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MEETING!**

8/5/02

**2001-2004
AGREEMENT**

OF

5300



**United Food and Commercial
Workers Union, Local 876**

Chartered by

**United Food and Commercial
Workers International Union,
AFL-CIO-CLC**

with

THE KROGER COMPANY
Grocery

MARCH 5, 2001 - JUNE 5, 2004



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AGREEMENT

THIS AGREEMENT made and entered into this 14th day of March, 2001, effective March 5, 2001 between THE KROGER CO. hereinafter designated as the "Employer", and the UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL NO. 876, its successors and assigns, chartered by UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, AFL-CIO-CLC, hereinafter designated as the "Union".

**ARTICLE 1
INTENT AND PURPOSE**

The Employer and the Union each represent that the purpose and the intent of this Agreement is to promote cooperation and harmony, to recognize mutual 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 Employer recognizes the Union as the sole and exclusive bargaining agent of all employees of the Employer, including employees of lessees, licensees and concessionaires, including those classifications of employees covered by this Agreement and of any new classifications hereafter established in those food stores in the following counties and any food stores hereafter owned and/or operated and supervised within the present territorial area of the Detroit, Michigan Division, in the counties of Wayne, Macomb, St. Clair, Oakland, Livingston, Washtenaw, Lenawee and Monroe, (876-1 counties) and Shiawassee, Genesee, Lapeer, Sanilac, Huron, Tuscola, Saginaw, Midland and Bay, (876-2 counties) Michigan, excluding store managers, co-managers, pharmacists, and pharmacist interns as provided under Article 8B herein and meat department employees.

Pursuant to the above the Employer warrants that he has authority to and shall require the operator of any such concession or leased and/or licensed department to fully apply and comply with the terms and provisions of this Agreement.

Effective 1/1/97, the Company and the Union agree to merge the U.F.C.W. Local 876-1 and U.F.C.W. Local 876-2 bargaining agreements for the purpose of seniority in the event of a store(s) closing or full-time lay-off.

ARTICLE 3 UNION SHOP, CHECK-OFF, DUES

A. The Union is recognized as the sole representative and bargaining agent for all employees covered by this Agreement in collective bargaining with the Employer. It shall be a condition of continued employment that all employees of the Employer covered by 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.

B. It shall also be a condition of continued employment that all employees covered by this Agreement and hired on or after the date of execution shall, on the thirty-first (31st) day following the beginning of such employment, become and remain members in good standing in the Union.

C. New employees, pending their application for, and membership in, the Union as aforesaid, shall with all other employees, be uniformly subject to the provisions of this Agreement, including those pertaining to wages, hours and working conditions; except new employees within thirty (30) days (sixty [60] days for those hired in a new store) of hire may be discharged or disciplined without recourse for any reason whatsoever. The probationary period may be extended an additional thirty (30) days by mutual agreement between the company and the Union.

D. When the Employer needs additional employees, it shall afford the Union equal opportunity with others to nominate or refer suitable applicants, provided that the Employer shall not be required to hire those nominated or referred by the Union.

E. Upon written notice by the Union, the Employer agrees within seven (7) days to discontinue the employment of any employee who fails to become and remain a member of the Union in good standing as provided under this Article.

F. **Check-Off:** The Employer agrees to deduct weekly union dues/fees uniformly required as a condition of acquiring or retaining membership in the Union from the wages of each employee, present and future, as the same shall be due, provided each such employee executes written authorization therefor, in a form authorized by law, and such authorization is turned over to the Employer. The Employer agrees to remit such dues and initiation fees as deducted to the Union.

The Union shall, on or before the tenth (10th) day of each month, furnish to the Employer, a list of member-employees and the amounts due therefor, including dues owing for the succeeding month. The Employer shall, on or before the twenty-fifth (25th) day of the month, deduct and remit such dues, as authorized, to the Union.

At the time of such remittance of check-off sums, the Employer shall also furnish the Union a list of all persons hired within the previous thirty (30) days (or since the last such list was furnished, whichever is later), including name, address, classification, assigned store and date of hire and social security number, if possible. The Employer shall also furnish from time to time, upon the Union's request and within two (2) weeks of such request, a seniority list of all employees covered by this Agreement.

G. **Check-Off For The Active Ballot Club:** The Employer agrees to honor and transmit to the Local Union contribution deductions for the U.F.C.W. Active Ballot Club from employees who are union members and who sign deduction authorization cards.

The deductions shall be in the amount specified on the political contribution authorization and deducted weekly and remitted monthly to the Local Union.

H. The phrases "members in good standing in the Union", "members", "membership in the Union", "member of the Union in good standing", "member-employees" and "Union members" as used in this Article include persons who are members of the Union and persons who elect and maintain non-member status.

ARTICLE 4 MANAGEMENT RIGHTS

The management of the business and the direction of the working forces, including the right to plan, direct and control store operations, hire, suspend, or discharge for proper cause, transfer or relieve employees from duty because of lack of work or for other

legitimate reasons, the right to study or introduce new or improved production methods or facilities, and the right to establish and maintain rules and regulations covering the operation of the stores, a violation of which shall be among the causes for discharge, are vested in the Employer, provided, however, that this right shall be exercised with due regard for the rights of the employees and provided further that it will not be used for the purpose of discrimination against any employee.

Post-Accident Employee Drug and Alcohol Testing Policy: Employer reserves the right for drug testing on accidents that require medical attention. Positive drug testing will result in disciplinary action up to and including discharge. Refusal to take a drug test that is requested by management will be considered insubordination and appropriate disciplinary action will take place.

The basis for which the Company requires a post-accident drug and alcohol test is any accident/injury within the store which requires medical attention at a clinic or hospital and is afforded to the employee by the Company.

Current levels as established by the Department of Transportation will be utilized as a basis for the results of testing.

All post-accident drug and alcohol drug tests will be performed at an established medical facility properly equipped to handle such testing.

Confidentiality of drug and alcohol testing results are paramount. Positive alcohol test results will be immediately disseminated by the testing facility to the manager on duty. Positive drug testing results will initially be disseminated by a certified Medical Review Officer (MRO) to the employee. The MRO will then contact the Company's Risk Management Department, who, in order to ensure confidentiality, will directly contact store management. In the event that Risk Management is unable to be contacted, (i.e. weekend, etc.) the MRO will contact the store management directly.

All circumstances and conditions surrounding an employee suspension will be taken into consideration by the Company upon investigation and determination of final disposition.

An employee testing positive will be given seven (7) business days from the date of suspension to be evaluated and enroll, if necessary, in a certified substance abuse program. Eligibility for reinstatement will be offered to an employee who provides

proof of evaluation within seven (7) business days of suspension and successfully completes the recommended treatment.

Reinstatement will be with the written understanding that any future deviation or incident of substance abuse of alcohol related issues effecting their employment will result in immediate discharge.

The above in all disciplinary cases will be on a non-precident setting basis.

ARTICLE 5 DISPUTE PROCEDURE

A. The Union shall have the right to designate or elect one (1) steward and one (1) alternate steward for each store.

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

Step 1. By conference during scheduled working hours between the Union's steward and/or the business representative and/or aggrieved employee, or any of them, and the manager of the store.

Step 2. If the grievance is not satisfactorily adjusted in Step 1, by conference conducted with reasonable promptness between the Union's business representative, and the territory store supervisor or personnel department representative of the Employer.

Step 3. If the grievance is not satisfactorily adjusted in Step 2, then the grievance reduced to writing, and signed by the employee or employees involved with concurrence of a Union representative, or signed by a Union representative in their behalf, presented to the Employer, and discussed within seven (7) calendar days (unless extended by mutual agreement between the Union and the Employer) by an officer or officers of the Union, and a representative or representatives of the Employer.

Step 4. If the grievance is not satisfactorily adjusted in Step 3, either party may, with reasonable promptness, in writing, request arbitration, and the other party shall be obliged to proceed with arbitration in the manner hereinafter provided. The Executive Board of the Union shall have the exclusive right to determine whether or not the employee's grievance shall be submitted to arbitration by the Union. The parties shall

forthwith attempt to agree upon an impartial arbitrator. If they cannot so agree within five (5) working days of the request for arbitration, the party requesting for arbitration may, with reasonable promptness thereafter, file a demand for arbitration with the American Arbitration Association, in accordance with the then applicable rules and regulations of the Association. The expenses of the arbitrator, excepting the parties' own expenses, shall be borne equally by the Union and the Employer.

C. The arbitrator shall have authority and jurisdiction to determine the propriety of the interpretation and/or application of the Agreement respecting the grievance in question, but he shall not have the power to alter or modify the terms of the Agreement. With respect to arbitration's involving the discharge or discipline of employees, the arbitrator shall determine if the discharge or discipline was for just cause; and he shall review the penalty imposed, and if he shall determine the Employer's action to be improper, inappropriate and/or unduly severe, he may vacate it or modify it accordingly.

It is the understanding of the parties to the contract that under the definition of the arbitrators authority set forth in Article 5, Section C of the Collective Bargaining Agreement; the arbitrator does not have the authority to go outside the bounds of the Agreement, although he/she may look outside the agreement where necessary in order to interpret the terms of the Agreement.

He shall have the authority and jurisdiction in cases concerning discharge, discipline or other matters, if he shall so determine, to order the payment of back wages and compensation for an employee which the employee would otherwise have received and/or enter such other and/or further award as may be appropriate and just.

D. Grievances must be taken up promptly and no grievance shall be considered or discussed which is presented later than thirty (30) calendar days (eighteen (18) months in the case of wage claims) after such has happened. Wage claims shall be defined as, and limited to, the following:

- a. Overdue progression step increases.
- b. Incorrect wage rates.
- c. Computer error.
- d. Errors in the mathematical calculation of wages or wage rates or failure to pay for holiday, sick pay, vacation, etc.
- e. Improper recall of laid-off employees.

In the case of a grievance contesting a discharge, the time limit shall be fourteen (14) days.

E. No employee shall be discharged or disciplined, except for just cause. Grievances respecting the discharge or discipline of an employee shall be presented and processed in accordance with the grievance procedure hereinabove set forth. Any agreement reached between the Union and the Employer under the grievance procedure by their authorized representatives, which in the case of the Union shall be subject to approval by its Chief Executive Officer, its President, and any decision of the arbitrator under Step 4 shall be final and binding upon the Employer, the Union and the employee or employees involved.

F. It is the intention of the contracting parties that, with the exception of those individual grievance privileges expressly set forth herein, in the redress of alleged violations of this Agreement by the Employer, the Union shall be the sole representative of the interests of employees or groups of employees within the bargaining unit. Subject to individual rights expressly set forth in the grievance procedure of this Agreement, only the Union shall have the right under arbitration procedures or in any judicial or adjudicatory forum, to assert and press against the Employer a claimed violation of this Agreement.

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

Store stewards shall have sufficient time to investigate and/or work with store management on grievance resolutions during scheduled working hours, including time to make phone calls relative to these duties. Time spent on the phone shall be limited to Union business and shall be limited in duration. Abuses of the above shall be dealt with by conference between the Company and the Union to a mutual agreement.

H. The Employer, including all supervisors, shall grant to any accredited union representative, access to the store for the purpose of satisfying himself that the terms of this Agreement are being complied with, including but not limited to, checking rates of pay, work schedules and time sheets.

I. The Employer shall have the right to call a conference with the officials of the Union for the purpose of discussing its grievances, criticisms, or other problems.

ARTICLE 6
NO STRIKE, NO LOCKOUT

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

B. The Employer agrees that it shall not request or demand that employees go through a legitimate picket line. The Union agrees that it will not refuse to cross a picket line unless such has been duly sanctioned by the President of the Local Union, and until the Employer has been officially notified by the President of the Local Union.

ARTICLE 7
OTHER AGREEMENTS

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

The Employer agrees that there will be no postings on Company premises, except by the Company or by the Union provided it is signed by the Union, officially.

ARTICLE 8
OTHER WORK, WORK BY OTHERS

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

B. The Employer agrees to the following exclusions: In stores employing twenty-four (24) or less members, one (1) store manager and co-manager for a maximum of two (2). In stores employing twenty-five (25) - thirty-nine (39) members, a maximum of three (3) will be excluded. In stores employing forty (40) or more members, a maximum of four (4) will be excluded. In stores larger than forty thousand (40,000) square feet, up to seven (7) will be excluded.

C. To preserve bargaining unit work, the Employer agrees that no supervisor, store manager, co-manager or any other person not covered by this Agreement, shall perform any work customarily performed by employees covered by this Agreement, (except that they shall be permitted to assist with bargaining unit work during a reset [Company shall provide a two (2) week notice to the Union] or opening of a new or remodeled store and in building and maintaining seasonal and specialty displays during the months of November and December and the four weeks preceding Easter) except only in the event of an emergency not attributable to the Employer, and except only with respect to bread, potato chips, pop, beer, wine, cookies, crackers, snacks, greeting cards, floor care, books, magazines, cigarettes, specialty food vendors, (Ke-He, maximum 300 items per store), Tony's Pizza, Tombstone Pizza, ice and except only with respect to rack jobbers (defined to be those vendors who, at the execution date of the parties Agreement dated February 12, 1968, serviced non-food specialty items), who shall be permitted to stock their customary respective merchandise.

***Reset defined:** To change location, position, facing or allocation of shelf products, tags, shelving and extender product according to a Kroger plan-o-gram as determined by Kroger merchandising departments.

No present employee will have their hours reduced as a direct result of this clause.

In the event of a violation of the above section, the first violation shall be a written warning, a second or subsequent violation the Employer agrees as liquidated damages, to pay two (2) times the top rate of a clerk-cashier, in effect at time of violation, for all such time worked but in no event shall the penalty be less than one (1) hour at two (2) times the clerk-cashier rate. If such violation is reported by a member of the bargaining unit, the liquidated damages shall be paid to the reporting member. When the violation is reported by the Union, such double (2) time damages shall be added to the pay of the most senior employees working less than forty (40) hours in the work week the violation occurs and shall thereafter be rotated amongst such employees by seniority, working less than forty (40) hours that week. If such pay places the most senior employee over forty (40) hours for that week, such pay in excess of forty (40) hours shall be paid to the next most senior employee working less than forty (40) hours, etc.

D. The Employer may designate persons of its choice as managers in training.

The Employer shall notify the Local Union of the names, assigned stores, and date of hire or entry into the manager training program and shall further update this information on an every four (4) week basis for the duration of the training program.

Managers in training who are hired from outside the store shall be on a one hundred eighty (180) day probationary period and shall not be required to become members of the Union until the end of thirty (30) days of employment. During the one hundred eighty (180) day probationary period they may be terminated for unsatisfactory performance without recourse. Managers in training from the bargaining unit shall be on a one hundred eighty (180) day training period during which time they shall remain members in accordance with the provisions of Article 3, and during which time they shall remain fully subject to the provisions of this Agreement, except as provided in the following sentence. During the one hundred eighty (180) day training period, managers in training shall be excepted from the provisions of Article 8-C hereof, and shall be permitted to perform work of the bargaining unit, provided that said managers in training shall not displace any full-time or part-time employees.

On or before the expiration of the one hundred eighty (180) day training period, the Employer shall do the following, and shall notify the Union accordingly.

- (1) Promote the manager in training to store manager, or
- (2) Placed in and into the co-manager classification, or
- (3) As to a manager in training from outside the bargaining unit, discharge such person or place him in one (1) of the bargaining unit classifications with seniority beginning at time of placement in the bargaining unit classification, or
- (4) As to a manager in training from the bargaining unit, disqualify him as a manager in training and return him to his former position, with uninterrupted seniority.

ARTICLE 9 **MAINTENANCE OF STANDARDS**

The Employer agrees that all conditions of employment relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at not less than the highest minimum standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be improved wherever specific provisions for improvement are made elsewhere in this Agreement. No employee is to receive a reduction in wages as a result of the signing of this Agreement.

ARTICLE 10 **WORKING CONDITIONS**

A. For the purpose of establishing eligibility for full-time benefits as set forth in this Agreement, a full-time person is one who is hired as such, or an employee who averages thirty-six (36) hours or more for twelve (12) consecutive calendar weeks excluding hours worked on Sundays and holidays for employees hired prior to 8/9/87. Full-time employees involuntarily reduced to part-time shall continue to be classified and treated as full-time until they have averaged less than thirty (30) hours per week for twelve (12) consecutive weeks excluding hours worked on Sundays and holidays for employees hired prior to 8/9/87. For those employees awarded full-time after 6/18/92, the full-time disqualifier to be an average of less than thirty-four (34) hours for twelve (12) consecutive weeks.

During the twelve (12) week qualifying period, employees off for up to one (1) week due to illness and/or layoff shall not be reclassified and the number of weeks worked shall be frozen and upon return to work shall continue as if there was no break for purpose of qualifying.

The parties agree that a committee of one (1) Company and one (1) Union representative will meet to establish the increase of full-time Clerk-Cashier and Department Head positions from current levels by headcount. Provided the Company maintains consistent growth over the life of the new Collective Bargaining Agreement, the Company will increase the number of total full-time jobs by an additional 500, plus vacancies, full-time Clerk-Cashier and Department Head jobs from present count of March 5, 2001.

Note: Changes to Article 10, Paragraph A from prior agreement to take effect 1/1/98.

B-1 **Wages:** Effective during the term of this Agreement, the wage rates and classifications shall be set forth in Appendix A and B attached hereto.

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

Previous comparable experience may be the basis for determination of employee's rate of pay.

Previous comparable experience must be shown on the application for employment, otherwise the employee forfeits any claim under this provision. Documentation to support an employee's previous experience rate shall be provided to the Union upon request.

Claims for rate adjustment based on previous experience must be filed in writing within thirty (30) days from date of employment, otherwise the employee forfeits any claim under this provision.

B-2 Employees shall be paid for all time spent in the service of the Employer.

C-1 **Work Week:** The basic work week for all full-time employees shall be forty (40) hours, which shall be worked in five (5) eight (8) hour days, not necessarily consecutive.

C-2 For employees on the payroll as of August 8, 1987, the work week shall be Monday through Saturday, inclusive. For all employees hired after August 8, 1987, the work week shall be Sunday through Saturday, inclusive.

C-3 For employees on the payroll as of 8/8/87, Sunday and/or holiday work shall be isolated and shall not be a part of the basic work week. Each employee shall be given the opportunity to post their name for Sunday and/or holiday work and shall be entitled to such work. The Employer shall schedule employees from such list for Sunday and/or holiday work, and shall rotate all such listed employees regardless of classification, equally for all such Sunday and/or holiday work, provided they have the ability to perform such work and are otherwise authorized by this Agreement to do so.

In the event an adequate staff cannot be obtained for Sunday and/or holiday work from the list, the Employer can require employees to work in the inverse order of seniority to meet staffing requirements.

Such Sunday and/or holiday lists shall be posted the last week of January, April, July and October each year and shall be in effect for the following three (3) months, during which time no employee shall be permitted to add or delete their names from the list. In the event an employee, whose name is on such list, transfers to another store or terminates his employment, a replacement name may be added to the list at that time.

Effective 6/18/92, future Sunday/Holiday hours available by store at the time and one-half (1½) rate will not exceed the average Sunday/Holiday hours worked at the time and one-half (1½) rate in each store during the fourth quarter 1991. New or closed store impact on available time and one-half (1½) hours will be worked out by the parties.

D-1 **Work Schedules:** The Employer shall post and maintain a current seniority list of employees employed in the store and the hours of each employee shall be scheduled by the Employer in conformity with this Agreement.

D-2 Work schedules shall be posted in the stores no later than Thursday 6:00 p.m. for the following week (night crews are to be notified before leaving work Thursday morning of their following week's schedule). All employees listed on the schedule for work shall be guaranteed work or pay provided they report and work as scheduled. Any employee required to work over his scheduled time any day shall not be required to take time off later in the work week. This guarantee shall be inapplicable in the event of fire, flood, civil disturbances or Acts of God.

D-2 (a) If the schedule of employees is not in conformance to the employee's seniority, employees shall have until Saturday 6:00 p.m. to bring to the store manager's attention the error in scheduling, and such schedule shall be adjusted prior to the start of the work week. In the event an employee fails to report the scheduling error as outlined above, the schedule will be deemed acceptable and not subject to a grievance .

D-2 (b) Full-time employees may, in writing, request a reduction of hours indicating their unavailability for continued full-time work, and once agreed to, in writing, by the Employer, the employee shall be placed into the store seniority list for available hours only and shall receive the hours of work his position on the seniority list entitles him to.

If the employee at a later date advises the Employer in writing of his availability for additional hours up to forty (40) hours per week, the employee may claim additional available hours but may not claim previously scheduled hours of another employee until hours become available because of a vacancy or become available on a regular basis (available hours on a regular basis are hours expected to exist on a permanent basis for more than thirty (30) days).

Upon receiving the hours as described above, the employee shall be placed into the store seniority list and hours will be scheduled in accordance with his seniority.

D-3 The Employer shall recognize the wishes of senior employees' choice for days off and daily work schedules by seniority based on classifications and demonstrated skill and ability to perform the duties within the store in which they work. Once the choice is made, neither the Employer or employee will arbitrarily change the schedule. The Employer has the right to adjust the schedule weekly to fit the needs of the business.

Assistant Head Cashiers, when scheduled to operate a register or work other than Assistant Head Cashier's duties at the beginning of their shift and/or for their full shift, shall be scheduled in accordance with their Clerk/Cashier seniority.

D-4 In the event the manager fails to post a work schedule, as required by the preceding section, the schedule last posted shall prevail. The foregoing sentence shall not apply to the week preceding nor to the week including a holiday, as to each of which weeks a new schedule shall be posted.

D-5 Employees who, in writing have voluntarily limited their availability for work may thereafter claim additional available hours, up to thirty-two (32) hours but may not claim previously scheduled hours of another employee until a vacancy occurs or additional hours become available.

D-6 When scheduling two (2) or more employees for less than an eight (8) hour shift for a similar assignment in the same classification, there shall be a lapse of at least two and one half (2½) hours between shifts. The intent of this provision shall be to maximize senior employees' hours but shall not be construed to guarantee overtime.

D-7 The Employer agrees not to employ two (2) or more part-time employees where it is possible to employ one employee on either a daily eight (8) hour or weekly forty (40) hour basis.

D-8 Part-time employees shall be scheduled for available hours by department in each store, in accordance with seniority, job classification and demonstrated skill and ability to perform the work. Such employees shall be scheduled for no less than twelve (12) hours per week, nor may they claim more than thirty-two (32) hours per week (Monday through Saturday for employees on the payroll as of 8/8/87; Sunday through Saturday for employees hired after 8/8/87). In no event can part-time employees be scheduled or claim hours so that their total hours worked exceed thirty-two (32) hours (Monday through Saturday for employees on the payroll as of 8/8/87; Sunday through

Saturday for employees hired after 8/8/87) per week unless by mutual agreement by the Employer and the employee, and in accordance with store seniority.

D-9 Employees who work in addition to their scheduled time shall not be compelled to take time off to avoid the payment of overtime. If for any reason it becomes necessary to work an employee in addition to his scheduled time, he shall also be permitted to work the balance of his week as originally scheduled.

D-10 No full-time employee, except night stocking and receiving crews, shall be required to work more than two (2) nights after 6:30 p.m. in any workweek, except as necessary to enable work for the employee's basic work week. Saturday night work shall be uniformly rotated among those full-time employees scheduled to work nights. The Employer shall schedule such employees in reverse order of full-time seniority to work nights in accordance with the needs of the store. No full-time employee because of his seniority shall force another full-time employee to work a third or more nights.

D-11 No employee shall be allowed or required to work a split shift.

A split shift is defined as two (2) work periods separated by more than the normal lunch period. For any violation of this provision, the employee shall be paid at the applicable rate of pay from the start of the first (1st) work period to the end of the second (2nd) work period.

D-12 Only management personnel or Department Heads shall be assigned the duty of closing the store in the evening, except only in the event of a bona fide emergency.

D-13 The Employer agrees that he shall have in each store a minimum of Department Heads as follows:

Stores employing thirty-one (31) or more members of the bargaining unit four (4) Department Heads, one (1) Produce Manager, one (1) Head Cashier, one (1) Head Dairy and either Head Stock or Head Grocery.

Stores with a delicatessen department shall have one (1) Head Deli Clerk.

ARTICLE 11
OVERTIME AND PREMIUM PAY

A-1 **Overtime:** Any employee who works in excess of eight (8) hours in any one (1) day or forty (40) hours in any one (1) week, or thirty-two (32) hours and/or four (4) days during a holiday week shall be paid at the rate of time and one-half (1½) his straight-time hourly rate. Employees hired after 8/8/87 shall be paid at the rate of time and one-half (1½), after eight (8) hours in any one day or forty (40) hours and/or five (5) days during a holiday week.

A-2 Any employee called upon to work the sixth (6th) day in any one (1) work week, or the fifth (5th) day in a holiday week shall be paid at the rate of time and one-half (1½) his straight-time hourly rate. Employees hired after 8/8/87 shall be paid time and one-half (1½) for work on the sixth (6th) day in any one (1) work week.

A-3 Any compensable absence pay provided in this Agreement shall be counted as time worked for the purpose of computing overtime.

A-4 Scheduled overtime shall be offered by seniority within each classification in each store. Daily overtime not previously scheduled shall be offered by seniority within each classification in the store among employees present when the need for overtime arises. Employees shall not be required or compelled to work overtime as above defined. In such cases, the Employer can require employees to work overtime in the reverse order of seniority, subject to their ability to perform the work in the classification within the department. Sufficient notice shall be given when overtime is necessary.

A-5 There shall be no pyramiding of premium pay and any hours paid for at premium pay shall be set aside and not used in the computation of other premium pay or the computation of overtime.

B-1 **Sunday And Holiday Pay:** Sunday and holiday work shall be defined as work performed from 12:01 a.m. on Sundays and/or holidays, to midnight Sundays and/or holidays. For those employees who are scheduled for night stocking and receiving crews, Sunday and holiday work shall be defined as work performed from 11:01 p.m. on Saturday night to midnight Sunday 11:01 p.m. on the eve of a holiday to midnight on the holiday.

B-2 For employees on the payroll August 8, 1987, work performed on Sunday and holidays shall be paid at time and one and one-half (1½) the employee's rate of pay. For employees hired after August 8, 1987, work performed on Sunday and holidays will be paid at the employee's regular straight-time rate of pay. After two (2) years of service, a one dollar (\$1.00) per hour premium will be paid for hours worked on Sunday in addition to their straight-time hourly rate of pay and two dollars (\$2.00) after four (4) years of service for hours worked on Sunday in addition to their straight-time hourly rate.

C. Employees shall receive thirty cents (\$.30) per hour additional compensation for time worked between 11:00 p.m. and 6:00 a.m. When the majority of the week's work is between 11:00 p.m. and 6:00 a.m., the additional compensation shall be paid for the entire workweek.

Such additional compensation shall be added to the employee's straight-time hourly rate and the total used in computing overtime and/or premium pay and shall also be paid for vacations, holidays, supplemental days, etc.

ARTICLE 12
HOLIDAYS AND PAY

A. For employees on the payroll as of 8/8/87, the following shall be considered as holidays:

New Year's Day	Memorial Day
Fourth of July	Labor Day
Thanksgiving Day	Christmas Day
Supplemental Days (see Sec. C)	Stewards Holiday (see Sec. H)

or days customarily celebrated in lieu thereof. Full-time employees who have completed thirty (30) days of employment and who work the scheduled day before and the scheduled day after each holiday, excepting Sundays, shall receive holiday pay consisting of eight (8) hours pay at straight-time hourly rates. Full-time employees who are absent during a holiday week because of proven illness shall receive holiday pay if they have worked any part of the holiday week.

B. Part-time employees on the payroll as of 8/8/87 who have completed thirty (30) days of employment and who work the scheduled day before and the scheduled day after each holiday, excepting Sundays, shall receive holiday pay consisting of four (4) hours holiday pay at straight-time hourly rates. Part-time employees who are absent during a holiday week because of proven illness shall receive holiday pay if they have worked any part of the holiday week.

B-1 Employees hired after 8/8/87 shall receive paid holidays per the following schedule:

- After thirty (30) days - Christmas
- After one (1) year - Labor Day
- After two (2) years - Memorial Day and Thanksgiving
- After three (3) years - New Years and July 4th for a total of six

(6) national holidays after three (3) years of service.

C-1 **Supplemental Days:** Effective 1/1/92 employees hired prior to 8/9/87 shall receive ten (10) supplemental days per year. Employees hired after 8/8/87, with one year of service, excluding Courtesy Clerks, shall receive five supplemental days off with pay.

Effective 1/1/94 employees hired prior to 8/9/87 shall receive eight (8) supplemental days per year. Employees hired after 8/8/87, excluding Courtesy Clerks, shall receive four (4) supplemental days off with pay on the following basis:

- 30 days service - One (1) supplemental day
- 3 months service - Two (2) supplemental days
- 6 months service - Three (3) supplemental days
- 12 months service - Four (4) supplemental days

Effective 1/1/02, employees hired after 8/8/87, excluding Courtesy Clerks, shall be eligible to receive a fifth (5th) supplemental day following twenty-four (24) months of service.

In the 876-2 seniority area, effective 1/5/92 employees with one (1) or more years of service (except Courtesy Clerks hired after 8/8/87 shall receive five (5) supplemental days off with pay.

C-2 Supplemental days may be used for the purpose of mini-vacations. Employees shall be entitled to such days at a time of their choice subject to personnel needs of the Employer, subject to store seniority preferential in the event of conflict of employee choice.

Employees shall notify the store manager at least two (2) weeks in advance of his intention to use his supplemental days off for a mini-vacation.

C-3 Employees shall notify the store manager at least one (1) week in advance of his intention to take a supplemental day off, (except in the case of using supplemental days for a mini-vacation) and the employee shall receive such day off or mutually agreed upon day off. In the event of a conflict of employee choice, seniority shall prevail.

C-4 An employee who separates or is separated from the Employer's service, voluntarily or involuntarily (including but not limited to separation occasioned by voluntary or involuntary termination of the Employer's business) except when such employee is duly discharged for dishonesty, shall on separation be paid for unused supplemental days on a pro-rata basis.

D. Employees shall not receive holiday pay for any holiday that occurs during a leave of absence.

E. The Employer agrees to close the store no later than 5:30 p.m. on Christmas Eve. No employee shall be permitted or required to work after the closing hours, except those employees necessary to serve the customers in the store at closing time. The Employer shall close the stores on December 25th.

F. Hours of work after 6:00 p.m. on New Year's Eve and hours of work on New Year's Day shall be voluntary. Each employee shall be given the opportunity to post their name for New Year's Eve and/or New Year's Day work and shall be entitled to such work. The Employer shall schedule employees, from this list and shall rotate all such employees regardless of classification, equally for all such work provided they have the ability to perform such work and are otherwise authorized by this agreement to do so.

In the event an adequate staff cannot be obtained from the list, the Employer can require employees to work in inverse order of seniority to meet staffing requirements.

G. Employees on the payroll as of 8/8/87, shall receive time and one-half (1½) their straight-time hourly rate for work performed after 6:00 p.m. on Thanksgiving and New Year's Eve. Employees hired after 8/8/87 shall receive their straight-time hourly rate for work performed on Thanksgiving and New Year's Eve.

H. The steward designated as per Article 5 - Section A, shall be allowed one (1) day off per calendar year with pay. This benefit shall not exceed one (1) day off per store, per calendar year.

ARTICLE 13
LUNCH PERIODS AND REST PERIODS

A. Lunch Periods

Employees shall be granted one-half (1/2) hour for lunch. By mutual consent this may be one (1) hour in individual cases. The lunch periods shall be scheduled so that no employee shall be required to start his lunch period earlier than three (3) hours after his scheduled starting time, and no employee shall be required to work more than five (5) hours before starting his lunch period.

B.1 Rest Periods All employees, shall be allowed fifteen (15) minutes rest period in each half shift on Employer time. Rest periods shall be assigned approximately mid-way in each half shift.

B-2 All employees shall have an unbroken rest period of not less than eight (8) hours between work periods. If an employee is called back during his eight (8) hour rest period, he shall be paid double (2x) the applicable rate for all work performed during his eight (8) hour rest period.

Notwithstanding the provisions of this section, employees scheduled to work Sunday and holiday hours with less than an eight (8) hour rest period may do so.

ARTICLE 14
CALL-IN PAY

Any employee who reports for work upon request shall be guaranteed for that day not less than four (4) such hours if worked (at his applicable straight-time, overtime or premium rate for such hours). Notwithstanding the provisions of Article 10-D-2, in the event hours become available because of an emergency, such additional hours shall first be rescheduled to the senior full-time and/or part-time employee not working eight (8) hours that day. Any other additional hours shall be given to the most senior employee. This provision shall not be construed to guarantee overtime for that day.

ARTICLE 15
UNIFORMS AND TOOLS

Uniforms and tools deemed necessary by the Employer for its employees shall be furnished by the Employer. When drip-dry uniforms are furnished by the Employer, they will be laundered by the employee.

ARTICLE 16
VACATIONS

A. All employees on the payroll shall annually receive vacations with pay in the manner hereinafter provided:

- Less than one (1) year of service - no vacation pay;
- After one (1) year of service - one (1) week's vacation;
- After three (3) years of service - two (2) consecutive weeks vacation;
- After eight (8) years of service - three (3) consecutive weeks vacation;
- After thirteen (13) years of service - four (4) consecutive weeks vacation;
- After eighteen (18) years of service - five (5) consecutive weeks vacation.

Earned vacation may be split into weekly units by mutual agreement between the Employer and the employee.

Service shall mean -- total time employed since the employee's latest hiring date, whether full-time or part-time and/or a combination of both full-time and part-time employment.

B. Vacation with pay shall be deemed earned as of the employee's first (1st) or later anniversary date of employment, and again on January 1st, next following (regardless of the intervening period), and again on each succeeding January 1st.

C. Vacation pay shall be deemed payable as of the date of vacation, except as the employee and Employer may otherwise agree; provided that an employee who separates or is separated from the Employer's service, voluntarily or involuntarily (including but not limited to separation occasioned by voluntary or involuntary termination of the Employer's business), except when such employee is duly discharged for dishonesty, shall on separation, be paid vacation pay earned as of his anniversary date or January 1st, whichever is applicable but not yet paid, together with further vacation pay prorated from said anniversary date or January 1st, whichever is applicable, to date of separation which he shall be deemed to have additionally earned.

D. Vacation pay for each week will be calculated averaging the previous year's weekly hours, not to exceed forty (40) straight-time hours, and will be paid at their current rate at the time vacation is taken.

E. If any employee who would otherwise be entitled to a vacation under the provisions above set forth has had time off work, his vacation shall be affected as follows:

Time off work accumulative up through ninety (90) days shall be counted as time worked (eight (8) hours per day for full-time employees, four (4) hours per day for part-time employees) for the purpose of computing vacation pay.

Time off work -- 91 through 180 days -- vacation pay shall be reduced by one quarter (1/4).

Time off work -- 181 days through 270 days -- vacation pay shall be reduced by one half (1/2).

Time off work in excess of 270 days makes the employee ineligible for any vacation pay.

In the event an employee is off work because of illness and/or injury through one hundred twenty (120) days, the Employer shall count all time off as time worked for the purpose of computing vacation pay. Over one hundred twenty (120) days, the above formula shall apply.

F. Employees who qualify for vacation, as hereinabove provided, shall be entitled to their vacations at a time of their choice, subject to personnel needs of the Employer, subject to store seniority preferential in the event of conflict of employee choice.

The Employer shall on January 1st, post a vacation request schedule. Employees shall, on or before February 28th, designate desired vacation weeks. The Employer shall, on or before April 1st, approve the vacation schedule. Once approved, the vacation schedule may not be changed except by mutual consent by the employee and Employer.

G. If a holiday falls during an employee's vacation, he shall receive an additional day's pay. Vacations must be taken during the calendar year unless, due to an emergency, management finds it necessary to request postponement. No employee shall be given pay in lieu of vacation, unless agreed to by management.

ARTICLE 17 **SEVERANCE NOTICE OR PAY**

All employees who have been in the employ of the Employer for a period of six (6) months or more shall be given one (1) week's notice or one (1) week's pay in lieu thereof (employees working less than forty (40) hours shall receive average pay), if laid off from employment due to lack of work. Dismissal notice or dismissal wages shall not apply to any employee who is discharged for just cause. Dismissal notice or dismissal wages shall not apply to any employee who is temporarily laid off in an emergency which is no fault of the Employer, and in no case shall any employee receive dismissal wages more than once in any twelve (12) month period.

In the event the employer sells or closes a store and employees are terminated as a result thereof, employees with three (3) years of full-time service or frozen full-time service shall be paid three (3) weeks of severance pay and one (1) additional week of severance pay for each additional year of full-time service or frozen full-time service up to a maximum of six (6) weeks of severance pay.

All monies due employees shall be paid upon termination in accordance with the Agreement, but not later than two (2) weeks after separation. An employee who does not accept severance pay shall retain recall rights as provided in the Agreement for a period of one (1) year, and if still not recalled to work by the Employer, shall receive his severance pay and has no further recall rights.

Employees voluntarily terminating their employment shall not be eligible for severance pay.

Employees who accept severance pay shall not retain seniority or recall rights.

Employees who refuse a transfer as outlined in the Agreement shall not receive severance pay.

ARTICLE 18 **GOOD FRIDAY**

Upon request, employees shall be allowed time off, without pay, between the hours of 12:00 noon and 3:00 p.m. on Good Friday for the purpose of attending religious services and shall not be required to make up such time off.

ARTICLE 19
LEAVES

A. **Jury Duty Leave and Pay** If an employee is required to serve on a jury, he shall be paid for hours necessarily absent from work because of such service. The combined hours of work and jury duty will not exceed eight (8) hours in any one (1) day with the further understanding that, upon release from jury service such employee will report to complete the remaining portion of the employee's schedule not to exceed eight (8) hours. In unusual cases the Employer will make reasonable effort to accommodate employees with scheduling problems.

B. **Death Leave and Pay** Up to three (3) days leave of absence with pay for scheduled time lost up to and including the day of the funeral shall be granted to an employee in the event of a death in the immediate family. "Immediate Family" is deemed to include employee's parents, step-parents, grandparents, current mother and father-in-law, brother, current brother-in-law, sister, current sister-in-law, wife, husband and child, whether or not any of said persons resides with the employee, and any other relative that resides with the employee. The Employer shall grant such employee up to an additional three (3) days leave of absence without pay if such additional leave shall be necessary or reasonable with respect to the employee's responsibilities arising out of the death and/or funeral of such relative.

C. **Personal and Illness Leave** Employees may be granted a personal leave of absence, not exceeding thirty (30) days, upon the Employer's permission, and shall be granted a leave of absence for his or her certified illness (including, but not limited to, pregnancy, miscarriage, childbirth, and recovery therefrom), not exceeding one (1) year and up to two (2) years by agreement between the Union and Employer. Employees who are on Workmen's Compensation shall be granted a leave of absence not to exceed two (2) years. Seniority shall accrue during such personal and illness leave. Leaves of absence in excess of the foregoing periods may be granted by the Employer, but retention and/or accrual of seniority in such event shall require agreement by the Union and the Employer. Employees desiring a leave of absence other than for illness or injury must do so in writing. Employees returning from illness, injury and/or approved leave of absence shall notify the manager by Wednesday noon of his availability for work the following week.

D. **Job Injury** Employees injured on the job and unable to complete his/her day's work, shall be paid for all hours scheduled for that day plus an additional one (1) day of scheduled lost time within seven (7) calendar days of the injury providing a doctor

certifies an inability to return to work and such time shall not be charged to supplemental days.

E. **Military Service** Any employee who enlists or is inducted into military service shall retain job rights and seniority in accordance with the provisions of applicable federal and state laws.

F. An employee who is a member of the National Guard of U.S. Government Reserve Program shall have the option of taking a leave of absence rather than use vacation time for the purpose of participating in one of the above named programs.

G. Employees promoted out of the bargaining unit into a supervisory position shall have their seniority frozen for a period of up to one (1) year. The Employer shall grant a leave of absence without loss of seniority for a period not to exceed one (1) year for any employee selected by the Union for the purpose of Union employment within the Local covered by this Agreement. The Employer reserves the right to limit the amount of employees for temporary help.

ARTICLE 20
HEALTH AND WELFARE

The Employer shall participate in and contribute to the Michigan United Food and Commercial Workers Unions and Employers Health and Welfare Fund, hereafter referred to as the "Fund", and shall execute an instrument agreeing to abide by and shall abide by the provisions of the applicable Trust Agreement as amended, and the applicable Plan as amended.

20.1 Participation:

A. **Full-time Employees:** A full-time employee is one who is hired as such or who averages thirty-six (36) hours or more during their basic workweek, as defined in Article 10, for twelve (12) consecutive weeks.

B. **Part-time Employees:** A part-time employee is one who is hired as such or who averages less than thirty (30) hours for those employees hired or awarded full-time before 6/19/92, thirty-four (34) hours for those awarded full-time after 6/18/92 for twelve (12) consecutive weeks.

20.2 General:

- A. Applicable benefits will commence the 1st of the month following receipt of Employer contributions.
- B. The Employer shall make monthly contributions on all eligible employees on the Employer's active payroll as of the first (1st) day of each month, payments to be made by the fifteenth (15th) day of each month.
- C. The Employer shall continue contributions for any of said employees for up to three (3) months during absence from work due to an approved Workers Compensation Leave, and for up to three (3) months for a proven illness.
- D. The Employer shall continue to make full-time contributions for a further period of three (3) month for any employee reduced to part-time through no fault of their own and will resume full-time contributions if such employee thereafter is restored to or qualifies to full-time status.
- E. Legal holidays and vacations shall be considered as time worked for benefit purposes.
- F. The Employer agrees that the twelve (12) month qualifying period shall be waived when hiring employees either currently covered under this Plan through another contributing employer or covered under a Health and Welfare Plan provided by an acquired employer group, by making the delinquent contribution, if any; except that the Employer shall not be required to pay more than one (1) month delinquency.
- G. Employer contributions shall immediately be discontinued in the event of any of the following:
 - (1) Leave of Absence (not covered by FMLA)
 - (2) Voluntary Quit
 - (3) Termination for Cause
- H. In the event of a lay-off, the Employer agrees to pay the monthly contribution of a laid off employee for the next month in which the employee was laid off.

- I. Employer contribution shall be resumed on the first (1st) of the month immediately following the return to work on the Employer's active payroll after illness, injury, leave of absence or lay-off.
- J. Once an employee is covered by the Health and Welfare Plan, he shall remain eligible and the Employer shall continue to pay such contributions as required so as long as he remains employed in a covered classification. In cases where an eligible employee voluntarily reduces himself to part-time status, the Employer will pay the lesser contribution until the employee returns to an eligible full-time status.
- K. In order to facilitate the proper functioning of any employee benefit Plan, and to ensure that contributions are being made for all employees covered by this Agreement, the Employer agrees, in accordance with the provisions of the Trust Agreement, to the examination of those records deemed necessary by the Administrator, Certified Public Accountant and/or Officer of the Local Union and/or any other party to be mutually agreed upon by the parties hereto.
- L. **Health and Welfare Delinquencies:** If the Employer fails to make monthly Health and Welfare contributions as set forth herein, he shall be notified in writing of his delinquency, by the Health and Welfare Fund Administrator, and if said remittance is not paid within ten (10) days, notwithstanding any provisions of this Agreement, the Union, without necessity of giving any other or further notice, shall have the right to strike or to take such action as it shall deem necessary until such delinquent payments are made, and it is further agreed that in the event such action is taken, the Employer shall be responsible to the employees for any losses resulting therefrom. The Employer hereby waives the requirement of any notice or notices being given by the Health & Welfare Administrator or by the Union to him or to anyone else other than such notice or notices expressly provided for in this Article.
- M. The parties agree to make their best efforts to direct the Trustees of the "Fund" to adopt as many cost containment measures as practical without reducing existing benefit levels. It is the desire of both parties that such cost containment measures when implemented might require a contribution rate that is less than the contribution rates listed in the Agreement to maintain benefits. However, the existing applicable benefits may be modified by the Trustees only if the proposed modifications are unanimously agreed to by every Employer Trustee (or Alternate) and by every Union Trustee (or Alternate).

N. Except as modified by this Agreement, the provisions to the 2/27/97 Addendum to Collective Bargaining Agreements remain in effect.

20.3 Retiree Plan: The Employer agrees to contribute five cents (5¢) per hour for all hours worked up to forty (40) hours per week per employee to the Retiree Health Plan to provide Retiree Health benefits as may be determined by the Trustees of the Fund.

20.4 Contributions:

A) As of the effective date of this Agreement, the Employer agrees to pay the following contributions:

Plan 1E	\$376.61	Plan 3E	\$178.72
Plan 5E	\$189.45	Plan 6E	\$115.64

(Note: Plan 1E and Plan 5E includes Student Dependent Coverage)

B) The Company will increase contributions for each applicable Plan as based on the following schedule:

July 1, 2001	10%
July 1, 2002	10%
July 1, 2003	10%

C) In addition, the Company will maintain its pro-rata share of Fund Reserve Levels and Plan benefits for the term of this Agreement. Fund Reserve Levels are defined as assets sufficient to satisfy incurred but not reported (IBNR) obligations; plus assets sufficient to satisfy one month's eligibility lag obligations; plus assets sufficient to maintain the death benefit reserves; plus three months of net assets reserves. Fund Reserve Levels will be evaluated by the Fund Trustees every January and July. If Fund Reserve Levels fall below this defined level, the Company agrees to increase contributions as necessary to rebuild its pro-rata share of such reserve level over the subsequent six-month period.

D) Two (2) months of the net asset reserve as of March 31, 2001 will be dedicated to funding the Retiree Health Plan. These reserves are set aside exclusively for the Retiree Health Plan and will not be included in the Fund Reserve Levels in C above.

E) Net Asset Reserves above three (3) months will be utilized to fund current benefits until exhausted.

F) During the last six (6) months of the Agreement, any additional contributions over the ten percent (10%) contributions because of the Fund Reserve Levels, will become a fixed part of the contribution rate.

20.5 Benefits

- A. Level 2 Dental benefits will be added to Plans 5 and 6 effective January 1, 2002 for employees with three (3) years of service.
- B. **New Coordination of Benefits Rules:** When an eligible dependent has the option of receiving money in lieu of selecting health care coverage under a plan provided by such person's employer, the Michigan UFCW Unions and Employers Health & Welfare Fund will coordinate its benefits as if the other employer's benefit coverage was in force. The new coordination of benefits provision would also extend to dependent coverage and, in that situation, the Fund also uses the "birthday rule" to determine which coverage is primary. It is the employees responsibility to provide the Fund Office with information necessary to determine whether it will pay on a primary or secondary basis.
- C. **Plan Benefit Design Change** (items to be implemented by July 1, 2001)
Prescription Drug Co-pay Changed To:
 - Generic \$ 5.00
 - Formulary Brand \$10.00
 - Non-Formulary Brand \$15.00
- D. **Consideration of JLMC Prescription Drug Alliance Program.**

20.6 Service Eligibility for Employees Hired After March 4, 2001

- A) Employees hired after 3/04/01, will participate in Plan 5L (Full-Time) and Plan 6L (Part-Time) in the following manner:
 - 1) Employer contributions for Medical Benefits are due the first (1st) of the month following 12 months of service. Medical Benefits will begin the first (1st) of the month following receipt of such contributions.
 - 2) Additional Employer contributions to add Vision benefits to the existing Plan are due first (1st) of the month following 18 months of service. The Vision benefit will begin the first (1st) of the month following receipt of the additional Employer contribution.
 - 3) Additional Employer contributions to add Time-loss benefits to the existing Plan are due first (1st) of the month following 24 months of service. The Time-loss benefit will begin the first (1st) of the month following receipt of the additional Employer contribution.
 - 4) Additional Employer contributions to add Life Insurance benefits to the existing Plan are due first (1st) of the month following 30 months of service. The

Life Insurance benefit will begin the first (1st) of the month following receipt of the additional Employer contribution.

5) Additional Employer contributions to add Prescription Drug and Level 2 Dental benefits to the existing Plan are due first (1st) of the month following 36 months of service. The Prescription Drug and Level 2 Dental benefits will begin the first (1st) of the month following receipt of the additional Employer contribution.

ARTICLE 21 PENSION PLAN

The Employer agrees to participate in and contribute to the U.F.C.W. International Union-Industry Pension Fund. The Employer agrees to make contributions to the Fund in the following sums:

- A. Effective July 1, 2001, the Employer shall continue contributions for all employees currently at the ninety cent (90¢) per hour rate.
- B. Effective July 1, 2001, the Employer shall increase contributions for current employees with more than three (3) years of service and at contribution rates of thirty-five (35) and forty (40) cents per hour to forty two cents (42¢) cents per hour.
- C. Effective July 1, 2001, the Employer shall increase contributions for current employees with more than two (2) years of service and at contribution rates of thirty cents (30¢) to thirty seven cents (37¢) cents per hour.
- D. Effective July 1, 2001, the Employer shall increase contributions for current employees with more than one (1) year of service and at contribution rates of twenty (20¢) and twenty-five (25¢) cents per hour (current employees with more than six [6] months but less than one [1] year shall remain at the twenty cent [20¢] per hour contribution rate until they obtain one [1] year service) then the contribution will increase to thirty-two cents (32¢) cents per hour.
- E) All employees who become eligible for contributions after July 1, 2001, the Employer agrees to make contribution to the Fund in the following sums:

- .32 after 1 yr service
- .37 after 2 yrs. service
- .42 after 3 yrs. service

Employees hired or promoted after August 8, 1987, to full-time positions in all non-food and specialty departments, (other than Courtesy Clerks, Sanitors and

Dishwashers) and have a contribution rate of thirty-one dollars and ten cents (\$31.10), effective July 1, 2001 shall be converted into a hourly contribution rate of thirty-two cents (32¢) per hour, effective 7/1/02 thirty-seven cents (37¢) per hour and effective 7/1/03 forty-two cents (42¢) per hour.

Contributions to be made for all hours worked up to eight (8) hours per day and up to forty (40) hours per calendar week by members of the bargaining unit (other than courtesy clerks), including hours of all compensable absence pay. No contributions shall be made by the employer for employees off work for any non-compensable absences.

The foregoing provisions are intended to establish the basis and amount of Employer contributions to the United Food and Commercial Workers International Union-Industry Pension Fund and nothing herein contained shall be deemed to establish the benefits or beneficiaries of the Fund, which shall be determined by the Trustees thereof, pursuant to the Trust Agreement, as from time to time amended, and applicable Pension Plan, as from time to time amended.

Notwithstanding the provisions of Article 6 of this Agreement, the Union reserves the right to exercise all lawful economic recourse, including strikes or other concerted activities in support of demands for delinquent contributions, if any, owed by the Employer to the United Food and Commercial Workers International Union-Industry Pension Fund. Provided, however such action shall not take place until the Fund Manager notifies the Employer, in writing, of the delinquency

ARTICLE 21-1 PREPAID LEGAL PLAN

- A. The Employer shall participate in and contribute to the Michigan United Food and Commercial Workers Unions and Food Employers Joint Prepaid Legal Services Fund.
- B. The Employer shall contribute two cents (\$.02) per hour on all hours worked by all members of the bargaining unit, except Courtesy Clerks and other employees with less than one (1) year of non-courtesy clerk service.

ARTICLE 22
REVIEW OF EMPLOYER RECORDS

In order to facilitate the proper functioning of each employee benefit plan, and to insure that contributions are being made for all employees covered by this Agreement in accordance with the provisions of the Bargaining Agreement, the Employer hereby agrees in accordance with the provisions of the Trust Agreements (Michigan United Food and Commercial Workers Unions and Food Employers Health and Welfare Fund, United Food and Commercial Workers International Union-Industry Pension Fund and Employers Joint Prepaid Legal Services Fund) to the examination of those records deemed necessary by a certified public accountant or by any other representative of the Funds or Union.

ARTICLE 23
SENIORITY

A. Seniority is the length of continuous employment with the Employer. Seniority shall be dated from the date the employee actually reports for work. Under this definition, the last employee hired shall be the first to be laid off. Recall to work shall be governed by the same principle of seniority.

Absence from work, as set forth in this Agreement, shall not break seniority. Seniority may be broken only by the following:

1. Quit.
2. Justifiable discharge.
3. Layoff of more than one (1) year.
4. Failure to return to work in accordance with the terms of leave of absence.
5. Failure to return to work after a lay-off within one (1) week after receipt of notice from the Employer.

B. For the purpose of this Article, a full-time employee is one who is hired as such or an employee who works thirty-six (36) hours or more per week including all compensable absence pay for twelve (12) consecutive calendar weeks. The first day worked of the twelve (12) weeks qualifying period, except as provided under Article 10 A., shall be used to determine the seniority dates, health and welfare and vacation eligibility only. No other full-time benefits are payable during the twelve (12) weeks qualifying period. A part-time employee is an employee who regularly works thirty-two (32) hours or less per week. A full-time employee involuntarily reduced to part-time shall continue to be classified and treated as full-time until he has averaged less than thirty (30) hours or less per week (including all compensable absence pay) for

twelve (12) consecutive calendar weeks, less than thirty-four (34) hours or less per week (including all compensable absence pay) for twelve (12) consecutive calendar weeks for those employees awarded full-time after 6/18/92, except as provided under Article 10 A.

The Employer shall maintain and furnish from time to time upon the Union's request a seniority list of all employees covered by this Agreement as follows:

1. Department heads by classification.
2. Full-time employees by classification.
3. Part-time employees by classification.

A Clerk/Cashier faced with a layoff may exercise his or her Clerk/Cashier seniority and previous frozen Courtesy Clerk's seniority, if any, to displace less senior Courtesy-Clerks.

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

A full-time employee (including department head) suffering a reduction of hours or laid off shall have the right to displace a less senior employee of the same job classification.

If there is no junior full-time employee in the same job classification, then such full-time employee shall have the right to displace a part-time employee in the same job classification that will give him the maximum hours of work or displace a full-time employee in a lesser job classification for full-time work based on seniority in the job classification. Part-time employees shall have seniority among other part-time employees under the same conditions enumerated for full-time employees.

Within each seniority list, seniority shall be applied by seniority area within the geographical jurisdiction of the Local Union except in the event of a store closing without a replacement store, a lay off, promotion or transfer, seniority shall apply by Local Union jurisdiction. Expand current seniority area to Company wide 876-1 and 876-2 in the event of store closings and full-time layoffs. When a qualified candidate is unavailable in the current seniority area for Department Head or full-time opening, the position shall be posted outside the current seniority area (876-1 and 876-2).

876-1 Seniority Areas

Wayne and Monroe Counties
Macomb and St. Clair Counties
Oakland County
Washtenaw County
Livingston County

876-2 Seniority Areas

Midland County
Bay County
Lapeer County

C. When a full-time employee (other than a department head) is involuntarily reduced to part-time, his seniority shall be frozen, and shall pick up their previous full-time seniority date when returned to full-time. When a full-time employee voluntarily reduces himself in writing, his part-time seniority is dated from the original date of hire.

When a department head is involuntarily reduced, he shall be returned to his previous department head classification with his total department head seniority. When a department head voluntarily reduces himself in writing, he shall be returned to the Clerk/Cashier classification in accordance with his Clerk/Cashier seniority.

In the event a department head is reduced and has no seniority in another department head classification, he shall have the right to use his total years of full-time seniority to displace a Clerk/Cashier.

In the event of absence for a period of one (1) week or more of a Produce Manager, Head Cashier or Head Dairy, a full-time employee shall be appointed to fill the vacancy and shall receive the wage rate of the particular department head he is relieving, but in no event less than twenty cents (\$.20) per hour more than his own rate. Any employee designated by the Store Manager to relieve a Head Grocery, Head Stock, Assistant Head Cashier or Head Delicatessen for a period of one (1) week or more shall receive the rate of the employee he is relieving, but in no event less than twenty cents (\$.20) per hour more than his own rate.

D. **Promotions**

- (1) Senior part-time employees shall be promoted to full-time employment over new hires.
- (2) Promotions shall be based on seniority provided that demonstrated skill and ability are approximately equal.
- (3) Courtesy Clerks after two (2) years of continuous full-time service and promoted to a Clerk-Cashier classification shall be credited twenty-four (24) months on the Clerk-Cashier Progression.
- (4) Preferences for Head Cashier openings will be given to employees in the Assistant Head Cashier classification.

- (5) Temporary vacancies of up to twelve (12) weeks duration (unless extended by mutual agreement) created by vacations, leaves of absence, and short term illness that cannot be filled through the scheduling language will be, if filled by management selection and those temporary vacancies will not be posted.

Job openings for Department Heads shall be posted in the stores for a period of three (3) days. The employee selected shall be promoted on a ninety (90) day trial basis during which time the employee may be reduced to his former status for justifiable reasons. An employee who may be reduced to his former status for justifiable reasons shall be disqualified from rebidding for the same department head job classification for six (6) months. The employee shall receive the classified department rate of pay during the trial period. The vacancy created by the promotion shall not be permanently filled until the original trial period is completed, after which the vacant job shall be posted. The temporary appointee shall receive the classified rate of pay. Any employee who wins a job bid and declines to accept the position shall be disqualified from bidding for any Department Head position for a period of six (6) months.

- (6) If the bid notice posted either in Local 876-1 or 876-2 goes unsigned by members in that particular area then it shall be posted in the opposing area before hiring someone outside the bargaining unit.
- (7) If the Employer elects to create or replace a full-time non-department head position, he will post a notice in the stores for a period of three (3) days. The senior employee who applies and who has demonstrated skill and ability will be selected for the position.
- (8) By March 1st of each year, employees desiring training to become future Department Managers should submit such request in writing to the Kroger Human Resource Department. A list will be compiled for Front End, Grocery, Deli/Bakery and Produce. The Company will make the opportunity available to the top senior candidates to gain demonstrated skill and ability through training and/or job assignments. A minimum of five (5) candidates per department per year shall be afforded this opportunity.

Any employee who wins a job bid and voluntarily or involuntarily is reduced within ninety (90) days shall be returned to the store from which they came.

Department heads who have been involuntarily reduced and whose seniority has been frozen (as provided under Section C. above) shall by signing the job posting receive preference for the posted position in accordance with seniority in the posted job classification.

Full-time Clerk/Cashiers whose seniority has been frozen as provided under Section C. above, shall by signing the job posting receive preference for the posted position in accordance with seniority.

Copies of the job postings and successful bidders signed and dated by the Store Manager or his representative shall be furnished to the Union.

In the event the Employer fails to post notices for promotion and job openings, the aggrieved employee shall be compensated for loss of hours, additional pay and/or both.

E. **Transfers** When the transfer of an employee to a different store becomes necessary for justifiable reasons, such transfer shall be made in the reverse order of seniority or on a voluntary basis. The Employer shall make every effort to assign employees to a store where such transfer shall require the lesser travel time from his home. Such transfer will not be applied in an arbitrary, capricious or discriminatory manner, nor shall it be utilized as a device for creating hardship to the employee in order to provoke his resignation.

Full-time employees who desire to transfer to a store closer to their home shall notify the store manager, in writing, with a copy to the Union. The Employer agrees to transfer said employee if a permanent full-time vacancy exists in their classification, or if another full-time employee agrees to exchange work shifts with said employee. Such transfers to new or remodeled stores are subject to the mutual agreement of the Employer. If two (2) or more employees request a transfer to a store, seniority shall apply. The intent of this clause is to reduce an employees' travel distance to and from work for the purpose of energy conservation. However, an employee requesting an energy clause transfer must reduce their driving distance by at least forty (40) miles per week. Employees may not transfer if involved in the disciplinary process.

In the event of a store closing or layoff, part-time employees may exercise their seniority to transfer. Part-time employees requests for transfers for reasons other than those situations mentioned above should be submitted to the Company in writing.

Part-time employees may request a transfer to available openings in other departments within their store. This request must be submitted in writing to the store manager and union steward and the employees should retain a copy.

Each employee can transfer a maximum of two times within each calendar year. The Company and the Union will review and consider such requests.

Union Stewards shall have top seniority with respect to layoffs (a reduction in hours shall be construed as a layoff) in their stores. No Union Steward shall be transferred without the consent of the steward and the Union except in the event of a store closing.

F. **Night Stocking and Receiving Crew** A full-time employee with two (2) years of service or more may exercise their seniority rights in transferring (a maximum of one [1] employee per store the first week of April and the first week of October each year) to day hours, based on seniority and ability in their store. Once the shift choice is made, neither the employee nor the Employer will arbitrarily change the shift. Such employees must advise the Employer and the Union, in writing, of their desire for day hours. Where two (2) or more employees in the store make this request, seniority shall prevail. Such transfer requests shall be implemented within two (2) weeks of the date of the request.

Transfers made other than each April and October shall be made under the applicable provisions of the Agreement.

Full-time employees shall have the right to refuse a transfer to a night stock and receiving crew job and in the event the employee refuses it, shall be considered an involuntary reduction.

If the Employer assigns a Head Grocery Clerk to a night stocking and receiving crew, the Head Grocery Clerk shall be in addition to the Head Night Stock Clerk.

ARTICLE 24
UNION COOPERATION

- A. The Union agrees to the reasonable rules and regulations of the Employer in regards to punctual and steady attendance, conduct on the job, and all other reasonable rules and regulations established by the Employer.
- B. The Union agrees to cooperate with the Employer in maintaining and improving safe working conditions and practices; in improving the cleanliness and good housekeeping of the stores; and in caring for equipment and machinery.
- C. The Union agrees to cooperate in correcting inefficiencies of members which might otherwise necessitate discharge.
- D. The Union recognizes the need for improved methods and output in the interest of the employees and the business, and agrees to cooperate with the Employer in the installation of such methods, in suggesting improved methods, and in the education of its members in the necessity for such changes and improvements.
- E. The Union recognizes the need for conservation and the elimination of waste and agrees to cooperate with the Employer in suggesting and practicing methods in the interests of conservation and waste elimination.

ARTICLE 25
GENERAL

- A. It is agreed that in the event any Article, section or clause hereof shall be deemed invalid under applicable law or regulations that the various remaining Articles, sections and clauses of this Agreement shall be deemed severable and of continuing effect insofar as they shall not be affected thereby.
- B. Use of the male gender herein shall, except as context required otherwise, be deemed to include the female gender.
- C. No employee or applicant for employment covered by this Agreement shall be requested or required by any representative of the Employer to be the subject of a Polygraph (lie detector) test for any reason whatsoever, nor shall the results of any Polygraph test or opinion based thereon be relied upon by the Employer or be admissible in any arbitration or judicial proceeding for any purpose whatsoever.

- D. The Employer and the Union shall not discriminate against any employee for reasons of age, sex, race, religion, sexual orientation, handicap, creed, color, national origin or Union activity.
- E. The Employer shall display Union store cards, which shall be furnished by the Union, in each of the Employer's stores covered by this Agreement. Such cards shall remain the property of the Union and shall be surrendered on demand.
- F. The Employer will not schedule meetings so as to conflict with regular or special meetings of the Union.
- G. In the event that the Employer contemplates the introduction of major technological changes affecting bargaining unit work, advance notice of such change will be given to the Union. If requested to do so, the Employer will meet with the Union to discuss the implementation of such changes before putting such changes into effect.

In the event a store is scheduled to be closed, the Union will be given thirty (30) calendar days notice, whenever possible, so that they may meet with the Company and seek alternative solutions.

In any discussions that are forthcoming as a result of technological change, both parties are agreed that they will make every effort to arrive at mutually agreeable decisions with regard to those full-time members of the bargaining unit (on the payroll as of the March 5, 2001) who may become displaced as a direct result of the technological change.

- H. Effective March 5, 2001, employees required to use their automobile shall be paid thirty four point five cents (\$.345) per mile for all miles in excess of the mileage between their home and base store. The Employer shall not arbitrarily change the employees base store.

Employees who use their automobile for Employer errands shall be paid thirty four point five cents (\$.345) per mile. The above rate will be adjusted periodically to coincide with Company policy.

- I. The Employer and the Union agree that registers may be located in the following departments: snack bar, floral, fragrance, photo finishing, ice cream, lobby and liquor.

Such registers shall be for ringing sales for their respective departments. No employee shall be disciplined for encouraging customers to use the front end for purchasing products from outside their department.

J. A Joint Employee Relations Committee composed of a maximum of twelve (12) union officials and/or employees will be selected to meet within the first two (2) weeks of April and the first two (2) weeks of October of each calendar year, with members of operating management of the Company to discuss matters of employee and Company interest.

ARTICLE 26
ECONOMIC RELIEF

The Employer may request modification of the economic terms of the contract according to the following procedure:

The Employer may seek economic relief to keep store(s) open or in operations outside the counties of Wayne, Oakland, Macomb, Livingston, Washtenaw and Monroe. The Union shall present the terms of the economic relief to the membership in the affected store unit(s) and/or operation for their vote. The Company and the Union agree that the terms of the Economic Relief Package will not be less than those of the 876-2 wage and working conditions agreement.

ARTICLE 27
EXPIRATION

This Agreement shall be effective the 5th day of March, 2001, and shall continue in full force and effect to and including June 5, 2004, and thereafter from year to year unless either party serves notice in writing upon the other at least sixty (60) days prior to said expiration date or any anniversary thereof that such party desires to terminate this Agreement. It is agreed, however, that where no such termination notice is served and the parties desire to continue this Agreement, but desire also to negotiate any changes or revisions in this Agreement, each party may serve upon the other a notice, at least sixty (60) days prior to said expiration date or any anniversary thereof, advising that such party desires that the parties change or revise designated provisions of this Agreement. Pending negotiations on such proposed changes or revisions, or pending effectuation of changes or revisions which may in fact be negotiated, this Agreement shall continue in full force and effect, provided that the parties reserve the right without further notice, and notwithstanding the provisions of Article 6 hereof, to exercise all lawful economic

recourse, including strikes or other concerted activities, in support of demands for change or revision, and to thereupon, by notice to such effect, forthwith terminate this Agreement. All provisions of this Agreement to be effective with ratification except as otherwise specified.

In an effort to have a positive impact on employee turnover, the Company and the Union may discuss and implement certain contract modifications on a test basis. No current employee will be negatively impacted by such modification.

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

FOR THE UNION
UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL NO. 876

FOR THE EMPLOYER
THE KROGER CO.

/s/ _____

/s/ _____

s/ _____

/s/ _____

bs/opeciu-42

**APPENDIX A
LOCAL 876-1 WAGES**

DEPARTMENT MANAGERS: Customer Service, Deli/Bakery, Produce, Grocery,
Night Stock, Dairy/Frozen Food

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$14.35	\$14.85	\$15.15	\$15.35	\$15.60	\$15.85
6 mos.	\$14.72	\$15.22	\$15.52	\$15.72	\$15.97	\$16.22

Lead Frozen Food Clerks to receive a fifty cent (\$.50) per hour premium.

Drug G/M Manager (Combo store only)

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$12.05	\$12.60	\$12.95	\$13.20	\$13.50	\$13.80
6 mos.	\$12.30	\$12.85	\$13.20	\$13.45	\$13.75	\$14.05

Assistant Customer Service Manager

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$14.12	\$14.62	\$14.92	\$15.12	\$15.37	\$15.62

Clerk/Cashier: (Front-end, Grocery, Produce, Deli/Bakery on the payroll as of 8/8/87)

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$13.72	\$14.22	\$14.52	\$14.72	\$14.97	\$15.22

Clerk/Cashier: (Front-end, Grocery, Produce, Deli/Bakery promoted and/or hired after 8/8/87)

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$6.05	\$6.25	\$6.45	\$6.65	\$6.85	\$7.00
6 mo	\$6.25	\$6.45	\$6.55	\$6.75	\$6.90	\$7.10
12 mo	\$6.65	\$6.85	\$6.90	\$7.05	\$7.20	\$7.35
18 mo	\$6.95	\$7.15	\$7.25	\$7.30	\$7.40	\$7.55
24 mo	\$7.50	\$7.70	\$7.80	\$7.90	\$7.95	\$8.05
30 mo	\$8.65	\$8.85	\$8.95	\$9.05	\$9.10	\$9.20
36 mo	\$9.40	\$9.60	\$9.70	\$9.75	\$9.85	\$9.95
42 mo	\$9.80	\$10.00	\$10.10	\$10.15	\$10.25	\$10.35
48 mo	\$11.02	\$11.22	\$11.32	\$11.37	\$11.47	\$11.57
54 mo	\$11.22	\$11.47	\$11.72	\$11.97	\$12.22	\$12.37
60 mo	\$11.72	\$12.22	\$12.52	\$12.72	\$12.97	\$13.22

Specialty Clerks: (General Merchandise, Floral, Nutrition, Cosmetics, Fragrance Center, Lobby, Pharmacy, Snack Bar, Salad Bar, Pizza, Ice Cream, Photo Finishing, Video, Books; hired and/or promoted after 8/8/87)

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$5.80	\$6.00	\$6.20	\$6.40	\$6.60	\$6.75
6 mo	\$6.00	\$6.20	\$6.30	\$6.50	\$6.70	\$6.85
12 mo	\$6.20	\$6.40	\$6.50	\$6.60	\$6.80	\$6.95
18 mo	\$6.55	\$6.75	\$6.85	\$6.95	\$7.10	\$7.20
24 mo	\$6.90	\$7.10	\$7.20	\$7.30	\$7.40	\$7.45
30 mo	\$7.81	\$8.01	\$8.11	\$8.21	\$8.25	\$8.35
36 mo	\$8.27	\$8.47	\$8.57	\$8.67	\$8.77	\$8.87
42 mo	\$8.73	\$8.93	\$9.03	\$9.13	\$9.23	\$9.33
48 mo	\$9.21	\$9.41	\$9.51	\$9.61	\$9.71	\$9.81
54 mo	\$9.51	\$9.81	\$10.05	\$10.30	\$10.55	\$10.95
60 mo	\$10.16	\$10.71	\$11.06	\$11.31	\$11.61	\$11.91

Fuel Center Clerk:

	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$6.25	\$6.45	\$6.65	\$6.85	\$7.00
6 mo	\$6.45	\$6.55	\$6.75	\$6.90	\$7.10
12 mo	\$6.85	\$6.90	\$7.05	\$7.20	\$7.35
18 mo	\$7.15	\$7.25	\$7.30	\$7.40	\$7.55
24 mo	\$7.70	\$7.80	\$7.90	\$7.95	\$8.05

Courtesy Clerk, Deli/Bakery Sanitor

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$5.80	\$6.00	\$6.15	\$6.25	\$6.40	\$6.50
6 mo	\$5.95	\$6.15	\$6.30	\$6.45	\$6.60	\$6.75

MISCELLANEOUS NOTES

A-1. The classification "Specialty Clerks" shall apply to employees working in areas of the store listed on the wage page. Subsequent to the effective date of this Agreement, the parties, upon mutual agreement, may place additional Specialty Departments under the terms and conditions of this Agreement. Upon such mutual agreement, all terms and conditions of this Agreement shall apply unless otherwise provided.

A-2. Cosmetics, Fragrance, Photo Finishing, Video, Lobby, Books, General Merchandise, Snack Bar, Ice Cream, Pizza, Floral, Nutrition and Salad Bar Clerks shall

become a single department and classification known as Specialty Clerk. Specialty Clerks shall not be assigned any work outside of the Specialty Clerk Department.

Pharmacy Technician classification will remain a separate specialty clerk classification in of itself. Pharmacy technicians certified through a Company sponsored training program may receive up to a one dollar (\$1.00) premium per hour above their current hourly rate.

A-3. Lead specialty clerks will retain seniority over other specialty clerks for the purpose of scheduling only. Continue current practice.

A-4. All employees working under this Agreement will be allowed to place their name on a list requesting regular Clerk/Cashier work within their store, after a minimum of six (6) months seniority, provided qualifications and demonstrated skill and ability are equal for openings as they occur within the contract.

B. A Clerk/Cashier who is regularly assigned to assist the Head Cashier shall be reclassified Assistant Head Cashier and paid the classification rate on all hours worked in the workweek.

C. Employees classified as a courtesy-clerk may perform only the following duties:

1. Bag or box merchandise after it has been checked out and take it to the customer's vehicle.
2. Collect push carts and return them to the store.
3. Stock grocery bags in check stands.
4. Clean up check-out lanes and area in front of check-out lanes and entrances, clean up spills, clean up bottle sorting area.
5. Keep sidewalks and parking areas orderly and free from refuse.
6. Accept, receive and sort empty bottles, cans and other redeemable containers.
7. General cleaning inside the store, excluding power equipment.

8. Obtain product from selling area requested by customer being checked out, check prices for customers and replace damaged and/or saleable merchandise accumulated at check-out counters.

9. Tie up cardboard and cartons.

Such employees shall not be assigned to any stocking duties other than outlined above, operate cash registers, take part in unloading of trucks or be members of a night stocking crew.

D. If new job classifications not presently in existence are established, the parties shall, within thirty (30) days, negotiate appropriate wage rates.

E. Rates of pay and pay schedules as set forth in the wage schedule above, shall remain in effect for the life of this Agreement and shall constitute the basis of determination for wages for time worked.

F. The Employer shall post all hours paid for on paycheck stubs.

G. 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 such as Union Security and Seniority shall apply but Fuel Center Clerks shall not receive benefits of a monetary nature, except for wages, National Holidays and vacation 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 the Fuel Center shall prevail.

Vacations will be granted per Article 16 of the contract. Supplemental Days will be granted per Article 12 of the contract. National Holiday pay will include six (6) National Holidays as contained in Article 12 and will be earned and paid per Article 12.

Management may perform any tasks necessary to ensure the efficient operation of the center.

A Fuel Center Clerk after six (6) months of service, shall be given preference by seniority, together with ability, practicability and availability, should an opening occur for a part-time store employee. Seniority in their new classification shall begin upon their first day of work in their new classification.

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, (their clerk cashier seniority shall be frozen).

In the event of a Department closing, "Fuel Center Clerks", clerks who worked in another area of the store prior to becoming a "Fuel Center Clerk", will be allowed to return to their previous department with full seniority. Other "Fuel Center Clerks", hired as such will be allowed other clerk/cashier work within another department of the store, maintaining full seniority.

If the Company substantially expands the square footage of the fuel center concept, they will agree to meet with the Union to discuss and negotiate new and/or additional terms, if necessary.

**APPENDIX B
LOCAL 876-2 WAGES**

DEPARTMENT MANAGERS: Customer Service, Deli/Bakery, Produce, Grocery, Night Stock, Dairy/Frozen Food

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$12.55	\$13.05	\$13.35	\$13.55	\$13.80	\$14.05
6 mos.	\$12.92	\$13.42	\$13.72	\$13.92	\$14.17	\$14.42

Lead Frozen Food Clerks to receive a fifty cent (\$.50) per hour premium

Drug G/M Manager (Combo store only)

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$10.20	\$10.75	\$11.10	\$11.35	\$11.65	\$11.95
6 mos.	\$10.50	\$11.05	\$11.40	\$11.65	\$11.95	\$12.25

Drug/GM Managers to receive an additional five cents (\$.05) with each contractual increase.

Assistant Customer Service Manager

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$12.32	\$12.82	\$13.12	\$13.32	\$13.57	\$13.82

Clerk/Cashier: (Front-end, Grocery, Produce, Deli/Bakery hired prior to 12/1/82)

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$11.92	\$12.42	\$12.72	\$12.92	\$13.17	\$13.42

Clerk/Cashier: (Front-end, Grocery, Produce, Deli/Bakery hired after 12/1/82)

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$11.00	\$11.50	\$11.80	\$12.00	\$12.25	\$12.50

Clerk/Cashier: (Front-end, Grocery, Produce, Deli/Bakery promoted and/or hired after 8/8/87)

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$ 5.75	\$ 5.95	\$ 6.15	\$ 6.35	\$ 6.55	\$ 6.70
6 mo	\$ 6.00	\$ 6.20	\$ 6.30	\$ 6.50	\$ 6.65	\$ 6.85
12 mo	\$ 6.25	\$ 6.45	\$ 6.50	\$ 6.65	\$ 6.80	\$ 6.95
18 mo	\$ 6.40	\$ 6.60	\$ 6.70	\$ 6.75	\$ 6.85	\$ 7.00
24 mo	\$ 6.75	\$ 6.95	\$ 7.05	\$ 7.15	\$ 7.20	\$ 7.30
30 mo	\$ 7.50	\$ 7.70	\$ 7.80	\$ 7.90	\$ 7.95	\$ 8.05
36 mo	\$ 8.15	\$ 8.35	\$ 8.45	\$ 8.50	\$ 8.60	\$ 8.70
42 mo	\$ 8.60	\$ 8.80	\$ 8.90	\$ 8.95	\$ 9.05	\$ 9.15
48 mo	\$ 9.15	\$ 9.30	\$ 9.40	\$ 9.45	\$ 9.55	\$ 9.65
54 mo	\$ 9.35	\$ 9.80	\$ 9.85	\$ 10.10	\$ 10.35	\$ 10.50
60 mo	\$ 9.70	\$ 10.22	\$ 10.50	\$ 10.70	\$ 10.95	\$ 11.20

Specialty Clerks: (General Merchandise, Floral, Nutrition, Cosmetics, Fragrance Center, Lobby, Pharmacy, Snack Bar, Salad Bar, Pizza, Ice Cream, Photo Finishing, Video, Books; hired and/or promoted after 8/8/87)

	<u>Current</u>	<u>3/5/01</u>	<u>3/3/02</u>	<u>9/1/02</u>	<u>3/2/03</u>	<u>8/31/03</u>
Start	\$ 5.50	\$ 5.70	\$ 5.90	\$ 6.10	\$ 6.30	\$ 6.45
6 mo	\$ 5.75	\$ 5.95	\$ 6.05	\$ 6.25	\$ 6.45	\$ 6.60
12 mo	\$ 5.90	\$ 6.10	\$ 6.20	\$ 6.30	\$ 6.50	\$ 6.65
18 mo	\$ 6.00	\$ 6.20	\$ 6.30	\$ 6.40	\$ 6.60	\$ 6.70
24 mo	\$ 6.34	\$ 6.54	\$ 6.64	\$ 6.74	\$ 6.84	\$ 6.89
30 mo	\$ 7.17	\$ 7.37	\$ 7.47	\$ 7.57	\$ 7.61	\$ 7.71
36 mo	\$ 7.70	\$ 7.90	\$ 8.00	\$ 8.10	\$ 8.20	\$ 8.30
42 mo	\$ 8.08	\$ 8.28	\$ 8.38	\$ 8.48	\$ 8.58	\$ 8.68
48 mo	\$ 8.56	\$ 8.76	\$ 8.86	\$ 8.96	\$ 9.06	\$ 9.16
54 mo	\$ 8.81	\$ 9.11	\$ 9.35	\$ 9.60	\$ 9.85	\$ 10.25
60 mo	\$ 9.26	\$ 9.81	\$ 10.16	\$ 10.41	\$ 10.71	\$ 11.01

Top rated Specialty Clerks to receive an additional five cents (\$.05) with each contractual increase.

Fuel Center Clerk:	Start	\$ 6.05
	After 6 months	\$ 6.25
	After 12 months	\$ 6.65
	After 18 months	\$ 6.95
	After 24 months	\$ 7.50

Courtesy Clerk, Deli/Bakery Sanitor

	Current	3/5/01	3/3/02	9/1/02	3/2/03	8/31/03
Start	\$ 5.50	\$ 5.70	\$ 5.85	\$ 5.95	\$ 6.10	\$ 6.20
6 mo	\$ 5.75	\$ 5.95	\$ 6.10	\$ 6.25	\$ 6.40	\$ 6.55

APPENDIX "C"

Effective December 1, 1987, the Employer will implement a Job Security Plan (JSP) which will guarantee by name a work schedule for the remaining Department Heads and the remaining full-time Clerk/Cashiers that will be forty hours of work per week Monday through Saturday provided that such combined number of Clerk/Cashiers and Department Heads does not exceed 1200 full-time jobs.

In the event the SSP does not reduce the total number of present full-time Clerk/Cashiers and Department Head jobs to 1200, the remaining junior full-time Clerk/Cashiers will be reduced to part-time Clerk/Cashiers and part-time work schedules to achieve the 1200 full-time job level. Such reduced full-time employees will have preference for future full-time Clerk/Cashier openings over present part-time or future part-time Clerk/Cashiers.

Junior full-time employees who would be reduced to part-time to reach the 1200 number will have an option to terminate employment and receive an amount equal to 75% of the applicable above "SSP" schedule.

Such full-time employees will have fourteen (14) days after notification of their first part-time schedule to accept buy-out payment or work as a permanent part-time employee.

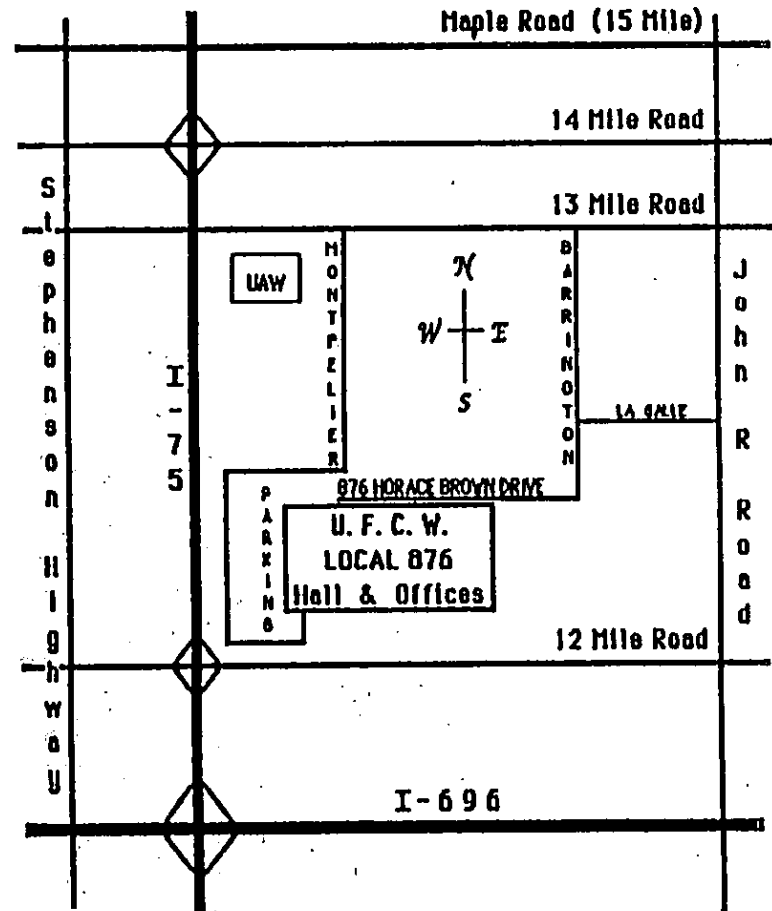
The guarantee of 1200 full-time jobs will stay in effect unless there are store closings without replacement stores and the number of full-time jobs will then only be reduced by the number of full-time jobs that were in the store before it closed (Example: a store closes which has 21 Department Head and full-time Clerk/Cashier positions and the total number of guaranteed positions is then reduced to 1179).

It is recognized by the Employer and the Union that considerable disruption to the business and to employees may initially be caused by the SSP and JSP. For example, certain stores may not have enough full-time Clerk/Cashier positions. The Employer will make his best efforts to realign the work force so that stores without enough full-time Clerk/Cashiers will have a sufficient number to operate effectively. This realignment will be done by offering transfers to existing full-time Clerk/Cashiers but such transfers cannot be made without the approval and consent of the employee.

It is further recognized by the Employer and the Union, the Employer's business could increase significantly in volume and complexity during the next few years. Therefore, the parties will agree that until the ratio of full-time Clerk/Cashiers and Department Head hours is less than 50% of the total Clerk/Cashier and Department Head hours certain contract provisions will be inoperative regarding the creation of full-time Clerk/Cashier and Department Head jobs. These contract sections are as follows: Article 10, Paragraph D-2b, second and third paragraph; Article 10, Paragraph A, D-5, D-6, D-7; Article 23, Paragraph B, Sub-paragraph 6, regarding displacement of a full-time employee in a lesser classification.

2/27/02

NOTES



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