

**COLLECTIVE BARGAINING AGREEMENT**  
**BY AND BETWEEN**  
**THE KROGER COMPANY**  
**AND**  
**UFCW 951**

**Effective January 31<sup>st</sup>, 2008**

**Expires October 22, 2011**

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## Agreement

This Agreement entered into this thirty-first day of January, 2008 between the Kroger Co. hereinafter designated the "Employer" and the United Food and Commercial Workers Union, Local 951, chartered by United Food and Commercial Workers International Union, CTW, herein after 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 to set forth herein the Agreement 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 for employees of the Employer in job classifications covered by this Agreement. The Union shall be the exclusive bargaining agent for all store employees excluding Managers, Co-Managers, Pharmacists, Management and Pharmacist Trainees, Pharmacy Clerks hired prior to August 18, 1988, Management Interns, Confidential Employees, Guards and Security, Leased Departments, Demonstrators, Lottery and others excluded by the National Labor Relations Act within the jurisdiction of Local 951. It is understood that in the event the Employer builds or acquires stores within the jurisdiction of UFCW 951, the Union and the Company may meet to establish wages, terms, and conditions for each individual unit.

### Article 3

#### Union Membership and Dues Check-off

- A. It shall be a continuing condition of employment, that all employees of the Employer covered by this Agreement, who are members of the Union in good standing on the execution date of this Agreement, shall remain members in good standing and those who are not members on the execution date of this Agreement shall, following thirty (30) calendar days of employment, become and remain members in good standing in the Union.
- B. It shall also be a continuing condition of employment that all employees covered by this Agreement and hired on or after the date of execution shall, following thirty (30) calendar days of employment, become and remain members in good standing in the Union.

- C. To be a member in good standing as required by this section, an employee must tender to the Union the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership. Any employee who is required to be a member of the Union by this section and who fails to render such uniform dues and initiation fees shall not be retained as an employee in the bargaining unit so long as the Union has given written notice to the Employer and the employee of such failure, and such failure is not cured by the employee within seven (7) days of such notice. The Employer reserves the right to secure new employees from any source whatsoever.
- D. 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 the Agreement, including those pertaining to wages, hours and working conditions; except new employees within ninety (90) days of hire may be discharged or disciplined without recourse for any reason whatsoever.
- E. Those employees who maintain non-member status or change their status to non-member status and are covered by the terms of this Agreement shall be required to pay, as a condition of employment, an initial service fee and monthly service fees to the Union for the purpose of aiding the Union in defraying the costs in connection with the Union's obligations and responsibilities as the exclusive bargaining agent of the bargaining unit.
- F. The Employer agrees, for the term of this Agreement, to deduct Union dues, initiation fees, and/or service fees from the wages of employees who certify in writing authorization for such deduction in a form authorized by law. The Employer agrees, in the case of new Union members, to deduct the Union initiation fees, dues, and in the case of non-members, an initial service fee and monthly service fees from the wages of any new non-member Union employee who certifies in writing authorization for such a deduction in a form authorized by law.
- G. The Employer agrees to deduct weekly Union dues and initiation fees uniformly required as a condition of acquiring and retaining membership in the Union and/or service fees from the wages of each employee, present and future, as the same shall be due, provided each such employee executes written authorization thereof, 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.
- H. The Employer agrees to honor and remit to the Local Union contribution deductions for the UFCW Active Ballot Club and/or the UFCW 951 Foundation Fund from employees who are Union members and who sign deduction authorization forms/cards.

The deductions shall be in the amount specified on the UFCW Active Ballot Club or Foundation authorization forms/cards and deducted weekly and remitted as

required by the Local Union. The deductions (UFCW Active Ballot Club or Foundation) shall continue for the life of the Agreement for those employees who sign authorization forms/cards unless they are revoked individually and in writing.

Deductions for the UFCW Active Ballot Club shall be authorized in writing annually and deducted as agreed upon by the Employer and the Union.

#### Article 4 Management Rights

The Management of the business and the direction of the work force, including the right to plan, direct and control operations, hire, suspend or discharge for just 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 operations 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. Supervisors, merchandising representatives or professional employees are permitted to instruct, supervise, advise and check operations within the store; however, they are not permitted to be scheduled to do production work or services which is the work of the bargaining unit except during a reset or the opening of a new or remodeled store or in cases of emergency. The above shall be subject to and not in conflict with the existing Agreement.

#### 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 interpretation 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 the aggrieved employee, or any of them and the Manager of the store, within five (5) days from the filing of the grievance. Grievances going beyond Step 1 must be reduced to writing.

##### Step 2:

If the grievance is not satisfactorily adjusted at Step 1, by a conference conducted within fourteen (14) days between the Union's Business Representative and the Zone Manager (or his or her representative) of the Employer will take place.

Step 3:

In the event of failure to adjust the complaint at Step 2, the Union Local Business Representative and/or an official of the Union shall discuss it with a representative of the Human Resources Department within thirty (30) days.

Step 4:

If the grievance is not satisfactorily adjusted in Step 3, either Party may, within thirty (30) days in writing, request arbitration and the other Party shall be obligated to proceed with arbitration in the manner hereinafter provided. UFCW 951 shall have the exclusive right to determine whether or not the employee's grievance shall be submitted to arbitration by the Union.

When arbitration has been requested, the Parties may agree to use alternative dispute procedures, in order to resolve grievance(s) pertaining to individual matters.

The Parties shall promptly attempt to agree on an impartial arbitrator. If they cannot agree within five (5) working days of the request for the arbitration, the Party requesting the arbitration may with reasonable promptness file a demand for arbitration with the Federal Mediation and Conciliation Service, in accordance with the then applicable rules and regulations of the Service. 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 shall not have the power to alter or modify the terms of the Agreement. With respect to arbitration involving discharge or discipline of employees, the arbitrator shall determine if the discharge or discipline was for just cause; and shall review the penalty imposed and if the arbitrator determines the Employer's action to be improper, inappropriate and/or unduly severe, the arbitrator may vacate it or modify it accordingly.

The arbitrator shall have the authority and jurisdiction in cases involving discharge, discipline or other matters, if the arbitrator so determines, 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 other grievance shall be considered or discussed which is presented later than ten (10) calendar days after the events took place that are the basis of the grievance(s) with the exception of wage claims which are limited to thirty (30) calendar days and are defined as follows:
1. Overdue wage progression increases.
  2. Incorrect wage rates.
  3. Computer error.

4. Error in mathematical calculation of wages or wage rates or failure to pay for holidays, supplemental days, vacations, etc.

In the case of a grievance contesting a discharge, the grievance(s) shall be reduced to writing, and progress to Step 2. The time limit for discharge grievances shall be ten (10) days.

It is agreed that settlements reached in Step 1 or Step 2 will be on a non-precedent setting basis and will have no bearing on any other grievance or settlement.

- E. It is the intention of the contracting Parties that with the exception of those individual grievance privileges expressly set forth in this Agreement, in the redress of alleged violations of this Agreement by the Employer, the Union shall be the sole representatives of the interests of the employees or groups of employees within the bargaining unit. Subject to the 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 claimed violation of this Agreement.
- F. The Employer, including all Supervisors, shall grant to any accredited Union Representative access to the store for the purpose of administering this Agreement which may include but is not limited to: checking rates of pay, work schedules and time cards, etc.
- G. Lengthy discussions between employees and Representatives of the Union, including Steward(s), or among themselves, shall not take place during working hours. The Employer agrees that Union Representatives can investigate the standing of employees in the market during working hours, and on complaints make a complete investigation.

#### Article 6 No Strike, No Lockout

There shall be no strikes, lockout, stoppage of work, or picketing during the life of this Agreement. The Union is prohibited from authorization or support of a picket line established by another labor organization as well as any like activity which interferes with the Employer's normal operations.

#### Article 7 Other Agreements

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

Article 8  
Seniority

- A. A complete seniority list of full-time and part-time employees by classification and status shall be furnished to the Union. Employees will be on probation for the first ninety (90) days of active employment. Probationary employees may be terminated by the Company for any reason, and such action shall not be subject to the grievance procedure. Union membership will be effective after thirty (30) days.
- B. Seniority shall mean the length of continuous service with the Employer and upon completion of the probationary period be dated from the first day actually worked and shall be by classification and status unless specifically provided otherwise herein. Seniority shall be applied according to the terms of this Agreement.
- C. Full-time employees shall have seniority over part-time employees in all cases.
- D. When two or more employees are hired on the same date, and start at the same time, their seniority standing will be determined by alphabetical order of the employee's last name at date of hire.
- E. Each employee shall exercise seniority within the following classification:
  - Department Head, Cashier, Grocery Clerk, Produce Clerk,  
Deli-Bakery Clerk, Pharmacy Clerk, Specialty Clerk, and Courtesy Clerks.
- F. The classification "Specialty Clerk" shall apply to employees working in Pizza, Floral, Snack Bar/Restaurant, General Merchandise (including books), Nutrition Center, Salad Bar, Juice Bar, Ice Cream/Yogurt Departments, Photo-Finishing, and Video. 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 Section. Upon mutual agreement, all terms and conditions of this section shall apply unless otherwise provided.

Initially, these Specialty Departments shall be scheduled separately from one another but the Employer retains the right to subsequently schedule or work such employees between the above-mentioned departments and assign Sunday and Holiday rotation as necessary.

- G. Where there are available openings in higher rated classifications, (with the exception of Department Head) employees with six (6) months seniority or more, may indicate their desire to move to an open position by notifying the Store Manager in writing. Promotions shall apply separately to each classification such that within departments, seniority shall prevail within each store provided the qualifications are equal. It is further understood that openings in any other departments will be offered to current employees before any new hires.

The Employer reserves the right of final approval on all in-store transfers from department to department or store to store. The employee will maintain their seniority on moves from department to department or store to store. Employees promoted to a higher rated classification will begin a new seniority date for scheduling purposes only.

- H. For the purpose of this article, a full-time employee is one who is hired as such, or a part-time employee who averages thirty-eight (38) hours or more per week including the hours of work on Sundays, holidays and all compensable absence pay for sixteen (16) consecutive calendar weeks. Those hours worked filling in for a temporary vacancy caused by vacations, sickness, and leaves of absence shall not be used in the calculation of hours when qualifying for full-time. The first (1st) day worked of the sixteen (16) week qualifying period, shall be used to determine the seniority date and Health and Welfare eligibility only. No other full-time benefits are payable during the sixteen (16) week qualifying period.

For the months of July and August, part-time employees may be scheduled up to forty (40) hours per week and such work will not be counted toward the sixteen (16) weeks needed to qualify for full-time status.

A part-time employee is an employee who regularly averages less than thirty-two (32) hours 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-two (32) hours per week (including the hours of work on Sundays, holidays, and all compensable absence pay) for sixteen (16) consecutive calendar weeks.

- I. An employee's seniority will be broken by the following:
1. Discharge for just cause.
  2. Voluntary termination.
  3. Absence from work due to layoff for a period of twelve (12) months.
  4. Absence from work due to a physical disability or mental disability for a period of one year.
  5. Failure to report back to work within five (5) calendar days when recalled to work during the layoff period.

#### Article 9 Work Schedules

- A. In constructing the weekly work schedules, the Employer will first determine the needs of the department based upon the needs of the business. Once that determination is made the following procedures will be utilized.
- B. The Employer will construct weekly work schedules by department, classification, and the ability to perform the work for full-time, such that the basic weekly full-time

schedule shall be eight (8) hours daily and forty (40) hours weekly, scheduled in five (5) days, not necessarily consecutive, Sunday through Saturday inclusive.

When scheduling part-time employees, hours will be distributed by assigned department and the ability to perform the work such that the hours of senior part-time employees' weekly scheduled hours shall be in line of seniority. The workweek will also be Sunday through Saturday inclusive.

Part-time employees shall be scheduled for no less than twelve (12) hours per week in accordance with their department, seniority and classification, and ability to perform the work. A part-time employee may waive the right to minimum hours, in writing subject to Employer's approval.

Full-time and part-time seniority will be recognized when constructing weekly work schedules.

- C. Within the efficient operation of the business and with the recognition that weekend schedules and second shift schedules (after 9:00 p.m.) will be rotated among employees in each department and classification, the Employer will recognize the seniority of employees within each department and classification, in cases of conflict, for preferred shifts and preferred days off.
- D. The Employer reserves the right to schedule full-time employees four (4) ten (10) hour days or part-time employees ten (10) hour days, these schedules will be offered to employees in line of seniority by department and classification. There shall be no time and one-half pay for hours worked between eight (8) hours and ten (10) hours each day when scheduled in advance. These ten (10) hour days must be scheduled in advance and this language shall not apply to any hours that result from an employee being held over past their scheduled time.
- E. All employees who are instructed to report for work shall be guaranteed at least four (4) hours pay (three (3) hours if voluntary).
- F. An employee's scheduling limitation may affect the Company's ability to maximize the employee's schedule.
- G. Any employee shall perform whatever work the Employer may assign, with the understanding that when an employee is assigned to a job paying a lesser rate, the employee will be entitled to their regular rate of pay unless the employee has been permanently transferred to a lower rated job. Any employee assigned to a higher rated job will be entitled to the next higher rate in that classification.

Any employee who replaces a Department Head for a period of one (1) week or more will be entitled to that Department Head's current rate of pay, or the next higher rate, whichever is greater.

Additional Hours:

- A. When the need arises to have employees work hours not on the posted schedule, such hours will be offered on the basis of seniority within assigned department, first to full-time employees who have been scheduled less than forty (40) hours and are available to work and then to part-time employees who are scheduled less than twenty-eight (28) hours and are available to work.

If the additional hours are less than the call-in guarantee, they will be offered to employees at work who are available. If hours are equal or greater than the call-in guarantee, they will be offered to off duty employees. The Employer retains the right to offer part-time employees on a voluntary basis, hours during the weekend that are not subject to the provisions of 9.E.

- B. The Employer will post work schedules by 12:00 p.m. Friday prior to the workweek scheduled. The work schedule will be constructed by department and job classification.

If the schedule of employees is not in conformance to employee department, seniority, job classification, and ability to perform the work within the store in which they work, employees shall have until 12:00 p.m. Saturday to bring to the Store Manager's attention the error in scheduling, and such schedule shall be adjusted prior to the start of the workweek. In the event an employee fails to report the scheduling error as outlined above, the schedule will be deemed acceptable and not subject to the grievance procedure.

Article 10  
Layoff

- A. Management may layoff employees for the lack of work or other reasons that require a reduction of the workforce. The reason for the reduction of the workforce and the number of employees to be laid off is to be determined solely by Management. Layoff shall be made in inverse order of seniority by department, classification and status.
- B. The procedure for layoff shall be as follows: Any employee laid off may exercise his or her seniority rights by bumping a junior employee in the same department and store. Employees may exercise their seniority over junior employees in the same or lower classifications of work within their store provided that no one will be retained in a job who is not immediately qualified to do the work. An employee exercising this right shall carry all of their Union seniority with them.
- C. In the event a layoff or reduction in the workforce is necessary, the last part-time employee hired within each department, classification and store shall be the first laid off. Lay-off is defined as not being scheduled for more than two (2) consecutive weeks. Lay-off or reduction of full-time employees will be handled in the same manner.

- D. If there is no work available within their job classification within their store, such employee can, by letter to the Human Resources Department, request to exercise their seniority over junior employees in the same or lower classification of work within the nearest two (2) stores from their existing unit.

It is understood that the Employer is not required to retain any employee who is not immediately qualified to do the work that is available.

- E. The Steward of the Union shall be the last to be laid off or reduced in classification.

#### Article 11

##### Recall

- A. The employees will have recall rights back to their job for a period of twelve (12) months or length of their seniority, whichever is less. If anyone is not recalled within this time period, the employee's seniority shall be broken. Employees will be recalled in line of seniority and classification.
- B. Employees recalled will be required to report to work as outlined in Article 8 Seniority. Any changes or extensions must be mutually agreed upon by the employee and Management.
- C. Any employee transferred from one (1) classification in the bargaining unit to another shall retain past seniority and continue to accumulate seniority in the new classification.

#### Article 12

##### Overtime

- A. The full-time work week will be forty (40) hours, Sunday through Saturday, worked in five (5) days or less. Work in excess of eight (8) hours per day and forty (40) hours per week will be compensated at one and one-half (1 ½) times the normal rate of pay. There will be no changing of schedules to avoid the payment of overtime.
- B. Employees who are scheduled to work ten (10) hour days as part of their basic work week will receive one and one-half (1 ½) times the regular hourly rate for all hours worked over forty (40) hours in any one week.
- C. There is to be no pyramiding of overtime.
- D. When overtime work is available, the Employer will offer such work in line of seniority, by department and classification to employees at work. In the event the senior employees do not want the overtime work, the Company will require

employees at work, using inverse order of seniority by department and classification, to remain and work.

- E. Employees will not force the existence of any time and one-half (1 ½) hours.
- F. No employee will be required to work a split shift.
- G. Any full-time employee who is assigned to work six (6) days within any work week shall be paid time and one-half (1 ½) their regular hourly rate for hours worked on the sixth (6th) day. For the purpose of this Article, unless scheduled, the sixth (6th) day is defined as the "call-in" day.
- H. Any employee hired after March 22, 2005 will not be eligible for overtime on the sixth day unless the employee has worked over forty (40) hours in one week.

#### Article 13 Rest Periods

All employees are entitled to a fifteen (15) minute rest period for the first four (4) hours worked. Employees working seven (7) hours or more shall receive two (2) fifteen (15) minute rest periods. An unpaid thirty (30) minute lunch break will be given if more than six (6) hours are scheduled. In the event the shift extends beyond eight (8) hours, the employee and Management will arrange additional breaks.

#### Article 14 Holidays / Holiday Pay

- A. All work performed on the following legal holidays shall be compensated at the rate of time and one half (1 ½): New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving Day, and Christmas Day or days nationally celebrated in lieu thereof. Employees hired after January 30, 1988 who have completed thirty-six (36) months of service shall be eligible for the six (6) national holidays cited above. In addition, they shall be paid their straight-time hourly rate of pay for all hours worked on any of the above holidays.
- B. Thirty-two (32) hours shall constitute the workweek for all full-time employees in a week in which any of the preceding holidays shall fall. All work performed in excess of forty (40) hours in any such holiday week shall be compensated for at the rate of time and one-half (1 ½). All full-time and part-time employees per the schedule above shall be paid their straight time hourly rate for holidays not worked provided the employee has worked their scheduled day before and their scheduled day after the holiday as well as on the holiday, if scheduled, or provides acceptable medical certification of illness. An employee must work part of the workweek to receive holiday pay. Any employee on vacation during a holiday week shall also receive holiday pay.

Full-time employees shall receive eight (8) hours straight-time holiday pay, part-time employees shall receive four (4) hours straight-time holiday pay.

- C. With two (2) weeks prior notice, the Company will schedule one (1) Steward per store off, with pay, for their Steward Holiday / Education Day.
- D. No employee shall be required to work after 6:30 p.m. on Christmas Eve or 9:00 p.m. on New Year's Eve. The Employer reserves the right to extend hours of operation on Christmas Eve and New Year's Eve if it puts the Company at a competitive disadvantage.

Article 15

Supplemental Days and Vacations

Supplemental Days:

- A. All employees hired prior to January 30, 1988 shall receive a maximum of seven (7) supplemental days.

All employees hired after January 30, 1988 shall receive a maximum of five (5) supplemental days off with pay upon completion of twelve (12) months of continuous service.

All employees hired after April 30, 2000, shall receive four (4) supplemental days off with pay on the following basis:

3 months of Service	one (1) supplemental day
6 months of Service	one (1) supplemental day
12 months of Service	two (2) supplemental days

for a total of four (4) supplemental days annually.

Courtesy Clerks are not eligible for Supplemental Days listed above.

Supplemental day schedule for employees hired after March 22, 2005 and for current employees who have not yet earned four (4) supplemental days:

1 year of Service	1 supplemental day
2 years of Service	2 supplemental days
3 years of Service	3 supplemental days
4 years of Service	4 supplemental days

- B. 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 and subject to store seniority in the event of conflict of employee choice.

- C. Employees shall notify the Store Manager at least two (2) weeks in advance of their intentions to use supplemental days off for a mini-vacation.
- D. Employees shall notify the Store Manager at least one (1) week in advance of their 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 a mutually agreed upon day off. In the event of conflict of employee's choice, seniority shall prevail.
- E. 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 involuntarily 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.
- F. The Employer reserves the right to pay a supplemental day in cases of unavoidable absence unless the supplemental day has been previously scheduled.
- G. Supplemental days are to be scheduled and taken between January 1<sup>st</sup> and December 10<sup>th</sup> of each year. An exception will be made for those employees that have been denied their request for supplemental days.

Employees qualifying for supplemental days between December 10<sup>th</sup> and December 31<sup>st</sup> shall be able to schedule and take those days during the 1<sup>st</sup> quarter of the new year.

Vacations:

- A. Vacations with pay for employees hired before January 30, 1988 shall be granted and taken on the following basis:

- One .....(1) week after one (1) year of continuous service.
- Two .....(2) weeks after three (3) years of continuous service.
- Three.....(3) weeks after eight (8) years of continuous service.
- Four.....(4) weeks after thirteen (13) years of continuous service.
- Five .....(5) weeks after twenty (20) years of continuous service.

Employees hired after January 30, 1988 shall attain a maximum of four (4) weeks vacation based on the schedule above.

Vacation pay for all full-time employees, shall be two percent (2%) of prior years earnings to a maximum of forty (40) hours at current straight-time hourly rate.

Vacation pay for all part-time employees, shall be two percent (2%) of the prior years earnings to a maximum of thirty-six (36) hours at the current straight time hourly rate.

- B. Eligibility for vacations shall be computed from original date of employment. However, if an employee is hired after September 1, they shall not be entitled to a vacation until after the January 1 following the first anniversary of hire unless the employee should leave the Company's employ in the period between the employee's anniversary date and such January 1. After an employee qualifies and receives his vacation in that year, the employee automatically qualifies for such benefits as of January 1 of succeeding years. Employees entitled to vacation must take their time off.
- C. Vacation selections will be granted on a seniority basis, by department, so far as possible, preferences as to the date being given in the order of length of service. The time of vacation shall be fixed by the Company at a mutually convenient time during the calendar year, but no employee shall be compelled to take a vacation prior to April 1. The Employer shall have the final decision. The employees must make known their vacation preference by March 1.
- D. All paid vacation is available for use on a weekly basis. However, an employee who has earned three (3) or more weeks of vacation may use one (1) week of vacation as five (5) single days. The employee must notify the manager at the time annual vacation selections are made. Individual days are to be scheduled by mutual agreement.

Article 16  
Wages

<b>Courtesy Clerks 18 years or older All Stores</b>		<b>Courtesy Clerks Under 18 years old All Stores</b>			
	Effective 6/29/08		Effective 6/29/08	Effective 7/20/08	Effective 7/19/09
Start	\$7.40	Start	\$6.29	\$6.55	\$7.25
3 Months	\$7.45	3 Months	\$6.34	\$6.60	\$7.30
6 Months	\$7.50	6 Months	\$6.39	\$6.65	\$7.35
12 Months	\$7.55	12 Months	\$6.44	\$6.70	\$7.40
18 Months	\$7.60	18 Months	\$6.49	\$6.75	\$7.45

<b>Specialty Clerks 18 years or older All Stores</b>		<b>Specialty Clerks Under 18 years old All Stores</b>			
	Effective 6/29/08		Effective 6/29/08	Effective 7/20/08	Effective 7/19/09
Start	\$7.40	Start	\$6.29	\$6.55	\$7.25

3 Months	\$7.45	3 Months	\$6.34	\$6.60	\$7.30
6 Months	\$7.50	6 Months	\$6.39	\$6.65	\$7.35
1 Year	\$7.55	1 Year	\$6.44	\$6.70	\$7.40
2 Years	\$7.60	2 Years	\$6.49	\$6.75	\$7.45
3 Years	\$7.65	3 Years	\$6.80	\$6.80	\$7.50
4 Years	\$8.00	4 Years	\$8.00	\$8.00	\$8.00
5 Years	\$8.75	5 Years	\$8.75	\$8.75	\$8.75
6 Years	\$9.00	6 Years	\$9.00	\$9.00	\$9.00
7 Years	\$9.35	7 Years	\$9.35	\$9.35	\$9.35

**Clerk/Cashier  
18 years or older  
All Stores**

**Clerk/Cashier  
Under 18 years old  
All Stores**

	Effective 6/29/08		Effective 6/29/08	Effective 7/20/08	Effective 7/19/09
Start	\$7.40	Start	\$6.29	\$6.55	\$7.25
3 Months	\$7.45	3 Months	\$6.34	\$6.60	\$7.30
6 Months	\$7.50	6 Months	\$6.39	\$6.65	\$7.35
1 Year	\$7.55	1 Year	\$6.44	\$6.70	\$7.40
2 Years	\$7.60	2 Years	\$6.49	\$6.75	\$7.45
3 Years	\$7.95	3 Years	\$6.80	\$6.80	\$7.50
4 Years	\$8.35 <i>w/exp.</i>	4 Years	\$8.35	\$8.35	\$8.35
5 Years	\$9.05	5 Years	\$9.05	\$9.05	\$9.05
6 Years	\$9.55	6 Years	\$9.55	\$9.55	\$9.55
7 Years	\$10.00	7 Years	\$10.00	\$10.00	\$10.00

*Top Starting*

**Fuel Center Clerks  
18 years or older  
All Stores**

	Effective 6/29/08
Start	\$7.40
3 Months	\$7.45
6 Months	\$7.50
1 Year	\$7.55
2 Years	\$7.60

For Stores 172, 680, 681, 793, 852, 884, 887, 888, 890

**Department Managers**

Start	\$13.30
1 Year	\$13.80

**Drug/GM Manager**

Start	\$11.00
1 Year	\$11.55

2 Years \$14.05  
3 Years \$14.50

2 Years \$12.05  
3 Years \$13.30

**For Stores 811, 889**

**Department Managers**

Start \$12.30  
1 Year \$12.80  
2 Years \$13.05  
3 Years \$13.80

**Drug/GM Manager**

Start \$11.05  
1 Year \$11.55  
2 Years \$12.05  
3 Years \$12.80

**Top Rates and Department Heads (excluding Courtesy Clerks and all employees in Jackson and Hillsdale 680, 681 & 172) receive the following amounts in Top Rate increases:**

7/27/2008	8/23/2009	9/26/2010
\$0.30	\$0.35	\$0.35

**Top Rates and Department Heads (excluding Courtesy Clerks) and all employees in Jackson and Hillsdale 680, 681 & 172) receive the following amounts in Top Rate increases:**

7/27/2008	8/23/2009	9/26/2010
\$0.25	\$0.25	\$0.25

\*Employees who are grandfathered into the Senior Clerk 1 and Senior Clerk 2 classifications will be eligible to receive top rate increases.

**WAGE NOTES**

- A. Effective May 2, 2004, Assistant Customer Service Managers, Head Night Stock, and Clerk/Cashiers hired or promoted prior to January 31, 1992, and all Department Managers will receive twenty-five (\$.25) cents per hour premium to their current rate of pay for all compensable hours.
- B. The "Assistant Customer Service Manager" is established as a classification with a starting pay rate at the current two (2) year progression rate of a "Clerk/Cashier" with an additional twenty-five (\$.25) cents above the Clerk/Cashier wage schedule. This twenty-five cents (\$.25) shall be above the personal rates established in the wage scales, when applicable.
- C. Employees classified as Head Night Stock shall receive a starting premium of seventy-five (.75) cents per hour for the first six (6) months, thereafter \$1.25 per hour in addition to their regular hourly rate.

- D. An adjustment to an employee's starting rate may be made based on previous experience determined by the Employer.
- E. Pharmacy technicians would have the opportunity to earn three (3) increases based on completion of three (3) different levels of the Company's pharmacy certification program. The increases would be \$0.25, \$0.50, and \$0.25
- F. Appoint a Lead Fuel Clerk with a \$1.00 per hour premium in stores with Fuel Centers.

A Fuel Center Clerk's responsibilities will be to perform all tasks associated with the operations 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 15 of the contract. Supplemental Days will be granted per Article 16 of the contract. National Holiday pay will include six (6) National Holidays as contained in Article 14 and will be earned and paid per Article 14.

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

All Fuel Center Clerks, 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 in-store clerk seniority shall be frozen).

In the event of a Fuel Center closing, Fuel Center 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.

- G. Employees interested in transferring to the Starbucks Department shall put their interest in writing to the Store Manager with a copy to the Union. Employees accepting positions in the Starbucks Department and who complete training shall be required to remain in this classification for the period of one (1) year to retain their previous seniority.

Each Starbucks Department will maintain a Lead Starbucks Specialty Clerk who will receive a \$2.00 premium per hour above their current rate. Lead Starbucks Specialty Clerks will retain their seniority over other Starbucks Specialty Clerks for the purpose of scheduling.

A Starbucks Specialty Clerk's responsibilities will be to perform all tasks associated with the operations of the Starbucks as directed by store management.

The Starbucks Specialty Clerk classification will remain a separate clerk classification in itself.

- H. Employees regularly assigned to the night crew shall receive a shift premium of \$.25 for all hours worked between 10:00 p.m. and 6:00 a.m.

J. Courtesy Clerks

It is agreed that a Courtesy Clerk is an employee whose duties are limited as described herein. Employees classified as Courtesy Clerks shall bag sold merchandise, stock grocery bags and supplies at the check-outs, do general custodial work, outside maintenance, clean up broken merchandise, collection of bascart, handle returnable containers, sweeping of floors (both sales and back room), cleaning of restrooms, making price checks, shelf and case cleaning and returning merchandise from the check stand to the shelf. A Courtesy Clerk may be promoted to a part-time Cashier / Clerk position on a temporary basis (during all or part of the period of May through September) at the appropriate Cashier / Clerk rate of pay.

A Courtesy Clerk employee shall keep the check stands stocked with supplies, such supplies not to include merchandise offered for sale. A Courtesy Clerk employee may also handle merchandise when the Customer brings it to the checkout stand and may assist the customer in removing merchandise from the bascart, package the merchandise, and assist the customer out of the store.

During the term of this Agreement the Employer (Kroger) and the Union (UFCW 951) will periodically review the Courtesy Clerk Classification for those employees who for whatever reason wish to remain in the Courtesy Clerk Classification; and may apply incentives to accommodate their length of service or situation.

Article 17  
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, and shall abide by the provisions of the applicable Trust Agreement as amended. The Employer shall execute an instrument agreeing to abide by the provisions of said Trust as amended.

The parties agree to make their best efforts to direct the trustees of the Michigan United Food and Commercial Workers Unions and Employers Health and Welfare Fund to adopt as many cost containment measures as practical without reducing existing Plan 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.

The Employer shall make monthly contributions up to the following amounts provided the Trustees of the Fund determine that the entire amount of the specific contribution is necessary to maintain the present level of the Plan benefits design.

The monthly employer contribution rates shall be:

<u>Effective</u>	<u>Rate</u>
2/1/08	\$247.83
7/1/08	\$521.72
7/1/09	\$573.18
7/1/10	The parties agree to abide by the employer contribution rate for 7/1/10 as agreed to by Kroger and UFCW Local 876 in their 2010 contract negotiations.

Employee weekly pre-tax contribution rates are as follows:

Employee only	\$4.00 per week
Employee + one	\$8.00 per week
Family	\$12.00 per week

Spouse surcharge

If an employee enrolls a spouse and he/she is eligible for coverage under his/her employer-sponsored plan, but elects not to enroll in that plan, an additional \$100 monthly deduction is required.

Employer contributions will be paid on all eligible employees.

1. The Employer shall continue contributions for a further period of three (3) months for any said employees reduced to part-time or less than thirty-two (32) hour status through no fault of their own.

2. The Employer shall continue contributions for any of said employees up to three (3) months during absence from work due to compensable or non-compensable injury or illness.
3. 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.
4. The Employer agrees that the waiting period shall be waived when hiring employees currently covered by the Health and Welfare Plan of another employer group by making the delinquent payment contribution, if any, but shall not be required to pay more than one (1) month delinquency.
5. Employer contributions shall immediately be discontinued as follows:
  - a. Leave of Absence.
  - b. Voluntary Quit.
  - c. Termination for Cause.
  - d. Layoff
6. Employer contribution shall be resumed on the first (1st) of the month immediately following return to work after illness, injury, leave of absence, layoff, and/or reinstatement to full-time status, providing coverage had been previously discontinued.
7. Until the effective date of the foregoing provisions, the Employer shall continue Health and Welfare contributions as provided in the prior Agreement of the parties.
8. The contract shall recognize past service at Kroger for benefit qualifying for transfer from outside of the bargaining unit.

#### Full Time Employees

Current full-time employees not yet qualified for benefits shall qualify for participation in the benefit plan after completing twelve (12) months of service. Effective 8/1/08 eligible full-time employees not yet qualified for benefits shall qualify for single benefit coverage 1<sup>st</sup> of the month following nine (9) months of service and dependent coverage 1<sup>st</sup> of the month following twelve (12) months of service.

#### Part-Time Employees

1. Current part-time employees not yet qualified for benefits shall qualify for participation in the benefit plan after completing forty-eight (48) months of service. Effective 8/1/08 eligible part-time employees not yet qualified for benefits shall qualify for participation in the benefit plan the 1<sup>st</sup> of the month after completing twenty-four (24) months of service. Part-time employees are eligible for single coverage only.

A. General:

The foregoing provisions are intended to establish the basis and amount of Employer contributions to the Michigan United Food and Commercial Workers Unions and Employers Health and Welfare 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 insurance or other Agreements, as from time to time amended.

B. Inapplicability of No-Strike Clause:

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 Michigan United Food and Commercial Workers Unions and Employers Health and Welfare Fund. Provided, however, such action shall not take place until the Fund Manager notifies the Employer, in writing, of the delinquency.

Article 18  
Pension

The Employer agrees to participate in and contribute to the UFCW National Pension Fund Plan. The Employer shall execute an instrument agreeing to abide by the provisions of the applicable Trust Agreement, as amended (and the applicable Plan as amended). The Employer agrees to make contributions to the fund in the following sums, effective February 1, 2008:

1. Those employees hired prior to August 5, 1984 shall receive contributions in the amount of ninety-one point five cents (\$.915) per hour 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, including hours of all compensable absence pay. No contributions shall be made by the Employer for employees off work for any non-compensable absences.
2. Those employees hired prior to August 5, 1994 with ten (10) years of service or more shall receive contributions in the amount of forty (\$.40) cents per hour 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, including hours of all compensable absence pay. No contributions shall be made by the Employer for employees off work for any non-compensable absences.
3. Those employees hired after August 5, 1994 shall receive contributions based on the scale listed below 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, including hours of all compensable absence pay. No contribution shall be made by the Employer for employees off work for any non-compensable absences.

- a. For those employees with at least one (1) but not more than six (6) years of service shall receive a contribution rate of ten (\$.10) cents per hour.
- b. For those employees with six (6) years of service or more shall receive a contribution rate of thirteen (\$.13) cents per hour.

The foregoing provisions are intended to establish the basis and the amount of the Employer contributions to the UFCW National Pension Fund Plan 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 insuring agreements, as from time to time amended.

#### Article 19 Other Benefits

##### Jury Duty:

If an employee is required to serve on jury duty, the employee shall be paid the difference between the employee's pay for scheduled time lost for such jury services at the employee's rate of pay in effect at the time of jury duty. If the employee is excused from jury duty for the day, the employee shall report to work if scheduled. All scheduling concerns should be discussed with Management.

##### 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 up to twelve (12) weeks to employees eligible under the Family and Medical Leave Act of 1993 (FMLA). Employees shall be granted a leave of absence for their certified illness, not exceeding one (1) year and up to two (2) years by agreement between the Union and Employer.

Employees who are on Worker's Compensation shall be granted a leave of absence not to exceed two (2) years.

Seniority shall accrue during such Personal and Illness Leaves. Leaves of absence in excess of the foregoing periods may be granted by agreement by the Union and Employer. Employees desiring a leave of absence other than for illness or injury must do so in writing. Employees returning from illness or injury and/or approved leave of absence shall notify the Manager by Wednesday noon of their availability for work the following week.

##### Military Leave:

Leaves of absence shall be granted to employees for the purpose of serving in the Military of the United States. Any employee returning from military service shall be entitled to reemployment in accordance with the provisions of applicable Federal Law.

Union Leave:

The Employer shall grant a leave of absence to employees for the purpose of employment by the Union. Employees granted such leave will retain and accrue seniority for up to one (1) year. Contract benefits will not apply during the leave.

Supervisor Leave:

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.

Bereavement Leave:

Up to three (3) consecutive days leave of absence 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-parent, child, step-child, spouse, brother, sister, current father-in-law, current mother-in-law, or any relative that resides with the employee. Employees will be compensated for any scheduled time lost during the three (3) consecutive day leave period which shall include the day of the funeral. A two (2) day leave will be granted for grandparents, or grandchildren of an employee.

Article 20

Store Closing and Severance Pay

- A. In the event the Employer sells or closes a store and employees in the closed or sold store are terminated and not offered employment by a new operator, they shall be eligible for severance pay as follows:

Eligible full-time employees with six (6) or more years of continuous full-time service shall be paid six (6) weeks of severance pay.

- B. All monies due employees shall be paid upon termination in accordance with the Agreement, but not later than two (2) weeks after separation.
- C. Employees voluntarily terminating their employment shall not be eligible for severance pay.
- D. Employees who accept severance pay shall not retain seniority or recall rights.
- E. Employees who refuse a transfer shall not receive severance pay and are separated.

Article 21

General

- A. Use of male gender contained in this Agreement shall, except as context requires otherwise, be deemed to include the female gender.

- B. The Company agrees to furnish all necessary tools. All uniforms which the Employer requires the employee to wear shall be furnished by the Employer, without charge. They are to be laundered by the employee.
- C. Bulletin Boards shall be provided in the back of the store for posting of notices and meetings, but same shall not be posted until they have first been called to the attention of the Store Manager.
- D. The Employer shall display Union Store Cards, which shall be furnished by the Union. Union Store Cards shall remain the property of the Union and surrendered upon request.
- E. The Employer and the Union shall not discriminate against any employee for reasons of sex, age, race, religion, creed, color, national origin, marital status, sexual orientation, disability, Veteran's status, or Union activity.
- F. In the event the employer contemplates the introduction of major technological changes affecting bargaining unit work, advance notice will be given to the Union. The Employer and Union will meet to discuss implementation of such changes prior to putting them in effect.

Article 22  
Separability Clause

The provisions of this Agreement are deemed to be separable to the extent that if and when a court of last resort adjudges any provision of this Agreement in its application between the Union and the undersigned Employer to be in conflict with any law, such decision shall not affect the validity of the remaining provisions of this Agreement, but such remaining provisions shall continue in full force and effect, provided further, that in event any provisions are so declared to be in conflict with a law, both parties shall meet within thirty (30) days for the purpose of re-negotiation and agreement on the provision or provisions so invalidated.

Article 23  
Union Cooperation

- A. The Union agrees to the reasonable rules and regulations of the Employer in regard to attendance, conduct on the job and all other reasonable rules established by the Employer.
- B. The Union agrees to cooperate with the Employer in maintaining and improving safe working conditions.
- C. The Union agrees to cooperate in correcting the 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 interest of conservation and waste elimination.

Article 24  
Economic Relief

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

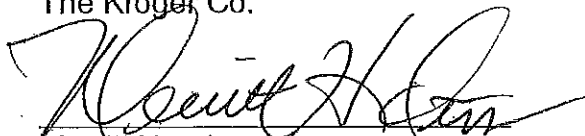
- A. After a period of twelve (12) months from the effective date of the contract, if the Employer establishes sufficient reasons for the economic relief for certain units or portions of the operation, the Union shall present the terms of the economic relief to the membership in the affected unit(s) and/or operation for their vote.
- B. If at any time during the duration of the contract a competitor opens a retail outlet within a fifteen (15) mile radius of one of the Employer's stores, and the economic terms of the competitor's labor costs are substantially less than the Employer's labor costs, the Employer may present a proposal to the Union for economic relief pertaining to the affected store or stores, and the Union shall present that proposal to the affected membership in the store or stores to which the proposal applies for their vote within thirty (30) days from the receipt of such proposal.
- C. During the duration of the contract, the parties may address a competitive disadvantage which exists in a facility covered by the Agreement. The parties specifically reserve the right to deal with any one unit whether or not the entire metropolitan or geographical area is affected in a similar fashion by this competitive disadvantage. The parties may then meet to discuss modifications of wage and/or benefit or operating language changes to effect a more competitive posture in that unit or units. This section in no way shall obligate either party to agree to such modifications in lieu of closing the retail unit.
- D. It is specifically understood that relief will not be implemented without the vote of the affected members.
- E. During the duration of this contract the Employer (Kroger) and the Union (UFCW 951) may agree to apply various economic incentives by individual store or groups of stores, classifications, and/or departments with regard to hours of work, rates of pay, and/or premiums. The application of such incentives will be by written agreement specifying the terms and duration of the incentives, and/or premiums.

Article 25  
Expiration

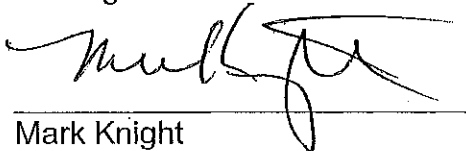
This Agreement shall continue in full force from January 31, 2008, up to and including October 22, 2011, and thereafter from year to year unless written notice of desire to cancel or terminate the Agreement is served by either Party upon the other at least ninety (90) days prior to October 22, 2011.

Where no such cancellation or termination notice is served and the Parties desire to continue the Agreement, but also desire to negotiate any such changes or revisions in the Agreement, either Party may serve written notice upon the other at least ninety (90) 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.

For the Employer  
The Kroger Co.



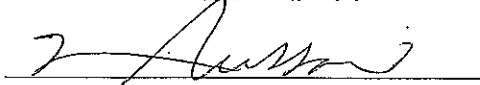
Merritt Henderson  
Manager of Human Resources



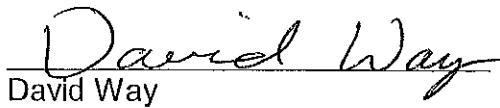
Mark Knight  
Human Resources

For the Union

The United Food and Commercial  
Workers Union Local 951



Marv Russow  
President, UFCW 951



David Way  
Vice President UFCW 951

**MEMORANDUM OF AGREEMENT**

**BY AND BETWEEN**

**UFCW 951**

**AND**

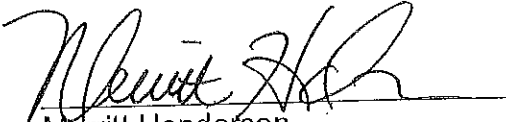
**THE KROGER COMPANY**


**EFFECTIVE JANUARY 31, 2008**

No changes in the terms of the Agreement with the following exceptions:

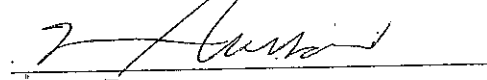
Both parties agree to meet and discuss the implementation of a pilot back-up Department Head program within six (6) months of ratification.

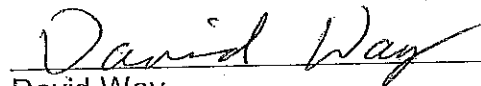
For the Employer  
The Kroger Co.

  
Merritt Henderson  
Manager of Human Resources

  
Mark Knight  
Human Resources

For the Union  
The United Food and Commercial  
Workers Union local 951

  
Marv Russow  
President, UFCW 951

  
David Way  
Vice President UFCW 951

