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**AGREEMENT**

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*Between*

**UNITED FOOD & COMMERCIAL  
WORKERS UNION  
LOCAL 1996**

*And*

**THE KROGER COMPANY  
ATLANTA, GEORGIA  
DRUG / G.M.**

*April 7, 2002  
Through  
May 7, 2005*



10/17/03

**AGREEMENT  
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TERM: *May 7, 2002 through May 7, 2005*

## **AGREEMENT**

This Agreement has been entered into between The Kroger Co., hereinafter designated as the Employer, and the United Food and Commercial Workers, Local No. 1996, chartered by the United Food and Commercial Workers International Union (UFCW), AFL-CIO, hereinafter designated as the Union.

### **ARTICLE 1 INTENT AND PURPOSE**

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

1.02 This contract represents the entire Agreement between the parties and both agree that they have exercised their rights in negotiations and neither has the right to add to or subtract from the items covered by this contract without the mutual consent of the parties.

### **ARTICLE 2 COVERAGE**

2.01 The Union shall be the sole and exclusive bargaining agent for Drug/GM employees in the classifications defined in Schedule "A" hereto attached.

2.02 The terms and conditions of this Agreement shall apply to Combination Stores in the towns presently covered by the Food Agreement and in towns where stores may be operated by the Atlanta Marketing Area of The Kroger Co. which would be covered by the Food Agreement with Local #1996 with respect to rates of pay, wages, hours and other conditions of employment except for and excluding the (1) Unit Manager, (1) Grocery Drug/GM Manager, (1) Customer Service Manager, (1) Co-Manager, Professional Pharmacy Department employees, Security employees, Demonstrators, and all clerical employees not working in the sales and storage area. One (1) trainee per department will be excluded.

It is understood that should the Company open or acquire Kroger stores within Local 1996's territorial jurisdiction that UFCW Local 1996 shall be the sole and exclusive bargaining agent for the employees in those stores.

### **ARTICLE 3 RECOGNITION OF THE UNION AND BARGAINING UNIT**

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

## **ARTICLE 4 UNION STORE CARD**

4.01 The Union agrees to issue Union Store Cards to the Employer under the rules covering Union Store Cards as set forth in the Constitution of the U.F.C.W. International Union. Such Union Store Cards, are, and shall remain, the property of said International Union, and the Employer agrees to surrender said Union Store Cards to an authorized representative of the Union upon demand in event of failure by the Employer to observe the terms of this Agreement or the conditions under which said Union Store Card is issued. Union Store Cards shall be displayed in all stores covered by this Agreement.

## **ARTICLE 5 UNION SECURITY**

5.01 The duration of the present contract or any renewal there of, the Employer agrees to deduct service fees in an amount equivalent to dues, and initiation fees on a weekly basis and remit to the Local once each week in an amount as Local 1996 shall determine and provide its members generally from the pay of each employee who has signed a properly approved Authorization Card. The Union shall officially, in writing, notify the Employer of the amount to be deducted, and if there is any change, notice of the change will be given to the Employer in writing.

5.02 It is understood that service fees equivalent to initiation fees shall be deducted from the next two (2) weeks pay of the employee so authorizing the deduction, and thereafter service fees in an amount equivalent to union dues shall be deducted from the employees' pay each week, provided only that the total amount be deducted in any one week shall not exceed four (4) weeks due.

5.03 If the law is changed to permit a "Union Shop" the following shop condition shall become effective when it is legal:

It shall be a condition of employment that all of the employees of the Employer covered by this Agreement who are members in good standing on the effective date of this Agreement shall remain members in good standing and those who are not members on the effective date of this Agreement shall on the thirty-first (31st) day following the effective 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 effective date shall on the thirty-first (31st) day following the beginning of such employment become and remain members in good standing in the Union.

5.04 In the interest of promoting cooperative relations, the store manager will introduce each new employee in his store to the Union shop steward within one (1) week after the new employee reports for work. At this meeting, which shall take place during working hours, the shop steward shall give the new employee a copy of the Agreement with the Union and shall explain its operation. The shop steward may answer any questions the new employee asks him, may request the new employee to join the Union and may make arrangements for the new employee to become a member.

5.05 Each week the Employer will give the Union a listing of newly hired and active employees. This listing shall include names, social security numbers, home addresses, store numbers and seniority dates and shall be given to the Union in the form of a computerized tape or disk in the format that matches the Union's computer, if possible.

5.06 Political Check Off — The Employer will make deductions weekly from employees who have signed an Active Ballot Club check-off card and the money collected will be forwarded to the President of UFCW Local 1996 at the conclusion of each operating quarter.

5.07 During the first forty-five (45) days all employees shall be on a trial basis. The Employer may discharge any new employee during said trial period for any reason whatsoever and there shall be no right of appeal to the grievance and arbitration procedure be either the employee or the Union. However, after forty-five (45) days of full-time employment, the employee's seniority date shall revert back to the beginning date of his last full-time employment.

## **ARTICLE 6 MANAGEMENT RIGHTS**

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

## **ARTICLE 7 DISCHARGE AND DISCRIMINATION**

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

7.02 The Employer shall not discharge any employee without just cause and shall give at least one (1) written notice of the specific complaint(s) against such employee to the employee and to the Union, except that no warning notice need be given to any employee before discharge for cause such as proven dishonesty, drunkenness, or falsification of application for employment (discharge for falsification of application for employment must be within twelve (12) months from date of hire), recklessness resulting in a serious accident while on duty, or refusal of any employee to accept a job assignment or other serious violations.

7.03 All Constructive Advice notices issued for an infraction of Company rules or records of discipline, shall be stricken and become null and void nine (9) months from their date of issuance, provided the employee has not received another notice for the same type of infraction within that nine (9) month period.

7.04 Upon discharge of any non-probationary employee, (layoff and reduction in hours not deemed to, in any way, be considered a discharge), the Employer will give written notice of the

discharge to the Union within seven (7) days. Subsequently, if requested to do so by the Union, the Company will give the reasons for the discharge to the Union.

## **ARTICLE 8 DISPUTE PROCEDURE**

8.01 The Union shall have the right to designate a Union Steward for the Drug/GM areas of the stores covered by this Agreement. The Union shall notify the Employer of the Union Steward selected and any necessary revisions due to changes. The Union Steward shall be the last employee to be laid off.

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

**Step 1.** By conference between the aggrieved employee, the shop steward and/or the Union representative and the Store manager of the store within seven (7) days of the submission or the presentation of the grievance to the Company

**Step 2.** By conference between the shop steward and/or the Union Representative and the Zone Manager within fifteen (15) days of initial contact with the Zone Manager from Step 1.

**Step 3.** By conference between an official or officials of the Union and/or Divisional Vice President or representative of the Employer so delegated by a Divisional Vice President or both within fifteen (15) days of initial contact by the Union and/or employer from Step 2.

**Step 4.** In the event that the last Step fails to settle satisfactorily the complaint, either party if it desires to arbitrate the complaint, shall refer it to the Board of Arbitration within thirty (30) days after Step 3 is completed.

It is the intent of both parties that grievances shall be handled promptly within that time limit specified in each step of the grievance procedure. However, time limits may be extended in any step of the grievance procedure by mutual consent.

8.03 The Union and the Employer shall select one (1) person who will act as their representative to select an arbitrator and jointly request the Director of the American Arbitration Association to furnish the parties a panel of seven (7) arbitrators from which the arbitrator shall be chosen. The arbitrator shall be chosen by the alternate striking of names. By mutual agreement between the parties, if the panel offered by the American Arbitration Association is unacceptable to both parties, a second panel of seven (7) names may be jointly requested. The expenses of the arbitrator shall be paid for jointly. The arbitrator shall have no authority to amend, modify, or in any way alter the terms of this Agreement.

8.04 The Employer may, at any time, discharge any worker for just cause. The Union, if it wishes to contest the discharge, may file a written complaint within seven (7) calendar days with the Employer asserting that the discharge was improper. Such complaint must be taken up promptly and, if the Employer and the Union fail to agree within seventy-two (72) hours, it shall be referred within forty-eight (48) hours to Arbitration, (unless discussion time is mutually extended in writing by the parties). Should the Board determine that the discharge was lacking in merit, the parties shall abide by the findings of the Arbitrator.

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

8.06 The manager of a store shall grant to any accredited Union official access to the store at times when employees are working for the purpose of satisfying himself that the Employer is in compliance with the terms of the Agreement.

8.07 Any employee who is interrogated concerning a matter of discipline is entitled to representation by the Union at that interrogation. If the meeting is a scheduled meeting, a steward or business agent may be requested by the employee.

8.08 The parties agree that grievances may arise of a general nature affecting or tending to affect several employees, and that such grievances may be initiated at any of the above-mentioned steps deemed appropriate by the parties.

8.09 Grievances must be taken up promptly, and no grievance will be considered or discussed which is presented later than thirty (30) calendar days after such has happened.

8.10 The Company or the Union shall not refuse more than two dates that have been offered for hearing dates by the arbitrator unless mutually agreed to by the Company and the Union in writing.

## **ARTICLE 9 WORKING CONDITIONS**

9.01 The hours for employees shall be scheduled by the Employer.

9.02 The workweek for full-time employees shall be forty (40) hours per week to be worked in five (5) eight (8) hour days, Monday through Saturday, except in holiday weeks when the workweek shall be thirty-two (32) hours to be worked in four (4) days, Monday through Saturday.

For employees hired after March 26, 1994, the workweek shall consist of not more than forty (40) hours to be worked in five (5) days or less, Sunday through Saturday. Employees will be paid time and one-half (1½) for hours worked over forty (40) in a holiday week.

9.03 Work schedules for all employees shall be posted by noon Friday for the following week. Schedules for full-time employees shall not be changed during the week unless such requirement is necessitated because of sickness or other emergency subject to the grievance procedure outlined in Article 8 of this Agreement. Full-time employees required to work on their scheduled day off will receive time and one-half (1½) for all work performed that day. A scheduled day off is the one posted on Friday.

A part-time employee will be allowed to claim daily schedules Monday through Saturday within his store in his classification based on seniority in order to provide up to forty (40) straight-time hours per week, excluding overtime hours. A part-time Drug/GM employee (effective May 10th 1998) will be allowed to claim daily schedules Sunday through Saturday within his store in his classification based on seniority in order to provide up to forty (40) straight-time hours per

week, excluding overtime hours. Such employees must claim hours within the area of their job assignment and must be available and able to perform the work. In no instance shall the claiming of hours result in a reduction of an employee's schedule less than the twelve (12) hour minimum guarantee. Hours in a newly remodeled stores and new stores will not be available for claiming until the store is classified.

9.04 The schedule shall be posted in ink or other permanent type print and shall show the last name and initial of the employee, the employee's starting and quitting times and the scheduled day off.

9.05 All work performed in excess of eight (8) hours in any day and forty (40) hours per week (thirty-two (32) hours in a holiday week) shall be paid for at one and one-half (1½) times the employee's straight-time hourly rate of pay. Overtime will be paid on the shift or on the week, whichever is greater, but in no case on both. Hours paid for at premium pay (other than hours included in the night premium) will be set aside for the purpose of computing weekly overtime.

For employees hired after March 26, 1994, the following shall apply.

All work performed in excess of nine (9) hours in any day and forty (40) hours per week shall be paid for at one and one-half (1½) times the employee's straight-time hourly rate of pay. Overtime will be paid on the shift or on the week, whichever is greater, but in no case on both. Hours paid for at premium pay (other than hours included in the night premium) will be set aside for the purpose of computing weekly overtime.

9.06 There shall be no split shift scheduled for employees.

9.07 Each employee shall have a full day off during the week to be given within the practical operation of the individual store schedule.

9.08 Employees shall be allowed one (1) hour without pay for lunch. No employee shall be required to work more than five (5) hours without a lunch period.

By mutual agreement between an employee and store management, a lunch period of thirty (30) minutes duration may be observed.

9.09 An employee will have a minimum of ten (10) hours off between scheduled shifts. If an employee is called back between these hours, he will be paid for those hours at the rate of time and one-half (1½).

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

9.11 There shall be an uninterrupted fifteen (15) minute rest period in the morning and an uninterrupted fifteen (15) minute rest period in the afternoon of all workdays, or each four (4) hours worked. Employees who work ten (10) or more hours in a workday shall receive a third uninterrupted fifteen (15) minute rest period. The Employer will endeavor to schedule the rest period during the second and third hours of each such period worked.

9.12 When employees object to night stock work, the night stock work shall be assigned by seniority within the Drug/GM department beginning with the least senior Drug/GM employee.



Full-time night stock employees within the Drug/GM department may transfer from night work to the day shift or from day shift to night work when vacancies occur on the basis of seniority and ability to perform the work. The Employee will be given a two (2) week trial and training period. If at the end of such time, the employee is not qualified, he shall be returned to his previously held position on the night stock crew. Employees may exercise their rights under this clause not more frequently than once every six (6) months.

9.13 Employees hired prior to December 10, 1987, shall be compensated at the premium rate of time and one-half (1½) their regular hourly rate for Sunday and holiday work. For employees hired after December 10, 1987, Sunday and holiday work shall be paid at the employee's straight time hourly rate of pay.

It is agreed that Sunday work will be on a voluntary basis. The Employer will determine the amount of Sunday work in each classification in each store consistent with the needs of the business. Sunday work will be rotated equitably among interested employees in seniority order within each store. In the event there is not enough voluntary employees available, the Employer will assign work in inverse seniority order.

9.14 Effective April 7, 2002, a night premium of thirty-five cents (35¢) per hour shall be paid for all hours worked between 9:00 p.m. and 6:00 a.m. This is separate from and in addition to the employee's straight-time hourly rate.

9.15 A member of a regular night stocking crew will have his night stocking premium included in the calculation of his vacation and holiday pay.

9.16 During general elections employees shall be granted time off to vote without pay but not more than two (2) hours, provided the employee is registered to vote and the time off is necessary.

9.17 An employee who is absent from work for three (3) consecutive working days without notifying the Store Manager will be considered to have voluntarily quit.

9.18 Part-time employees will be scheduled for a minimum of twelve (12) hours per week Monday through Saturday, except that a part-time employee called in on Saturday (who has not previously worked that week) will be scheduled for the hours from the time called in to the time the store closes.

For employees hired after March 26, 1994, the following shall apply.

Part-time employees will be scheduled for a minimum of twelve (12) hours per week Sunday through Saturday, except that a part-time employee called in on Saturday (who has not previously worked that week) will be scheduled for the hours called in to the time the store closes.

9.19 No employee will be required to take a polygraph examination.

9.20 The schedule for part-time employees may be changed provided the employee involved is notified of the change not later than the day before such change is to take effect, except that such notice will be waived in case of sickness or emergency.

9.21 In case of a temporary transfer at the request of the Employer involving more than ten (10) additional miles of travel per day, the employee will be reimbursed for the additional miles traveled at the applicable Marketing Area cents per mile.

## **ARTICLE 10 SENIORITY**

10.01 Unless otherwise provided for, seniority shall be defined as the length of continuous service within a department. For the purpose of this Agreement, the following departments are established: Cosmetics and Drug/GM.

10.02 In the event that a Drug/GM employee is transferred from Drug/GM to Foods, his/her seniority date in Foods shall be the date of transfer. The employee's original date of hire, however, shall prevail for all other matters such as earned vacations, holidays, and total Employer service. In the event that such employee is laid off from the Food position, he/she can use their original hiring date and accumulated seniority to transfer back into their original Drug/GM position (seniority permitting) at the appropriate contractual rate and benefits schedule for the Drug/GM position.

10.03 For the purpose of layoffs or permanent reduction of hours, the following classifications shall be established:

1. Drug/GM Clerks (All other employees in the Department other than Lead Cosmetician and Drug/GM Manager)
2. Drug/GM Manager
3. Lead Cosmetician

Seniority for layoffs shall be administered in accordance with the provisions of Appendix "A" attached.

10.04 In the matter of promotions, seniority shall be the controlling factor. Part-time employees will be given first consideration for promotion to full-time when a vacancy exists; however, this shall not preclude an employee in another department from requesting a transfer for such vacancy or a vacancy that might become available. Such request must be made in writing to the store Manager, and copy to the Union.

10.05 Permanent vacancies for the position of Drug/GM Manager will be posted in each store within the Zone Manager's Area where the opening occurs for a minimum of three (3) days, prior to the appointment. Such notice shall be of a uniform size and shall be posted in a prominent location to be seen by all employees. Seniority shall be the controlling factor provided the employee has the ability to perform the duties.

10.06 Part-time employees shall not accumulate seniority over full-time employees.

10.07 Agreed-upon seniority lists shall be established and available to the Union at all times.

10.08 It is also agreed between the parties that, in the event that any bargaining unit employee is transferred from existing Food stores to the new Combination store, or any bargaining unit employee on layoff from existing Food stores is reinstated into the new

Combination store, such employee(s) shall not suffer any loss of rate, seniority or economic benefits which they were enjoying at the time of transfer because of the transfer or reinstatement into the Combination store.

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

## **ARTICLE 11 LEAVES OF ABSENCE**

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

11.02 **Pregnancy Leave:** An employee shall be granted a pregnancy leave when request for such is accompanied by the attending doctor's statement certifying that the employee is pregnant and giving the anticipated beginning date of such leave.

11.03 **Personal Leave:** A leave of absence up to sixty (60) days shall be granted to an employee who has had one (1) year of continuous service for reasonable personal reasons, but not for the purpose of engaging in gainful employment elsewhere. Any such employee desiring a leave of absence shall secure written permission from the Employer with a copy to the Union, the length of absence to be agreed upon by the Employer and employee. The length of absence shall be commensurate with the need.

11.04 **Sickness or Injury:** A leave of absence because of sickness or injury will be granted to any employee not to exceed ninety (90) days upon written request supported by medical evidence. Extensions of ninety (90) days (not to exceed one (1) year total; three (3) years total in case of injury on the job) will be granted upon written request supported by proper medical evidence prior to each extension. The employee will give the Employer one (1) week's notice in writing of his desire to return to work supported by a doctor's release.

11.05 **Injury on the Job:** A full-time employee with one (1) or more years continuous service shall be allowed a maximum of one (1) week's leave of absence with pay in any one (1) calendar year for injury or injuries sustained on the job provided the accident is reported promptly to management and provided the employee is treated within twenty-four (24) hours of occurrence by the Employer's designated physician. Full-time employees with less than one (1) year's service and part-time employees will be paid for scheduled hours through the day of the injury.

11.06 **Military Leave:** Military leaves will be given in accordance with applicable federal laws. The Employer will endeavor to reschedule days off for full-time employees required to attend regularly scheduled weekend military training assemblies.

11.07 **Union Business:** The Employer will grant the necessary leave of absence without pay for employees appointed to or elected to Union office, or a delegate to a Union activity. Such leave in no case shall exceed one (1) year.

11.08 **Funeral Leave:** Up to three (3) days leave with pay shall be granted for time necessarily lost from work in the event of a death in the immediate family of any full-time employee, provided that the employee attends the funeral. In no case, however, will the employee receive more than his basic weekly pay. By immediate family is meant parent, brother, sister, wife, husband, child, mother-in-law, father-in-law, grandparents, grandchildren, or any other relative residing with the employee.

11.09 **Family and Medical Leave Act:** A leave of absence of up to twelve (12) weeks (unpaid) shall be granted to an employee who has had one (1) year of continuous service and who has 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.

11.10 Part-time employees with one (1) or more years of continuous service, will, under the same conditions and stipulations in the above paragraph, receive pro-rata funeral pay to be determined by averaging the hours worked on the days in question for the previous four (4) weeks.

11.11 Any employee serving on a duly constituted jury or appearing in court and/or the police department on behalf of the Employer will be paid for hours necessarily absent from work. Such pay shall not exceed the employee's basic weekly pay. The employee shall notify the Employer promptly of any such necessary arrangements.

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

11.13 Time spent on leave of absence will not be counted as time worked for the purpose of contract benefits except as otherwise specifically provided therein, but will not result in loss of seniority. Failure to follow the terms of the leave of absence or to report back to work at the end of the leave, or to accept gainful employment elsewhere (other than Union business) while on leave, shall result in the employee being considered a voluntary quit.

## **ARTICLE 12 VACATIONS**

12.01 Eligibility for an employee's first vacation one week (1), and for his subsequent increase in vacation will be determined by the anniversary date of his employment. Arrangements must be made to permit employees to enjoy such earned vacation between the actual employment anniversary date and the end of the year in which it occurs.

12.02 The employees hired prior to January 31, 1990 following schedule will apply: "Service" means continuous employment as a regular employee: 1 year - 1 week; 3 years - 2 weeks; 8 years - 3 weeks; 15 years - 4 weeks; 20 years - 5 weeks.

Effective with employees hired after January 31, 1990, the following vacation schedule will apply:

<i>1 Year service</i>	-	<i>1 week vacation</i>
<i>4 years service</i>	-	<i>2 week vacation</i>
<i>10 years service</i>	-	<i>3 weeks vacation</i>
<i>17 years service</i>	-	<i>4 weeks vacation</i>

12.03 Employees who completed the required service prior to January 1 of any year are eligible for vacations as of that date.

12.04 After an employee has qualified for his first one week's vacation, he automatically qualifies for future one week's vacations as of January 1 of each year.

12.05 After an employee has qualified for two (2) weeks vacation, he automatically qualifies for future two (2) weeks; vacations as of January 1 of each year.

12.06 After an employee has qualified for three (3) weeks vacation, he automatically qualifies for future three (3) weeks vacations as of January 1 of each year.

12.07 If an employee qualifies for one (1) week vacation as of January 1 and is due to complete the service necessary for an additional week or weeks of vacation later in the year, he may take the first week early or wait and take it all together.

12.08 Vacations must be taken during the calendar year unless, due to emergency, the management finds it necessary to request postponement. Vacation pay will be paid in advance.

12.09 If any employee who has not taken his vacation earned by his service leaves (regardless of whether he gives notice), or is separated for any reason other than dishonesty, he will receive his vacation pay at the time of leaving.

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

12.11 "Regular" for the purpose of this schedule refers to the Company's definition of a "regular employee".

12.12 When an employee's status is changed from part-time to full-time, he will have his continuous service for the purpose of determining his second week of vacation only as a full-time employee dated from his last beginning date of employment, rather than the date of his qualifying as a full-time employee.

12.13 Full-time employees shall be paid their straight-time earnings for their basic workweek.

12.14 Part-time employees shall be given vacation pay on a pro-rata basis computed by dividing the total number of hours worked in the vacation qualifying year by fifty-two (52), with the number of weeks of eligibility to be determined in the same manner as for those full-time employees defined in this Article as "regular" by Company definition.

12.15 A full-time employee who is eligible for three (3) weeks or more of vacation shall be eligible to take one (1) week in days providing such employee has given seven (7) days advance notice or is mutually agreeable by the Employer.

### **ARTICLE 13 HOLIDAYS**

13.01 The following shall be considered holidays: New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, or days legally celebrated in lieu thereof. Full-time employees who work their scheduled day immediately preceding a holiday and their scheduled day immediately following a holiday shall receive eight (8) hours pay in addition to the hours worked. Full-time employees who are absent on their scheduled day immediately preceding a holiday or their scheduled day immediately following a holiday shall not be paid holiday pay unless absence is due to proven illness or the absence is excused by the Employer, in which case the employee shall receive holiday pay provided he worked any part of the holiday week. The basic workweek in such holiday week shall be thirty-two (32) hours. Employees required to work on a holiday shall be paid at the rate of time and one-half (1½) their straight-time hourly rate of pay for all hours worked on such holiday in addition to any holiday pay for which they might otherwise qualify. To be eligible for holidays, full-time employees must have been employed thirty (30) days or more. Employees hired after January 31, 1990 will become eligible for the five (5) basic holidays named in paragraph 13.01 of this Article as of their first anniversary date. These employees will not be eligible for any other holidays listed in this Agreement, except as follows.

For employees covered by this provision, the following shall apply:

Effective after two (2) years of service, each employee will be eligible for a personal holiday to be observed on a mutually agreed upon day.

Effective after four (4) years service, each employee will be eligible for a second personal holiday to be observed on a mutually agreed upon day.

13.01A Employees hired after March 26, 1994, will be paid time and one-half (1½) for hours worked over forty (40) in a holiday week.

13.02 Employees hired prior to January 31, 1990, with one (1) or more years service shall receive two (2) personal holidays. These holidays shall be observed on mutually-agreeable dates.

13.03 A part-time employee who has worked twelve (12) or more weeks shall be entitled to holiday pay for the holidays set forth in Article 13 of this Agreement, provided he was

scheduled for work in the holiday week and worked his scheduled hours in the holiday week. Employees who are absent of their own accord during a holiday week shall be paid only for the hours actually worked except, where absence is caused by proven illness or is excused by the Employer, the employee shall receive the holiday pay provided he worked any part of the holiday week. Holiday pay for eligible part-time employees will be:

**AVERAGE HOURS WORKED HOLIDAY PAY**

Less than 32 hours	(4 hours)
32 hours and over	(8 hours)

13.04 Work performed after 7:00 p.m. on Christmas Eve will be paid for at double time (2X) the employee's straight-time hourly rate. An employee shall not be required to work prior to 6:00 a.m. the day following Christmas Day. Any employee who works prior to 6:00 a.m. the day following Christmas Day will be paid for at time and one-half (1 1/2X) the employee's straight-time hourly rate.

13.05 No employee shall be required to work on Christmas Day.

13.06 Should a holiday fall during an employee's vacation, he shall receive an additional day off with pay immediately following his vacation period.

**ARTICLE 14  
NO STRIKE, NO LOCKOUT**

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

14.02 No employee shall be required to cross a legal labor picket line of a Union involved in a primary labor dispute with the Employer. Before the Local Union gives official recognition to any picket line, it shall discuss such action with the Employer.

**ARTICLE 15  
WAGES**

15.01 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.

15.02 Previous proven comparable Drug/GM or cosmetician experience with a nationally recognized supermarket chain, or comparable experience, within three (3) years of the person's date of employment shall be the basis for determination of employee's rate of pay. It is understood that in determining the person's rate of pay, any proven comparable experience within the last three (3) year period will qualify the person for total credit of their previous proven comparable experience. Persons with part-time experience will be given six (6) months credit for each one (1) full year of part-time experience.

Previous experience must be stated at time of employment and shown on application of employment, otherwise, the employee forfeits any claims under this provision.

15.03 An employee will be assigned to relieve a Drug/GM Manager who is absent for (1) week or more and shall receive the minimum contract rate of such time spent on relief.

15.04 On a new store or stores which may be remodeled, the Drug/GM Manager shall be paid his or her previous rate for fourteen (14) weeks. At the end of fourteen (14) weeks, the new store will be reclassified based on the average weekly total sales for the twelve (12) weeks immediately following the first two (2) weeks after opening or remodeling and the Drug/GM Manager rates will be adjusted to the new classification with retroactive adjustment to the opening of the store.

## **ARTICLE 16 SEPARATION PAY**

16.01 An employee who is separated for incompetence or is permanently separated due to discontinuance of the job or reduction of force shall be given one (1) week's notice or one (1) week's pay in lieu of notice. Such notice or pay in lieu of notice shall not apply to any employee who is discharged for proper cause.

In the event the Employer closes or sells a store and employees are terminated as a result thereof, full-time employees who have completed two (2) years service shall receive severance pay equal to one (1) week's pay for each year of continuous full-time service, commencing with a third year, but not to exceed four (4) weeks pay at their regular rate. No benefits shall accrue under the terms of this Article if the employee refuses a transfer within a fifty (50) mile radius.

## **ARTICLE 17 UNION COOPERATION**

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

17.02 The Union agrees to uphold the rules and regulations of the Employer in regard to punctual and steady attendance, proper and sufficient notification in case of necessary absence, conduct on the job, and all other reasonable rules and regulations established by the Employer. Any new rules and regulations or methods shall be discussed with the Union before installation.

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

## **ARTICLE 18 PROMOTIONAL CHANNELS**

18.01 The Employer agrees that it is in the best interest of all concerned if job openings in Food classifications contained in the companion Food store contract for this particular store are filled insofar as possible by promotion and transfer of Drug/GM employees to the available job openings.



18.02 Accordingly, when Employer designated Food openings occur in this store, first consideration for filling those openings shall be given to senior qualified Drug/GM employees before any new employee is hired from "off the street" for the Food openings.

18.03 The Employer will make his best efforts, consistent with good management practice, to maintain a regular promotional channel from Drug/GM to Food for those employees who are interested and available for such change of classification.

## **ARTICLE 19 TIME CARDS**

19.01 Employees will be responsible for ringing or punching their own time cards and will be paid in accordance with time records on such cards.

When requested to do so, the Employer shall make such records available at a reasonable time to an authorized representative of the Union for examination.

19.02 The Employer and the Union agree that working before punching in or after punching out may subject such an employee to disciplinary action up to and including discharge.

19.03 When an employee fails to record time on his time card, or when the time clock records an error on the employee's time card, the employee shall report such failure or error to the manager, or his designate, who shall insert the proper time in ink on the time card and initial it, and the employee shall also initial said time card.

19.04 The Employer and the Union agree that a proven violation of established time clock rules may subject an employee to disciplinary action up to and including discharge.

The Fair Labor Standards Act as amended, requires among other things, that all time worked by employees be accurately recorded and that employees receive compensation for all time worked in excess of forty (40) hours in any week at time and one-half (1 1/2) their regular hourly rate of pay. The parties recognize and agree that strict compliance with this Act is in the best interest of the Employer, the Union and the employees. Therefore, the Employer will not request, suffer or permit any employee to work off the clock and the Union agrees to cooperate with and to assist the Employer in assuring strict compliance with this important Federal legislation.

So that discipline will be applied consistently and uniformly, the following steps will be taken to discipline employees who violate the "Fair Labor Standards Act" as stated herein.

First offense - written warning  
Second offense - one week disciplinary  
suspension without pay  
Third offense - discharge

## **ARTICLE 20 GENERAL PROVISIONS**

20.01 Store Meetings: Employees will be compensated at their regular contractual rate of pay for any meetings where their attendance is required by the Employer.

20.02 When an employee is injured on the job, or suffers a job related illness, and is certified as ready and able to perform all regular duties but required to follow up medical treatment as a result of the same injury or illness, the Employer shall adjust the work schedule without penalty to the employee, insofar as is consistent with good store operations to provide the time, without pay, for the required medical care.

20.03 If the city or state requires a health examination of a regular or non-regular Kroger employee covered under the terms of this Agreement, the renewal examination will be paid for by the Employer up to the amount of five dollars (\$5.00) per year.

20.04 Any uniform or apron deemed necessary by the Employer for its employees shall be furnished and laundered by the Employer. Where dacron or similar type uniforms are furnished to female employees, such uniforms shall be laundered by the employee.

## **ARTICLE 21 SEPARABILITY**

21.01 Any provision of this Agreement which may be adjudged by a court of final jurisdiction to be in conflict with any Federal, State or Local Law shall become inoperative to the extent and duration of such conflict. Since it is not the intent of either party hereto to violate any such law, it is agreed that in the event of a conflict between any provision of this Agreement and such Federal, State or Local Law, the remainder of this Agreement shall remain in full force and effect. The Employer and the Union further agree that if they are unable to reach an agreement on the substitute provisions, to arbitrate any differences concerning a substitute provision.

## **ARTICLE 22 SALESMEN STOCKING**

22.01 The Employer may utilize any vendor store assistance on Drug/GM products which are available to the trade without additional cost. Drug/GM products are those items that are normally handled in Kroger combination stores.

## **ARTICLE 23 EMPLOYEE DEFINITION**

23.01 Any employee who was hired for full-time work and is normally scheduled forty (40) hours per week, shall be considered to be a full-time employee. Any other employee who is normally scheduled forty (40) hours per week for twelve (12) consecutive weeks shall also be considered to be a full-time employee. Sunday work and temporary assignments because of vacations and/or absenteeism to a forty (40) hour week shall not be included in this criteria.

23.02 An employee who is hired for part-time work, and is scheduled and works less than forty (40) hours per week, shall be considered to be a part-time employee. Any other employee who

is scheduled and works less than forty (40) hours per week for twelve (12) consecutive weeks shall also be considered to be a part-time employee.

23.03 It is agreed that this criteria calling for "twelve (12) weeks up" and "twelve (12) weeks down" shall be separate periods of time and that no week's work shall be included in both sets of twelve (12) consecutive weeks.

## **ARTICLE 24 PENSION**

24.01 The Employer agrees to make a contribution of thirty-five (35¢) per hour for each paid hour up to and including forty (40) hours per week for all employees in the unit after an employee has completed twelve (12) months of employment. Paid hours shall include paid hours of vacation, holidays and hours of leave paid for by the Employer. Such contribution shall be made not later than the twentieth (20th) day of each month for the preceding calendar month.

24.02 Contributions shall be made to a jointly administered Employer-Union Trust Fund which shall be administered by an equal number of trustees representing the Employer and an equal number of trustees representing the Union. The Pension Trust Fund shall be established pursuant to a Pension Trust Agreement and Pension Plan to be hereafter entered into by the parties hereto for the sole purpose of providing pensions for eligible employees as defined in such Pension Plan.

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

## **ARTICLE 25 HEALTH AND WELFARE**

25.01 The Employer shall contribute to the established Employees and Employers Trust Fund (I.D. No. E.I.N. 58-6041908 P.N. 501) contributions as specified herein; such contributions to be used to provide Health and Welfare benefits as determined by the Trustees.

25.02 The term "eligible employee" shall mean any employee who has worked an average of twenty-eight (28) hours per week for a period of eight (8) consecutive calendar weeks (224 hours). Such an employee becomes eligible for health and welfare benefits on the first day of the second calendar month immediately following completion of the eight (8) consecutive calendar weeks (224 hours) and such date shall hereinafter be referred to as his eligibility date. Effective for employees hired after ratification (July 17, 1987) of this agreement: The above qualification period for each eligible employee shall mean an employee who has averaged thirty-two (32) hours per week for a period of eight (8) consecutive weeks (256 hours).

25.03 In the case of part-time employees, the term "eligible employee" shall mean any employee who has worked an average of twelve (12) hours or more per week for the eight (8) consecutive weeks immediately preceding the first of any month. Such an employee becomes eligible for health and welfare benefits on the first day of the second calendar month

immediately following completion of the eight (8) consecutive calendar weeks and such date shall hereinafter be referred to as his eligibility date.

For all employees hired after January 31, 1990, the following shall apply: After six (6) months of employment, an employee who qualifies for healthcare will receive the part-time plan for eighteen (18) months, even though such employee may work sufficient hours to qualify for full-time coverage. Upon completion of eighteen (18) months of part-time coverage when he has worked sufficient hours for such coverage.

Effective May 1, 2000 of this Agreement the following will apply:

After completion of the six (6) month period and pursuant to paragraph 25.02 and 25.03, an employee who qualifies for health care will receive the part-time Plan B for twelve (12) months, even though such employee may work sufficient hours to qualify for full-time coverage. Upon completion of twelve (12) months of part-time coverage, such employee will be eligible for full-time coverage Plan B when he has worked sufficient hours for such coverage.

An employee who has completed twelve (12) months of full-time coverage Plan B, or after twelve (12) months of full-time coverage shall be covered by full-time coverage Plan A.

An employee eligible for full-time coverage Plan A who ceases to be covered as determined by average hours will be covered by Plan B part-time.

**25.04 Effective with May 2002** contributions, employees hired 07/17/1987 through April 6, 2002 of the Drug G/M contract will qualify and progress under the existing plans as follows: Employees must be employed for six (6) months. Employees must average thirty-two (32) hours in the twelve (12) consecutive weeks preceding the first day of any month. Such an employee becomes eligible for health and welfare benefits on the first day of the second calendar month immediately following completion of six (6) months of service.

In the case of part-time employees, the term "eligible employee" shall mean any employee who has been employed for a period of six (6) consecutive months immediately preceding the first of any month and during the last eight (8) week period has worked at least ninety-six (96) hours.

Employees will be covered by Plan B for a period of eighteen (18) months. After completion of eighteen (18) months, the employee will be covered by Plan A and shall be eligible for Full-time or Part-time benefits based on their average hours worked.

**All new employees hired April 7, 2002** and after will enter Plan E as follows: In the case of Full-time employees, the term, "eligible employee" shall mean any employee who has been employed for a period of six (6) consecutive months and who have averaged thirty-five (35) hours for twelve (12) consecutive weeks preceding the first day of any month (420 hours). Such an employee becomes eligible for health and welfare benefits on the first day of the second calendar month immediately following completion of six (6) months of service and such date shall hereinafter be referred to as his eligibility date.

In the case of part-time employees, the term "eligible employee" shall mean any employee who has been employed for a period of six (6) consecutive months immediately preceding the first of any month and during the last twelve (12) week period has worked at least one hundred-forty four (144) hours.

Plan E participants will be eligible for all major medical benefits, excluding dental coverage. After twelve (12) months of contributions in Plan E, participants will become eligible for dental coverage in accordance with the schedule of benefits for the applicable plan.

After completion of the thirty-six (36) months of contributions in Plan E, the employee will be covered by Plan A and shall be eligible for Full-time or Part-time benefits based on their average hours worked.

The employer agrees to increase the contribution rates up to the amount indicated in the table below if needed to maintain the benefits in effect as of April 29, 2001. Actual contributions required to fund the cost of benefits may be less than shown in the table below and will be determined by the Fund Consultant on an annual basis.

**Plan rates are as follows:**

	Plan A		Plan B				Plan E	
5/01/01	\$374.00	\$92.00	\$264.00	\$46.00			\$200.00	\$40.00
5/01/02	\$427.00	\$92.00	\$300.00	\$46.00			\$227.00	\$40.00
5/01/03	\$499.00	\$92.00	-	-	-	-	\$280.00	\$44.00
5/01/04	\$542.00	\$92.00	-	-	-	-	\$292.00	\$49.00

Effective May 1, 2003, the Employer agrees to increase the contribution rates for Plan B, not to exceed 10% each year, for the term of the Drug G/M agreement, as determined by the Fund Consultant on an annual basis.

The employer agrees to build reserves of approximately \$5,000,000 over thirty-six (36) months following April 29, 2001 with the actual amount to be determined by the Fund Consultant.

The parties agree that should a reduction in health and welfare benefits become necessary during the term of any existing collective bargaining agreement with Local 1996, that both parties will reopen discussion for the purpose of Health and Welfare, Article 25 or applicable articles dealing with Health and Welfare benefits under other collective bargaining agreements between Local 1996 and the Atlanta Marketing Area. Both parties further agree that Article 14, No Strike-No Lockout or articles containing No Strike-No Lockout in other collective bargaining agreements between Local 1996 and the Atlanta Marketing Area will not prohibit the members from exercising their right to strike the employer over applicable articles dealing with Health and Welfare should no agreement be reached. However, if the Company contributes in the amount of the shortfall and maintains benefits, then it is agreed that it is not necessary for the parties to meet.

Effective for employees hired after April 7, 2002, contributions to the Trust Fund shall be discontinued as of the first of the month immediately following:

In the case of Full-time employees the employee is ceasing to be an eligible employee due to his failure to work an average of thirty-five (35) hours or more for twelve (12) consecutive calendar weeks (420 hours) or in the case of a part-time employee, due to his failure to work an average of twelve (12) hours or more per week for the twelve (12) consecutive weeks (144 hours) immediately preceding the first day of any month.

25.05 In the event a covered full-time employee loses his full-time status, the payment as provided in Section 25.04 above will be discontinued as of the first day of the month immediately following. However, if the employee qualifies for part-time coverage as provided in Section 25.03 above, the payment provided for part-time employees will be made when the payment for full-time employees is discontinued.

25.06 In the event a covered employee is not on the Employer's payroll due to illness, injury, or pregnancy leave, the Employer will continue contributions for such employee for a period not to exceed six (6) months following the date of injury or sickness or pregnancy leave.

25.07 In the event a covered employee is injured on the job and is covered by Workers' Compensation, the Employer will continue contributions for such employee until they return to work or a final settlement is reached on his claim.

25.08 Employee contributions which have been discontinued as provided in 25.06 above will be resumed on the first day of the month following return to work on the Employer's active payroll after illness, injury or pregnancy.

25.09 Contributions to the Trust Fund shall be discontinued as of the first of the month immediately following a layoff or leave of absence of thirty (30) calendar days or more other than Family or Medical Leave, or as otherwise provided in 25.06, 25.07, or 25.08 above.

25.10 The Employer agrees to pay the contributions to the Trust Fund for eligible employees for one (1) month following termination of employment. This obligation shall not be required when an employee is discharged for dishonesty, drinking, or drunkenness on the job or resigns to go into business for himself.

25.11 The eight (8) consecutive calendar weeks referred to in paragraph 25.02 and 25.03 shall mean eight (8) consecutive calendar weeks immediately preceding the first day of the calendar month.

25.12 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.

25.13 The Employer agrees to pay the contribution rate pursuant to the contribution rate in the Main Food Agreement.

25.14 Employees shall become eligible for benefits in accordance with the Rules of Eligibility as adopted by the Trustees or may be amended from time to time by the Trustees. Such rules are in the Plan Document.

25.15 Effective May 2001 the Employer shall contribute for each eligible employee five (\$5.00) per month to the United Food and Commercial Workers Union and Employers Legal Assistance Fund, which Fund is a jointly-administered Employer and Union Trust Fund, as provided in the Trust Agreement.

In the event the legal plan's reserves exceed eight (8) months, contributions will be suspended until the Trustees deem additional moneys are necessary (goal of six (6) months reserves).

The legal plan must maintain its present tax exemption status or the Employer will no longer be required to make contributions.

## **ARTICLE 26 NON-DISCRIMINATION**

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

## **ARTICLE 27 TECHNOLOGICAL CHANGE**

27.01 The Employer and the Union recognize that technological change involving certain automated equipment is now available to the retail food industry. In recognition of this, the parties agree that:

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



**ARTICLE 28  
EXPIRATION**

28.01 This Agreement shall continue in effect from April 7, 2002 through May 7, 2005. Sixty (60) days prior to May 7, 2005, this Agreement may be opened by either party for discussion of any changes or revisions desired. If neither party notifies the other, this Agreement shall be extended from year to year.

28.02 All new provisions of this Agreement, other than wage rates, or unless otherwise provided herein, are to become effective the week following signing of this Agreement.

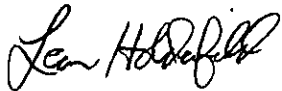
IN WITNESS WHEREOF, the said parties have caused duplicate copies hereof to be executed by their duly authorized representatives this 7th day of April 2002.

**FOR THE UNION:      FOR THE EMPLOYER:**

Steve Lomax

Glynn Jenkins



Leon Holderfield



Peggy Prescott

Ricardo L. McMillian





**APPENDIX "A"**  
**APPLICATION OF SENIORITY**

For purposes of layoffs or permanent reduction of hours, the following classifications shall be established.

- (1) Drug/GM Clerks (All other employees in the Department other than Lead Cosmetician and Drug/GM Manager)
- (2) Drug/GM Manager
- (3) Lead Cosmetician

In layoffs or permanent reduction of hours affecting full or part-time employees in classifications as outlined above, the following procedures shall apply. Two seniority areas will be established as follows:

**Area I:** Metropolitan Atlanta, Georgia to include Fulton, DeKalb, Cobb, Clayton, Fayette, Gwinnett, Douglas, Henry, Newton, Rockdale and Cherokee Counties, and the Cumming, Georgia store.

**Area II:** All other stores of the Atlanta Marketing Area covered by this Agreement.

Area I will be divided into four seniority groups. Divided North and South by Interstate 20 and East and West by Roswell Road - Peachtree Road and Interstate 75.

The Company shall furnish the Union an updated list of stores in each seniority group in Area I during the life of the Agreement.

(1) An employee who is about to be laid off or permanently reduced from full-time to part-time employment in a store in one of the groups in Area I may displace the least senior employee within their classification within their store.

It is the intent of both parties that grievances shall be handled promptly within that time limit specified in each step of the grievance procedure. However, time limits may be extended in any step of the grievance procedure by mutual consent.

(2) The employee thus displaced may exercise their seniority to displace the least senior employee within their classification within their group.

(3) The employee thus displaced may exercise their seniority to displace the least senior employee within their classification in Area I.

(4) The employee thus displaced may exercise their seniority to displace the least senior employee within their classification in store nearest the store in which the displacement occurred in Area II, who would then be laid off or reduced to part-time. (Should the employee not be able to exercise seniority in the nearest the store in Area II, that employee may displace the least senior employee within their classification in the Marketing Area.)

Should it become necessary to layoff or permanently reduce from full-time to part-time an employee in Area II, the employee affected may displace the least senior employee within their classification within their store. The employee thus displaced may then exercise their seniority to displace the least senior employee within their classification on the following basis: (1) city,

(2) county, (3) store nearest store in which the displacement occurred within Area II, (4) the employee thus displaced may exercise their seniority to displace the least senior employee within their classification in which the displacement occurred in Area II. (Should the employee not be able to exercise seniority in the nearest store in Area II, the employee may displace the least senior employee within their classification in the Marketing Area.)

In case of permanent reductions due to store closing, Drug/GM Manager, Lead Video Clerk, Assistant Drug/GM Manager and Lead Cosmetician shall be given the option of displacing either the least senior employee within their classification or the least senior employee in the clerks classification as outlined above.

A full-time employee about to be laid off may choose the option as outlined above or elect to be reclassified to part-time within their store and will maintain their full-time seniority date. Any employee who is voluntarily reduced from full-time to part-time shall have part-time seniority based upon employment date. Part-time employees will be laid off on the same basis as full-time employees.

**SCHEDULE "A" WAGES**

**Area I and Area II**

<b>Drug/GM Manager</b>	<b>4/07/02</b>	<b>4/06/03</b>	<b>4/04/04</b>
Store Volume			
less than \$250,000	\$14.90	\$15.25	\$15.60
\$250,001 to \$375,000	15.15	15.50	15.85
\$375,001 to \$450,000	15.40	15.75	16.10
\$450,001 and over	15.65	16.00	16.35

<b>Full-time Drug/GM Clerks</b>	<b>4/07/02</b>	<b>4/06/03</b>	<b>4/04/04</b>
Hired prior to 5/10/98			
Start	\$5.40	\$5.40	\$5.40
After 6 Months	5.50	5.50	5.50
After 12 Months	5.70	5.70	5.70
After 18 Months	5.90	5.90	5.90
After 24 Months	6.25	6.25	6.25
After 30 Months	6.65	6.65	6.65
After 36 Months	7.00	7.00	7.00
After 42 Months	7.50	7.50	7.50
After 48 Months	8.00	8.00	8.00
After 54 Months	10.60	10.95	11.30

<b>Full-time Drug/GM Clerks</b>	<b>4/07/02</b>	<b>4/06/03</b>	<b>4/04/04</b>
Hired 5/10/98 and after			
Start	\$5.40	\$5.40	\$5.40
After 6 Months	5.50	5.50	5.50
After 12 Months	5.70	5.70	5.70
After 18 Months	5.90	5.90	5.90

After 24 Months	6.25	6.25	6.25
After 30 Months	6.65	6.65	6.65
After 36 Months	7.00	7.00	7.00
After 42 Months	7.50	7.50	7.50
After 48 Months	8.00	8.00	8.00
After 54 Months	8.75	8.75	8.75
After 60 Months	10.60	10.95	11.30

**Part-time**

<b>Drug/GM Clerks</b>	<b>4/07/02</b>	<b>4/06/03</b>	<b>4/04/04</b>
Hired 5/10/98 and after Start	\$5.40	\$5.40	\$5.40
After 9 Months	5.50	5.50	5.50
After 18 Months	5.70	5.70	5.70
After 27 Months	5.90	5.90	5.90
After 36 Months	6.25	6.25	6.25
After 45 Months	6.65	6.65	6.65
After 54 Months	7.00	7.00	7.00
After 63 Months	7.40	7.40	7.40
After 72 Months	7.90	8.10	8.30

Grandfathered top rate employees hired prior to December 11, 1983, in the classifications of Drug/GM Clerk, Cosmetician and Receiving Clerks shall receive the rates as noted below:

<b>Drug/GM Clerks</b>	<b>4/07/02</b>	<b>4/06/03</b>	<b>4/04/04</b>
<b>Cosmetician/ Receiving Clerk</b>			
Therafter rate	+ .40	+ .35	+ .35

Effective April 7, 2002, employees designated and grandfathered as Lead Cosmetician, Lead Video Clerk and Lead Drug G/M Receiving Clerks will receive a premium of forty cents (40¢) per hour in addition to their personal rate. An employee who desires a promotion may request the same in writing to the Human Resources Manager with a copy to the Zone Manager and local union. When a vacancy occurs, the Employer will review any requests on file, along with any other candidates, and a decision will be made based upon ability, seniority, and consistent with the needs of the business. Requests will be valid for six (6) months from date received by the Human Resources Manager.

Effective April 7, 2002, employees designated as Assistant Drug G/M Manager will receive a premium of fifty cents (50¢) per hour in addition to their personal rate.

Drug/GM Clerks, Cosmeticians and Receiving Clerks currently on the payroll will be grandfathered under their applicable pay scale unless the new pay scale effective upon January 31, 1990 enables them to progress to a higher personal rate.

If an employee is transferred from Drug/GM to Foods, he/she will be placed in the next higher rate of pay over what he/she was making in the Drug/GM Agreement at the time of transfer. Such employee will then follow the appropriate time and rate schedule in the Food contract.

In the case of employees hired to work as "cosmeticians", the determination of the employee's rate of pay will include recognition of a cosmetician license and/or past training in the field. The actual rate of pay will, in each case, be one of the published rates within the schedule for that classification.

**SCHEDULE "B"**  
**EMPLOYEE INCENTIVE PLAN**

Effective with the first half 1994 and each full half year thereafter during the term of this Agreement, eligible employees will participate in an incentive bonus plan as follows:

- **Eligible Employees**

Department Manager, employees on the top rate of their respective classification wage scale, and employees designated as lead cosmetician, lead video clerk, and assistant Drug/GM Manager.

To be eligible, employees in the above classifications or job assignments must have been in the position at the beginning and end of the half year in which the incentive bonus is earned.

- Percent (%) to be paid to be determined by percent (%) paid the employee's Store Manager. In the event an employee transfers from one store to another, the percent (%) earned will be based on the store in which the employee spent the majority of their time in the half year. Should an employee move from one eligible position to another, the bonus potential will be the potential where the employee spends the majority of their time during the half year.
- Each eligible employee will be guaranteed a minimum payment of their potential in incentive bonus for the 1st and 2nd half of each year of the contract.
- The maximum potential incentive bonus an employee can earn on an annual basis will be as follows:

	1st Half		2nd Half		Annual Totals	
	Min.	Max.	Min.	Max.	Min.	Max.
<b>Department Manager</b>						
Store Volume Less						
\$250,000	\$200	\$400	\$200	\$400	\$400	\$ 800
\$250,001 to \$375,000	\$250	\$500	\$250	\$500	\$500	\$1000
\$375,001 to \$450,000	\$300	\$600	\$300	\$600	\$600	\$1200
\$450,001 and over	\$300	\$750	\$300	\$750	\$600	\$1500
 Full-time top rate lead cosmetician, lead video clerk, and asst.						
Part-time top rate	\$75	\$150	\$75	\$150	\$150	\$300

First half bonus will be paid by the sixth (6th) week after close of first half books.

The second half minimum bonus will be paid to all eligible employees the first week of December each year. The remainder amount earned will be paid six (6) weeks after the close of the year-end books.

Employees must be on the payroll at date of distribution to receive bonus. Required legal deductions will be withheld from bonus payments.

April 5th, 1998

Mr. Steve Lomax  
President  
UFCW Local 1996  
5780 Old National Highway  
College Park, Georgia 30349

Dear Steve:

This Letter of agreement will cover various subjects that have been agreed upon by the parties that seem appropriate to be included in the Agreement by letter. These subjects are as follows:

Kroger Food Stores Combined With Former SureRx Stores.

This current contract will cover the conversion stores and be extended to those size 6/8 type stores with expanded Drug/GM areas. Therefore, the term "Combination Stores" in Article 2.02 of our current Agreement would be understood to mean conversions and size 6/8 type stores.

Transfer of Food to Drug/GM or Drug/GM to Food.

In the event that a Food or Drug/GM employee is transferred from Food to Drug/GM or Drug/GM to Food, his/her seniority date in Food or Drug/GM shall be the date of transfer. The employee's original date of hire, however, shall prevail for all other matters such as earned vacations, holidays, and total Employer service. In the event that such employee is laid off from the Food or Drug/GM position, he/she can use their original hiring date and accumulated seniority to transfer back into their original Food or Drug/GM position (seniority permitting) at the appropriate contractual rate and benefits schedule for the Food or Drug/GM position.

It is agreed that effective 4/3/94, the Company will designate a Lead Clerk in its Opelika, Alabama store #030. The Lead Clerk will receive a premium of thirty cents (\$.30) per hour in addition to their personal rate.

It is understood when the parties get together to review Area II rates in the main food Agreement, the Area II rates of this Agreement will be discussed as well.

If you concur with the above, please sign in the space provided below.

Sincerely,

Glynn Jenkins  
Director of Human Resources

For the Union:

Steve Lomax

April 5th, 1998

Mr. Steve Lomax  
President  
UFCW Local 1996  
5780 Old National Highway  
College Park, Georgia 30349

Dear Steve:

During contract negotiations between The Kroger Company and UFCW Local 1996 relative to the agreement between the parties which is effective from April 3, 1994, through April 4, 1998, the parties agree the following would be covered by this letter:

To the extent that the Employer leases out space in its grocery stores to Non-Food operations doing business with customers inside the store, the Employer agrees that such operations shall not cause the loss of employees and hours in the Department represented by the Local 1996.

If you concur with the above, please sign in the space provided below.

Sincerely,

Glynn Jenkins  
Director of Human Resources

For the Union:

Steve Lomax

UFCW Local 1993  
3302 McGinnis Ferry Rd  
Suite 201  
Suwanee, GA 30024