day period prior to store opening.

The probationary period may be extended for any employee upon agreement between the Union and the Employer.

Section 3.2 The Employer shall, for the term of this Agreement, deduct Union dues from the pay earned each week by employees who are members of the Union and have individually and voluntarily certified in writing authorization for such deductions and remit such deductions to the Union on a weekly basis. The Employer shall remit all sums deducted in this manner to the Union by the end of the week in which deducted.

Section 3.3 The Employer agrees to deduct once annually on the first week of the third accounting period an A.B.C. contribution from all employees who voluntarily authorize this deduction on a form agreed upon by the Employer and the Union. This deduction will be part of the regular dues deduction for that week and forwarded to the Union with same.

Effective the second Kroger accounting period of 2000 and in each subsequent period thereafter, the Employer agrees to deduct once per period for an A.B.C. contribution from all employees who voluntarily authorize this deduction on a form agreed upon by the Employer and the Union. The Employer agrees to remit this deduction to the Union each period.

Section 3.4 The Employer will furnish the Union weekly with a list of new employees and terminated employees.

Section 3.5 When a new employee is hired or rehired, the Store Manager will inform the Union shop steward of the name, date of hire, social security number, telephone number (with the employee's permission), and home address of the new employee.

ARTICLE 4.

MANAGEMENT RIGHTS

The management of the business and the direction of the working forces, including the right to plan, direct and control store operations, hire, suspend, or discharge for proper cause, 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 and facilities, and the right to establish and maintain rules and regulations covering the operation of the stores, are vested in the Employer. Nothing contained herein shall deprive an employee of his rights as provided for by this Agreement.

ARTICLE 5. DISPUTE PROCEDURE

Section 5.1 The Employer will recognize two (2) shop stewards and an alternate in each store. It is expressly understood and agreed that full-time shop stewards shall be the last to be laid off or reduced in hours in any case. (The intent of the Union is to have shop steward coverage throughout the day and evening shifts; also the Union will provide a waiver to Section 7.32 should a member of the night crew become a shop steward.)

Section 5.2 Should any differences, disputes, or complaints arise over the interpretation 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 when practical.

- Step 1. By conference between the aggrieved employee, the shop steward and the manager of the store.

- Step 2. If the grievance is not settled in Step 1, proceed to Step 2 with a conference between an official of the Union and the zone manager within fourteen (14) working days. The basic issue will be reduced to writing for the zone manager.

A reply to the appropriate party will be given within three (3) days after the above conference is held.

- Step 3. If the grievance is not settled in Step 2, proceed to Step 3 with a conference between an official or officials of the Union and the Division Vice President, a representative of the Division Vice President, or both within fourteen (14) working days.



A reply will be given to the appropriate party within three (3) days after the above conference is held.

Section 5.3 In the event the grievance cannot be adjusted, notice of intent to arbitrate must be given in writing by either party, to the other party within ten (10) calendar days of the date the decision was rendered in Step 3.

Within ten (10) calendar days of the date of the notice to arbitrate, the parties shall request from the Director of Federal Mediation and Conciliation Service a panel of fifteen (15) arbitrators from which an arbitrator shall be chosen by the alternate striking of names. The decision of the arbitrator shall be final and binding upon all parties. The expenses of the arbitrator shall be shared equally by the Union and the Employer. The arbitrator will render his decision within sixty (60) days of the hearing.

Section 5.4 It is recognized that there may be instances where one (1) of the parties cannot meet within the above prescribed time limits. In that event, additional reasonable time will be permitted.

Section 5.5 There shall be no strike or lockout during the term of this Agreement, providing the procedure of arbitration as outlined herein is adhered to by the parties hereto. The Union agrees that it will not refuse to cross a legal picket line unless such has been duly sanctioned by the International Union of the Local Union and unless the Employer has been officially notified by the Local Union.

Section 5.6 The duly authorized representative of the Union shall be permitted to enter any of the places of the Employer covered by this Agreement during working hours to ascertain whether the provisions of this Agreement are being kept and complied with.

Section 5.7 Grievances must be taken up promptly, and no grievance will be considered or discussed which is presented later than twenty (20) calendar days after such has happened, except grievances pertaining to wages. Grievances pertaining to discharge must be presented in writing within seven (7) calendar days from date of discharge. Store management, when providing discipline to an employee will upon request by the effected employee, have a Shop Steward present, if a Shop Steward is available.

Section 5.8 All grievances which are referred to the Division Vice President must be presented in writing. It is agreed by the Employer that all such grievances, when referred to the Division Vice President, shall be recognized in writing and the disposition of same shall also be made to the Union in writing.



Section 5.9 The Employer shall have the right to discharge for any good and sufficient cause. Any discharge shall be subject to the grievance procedure. If arbitration results in reinstatement, back pay shall be paid in accordance with the decision of the arbitrator.

Section 5.10 At any step in this 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 or dispute 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.

Section 5.11 It is understood and agreed that all employees within the bargaining unit covered by this Agreement must exercise all their rights, privileges, or necessary procedures under this Agreement, International and Local Union Constitution, in the settlement of any and all complaints or grievances filed by such employees before taking any action outside of the scope of this Agreement for the settlement of such grievances.

Section 5.12 Any employee who enters into a retail food business competing directly with the Employer will be subject to discharge.

Section 5.13 Constructive advice records for minor offenses that don't carry a penalty of suspension and are non-reoccurring will be removed from the employee's file after two (2) years and returned to the employee, if requested by the employee in writing.

ARTICLE 6. WAGES

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

ARTICLE 7. WORKING CONDITIONS

Section 7.1 The Employer shall post a satisfactory schedule of hours in the stores for all employees covered by this Agreement showing days off, unpaid lunch periods and paid rest periods of fifteen (15) minutes, one (1) before lunch and one (1) after lunch. Rest periods shall be as near the middle of the shift as possible. Said schedule is to be posted in advance, not later than the previous Friday noon. All employees



shall be scheduled for lunch periods between three (3) and five and one-half (5 1/2) hours after their regular scheduled starting time. A copy of the schedule shall be given to the store steward upon request. Time worked by employees outside of the posted schedule will be paid for at time and one-half (1 1/2). Hours added to a part-time employee's schedule shall not be considered as a schedule change. It is understood rest periods will be taken exactly as scheduled allowing for customer service.

When part-time employees are called in who are not scheduled and not filling in for a bona fide absence, the hours must be put on the schedule.

The Employer will not purposely create schedules so that part-time employees are blocked in from claiming additional hours. The Union recognizes, however, the Employer's need for satisfactory coverage to meet the overall needs of the business. To insure that this paragraph and paragraph 8.6 are being properly administered, the Human Resources Manager and/or the Director of Operations and the Local Union President will meet at least quarterly (unless mutually waived) to review this overall situation and take whatever corrective action necessary.

Section 7.2 It is understood, however, that a change in the schedule of an employee may be made after the schedule is posted provided that such change is agreed to by the employee involved, the shop steward and the manager of the store.

Section 7.3 The normal workweek for full-time employees in a non-holiday week shall consist of forty (40) hours to be worked in five (5) days Monday through Saturday. In a holiday week, the normal workweek shall be thirty-two (32) hours to be worked in four (4) days for full-time employees and for part-time employees who average thirty-two (32) or more hours in the last twelve (12) weeks worked prior to the holiday week. Work in excess of forty (40) hours in any one (1) week or eight (8) hours in any one (1) day shall be paid for at time and one-half (1 1/2). Overtime shall be paid on either the day or the week, whichever is the greater, but not on both. If a full-time employee is not scheduled to work forty (40) hours in a holiday week Monday through Saturday and wishes to do so, every effort will be made by seniority to schedule said employee forty (40) hours providing there are enough hours to be worked in the employee's classification to accommodate the forty (40) hour schedule.

Section 7.4 Part-time employees, excluding Courtesy Clerks, shall be scheduled and work a minimum of fifteen (15) hours in a week unless the employee absents himself from work or is called in to work on Friday or Saturday and fifteen (15) hours is not available or the employee is called in to replace another employee who is absent. The purpose of Friday and Saturday call-ins is to meet unexpected needs of the business. Employees will be scheduled or if called in to work, a minimum of five (5) hours per shift.



- f) holiday pay shall be computed on the basis of the average hours worked in the four (4) weeks immediately preceding the week in which the holiday is taken
- g) national holidays as enumerated in Section 7.7 and the personal holiday identified in Section 7.9 shall not apply for employees hired on or after October 9, 1994.

Section 7.8 When work is performed on Sundays or holidays (7.7 above) by employees hired prior to August 19, 1987, it shall be paid for at time and one-half (1 1/2). Work for full-time employees hired prior to August 19, 1987 on a holiday mentioned in 7.7 above or on Sunday shall be in addition to the basic workweek. For employees hired after August 19, 1987, work performed on Sundays and holidays shall be worked at the regular straight-time rate of pay and may be part of the basic workweek. At the time an employee signs the Sunday and/or holiday volunteer list, the employee must also indicate a desire to work eight (8) hours on those days. Employees wishing to work eight (8) hours will be so scheduled up to fifty percent (50%) of the shifts scheduled on the Sunday or holiday. When work is performed on a holiday mentioned in Article 7, paragraph 7.7 above and/or on a Sunday, it shall be rotated among employees (who normally perform the work that is needed on the holiday or Sunday) in the individual store on a voluntary basis, provided, however, that if a sufficient number of employees to perform the necessary work do not volunteer, the work may be assigned to qualified employees on an inverse seniority basis. Holiday and/or Sunday work offered an employee but refused shall be counted as time worked for the purpose of rotating holiday and/or Sunday work. In order to be placed on the Sunday and holiday roster, an employee must be available for such work on a continuing basis. Senior employees who do not desire to work on Sunday because of religious beliefs will be allowed to exercise their seniority for holiday work. Where there are not enough volunteers to work on Sunday or holidays, the Employer may, by inverse seniority and on a rotation basis from employees hired after August 19, 1987, schedule to fill the Sunday or holiday needs. For this purpose, a separate rotation list will be maintained.

Employees who elect to work additional Sundays and/or holidays out of normal rotation shall be placed on a separate roster, and call-ins will be made on a rotating basis as required from this additional Sunday and/or holiday roster.

Section 7.9 In addition to the holidays named in paragraph 7.7 above, one (1) personal holiday shall be granted to all employees with one (1) year of continuous service. The personal holiday may be taken on any scheduled workday mutually agreeable to the Employer and employee. The employee's selection will be made no later than the work schedule posting. Full-time employees may not waive their full day off and will be scheduled only for a maximum of thirty-two (32) hours that week.



A personal holiday can be taken in a holiday week; however, the classification and number of employees may be limited by management. If more employees request their personal holiday in a week than the Manager can grant, then such holidays will be given a seniority basis.

Section 7.10 Part-time employees who have completed one (1) year of service shall receive holiday pay on the basis of hours worked in a holiday week as follows:

Up to nineteen (19) hours - four (4) hours pay
Nineteen (19) hours or higher - six (6) hours pay

Section 7.11 When an employee is called back to work after completing his shift, he will receive a minimum of five (5) hours work at time and one-half (1 1/2) if the employee is willing to work the five (5) hours. When students are instructed to report for work after school during the week, they shall be guaranteed that portion of four (4) hours for which they are available, and if the employee works on Saturday, shall be guaranteed four (4) hours.

Section 7.12 Part-time employees shall be paid time and one-half (1 1/2) after eight (8) hours in any one (1) day. No employee will work Sunday and/or holiday hours only.

Section 7.13 The Employer agrees to furnish all linens and laundry, and to stand the expense of sharpening tools. The Employer will furnish three (3) uniforms to full-time and part-time regular employees, and two (2) uniforms to part-time employees who choose them. The Employer will replace these uniforms as the needs may arise. Where dacron or similar type uniforms are furnished, such uniforms will be laundered by the employee.

One heavy parka with hood will be furnished in each store where employees work in walk-in freezer. Two (2) pairs of rubber boots will be furnished in stores where the meat department uses high pressure water cleaning system. One (1) or two (2) raincoats will be furnished to stores for employees who are required to perform outside duties. Where meat department employees are required to work in the meat cooler on blocking, cutting, grinding, and boning, proper clothing will be provided.

In extremely cold or wet weather, employees working on parcel pick-up will be rotated every sixty (60) minutes.



Section 7.14 All employees shall have thirty (30) minutes for lunch not less than three (3) hours and not more than five and one-half (5 1/2) hours after starting to work unless on overtime. The lunch period may be sixty (60) minutes by mutual agreement between management and the employee. The first and second sentences will also apply on Sunday and/or holiday work.

Section 7.15A Temporary Transfers
Temporary transfers from one store to another shall be made for a period not to exceed six (6) months. Temporary transfers must be agreeable to the employee being transferred. The Employer agrees that in the event of a temporary transfer from one city or town to another, to reimburse the employee for the increased transportation cost at the Employer's mileage reimbursement rate (as of ratification \$.31 cents per mile). When an employee is required to attend a meeting in another metropolitan area, they will be paid for mileage at the Employer's mileage reimbursement rate for miles driven in excess of his normal trip to his home store with the further understanding that car pools will be used where practical.

Section 7.15B Permanent Transfers
Transfers from one store to another must be agreeable to the Employee, the Union, and the Employer. The needs of the business and the employee will be considered. When the Employer requests an employee to transfer from one town to another, the expense of such transfer (household goods) shall be borne by the Employer.

Section 7.16 There shall be no reduction in pay and no increase in hours as a result of the signing of this Agreement.

Section 7.17 All full-time employees will receive a fifteen (15) minute scheduled rest period in each half day. Any part-time employees scheduled for a full day will also receive the rest periods. Any part-time employee scheduled for a full half day will receive a rest period. Any part-time employee scheduled to work six and one-half (6 1/2) hours or more will receive a second rest period. Rest periods will be scheduled as nearly as possible in the middle of the half day. A third rest period will be given to an employee required to work overtime when it is anticipated that such overtime will bring the hours worked on that shift to ten (10) hours or more. This third rest period shall be at the beginning of the overtime. Whenever overtime of two (2) hours or more is performed in advance of the regular shift, this third rest period will be taken at the end of the overtime.

Section 7.18 An employee will receive one (1) week's notice or one (1) week's separation pay in lieu of notice in case of permanent layoff.



LABOR AGREEMENT

Section 7.19 The method of computing pay will be in accordance with Company policy as outlined in the attached letter.

Section 7.20 Any full-time employee who works more than two (2) nights in any one (1) week past 6:30 p.m. shall be paid overtime at the rate of time and one-half (1 1/2) his straight-time hourly rate for all hours worked past 6:30 p.m. on nights other than the first two (2) nights so worked. This will apply only to the nights when the store is open for business. This paragraph will not apply to night stocking employees during hours worked.

Night stocking hours are defined as 9:15 p.m. to 6:00 a.m.

A night premium of forty cents (\$.40) per hour shall be paid for work performed between 9:15 p.m. and 6:00 a.m. to employees scheduled or called in as part of a night stock crew. It is agreed that night stock crew employees starting work prior to 6:00 a.m. will be paid the night premium for hours worked until 9:00 a.m.

Employees other than night stock crew employees who work the majority of their hours on a shift between 11:00 p.m. and 7:00 a.m. will receive a premium of forty cents (\$.40) per hour for all hours worked between 11:00 p.m. and 7:00 a.m.

A full-time employee may waive the time and one-half (1 1/2) premium pay for working more than two (2) nights (or three (3) nights as stated below) per week, only if it is agreeable with the employee, the Employer and the Union, provided further that the employee signify these intentions in writing to both the Employer and the Union.

Employees who become full-time after October 8, 1984 who work more than three (3) nights per week past 6:30 p.m. shall be paid overtime at the rate of time and one-half (1 1/2) his straight-time hourly rate for all hours worked past 6:30 p.m. on nights other than the first three (3) nights so worked. This will apply only to the nights when the store is open for business. This paragraph will not apply to night stocking employees during hours worked.

Section 7.21 In all stores which are open at night, employees will be rotated so that the same employees will not have to work the heavy night or nights of each week. The heavy nights of the week are Friday and Saturday.

The Employer will not require the same employee to work from 9:15 p.m. to midnight on Saturday night or 9:15 p.m. to midnight on the nights preceding holidays in consecutive weeks if a qualified employee is available to do the work required.

Section 7.22 There shall be a ten (10) hour break between the end of an employee's scheduled shift and the beginning of his next scheduled shift. An employee



required to work with less than ten (10) hours between shifts will be paid time and one-half (1 1/2) for those hours worked prior to the ten (10) hours off. On Sundays and/or holidays an employee may waive the ten (10) hours between shift requirement.

Section 7.23
"shift".

A "day" as used in this Agreement shall mean a "working day" or

Section 7.24

Representatives from outside vendors, except as noted below, shall not perform work in the store that is normally performed by bargaining unit employees except when the Employer opens a new store or in the event of a major remodel of a store and the first two (2) weeks thereafter. No vendor representative shall order, rotate or stock merchandise other than his company's merchandise, except in the case of the initial placement of new items.

Representatives of vendors shall stock only the following products in the stores of the Employer:

- Bottled or canned soft drinks
- Beer and wine as the law allows
- Cookies, crackers, bakery products (cakes, pies, etc.) and snack foods (potato chips, pretzels, etc.)
- Rack jobbers who have special racks for housewares, toys, hosiery, magazines, books, stationery, and greeting cards.
- Currently supplied DSD items or like new products in the same line, by sausage and frozen pizza vendors.

A bargaining unit employee shall be assigned to check in all vendors.

On a major reallocation and/or reset of the store, a bargaining unit employee will be assigned to work with up to five (5) vendor representatives. When more than five (5) vendor representatives are utilized, one (1) additional bargaining unit employee will be assigned to assist.

A bargaining unit employee shall be assigned to assist a vendor representative building an unusual display.



LABOR AGREEMENT

Merchandising field representatives will not perform bargaining unit work unless accompanied by a member of the bargaining unit.

Section 7.25 The Employer and the Union agree that a violation of established time clock rules, including working before punching in or after punching out, shall subject such an employee to disciplinary action up to and including discharge.

Section 7.26 If an employee is injured on the job, he shall be paid for the balance of his scheduled time on the day that the injury occurs.

Section 7.27 In case an employee would lose time from his schedule for a particular week due to an emergency caused by a riot or Act of God, any arrangement worked out between the Union and the Employer to make up all or part of such lost time shall be valid under this Agreement. When work is offered to an employee under such agreement, he may accept such work or reject it and lose the time. However, in case of a riot, where a store must be closed and the police order the employees to vacate the store, any employee who has not completed his schedule for that day will be paid for the balance of his schedule for that day.

Section 7.28 No employee shall be required to work after 7:00 p.m. on Christmas Eve or to work on Christmas Day. Employees will be scheduled on New Year's Eve on a voluntary basis. Should not enough employees volunteer, schedules will be filled by inverse order of seniority.

Section 7.29 If there is an opening in the night stocking crew, it will be offered to a full-time or part-time employee (depending upon whether a full-time or part-time employee is needed) in the particular store based on seniority, qualifications and ability to do the job. If the opening is not filled in this manner, the least senior employee (depending on whether a full-time or part-time employee is needed) in such store who has the qualifications and ability to do the job will be assigned to the job.

Section 7.30 A shop steward shall not be assigned to night stocking except in case of emergency or when no other qualified clerk is available for the job.

Section 7.31 All classified positions including Head Meat Cutter, Head Grocery Clerk, Head Produce Clerk, Head Dairy Clerk, Head Checker, Head Deli Clerk, Head Non-Foods Clerk, Assistant Head Checker, Head Frozen Food Clerk, Head Night Stock Clerk, and Journeyman Meat Cutters, will be full-time positions and except for Journeyman Meat Cutters will be relieved in accordance with paragraph 7.32 below.



There will be no appointments to the Journeyman Meat Cutter classification after August 19, 1987. Journeymen and Apprentices on the payroll on August 19, 1987 will be red-circled at their rate for as long as they remain an employee, unless they voluntarily accept another position, and will continue to do the required duties in the Meat Department. Any further increases negotiated for any full-time Clerk would apply to these red-circled employees.

Section 7.32

An employee will be assigned to relieve an employee in a classified job, when vacant, except Sunday, for three (3) full days or more in any one (1) week and shall receive the rate of pay for the job relieved during the time of relief. The Employer will qualify a replacement in advance. If for any reason, such qualified replacement is unavailable at the time needed for relief, any dispute over qualification of another employee will be resolved by the Zone Manager and Union representative. When more than one (1) employee performs the relief, the senior employee will be paid for all relief hours he/she works, and the junior employee will be paid for the remaining hours up to a maximum of forty (40) hours relief pay for the week. It is the intent that no more than five (5) days of relief will be paid in the week, Monday through Saturday when two (2) or more employees conduct the relief. An employee who relieves a department head or classified job for five (5) days or more will receive the higher rate for all hours worked that week. In the event no employee is assigned to do the relief work, the senior employee will be paid the rate for the period of the vacancy.

Section 7.33

In hiring, employees will be given credit for previous employment with The Kroger Co.

ARTICLE 8.

SENIORITY

Section 8.1

Seniority rights shall prevail in determining vacations, days off, layoffs, and call back from layoffs, and as far as possible in promotion and training. When skill and ability are equal, seniority will prevail in promotion to full-time jobs, classified jobs, and department head positions, and in the selection of employees for department head or classified job training. Such promotions shall be subject to the grievance procedure. Area seniority shall prevail in accordance with the seniority areas shown in Schedule "B".

Bakery Department agreement at Stores #669 and #747 will continue with separate seniority.

Salad Bar and Cosmetic and Lobby will become part of the regular seniority group. Within four (4) weeks of ratification, the Employer will bid the full-time jobs in those departments.



Pharmacy Tech will have separate bargaining unit seniority.

Section 8.2 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 one (1) year, or if he is called back to work, after a layoff, by registered letter to the last known address, and does not report for work within one (1) week.

Section 8.3 The Employer shall maintain seniority lists and shall furnish the Union copies of such lists each six (6) months. As the result of elimination of seniority area lines, employees that have lost seniority due to the crossing of UFCW Local #347 seniority lines and do not have a break in service with UFCW Local #347, will be given back their original hire date seniority.

Section 8.4 It is the intent of the Employer that a part-time employee who desires a full-time job and is available for a full-time job shall have an opportunity to move into a full-time job consistent with the needs of the business. In any case, however, a part-time employee who works full-time (forty (40) hours or more per week) for twelve (12) consecutive weeks except when filling a temporary vacancy due to vacation, sickness or leave of absence shall create a full-time job opening that shall be put up for bid. Holidays, vacations and personal holidays will not break the twelve (12) week qualifying period. Notification letters shall be sent to all stores when a full-time opening occurs.

Section 8.5 Part-time employees who become available for permanent full-time employment will be given consideration in filling permanent positions. Part-time employees will not accrue seniority over full-time employees but will have seniority as far as other part-time employees are concerned. Part-time employees will have seniority rights to hours for which they are needed and available up to and including forty (40) hours per week (thirty-two (32) hours in a holiday week). The part-time employee with seniority must advise the store manager that he is available for a posted schedule of hours within twenty-four (24) hours after the store schedule is posted or he has no claim on such hours. An employee cannot claim hours that would reduce another employee's hours below fifteen (15) in a week (fifteen (15) hours for a Courtesy Clerk).

Section 8.6 Hours which are being worked by a part-time employee shall not be reduced for the purpose of hiring a new part-time employee. It is understood, however, that this is not to be construed as a maintenance of hours guarantee for any employee.

Section 8.7 At the end of each Kroger four (4) week period, a senior part-time employee may request a transfer to another store in the bargaining unit, provided a younger employee in his classification in such store has been working more hours during the four (4) week period. Such request must be made by Wednesday of the week following the four (4) week period, with the transfer effective the following week. An employee requesting



such a transfer must be available to work the hours being worked by the younger employee. The younger employee may in turn replace any part-time employee in the bargaining unit on the same basis, or change places with the transferring employee.

Section 8.8 In case a full-time employee is involuntarily reduced, he shall be entitled to claim up to any eight (8) hour shift of a younger employee, full-time or part-time in his store. In case a full-time employee would be laid off or reduced below forty (40) hours for more than one (1) week, he shall have the right to displace a less senior full-time employee in his classification in the bargaining unit. The full-time employee who is thus displaced shall have the right to displace a less senior full-time employee in his classification on the same basis. This will be limited to three (3) bumps. The Union and the Company agree to discuss the possible transfer of effected full-time employees to fill full-time jobs in accordance with the needs of the business in an effort to maintain the employee's full-time status. Effected full-time employees will have the option to bump or transfer.

Section 8.9 When the Employer contemplates major changes in working conditions which will result in large scale layoffs or large scale reductions in hours, the Employer agrees to discuss such changes with the Union before putting such changes into effect.

Section 8.10 Before any voluntary or involuntary reduction of a person holding a department head job or a classified job can take place, the Company will meet with a Union representative in an effort to assist in helping the department head or classified person to maintain their present position. Every reasonable method of helping such person shall be effectuated, including further training.

Section 8.11 Job opening notices shall be sent to all stores and union office for Head Dairy Clerk, Head Deli Clerk, Head Frozen Food Clerk, Head Night Stock Clerk, Assistant Head Checker and all full-time clerk positions as referenced in Section 8.12 below. Two (2) copies of job opening notices shall be sent to all stores with one (1) copy being posted for seven (7) days, other copy kept in store office. Employees desiring job opening shall sign notice in store office. A copy of the signed notice shall be sent to union office immediately after receipt of such notice in the Human Resources Department. These positions would be filled by the senior person that signs the bid.

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. The request must be filed with the Store Manager and the Union prior to the occurrence of the opening. When management deems a full-time or part-time opening exists in a department, those full-time and part-time employees who have expressed an interest in writing, as described above, shall be transferred to that department by seniority. For the purpose of complying with this paragraph, each store would maintain a list per department.



By November 1st each year, employees in the presence of management, would date, print, and sign their name to each department list in which they have an interest in working for the next twelve (12) months. The manager would initial the signature. A copy of this list would be sent to the union office.

Employees holding positions as listed in Section 7.31 of the contract will not be required to give up their positions as the result of signing these interest letters. All other interest requests are voided for that year once an employee is transferred to a department that they have requested.

Section 8.12 When a full-time employee permanently leaves the bargaining unit, the Employer will post a full-time job for that store provided the store's overall business is the same or has improved over the preceding year. It is understood that this is not in any way a maintenance of full-time job guarantee. The Employer and the Union agree to continue their past practice in regard to filling full-time vacancies.

The Employer agrees that upon each quarterly closing they will inform the Union of the overall business condition of each store in its jurisdiction, such as Sales and EBITDA.

Section 8.13 When an opening for a Head Meat Cutter, Head Checker, Head Produce Clerk, Head Grocery Clerk, and Head Non-Foods Clerk occurs, a job opening notice for that Department Head position will be posted in every store within the bargaining unit. The most senior back-up in that department, who signed the job opening notice, will be awarded the position. If no back-up in that department accepts the position, the position will be filled by the most senior clerk who has their request filed in accordance with Section 8.11.

Present back-ups as of October 10, 1999, will maintain their position. The back-up list will be kept current and sent to the Union office. As back-up positions become available, they will be filled by senior employees that have signed the appropriate department letter.

If a back-up fails to bid the department head position in his home store when it becomes vacant, they will be removed from the back-up position.

Section 8.14 It is understood that signing a job opening notice, and/or a job bid, is acknowledgment by the employee that if awarded the position, the employee must accept the position.



ARTICLE 9.

VACATIONS

Section 9.1

All employees shall be granted vacations with pay based on continuous service, accidents arising out of the course of employment, illness and temporary layoffs excepted, according to the following schedule:

- 1 week after 1 year
- 2 weeks after 7 years
- 3 weeks after 13 years
- 4 weeks after 19 years
- 5 weeks after 25 years

Effective January 2000, change the vacation schedule to provide for two (2) weeks vacation after four (4) years, and three (3) week vacation after eleven (11) years.

Effective January 1, 1994 for employees eligible for vacations as of October 21, 1990 (one (1) year of service by that date), the following vacation improvements shall apply:

- 1 week after 1 year
- 2 weeks after 3 years
- 3 weeks after 7 years
- 4 weeks after 13 years
- 5 weeks after 19 years
- 6 weeks after 25 years

Courtesy Clerks with one (1) year or more service shall be entitled to one (1) week of vacation with pay.

Night premium pay will be included in the vacation pay for regular night stocking crew employees. Employees must be regular night stocking crew employees at year's end to be eligible.

Section 9.2

Vacation schedules shall be posted by February 1, and vacations selected by March 10. The completed vacation schedule will be posted by March 15. If an employee has not selected his vacation date by March 10, he shall lose his seniority rights to choose a date. After February 25 of each year, any employee shall have only one (1) working day after being contacted by management in which to select their vacation. In the event he fails to make his selection as outlined above, he will go to the bottom of the vacation roster and must take whatever weeks are available. No weeks will be blocked out by the store manager. However, the store manager may limit the number of employees on vacation in any



one (1) week. All vacations shall start at the beginning of a calendar week. Those employees eligible for more than one (1) week of vacation may take up to two (2) consecutive weeks in prime vacation time, June 1 to August 31. More than two (2) weeks of vacation during June, July or August for special circumstances must be agreed on by all parties.

Part-time employees will receive pro-rata vacations equal to the average hours worked.

Section 9.3 No employee may select more than one (1) week of his vacation in a week encompassing a holiday, that is, when the holiday falls in the week, at the beginning of or at the ending of such week.

Section 9.4 Employees with three (3) or more weeks of vacation may elect to take one (1) week (five (5) days), one day at a time. (Up to three (3) days in a week.)

1. The intent must be declared when vacations are selected.
2. The employee must give the store manager two (2) weeks notice.
3. The day selected must be agreeable to the store manager.
4. In a week when a Department Head exercises this option, no more than five (5) days relief will be paid to replace that Department Head.

Section 9.5 Leave of absence totaling ninety (90) days or less in any calendar year shall not affect vacation. Leave of absence totaling more than ninety (90) days shall have the following effect upon vacation:

Leaves of more than ninety (90) days but not over one hundred eighty (180) days shall reduce vacation and vacation pay by one-fourth (1/4).

Leaves of more than one hundred eighty (180) days but not over two hundred seventy (270) days shall reduce vacation and vacation pay by one-half (1/2).



Leaves of more than two hundred seventy (270) days shall disqualify for vacation.

There will, however, be no reduction in credit toward vacation while an employee is drawing Health and Accident benefits or Worker's Compensation benefits.

ARTICLE 10.

MILITARY SERVICE

Section 10.1 Any employee who enlisted or was inducted into military service under the provisions of the Federal Selective Service Training Act of 1940, as amended, shall be returned to his job and retain his seniority in accordance with the Act.

Section 10.2 It is agreeable to the Employer that if an employee is required to attend military training classes as a part of his military service obligation on a certain day of the week, such employee, after having given reasonable notice of his obligation to the store manager, will be given that day off as his regular day off for the week or weeks involved.

ARTICLE 11.

DEATH IN FAMILY AND JURY DUTY

Section 11.1 A maximum of three (3) days leave of absence with pay shall be granted in the event of a death in the immediate family of an employee, but in no case will he receive more than the basic weekly pay. By immediate family is meant parent, brother, sister, wife, husband, child, mother-in-law, father-in-law, grandmother, grandfather, grandchild, or any other relative residing with the employee. Funeral pay will not be paid beyond the day of the funeral.

Section 11.2 If any regular employee is required to serve on a jury, he shall be paid for hours necessarily absent from work because of such service.

ARTICLE 12.

LEAVE OF ABSENCE

Section 12.1 An employee may, upon written application to the Employer, be granted a leave of absence without pay, not to exceed ninety (90) days, but such leave shall not be granted for the purpose of trying out another job.



Section 12.2 An employee shall be granted a pregnancy leave of absence upon written application, supported by a physician's statement certifying that employee is pregnant and anticipated birth date. The beginning date, length of, and ending date of such leave shall be guided by the written request of the attending physician.

Section 12.3 Any member of the local being elected to a permanent office or as a delegate to any Union activity necessitating temporary leave of absence shall be granted such leave of absence and shall, at the end of his term in the first instance, or at the end of his mission in the second instance, be guaranteed reemployment at his former wage rate, plus any increase or less any reduction that may have become effective during his absence.

Section 12.4 When an employee is granted a leave of absence, he shall be returned to the same store from which he took the leave of absence, provided he has seniority over the other employees in like classification in the same store.

Section 12.5 A leave of absence up to twelve (12) weeks (unpaid) shall be granted to an employee who has had one (1) year of continuous service and who had worked at least 1250 hours in the twelve (12) months prior to the request, pursuant to the basic provisions of the Family and Medical Leave Act. Any such employee desiring a leave of absence may be required to provide advance leave notice and medical certification prior to the leave of absence being granted, subject to the provisions of the Act. The length of the absence shall be commensurate with the need.

Section 12.6 Employees selected for training in the management training program:

1. Will not work more than forty (40) hours per week in the store and will punch the clock.
2. Will pay union dues while in the training program.
3. Will remain in training program no longer than six (6) months.
4. Will be granted a leave of absence for a maximum of six (6) months (if selected from the bargaining unit). The employee will be returned to the bargaining unit without loss of seniority, rates or other benefits.



5. Employees selected for training who have never been in the bargaining unit will not be subject to health and welfare and pension contributions while on the training program.

Section 12.7 Members of the Local Union Executive Board, shop stewards and negotiating committees who must attend meetings on a given day of the week shall be granted that day as their day off for the particular week consistent with the needs of the business.

ARTICLE 13. INSURANCE

Section 13.1 For employees hired prior to October 21, 1990, the Employer shall pay to the United Food and Commercial Workers Local 347 and Employers Health and Welfare Fund one dollar and ninety cents (\$1.90) for each straight-time hour for which any employee covered by this Agreement receives pay except as provided in Section 12.5 and that no such payment is required for employees hired after October 4, 1981 for the first twelve (12) months of employment. "Straight-time Hours" shall include hours up to and including forty (40) hours per week and any holiday or vacation hours for which the employee is paid straight-time pay under this Agreement. This trust is to provide insurance for employees, their families and dependents, covering life insurance, hospital care and medical and surgical benefits and for the payment of the fees of qualified physicians for preventive medical examination of employees and their spouses, if such should be provided by the Trustees, and for no other purpose. It is to be administered by Trustees representing the Union and the Employer. It is further agreed that this trust, details of which are set forth in a separate instrument, is hereby made an integral part of this Agreement. It is further agreed that the above contribution shall be continued for one (1) month (on the basis of forty (40) hours per week for full-time employees and twenty (20) hours per week for part-time employees) in the event of leave of absence due to illness or injury.

For employees hired after October 21, 1990, the above hourly contribution rates shall not apply. In lieu of the above, the contribution for such employees after one (1) year of service shall be sixty cents (\$.60) per hour.

Beginning with the sixth (6th) year of employment, participants will be moved to the top plan.



Section 13.2

The parties have agreed to the following fund reserve requirements and recommend to the Trustees of the UFCW Local 347 Health and Welfare Fund that they adopt a reserve policy that targets three (3) months of net asset reserves (after accounting for the fund incurred but not reported claims liability of two (2) months) at a minimum to be determined by the fund consultant and approved by the Board of Trustees.

The following maintenance of benefit hourly contribution rates are maximum rates for the specified year. The consultant of the Health and Welfare Fund will calculate the necessary rate up to these maximums based on the projected cost of benefits and expenses plus fund reserves as defined in I.A above:

- Effective November 1999 through April 30, 2000 the contribution will be \$.19 per hour.
- Effective May 1, 2000 through October 31, 2000, the contribution will be \$1.90 per hour.
- Effective November 1, 2000 through October 31, 2001, the contribution will be a maximum of \$2.55 per hour.
- Effective November 1, 2001 through October 31, 2002, the contribution will be a maximum of \$2.75 per hour.
- Effective November 1, 2002 through October 11, 2003, the contribution will be a maximum of \$2.97 per hour.

Section 13.3

The Employer will pay the premium on the basic \$2000 of Group Life and the \$2000 of Group Accidental Death and Dismemberment Insurance coverage for regular employees. The Employer will also pay the premium on the present \$175 (effective October 31, 1999, change premium from \$175 to \$200 for KEMBA Leaves of Absence commencing as of that date, and change premium from \$200 to \$205 effective January 5, 2003) program and three (3) day waiting period Health and Accident Insurance coverage for all regular employees. If a regular employee covered by Health and Accident Insurance is off the job due to a disability covered by Worker's Compensation the Employer will pay the difference between the Worker's Compensation Benefit and the amount he would have received from Health and Accident Insurance had it not been a Worker's Compensation case, if the Health and Accident benefits would have exceeded the Worker's Compensation.

Section 13.4

The parties agree to meet each March, or as necessary, during the term of this agreement to monitor Health and Welfare costs and reasonable reserve levels as determined by the Trustees of the Fund. Should the current positive trend reverse, the parties agree to address the situation in a manner that is satisfactory to both parties.

In the event that the Federal Government or State Governments enact mandatory health care provisions that impact the Health and Welfare Plan, the parties agree to meet to discuss alternatives.



Section 13.5 The Employer agrees to pay the contributions to the Trust Fund for eligible employees on an approved Family and Medical Leave of Absence, not to exceed twelve (12) weeks pursuant to the provisions of the Family and Medical Leave Act.

ARTICLE 14 PENSION

Section 14.1 The Employer shall pay into a jointly administered Employer-Union Fund entitled "the United Food and Commercial Workers Union and Industry and Pension Fund" forty-nine cents (\$.49) per hour worked by each employee covered by this Agreement except as provided in Section 12.5. There shall be no contribution required for the first year of service (effective for employees hired on or after October 8, 1994, no contribution is required for the first two (2) years of service) and there shall be none required for Courtesy Clerks. Hours shall include all hours worked and any holiday or vacation hours for which the employee is paid straight-time pay under this Agreement. The first contribution under this section shall be due and payable by the twentieth (20th) day of the month following initial liability. Effective February 6, 2000, change contribution to fifty-four cents (\$.54) per hour; effective April 6, 2003, change contribution to fifty-nine cents (\$.59) per hour.

Section 14.2 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.

Section 14.3 Said Pension Plan and the Trust Agreement establishing the Pension Fund shall be submitted to the United States Treasury Department for the approval and rulings satisfactory to the Employer that said Plan is qualified under I.R.C. Sec. 401, et. seq., and that no part of such payments shall be included in the regular rate of pay of any employee.

Section 14.4 A copy of the Trust Agreement and any amendments 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.



ARTICLE 15.

COURTESY CLERKS

Section 15.1

It is agreed that a Courtesy Clerk is an employee whose duties are limited as designated herein. Employees classified as Courtesy Clerks may: carry out groceries, bag groceries, man parcel pick-up lane, return carts, weigh produce on front end scale, clean spills and breaks as needed, maintain and clean the front of the store, inside and out, including the check lanes, make the price checks for checkers, obtain change for checkers and return merchandise left at the register by customers, clean rest rooms, process returnable containers, clean parking lots, and empty trash.

Section 15.2

Part-time Clerks will have the right to transfer to the Courtesy Clerk classification and will also have the right to transfer back to the Part-time Clerk classification twice each calendar year. If a Part-time Clerk transfers to Courtesy Clerk, the date of hire will apply for seniority purposes. Part-time Clerks qualified for health care at the time of transfer will retain that benefit only, and the Employer will continue contributions on their behalf.

Section 15.3

The benefit provisions of the Agreement will not apply. No contributions except as noted above will be made in behalf of Courtesy Clerks. Working conditions as provided in the contract shall apply. As openings for Part-time Clerk jobs occur, Courtesy Clerks who are available and desire the opening shall have the first opportunity to fill such openings according to seniority providing ability is equal. When a Courtesy Clerk employee is promoted to Part-time Clerk, his seniority shall prevail from date of hire for benefits under the contract. Courtesy Clerks shall have seniority only among other Courtesy Clerks. Scheduling of hours and rates of pay shall be based on their date of promotion. The seniority date for Courtesy Clerks who are promoted to Clerk status and who have a hire date prior to 8/19/87 should be the same as their hire date for pay rate.

Section 15.4

Hours: Courtesy Clerks will be scheduled at least fifteen (15) hours per week but not to exceed thirty (30) hours per week including Sunday and holiday hours. Present Full-time Clerks and Part-time Clerks hours shall not be reduced in order to hire additional Courtesy Clerks. For Courtesy Clerks with more than five (5) years of continuous service, the thirty (30) hour weekly scheduling maximum will be eliminated.

Section 15.5

Penalties: Three (3) confirmed abuses in writing and that store will lose the right to use the Courtesy Clerk classification.

Instructions to Courtesy Clerks that are violations, by any member of management or any employee acting in the capacity of management, including employees designated as in charge of the store in the absence of management, will be considered as violations for the purpose of this clause.



ARTICLE 16.

NON-DISCRIMINATION

The Employer and the Union agree that there will be no discrimination against any applicant or employee because of sex, age, race, creed, color, disability, or nationality.

ARTICLE 17.

MISCELLANEOUS

Section 17.1

This Agreement shall be binding upon the parties hereto, their successors and assigns. It is the intent of the parties that this Agreement shall remain in effect for the full term of the Agreement, and shall bind the successors of the respective parties hereto.

Section 17.2

If the Employer establishes new job classifications, the Employer will meet with the Union prior to establishing the new classifications, for the purpose of negotiating a rate of pay to cover same. In the event the Employer and Union fail to agree on a rate of pay, the issue will be submitted to binding arbitration.

Section 17.3

Changes in the dress code will be discussed with the Union before putting such changes into effect. The Employer and the Union will agree to a summer dress code policy agreeable to both parties.

Section 17.4

Employees will not be required to take a polygraph (lie detector) test.

Section 17.5

Employees are required to sign their time cards each week.

Section 17.6

If any agreement or portion of an agreement reached between the parties herein may not be put into effect because of applicable legislation, executive orders, or regulations dealing with wage and price stabilization, then said agreement, or any part thereof, including any retroactive requirement thereof, shall become effective at such time, in such amounts, and for such periods retroactively and prospectively, as will be permitted by law at any time during the life of this Agreement and any extension thereof.

Section 17.7

All markets selling fresh meat shall have a Head Meat Cutter.

Section 17.8

The Company will provide information to all employees on Company benefits.



ARTICLE 18.

STORE CLOSING

Section 18.1

In the event the Employer closes or sells, within a thirty (30) day period, twenty percent (20%) or more of the stores covered by this Agreement and employees are terminated as a result thereof, regular employees, by Employer definition, shall receive 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, six (6) weeks pay at their regular rate. However, those regular employees who have an incomplete year of continuous service as an employee will receive pro-rata severance pay for that year as follows:

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

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

Section 18.2

Employees terminated as a result of store closing shall receive, in addition to severance pay, all earned but unused vacation pay.

Section 18.3

The Employer shall continue contributions to the Pension and Health and Welfare Funds for one (1) full month following termination for employees who are eligible for severance pay, except for those employees who secure employment with a contributing Employer in the Pension and Health and Welfare Funds.

Section 18.4

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

Section 18.5

No benefits shall accrue under the terms of this Article unless the Employer makes a business decision to close or sell the stores. This Article is not applicable if store closings are caused by Acts of God. The Employer agrees to provide a reasonable notice of store closings.

Section 18.6

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 or her severance pay and has no further recall rights.



LABOR AGREEMENT

Section 18.7 An employee who is eligible for severance pay and whose store has closed may elect to accept severance pay in lieu of exercising bumping rights.

Section 18.8 Any transfer under this Article shall be at the employee's own expense.

ARTICLE 19. EXPIRATION

Section 19.1 This Agreement shall continue in effect from October 10, 1999 through October 11, 2003, and shall automatically be renewed from year to year thereafter unless either party serves notice in writing to the other party sixty (60) days prior to the expiration of a desire for termination or for changes in this Agreement.

Section 19.2 This contract represents the entire Agreement between the Employer and the Union. All verbal agreements or any other understanding, written or verbal, which is not contained in this contract or attached hereto shall be null and void.

IN WITNESS WHEREOF the said parties have caused duplicate copies hereof to be executed by their duly authorized officers this 20 day of February, 2001.

FOR THE UNION:

[Signature]

FOR THE EMPLOYER:

[Signature]



LABOR AGREEMENT

SCHEDULE "A" - WAGES

CLASSIFICATION (1)	4/11/99	10/10/99	10/8/00	10/7/01	10/6/02
Head Grocery Clerk	\$12.475	\$12.775	\$13.075	\$13.475	\$13.875
Head Produce Clerk	\$12.405	\$12.705	\$13.005	\$13.405	\$13.805
Head Meat Cutter (Less than \$19,001)	\$13.06	\$13.36	\$13.66	\$14.06	\$14.46
(\$19,001 and over)	\$13.17	\$13.47	\$13.77	\$14.17	\$14.57
Journeyman Mt. Cutter (Classified as of 8/19/87)	\$11.95	\$12.25	\$12.55	\$12.95	\$13.35
Apprentice Mt. Cutter (Classified as of 8/19/87)	\$10.915	\$11.215	\$11.515	\$11.915	\$12.315
Head Checker (5)	\$11.8475	\$12.1475	\$12.605	\$13.155	\$13.705
Assistant Head Checker (\$60,000 and over)	\$11.135	\$11.435	\$11.735	\$12.135	\$12.535
Head Deli Clerk (5)	\$11.8475	\$12.1475	\$12.605	\$13.155	\$13.705
Head Dairy Clerk	\$11.8475	\$12.1475	\$12.4475	\$12.8475	\$13.2475
Head Frozen Food Clerk (2)	\$11.4975	\$11.7975	\$12.0975	\$12.4975	\$12.8975
Head Non-Foods Clerk (2)	\$11.4975	\$11.7975	\$12.0975	\$12.4975	\$12.8975
Head Night Stock Clerk	\$11.4975	\$11.7975	\$12.0975	\$12.4975	\$12.8975

CLASSIFICATION (3)	4/11/99	10/10/99	10/8/00	10/7/01	10/6/02
Clerks at \$11.35 on 10/9/99	\$11.35	\$11.65	\$11.95	\$12.35	\$12.75



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CLASSIFICATION FULL-TIME CLERK	10/10/99
Start	\$6.75
After 6 Months	\$7.00
After 12 Months	\$7.25
After 18 Months	\$7.40
After 24 Months	\$7.76
After 30 Months	\$7.99
After 36 Months	\$8.16
After 42 Months	\$8.54
After 48 Months	\$9.76
After 54 Months	\$10.36
After 60 Months	\$10.86
After 66 Months	\$11.06
After 72 Months	\$11.26

CLASSIFICATION PART-TIME CLERKS (AT \$8.00 ON 10/9/99 WHO WERE HIRED PRIOR TO 8/19/87)	4/11/99	10/10/99	10/8/00	10/7/01	10/6/02
	\$8.00	\$8.25	\$8.50	\$8.75	\$9.00



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CLASSIFICATION PART-TIME CLERKS	10/10/99	10/8/00	10/7/01	10/6/02
Start	\$5.25	\$5.25	\$5.35	\$5.35
After 6 Months	\$5.35	\$5.35	\$5.45	\$5.45
After 12 Months	\$5.40	\$5.40	\$5.55	\$5.55
After 18 Months	\$5.50	\$5.50	\$5.65	\$5.65
After 24 Months	\$5.55	\$5.55	\$5.75	\$5.75
After 30 Months	\$5.60	\$5.60	\$5.85	\$5.85
After 36 Months	\$5.70	\$5.70	\$5.95	\$5.95
After 42 Months	\$5.90	\$5.90	\$6.05	\$6.15
After 48 Months	\$6.35	\$6.35	\$6.40	\$6.45
After 60 Months	\$6.45	\$6.45	\$6.50	\$6.55
After 72 Months	\$6.55	\$6.55	\$6.60	\$6.75
After 84 Months	\$6.75	\$6.75	\$6.75	\$6.85
After 96 Months	\$7.00	\$7.00	\$7.00	\$7.10
After 108 Months	\$7.40	\$7.50	\$7.60	\$7.70
After 120 Months	\$7.60	\$7.80	\$8.20	\$8.65

- NOTES:
- (1) See Miscellaneous Notes - Schedule "A" #11
 - (2) See Miscellaneous Notes - Schedule "A" #4
 - (3) See Miscellaneous Notes - Schedule "A" #12
 - (4) See Miscellaneous Notes - Schedule "A" #13
 - (5) See Miscellaneous Notes - Schedule "A" #14

CLASSIFICATION	10/10/99
Courtesy Clerks	
Start	\$5.15
After 30 Months	\$5.30
After 60 Months	\$5.50



MISCELLANEOUS NOTE - SCHEDULE "A"

- #1. Employee assigned to Lead File Maintenance Clerk duties will receive fifty cents (\$.50) per hour over their regular hourly rate of pay. For absences by the File Maintenance Clerk due to vacation and bona fide leave of absence or illness, from a weekly schedule (Sunday through Saturday), the fifty cents (\$.50) premium per hour will be paid to the senior employee designated to perform the relief.

In the matter of appointing the person who performs the primary responsibility of file maintenance, all circumstances being reasonably equal, the employer shall have the right to exercise final judgment after giving due regard to seniority. This consideration will be on a store by store basis. The Company agrees to discuss such appointments with the Union prior to making any assignments.

- #2. The Head Night Stock Clerk rate applies to all hours worked on night stocking by an employee designated as a Head Night Stock Clerk. The night stocking premium provided hereinafter shall be in addition to this rate.
- #3. The rate for Head Meat Cutters will be determined by using the average weekly meat sales of each store for the thirteen (13) periods prior to the anniversary date and applying the sales to the above table. On new stores or stores which may be remodeled, the average sales for the first twelve (12) weeks will be used in classifying the store for the purpose of determining the rate of pay for Head Meat Cutters, using the above scale.
- #4. Effective October 10, 1999, the position of Head Non-Foods Clerk and Head Frozen Food Clerk will be established in stores averaging \$150,000 or more in weekly sales volume of the Charleston area stores for the thirteen (13) periods prior to the contract anniversary date. Each anniversary year, the volume will be reviewed to determine which stores qualify for these positions. Employees will maintain their position as long as their store maintains the qualifying store level. Employees will disqualify when their store volume level falls below their qualifying volume level. When a vacancy occurs in a given store, it will be replaced if the store is averaging the current volume qualifying level.
- #5. Full-time P.C.L. Clerks are not eligible for any of the provisions of Schedule "D".
- #6. The Store Manager will post a current part-time seniority listing for their store next to the grocery or front end schedule.



#7. The Company will increase Full-time jobs as follows:

- 50 by January 2, 2000
- 50 by January 7, 2001
- 25 by January 6, 2002
- 50 by January 5, 2003

If store closings or sales reductions make the additional Full-time jobs not feasible, the Company and Union will meet to attempt to work out an alternate arrangement.

#8. Effective 1/1/95, add a new classification in selected meat departments, titled "Meat Cutter Clerk". The Employer will agree to meet with the Union to discuss which stores have a need for this in the future. Additional stores may be added to this classification in the future. Job opening notices will be sent to all stores in the seniority area to fill these full-time jobs by the senior person who signs the bid. After satisfactory completion of the training program, the rate of pay for this classification shall be the appropriate full-time rate, based upon length of service, plus a seventy-five cents (\$.75) per hour premium.

#9. The parties agree that when a Courtesy Clerk is promoted to a Part-time Clerk classification, the employee will not suffer a reduction in rate of pay. The subsequent progression increases will be awarded based upon date of hire.

#10. It is the intent of the Parties that no employee's wage rate will be reduced as a result of this agreement.

#11. Employees awarded these classified positions as of October 8, 1994, who received profit sharing conversion increases during the preceding contract term (10/7/90 through 10/8/94) will continue to receive these special wage rate increases (\$.49 adjustment per hour) in addition to their contract classification rate.

#12. Employees on the pay rate of \$10.25 per hour or higher on October 8, 1994, who subsequently are promoted to a classified position, will be paid the contract classification rate of pay plus the special wage rate increases (\$.49 adjustment per hour) awarded to them during the preceding contract term (10/7/90 through 10/8/94) under the profit sharing conversion provisions.



LABOR AGREEMENT

#13. Employees promoted to Full-time Clerk positions during the term of this agreement, regardless of length of service, will be placed on the next highest pay rate on the Full-time Clerk classification wage scale. Subsequent progression increase will occur with each additional six (6) months worked to the maximum pay rate of \$11.26 per hour.

#14. Employees in the Head Deli Clerk and Head Checker position on the following date will receive the following hourly rate adjustments:

- effective 2/6/00: an additional \$.1575 per hour
- effective 2/4/01: an additional \$.15 per hour
- effective 2/3/02: an additional \$.15 per hour
- effective 2/2/03: an additional \$.10 per hour

(The intent of this language is to provide a \$13.805 hourly rate of pay for the Head Deli Clerk and the Head Checker effective 2/2/03.)



SCHEDULE "B" - PROFIT SHARING

A. Three (3) Profit Sharing Periods:

- 2000 with payment in March, 2001
- 2001 with payment in March, 2002
- 2002 with payment in March, 2003

B. Eligible Employees:

1. On the payroll at the end of a Profit Sharing year except that employees who have retired or became permanently disabled during the year will be eligible.

2. Have 36 or more months of service at the end of a profit sharing year.

C. The pool will be divided among eligible employees based on the ratio of his/her W-2 earnings for the profit sharing year to the W-2 earnings of all eligible employees for the profit sharing year.

D. Employees may elect to receive Kroger stock in lieu of cash and, in that event, will receive an additional ten percent (10%). All payments are less deductions required by law.

E. The pool will be based on profits or losses of all stores combined and will be established by the following formula at 50% for year ending January 2001, 70% for year ending 2002, and 90% for year ending 2003 using the "Profit for Bonus" line on the operating statement:

<u>PROFIT FOR BONUS (PERCENT OF SALES)</u>	<u>PERCENT OF PROFIT PLACED IN POOL</u>
1.0% up to 1.2%	7%
1.2% up to 1.5%	8%
1.5% up to 1.8%	10%
1.8% up to 2.1%	12%
2.1% up to 2.4%	14%
2.4% and over	15%



SCHEDULE "C" - FUEL CENTER AGREEMENT

The following summarizes the agreement reached with regard to establishing the new employee classification of "Fuel Center Clerk":

1. A fuel Center Clerk's responsibilities will be to perform all tasks associated with the operation of the Fuel Center as directed by store management.
2. The terms of the Collective Bargaining Agreement shall apply but Fuel Center Clerks shall not receive benefits of a monetary nature, except for wages, vacation and holidays as specified. It is understood that benefits such as health and welfare, pension, etc., are of a monetary nature and are not to be provided to Fuel Center Clerks. Seniority within each Fuel Center shall prevail.
3. Vacations shall be granted per Article 9 of the contract. Holidays shall be granted per Article 7 of the contract.
4. The Employer may utilize any vendor services available to the trade at no additional cost. Management may perform any tasks necessary to ensure the efficient operation of this center.
5. A Fuel Center Clerk after two (2) years of service, shall be given preference by seniority, together with ability, practicability and availability, should an opening occur for a part-time store employee and shall further be given preference in the same way for full-time positions after they have been offered to the part-time employees.
6. Store Clerks interested in transferring to the Fuel Center Clerk classification, shall put their interest in writing to the Store Manager with a copy to the Union.
7. Wages for Fuel Center Clerks will be under the appropriate contract scale for full-time and/or part-time clerks.
8. Current Fuel Center Clerks shall have the option, within two (2) weeks of ratification, to either remain working in the Fuel Center with existing wages, working conditions, and benefits, or to transfer back to the store in their previous position.



LABOR AGREEMENT

SCHEDULE "D" - COST OF LIVING

(This provision is inoperable during the term of this Agreement)

For the term of this Agreement, only employees in the full-time rates and in classified positions (or as specified in miscellaneous note #4) indicated in Schedule "A" Wages shall be covered by the provisions of a cost of living allowance as set forth below.

The amount of the cost of living allowance shall be determined and redetermined as provided below on the basis of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) published by the BLS, U.S. Department of Labor (1967=100) and referred to herein as the "Index".

The first cost of living allowance shall be effective October 6, 1985 based on the difference between the Index figure of August, 1984 and the Index figure of August, 1985.

The second cost of living allowance shall be effective October 5, 1986 based on the difference between the Index figure of August, 1985 and the Index figure of August, 1986.

The basis of adjustment shall be a one cent (\$.01) per hour allowance for every four-tenths (.4) point increase in the Index during the above stated reviews. The maximum amount that will be paid for any one adjustment will be thirty-five cents (\$.35) per hour; the minimum amount that will be paid for any one adjustment will be twenty-five cents (\$.25) per hour.



LABOR AGREEMENT

October 10, 1999

Mr. Sterling Ball, President
UFCW Local #347
P. O. Box 2751
Charleston, WV 25330

Dear Mr. Ball:

This letter will confirm understandings reached during this and previous negotiations on the following issues:

- 1) Coffee - The previous letter between the parties regarding coffee will be applied to all stores (10/13/94).
- 2) Part-time Hours - The Employer will provide the Union with quarterly lists showing cumulative hours worked by part-time employees since date of hire (10/13/94).
- 3) Reduction of Full-time Employees - The new understanding on reduction of full-time employees to part-time, as agreed to by the parties during negotiations, will continue during the life of this Agreement (10/13/94).
- 4) The following method shall be used for computing time on time cards for the purpose of paying wages to each employee:
 - A. No time card shall be punched before seven (7) minutes of the employee's schedule starting time. From seven (7) minutes before to the employee's scheduled starting time, time shall be computed from the scheduled starting time.
 - B. Cards punched on starting to work up to and including seven (7) minutes after the employee's scheduled starting time, the employee shall be paid from the scheduled starting time. Cards punched eight (8) minutes up to and including twenty-two (22) minutes after the scheduled starting time, the employee shall be docked one-fourth (1/4) of an hour. Cards punched twenty-three (23) minutes up to and including thirty-seven



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(37) minutes after the scheduled starting time, the employee shall be docked one-half (1/2) of an hour. Cards punched thirty-eight (38) minutes up to and including fifty-two (52) minutes after the scheduled starting time, the employee shall be docked three-fourths (3/4) of an hour. Cards punched fifty-three (53) minutes up to an including sixty-seven (67) minutes after the scheduled starting time, the employee shall be docked one (1) hour. No employee shall be allowed under any circumstances to make up time at the end of any scheduled shift or scheduled week because of time punched after scheduled starting time as outlined in this paragraph.

C. Cards punched at or after the employee's scheduled quitting time will be paid on the same one-quarter of an hour basis as outlined in paragraph B.

Agreed that in "time and attendance" stores, each employee will be provided a copy of daily hours on a weekly basis (10/13/94).

- 5) The understanding between the parties regarding a fifteen (15) minute leeway during lunches and breaks will continue (10/13/94).
- 6) Status 3, 4 and 6 Employees - In a holiday week, the normal workweek for status 3, 4 and 6 employees shall be no more than thirty-two (32) hours which may be worked in up to five (5) days.
- 7) A night checker who is regularly scheduled and works in conjunction with the night stocking crew and has the primary responsibility of grocery stocking, will be paid the same night premium as other night stock crew members.
- 8) The change in 7.32 doesn't change the practice when only one person performs the relief.
- 9) The seniority date for Courtesy Clerks hired before August 19, 1987, who have been promoted to Clerks is their date of hire.



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- 10) Where a manager is under scheduling or calling employees in on Friday and Saturday on a regular basis, or scheduling an excessive number of fifteen (15) hour schedules, the Company and Union will meet to discuss it.
- 11) The parties agree to meet to discuss the impact of store closings and/or other situations of major hours reductions on the remaining stores to provide consideration for senior employees who are willing to transfer to other locations.
- 12) The parties agree that the intent of Section 13.4 of the current collective bargaining agreement is to apply to both Plan 1 and Plan 500 of the United Food and Commercial Workers Local 347 and Employers Health and Welfare Plan.
- 13) It is the intent of the Employer not to schedule employees to work by themselves (10/10/99).
- 14) The parties agree that in determining seniority dates for employees with the same full-time date shall revert to the original date of hire and employees hired on the same date will use their first letter of their last name. A female employee cannot lose or gain seniority by getting married or divorced (10/10/99).
- 15) The parties agree to finalize an acquisition agreement to assist the Employer should an acquisition occur. Items to be determined, but not limited to, are as follows:
 - Wages
 - Health Care
 - Retirement
 - Language flexibility on scheduling, working conditions, transfers, etc. (10/10/99).



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Mr. Sterling Ball

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16) The parties agree to meet to develop a four (4) ten hour day workweek test to be implemented after January 1, 2000, which includes, but is not limited to, the following items:

- quarterly reviews by the Employer and the Union
- length of test to be at least one (1) year
- relief on Article 7, Sec. 7.20 for employees who are scheduled a four (4) ten hour day workweek
- number of schedules to be determined by the needs of the business
- consideration for minimum numbers of employees to be granted four (4) ten hour days
- time and one-half (1-1/2) to be paid after ten (10) hours
- holiday pay to coincide with workweek (4 tens or 5 eights) eight hours or ten hours whichever applies
- option for excluding certain weeks from this concept
- employee option
- the parties agree to have this program ready for implementation by January 31, 2000
- this program will be implemented in test stores a minimum of two (2) stores per zone (10/10/99).

17) The Parties agree to recommend to the Board of Trustees to implement:

- A. Advanced managed care (HMO, Point of Service (POS), Preferred Provider, Disease Management, Etc.) after review/study as soon as reasonably feasible, but no later than 2/2001 (as long as viable plans are available).
- B. An incentive for greater generic drug utilization by 6/2000 (10/10/99).



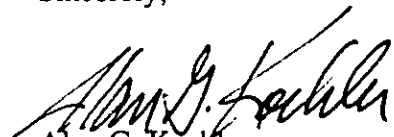
LABOR AGREEMENT

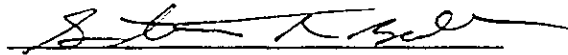
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- 18) If and when a provision is made by the trustees of the United Food and Commercial Workers Local 347 and Employers Health and Welfare Fund, it is agreed that the Fund may pay up to two hundred dollars (\$200.00) per month to employees during their five (5) month waiting period when totally and permanently disabled. Such change shall not require additional contributions by the Employer to the Fund for said purpose.

Please indicate your concurrence in the space provided below.

Sincerely,


Alan G. Koehler
Director, Human Resources/
Labor Relations



Sterling Ball, President
Local #347