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Contract Agreement

Between

United Food and Commercial Workers Union,

Local 1996

and

The Kroger Company

Savannah, Georgia

Front-End / Grocery / Produce / Deli – Bakery / Drug - GM

November 19, 2000

through

May 14, 2005

7/2/02

32 PP

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UNITED FOOD AND COMMERCIAL WORKERS
LOCAL 1996
KROGER - SAVANNAH, GEORGIA

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TERM: November 19, 2000 through
May 14, 2005

AGREEMENT

This Agreement has been entered into by and between The Kroger Co., Savannah, Georgia, hereinafter designated as the Employer, and the United Food and Commercial Workers Union, Local No. 1996, Atlanta, Georgia, chartered by the United Food and Commercial Workers International Union, affiliated with the AFL-CIO, 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 interests, to provide a channel through which information and problems may be transmitted from one to the other, to formulate rules to govern the relationship between the Union and the Employer, to promote efficiency and service, and to set forth herein the basic agreements covering rates of pay, hours of work, and conditions of employment.

ARTICLE 2 COVERAGE

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

B. The terms and conditions of this Agreement shall apply to the Employer's Savannah, Georgia stores, Garden City, Jesup, Waycross, and Rincon, Georgia stores with respect to rates of pay, wages, hours and other conditions of employment except for and excluding the Unit Manager, the Customer Service Manager, Grocery/Drug G.M. Manager, Perishable Manager, Co-Manager, Professional Pharmacy Department employees, Security employees, Demonstrators, Meat Department employees, i.e., Head Meat Cutter, Journeyman Cutters, Seafood Clerks, and all clerical employees not working in the sales and storage area. All trainees will also be excluded from the unit for twelve (12) months, and, thereafter one (1) trainee per department will be excluded.

C. Once each period, the Employer will notify the Union, in writing, of all employees hired or reinstated into these stores, social security number, employee work number and job classification.

ARTICLE 3 CHECK-OFF

A. For the duration of the present contract or any renewal thereof, the Employer agrees to deduct Union initiation fees and dues, on a weekly basis, and remit to the local Union once each month in such amount as Local No. 1996 shall determine and provide for its members generally from the pay of each employee who has signed a properly-approved authorization card. The Union shall officially, in writing, notify the Employer of its current initiation fee and monthly dues, and if there is any change, notice of the change will be given to the Employer in writing.

B. It is understood that the initiation fee shall be deducted from the next two (2) weeks' pay of the employee so authorizing the deduction, and thereafter Union dues shall be deducted from the employee's pay each week, provided only that the total amount to be deducted in any one week shall not exceed four (4) weeks dues.

C. If the law is changed to permit a "Union Shop," the following shop conditions shall become effective when it is legal:

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

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

E. The Employer reserves the right to secure new employees from any source whatsoever. During the first sixty (60) days of employment, all new employees shall be on a trial basis and may be discharged at the discretion of the Employer.

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

ARTICLE 4 MANAGEMENT RIGHTS

The management of this 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 reasonable rules and regulations covering the operation of the stores, a violation of which shall be among the causes for discharge, are vested in the Employer, provided, however, that this right shall be exercised with due regard for the rights of the employees, and provided further that it will not be used for the purpose of discrimination against any employee.

ARTICLE 5 DISPUTE PROCEDURE

A. The Union shall have the right to designate shop stewards. The shop stewards so designated shall not exceed two (2) - one (1) to act as steward and one (1) to act as alternate steward.

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

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

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

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

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

C. The Board of Arbitration shall consist of one (1) person appointed by the Union and one (1) person appointed by the Employer. Said two (2) persons shall, within two (2) days after disagreement, request the American Arbitration Association to furnish a panel of arbitrators from which the third arbitrator may be selected, and the decision of the majority shall be binding on the Employer, the employee and the Union. The expense of the third arbitrator shall be paid for jointly.

D. The Employer may at any time discharge any worker for proper cause. The Union may file a written complaint within five (5) days with the Employer, asserting that the discharge was improper. Such complaint must be taken up promptly, and if the Employer and the Union fail to agree within ten (10) days, the Union, if it desires to arbitrate the discharge, shall refer it to the Board of Arbitration within ten (10) days after such disagreement. Should the Board determine that it was an unfair discharge, the Employer shall reinstate the employee in accordance with the findings of the Board. The Union will be given written notification of any discharge within three (3) working days after discharge.

E. It is agreed that Steps 1 and 2 of this dispute procedure may be waived if mutually agreeable to the Employer and the Union.

F. Upon request, the store manager or person in charge will grant to any accredited Union representative, the right to communicate with the employees of the store.

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

H. After all steps of the grievance procedure, except arbitration, have been exhausted, the Union shall have the right to determine if an employee's grievance is qualified to be submitted to arbitration by the Union, and such determination shall be binding on the employee and the Union.

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

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

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 or its members. The Employer agrees that there shall be no lockout.

B. The Union further agrees that its members will not refuse to cross a legal picket line until such line is officially authorized by the Local Union and, further, that in the event the Local Union does recognize such established legal labor picket line, it shall notify the Employer forty-eight (48) hours in advance of such action.

ARTICLE 7 LEAVE OF ABSENCE

A. Union Business: The Employer shall grant the necessary time off without discrimination or loss of seniority rights and without pay to any employee designated by the Union to attend a labor convention or serve in any capacity on other official Union business, provided the Employer is given at least one (1) week's notice in writing specifying the length of time off; but in no case shall the length of time off exceed one (1) year.

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

C. Military Leave: Any employee in military service under the provision of federal law, shall be returned to his job in accordance with such law.

D. Funeral Leave: In case of a death in the immediate family of an employee, who has completed the probationary period (part-time employees sixty (60) days), the employee will be paid for a reasonable period of absence, depending upon the circumstances, but not to exceed three (3) days, provided he attends the funeral. In no case will he receive more than his normal week's pay. "Immediate family" shall mean spouse, parent, mother-in-law, father-in-law, child, brother, sister, grandparents or any relative residing with the employee.

E. Personal Leave of Absence: A leave of absence up to thirty (30) days shall be granted to an employee who has had one (1) year of continuous service for reasonable personal reasons, but not for the purpose of engaging in gainful employment elsewhere. Any such employee desiring a leave of absence shall secure written permission from the Employer with a copy to the Union, the length of absence to be agreed upon by the Employer and the employee. The length of absence shall be commensurate with the need.

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

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

**ARTICLE 8
OTHER AGREEMENTS**

The Employer agrees not to enter into any agreement or contract with his employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement without prior discussion with the Union.

**ARTICLE 9
OTHER WORK**

A. Employees shall perform any work which a member of Store Management may direct with the understanding that when an employee is assigned to a job with a lesser rate he will be entitled to his regular rate of pay unless, due to a decrease of work, he has regularly been assigned to a lower-rated job and desires to retain such job rather than accept a lay-off.

B. If an employee in this unit is required to work in the meat department temporarily, the hours worked in the meat department will be counted as hours worked for the purpose of Article 19, Paragraph A-1 and A-2, and Article 21, Paragraph B-1.

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

**ARTICLE 10
WAGES**

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

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

C-1. Effective the first Sunday of each calendar year, Grocery, Produce, Front-end, Deli/Bakery, and Drug/GM Department Heads in all stores opened longer than twelve (12) weeks will be reclassified based upon average weekly sales for the previous year.

C-2. On new stores, the Grocery, Produce, Front-End, Deli/Bakery, and Drug/GM Department Heads shall be paid his or her previous rate for fourteen (14) weeks. At the end of fourteen (14) weeks, the store will be reclassified based on the average weekly total sales for the twelve (12) weeks immediately following the first two (2) weeks after opening, and their rates will be adjusted to the new classification with retroactive adjustment to the opening of the store.

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

D-2. Previous experience must be shown on the application for employment, otherwise the employee forfeits any claim under this provision.

**ARTICLE 11
WORKING CONDITIONS**

A. The hours for each employee shall be scheduled by the Employer. A work schedule shall be posted by 2:00 PM Friday for the succeeding week. Employees may be added as necessary. The schedule for full-time employees will not be otherwise changed unless such change is necessitated by an emergency such as fire, flood, windstorm, or other acts of nature, but in such cases, full-time employees' schedules will not be changed to the extent they do not work the full work schedule of forty (40) hours provided enough hours remain in the workweek. For the purpose of this provision, daily overtime and night premium will be waived to allow the employee to make up lost hours, should they desire to make up lost hours.

The schedule for part-time employees may be changed provided the employee involved is notified of the change not later than 24 hours before such change is to take effect except that such notice will be waived in case of sickness, or emergency.

B-1. A full-time employee shall be defined in Sav-on stores and 600 series stores as an employee who works forty (40) hours per week. A part-time employee shall be defined as an employee who works less than forty (40) hours per week.

B-2. A current full-time employee in a 600 series store, prior to ratification, who has averaged thirty-two (32) hours per week or more shall be considered a full-time employee under the terms of this agreement until such time that such employee loses their full-time status, at which point they shall need to requalify at the forty (40) hour per week provision as described below.

B-3. An employee who is scheduled and works forty (40) hours per week for twelve (12) consecutive weeks shall be considered to be a full-time employee. Temporary assignments because of vacations and/or absenteeism to a forty (40) hour week shall not be included in this criteria.

B-4. An employee who is hired for part-time work, and is scheduled and works less than forty (40) hours per week, shall be considered to be a part-time employee. Any other employee who is scheduled and works less than forty (40) hours per week for twelve (12) consecutive weeks shall also be considered to be a part-time employee.

C. The workweek shall be considered Sunday through Saturday. The workweek for full-time employees shall be worked in not more than five (5) days (Excluding the 600 series stores).

In 600 series stores, employees who desire to work six (6) days in a workweek, will be allowed to, provided it is mutually agreed to by the Employer and employee.

D. Time and one-half (1-1/2) shall be paid on the weekly basis or on a Sunday/Holiday basis, whichever is greater, but in no case on both. No employee shall accept time off as compensation for overtime.

E. There shall be no split shift schedules.

F. Employees shall have a minimum of ten (10) hours off between the ending of their schedule and the starting of their schedule. Any employee who works during the ten (10) hour period shall be paid at the time and one-half (1-1/2) rate.

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

H-1. A one (1) hour or one-half (1/2) hour lunch period on the employee's own time to be mutually agreed upon between the Employer and the employee shall be allowed for lunch in each full workday. This lunch hour shall not be scheduled until an employee has worked three (3) hours, and the employee will not be required to work more than five (5) hours prior to the beginning of the lunch hour. After an employee has worked eight (8) hours, the employee shall be entitled to a supper period of one-half (1/2) hour. The lunch period for night stockers shall be one-half (1/2) hour on the employee's own time.

H-2. Employees working four (4) hours per day up to seven (7) hours per day shall receive one (1) fifteen (15) minute rest period per day. Employees working seven (7) hours or more per day shall receive two (2) fifteen (15) minute rest periods per day. Rest periods will be scheduled in accordance with the needs of the business but no earlier than one (1) hour after reporting time.

I-1. The following shall be recognized as holidays: New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day or days legally celebrated in lieu thereof. Full-time employees who worked sixty (60) days and who work their scheduled day immediately preceding a holiday and their scheduled day immediately following a holiday shall receive eight (8) hours' pay in addition to the hours worked. Full-time employees who are absent on their scheduled day immediately preceding a holiday or their scheduled day immediately following a holiday shall not be paid holiday pay unless absence is due to proven illness or the absence is excused by the Employer, in which case the employee shall receive holiday pay provided he worked any part of the holiday week.

I-2. A part-time employee who has worked twelve (12) or more weeks shall be entitled to holiday pay of four (4) hours for the holidays set forth in Article 11, paragraph I-1 above provided he was scheduled for work in the holiday week and worked his scheduled hours in the holiday week. Employees who are absent of their own accord during a holiday week shall be paid only for the hours actually worked, except where absence is caused by proven illness or is excused by the Employer, in which case the employee shall receive the holiday pay provided he worked any part of the holiday week.

I-3. Employees hired after April 11, 1989, will become eligible for the five (5) basic holidays named in paragraph I-1 of this article as of their first anniversary date. These employees will not be eligible for any other holidays listed in the agreement.

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

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

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

J. Any uniforms deemed necessary by the Employer for its employees shall be furnished and laundered by the Employer. However, where dacron or similar type uniforms are furnished to employees, such uniforms shall be laundered by the employee.

K. Employees who are required by the Employer to attend a meeting shall be paid for the time actually spent at such meeting at the employee's straight-time hourly rate, and for all authorized travel time in excess of one (1) hour each way. No meeting shall be held on Sundays or holidays except in emergency situations, such as fire, flood, windstorms, or other acts of nature.

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

M. All work and services connected with or incidental to the handling or selling of merchandise shall be performed only by employees of the bargaining unit. However, the Employer may utilize direct store delivery vendors on products which are available to the trade. This Agreement shall not be construed as restricting a sales representative from inspecting any and all merchandise of his respective company for spoilage or replacement, nor shall it apply to new or remodeled stores or to initial special displays unless such special displays have a tendency to become too constant or too often. There shall be no expansion of the present practice which might tend to erode bargaining unit employment during the life of this Agreement. If the Employer violates this section, using non-bargaining unit people, the most senior part-time clerk shall be paid equal to the full-time top rate clerk rate of pay based on hire date for time spent by the non-bargaining unit person performing bargaining unit work.

N-1. Effective March 28, 1993, a premium of thirty cents (\$.30) per hour shall be paid for work performed between 12:00 A.M. and 6:00 A.M. on a regularly-assigned shift. This is separate from and in addition to the employee's straight-time hourly rate. When an employee is scheduled to work fifty percent (50%) or more of the scheduled work shift between the hours of 12:00 A.M. and 6:00 A.M., the employee will receive the thirty cents (\$.30) per hour premium for the entire shift.

N-2. The night shift will be paid at forty-five cents (\$.45) per hour for hours worked between 9:00 P.M. and 6:00 A.M. in the 600 series stores for employees who were previously receiving forty-five cents (\$.45) prior to March 22, 1993. Employees who work more than four (4) hours on this shift will receive the shift differential for all hours worked on that workday.

N-3. Effective May 6, 2001, a premium of fifty cents (.\$50) per hour will be paid for hours worked in accordance with paragraphs N-1 and N-2.

O. When a Department Head is relieved for five (5) days in a workweek, the employee who performs the relief work will be paid at the rate of the employee he relieved. In 600 series stores, if the store sales are under \$225,000, then the store will use an employee that has been in a previously similar or like position or use no one.

P. All work in excess of nine (9) hours per day shall be paid for at time and one-half (1-1/2).

Q. Effective November 19, 2000, part-time employees will be scheduled for a minimum of twelve (12) hours per week Sunday through Saturday, except that a part-time employee called in on Saturday or Sunday (who has not previously worked that week) will be scheduled for the hours from the time called in to the time the store closes.

R. Full-time schedules (other than night stock employees) with hours after 8:30 P.M. will be rotated among available employees as far as it is practical to do so.

S. There shall be no work performed on Christmas Day. Scheduled work to be performed on Thanksgiving or Easter Sunday will be offered to senior employees by classification. In the event there are not enough volunteers, employees will be required to work in inverse seniority order. An employee shall not be required to work prior to 6:00 A.M. the day following Christmas Day. Any employee who works prior to 6:00 A.M. the day following Christmas Day will be paid for at one and one half times (1-1/2X) the employee's straight time hourly rate.

T. Work performed after 7:00 P.M. on Christmas Eve will be paid for at double (2x) the employee's straight-time hourly rate.

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

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

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

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

ARTICLE 12 SENIORITY

A. Unless otherwise provided, seniority shall be defined as the length of continuous service within a classification. Classification seniority shall apply for the purpose of layoffs and rehiring. In the event an employee is transferred from one classification to another, his seniority date in a new classification shall be considered by his length of continuous service within the bargaining unit. In the matter of promotions within the bargaining unit, seniority shall be the controlling factor as long as the employee has the ability to perform the work. Part-time employees within a classification will be given first consideration for promotion to full-time when a vacancy exists; however, this shall not preclude an employee in another classification from requesting a transfer for such vacancy or a vacancy that might become available. Such request must be made in writing to the Store Unit Manager as appropriate. Part-time employees shall not accumulate seniority over full-time employees. Agreed-upon seniority lists shall be established and available to the Union at all times. For the purpose of this Agreement, the following departments within the Food and Non-Food sections are established:

(Non-600 Series Stores)

Food Section: Front End Department
1) *Checkers*
2) *Courtesy Clerks*
Grocery Department
Produce Department

Non-Food Section: Drug Department,
Lobby Department,
Bakery Department,
Deli/Snack Bar Department.

**(600 series stores)
(after merger of
seniority lists)** Front-End Department
1) *Checkers*
2) *Courtesy Clerks*
Deli/Bakery Manager
(where applicable)
Produce Department
Grocery Department

A-1. In the event of a permanent reduction of hours or employees who are about to be permanently laid off, they shall have the right to exercise their seniority in accordance with Article 12 by store, then by Savannah contract area. The Employer shall have the right to exercise his final judgement after giving due regard to seniority, and the ability to perform the work.

In layoffs and recalls, seniority shall apply. There shall be one seniority list for full-time employees and a separate seniority list for part-time employees and a separate seniority list for courtesy clerks. Full-time seniority shall be defined as a date employee was last classified full-time. Part-time seniority shall be defined as the length of last continuous employment. (Excluding time spent as courtesy clerk). Full-time employees shall have seniority over all part-time employees.

A-2. An employee who desires a transfer to another location may request such a transfer in writing to the Marketing Area Personnel Manager with a copy to his Zone Manager and a copy to the Union. When a vacancy occurs within their classification, the Employer will review by seniority any request that has been filed for that location, and a decision will be made based on seniority, ability, and consistent with the needs of the business. Any

dispute over and above requested transfer will be reviewed by a representative of the Employer and a representative of the Union.

B. Seniority shall be considered broken if an employee is justly discharged by the Employer, if the employee voluntarily quits, if the employee has been laid off continuously for a period of more than twelve (12) months or if the employee is called back to work after a layoff and does not report for work within one (1) week.

C. Part-time employees will be given preference for full-time jobs if qualified. Employees interested in such full-time jobs will notify the Human Resource Manager in writing.

D. Each week, the Employer will give the Union a list of newly-hired employees and employment date.

E. The Union shop steward (not the alternate shop steward) shall be the last employee in his classification in his store to be transferred or laid off.

F. Permanent vacancies for the position of Front-End Manager, Produce Manager, Deli-Bakery Manager, Drug/GM Manager, and Grocery Manager will be posted in each store for a minimum of four (4) days prior to the appointment subject to the provisions of Article 12 and such notice shall be of a uniform size and be posted in a prominent location to be seen by all employees.

G. It is the intent of the Company and the Union that the previously referred to "M&M" employees should not suffer loss of wages through the signing of this Agreement.

Effective March 22, 1993, it is the intent of the Company and the Union to merge the previously referred to M&M Company, into what is presently known as the Savannah bargaining unit. The M&M employees will hereafter become part of the Kroger Savannah group and shall hereafter enjoy all rights, privileges, and benefits as noted in this Agreement.

The exception to the above section shall be that the Company will maintain separate seniority lists on each unit and the application of seniority will be followed as outlined in Article 12. It is understood that the units will be treated separate but equal as noted in this Agreement.

Beginning with the fourth year of this Agreement, the Company will create a combined seniority list between the two (2) units that dovetails both seniority lists into one (1) list. Example: If a Savannah Kroger employee is recognized to have the most seniority, he shall be placed at the very top of the seniority list. If an M&M employee is recognized as being the second most senior employee, he shall be listed in the second position from the top of the list. It is the intent of the parties that the two (2) seniority lists be merged in the above manner, and that the employees. Seniority will seek its own level.

For the purpose of merging the seniority list, when these two (2) seniority lists are merged, the 600 series employees will be assigned a primary department location as outlined above. This will not prohibit the 600 series store employees from working in different departments in their store, nor will it create new classifications in the 600 series stores.

**PRIOR TO AND AFTER
MERGER OF SENIORITY LISTS**

In the event an employee is transferred from a 600 series store to a non-600 series store, and vice-versa, the employee's seniority date will be their date of hire.

PRIOR TO MERGER OF SENIORITY LISTS

Only in the event of a layoff, employees who have transferred from a 600 series store to a non-600 series store, and vice-versa, will be treated as if they had not transferred in determining their appropriate seniority date.

Only in the event of a store closing, the Employer will place affected employees in a store of the Employer's choice, except in the event of a Waycross and/or Jesup store closing in which case the Employer will offer interested employees a transfer to a Savannah area store. In the event an employee is not interested in such a transfer, they will be eligible for separation pay as outlined in this Agreement.

H. A part-time employee called in to work will be called in seniority order, not to exceed forty (40) hours in a workweek.

I. When employees object to night stock work, the night stock work shall be assigned by seniority within their store beginning with the least senior stock clerk.

J. In the matter of permanent transfers, ability and seniority shall be the controlling factor.

K. In the event employees engage in an authorized work stoppage, employees will be called back by seniority within their classification as needed in their store on termination of the authorized work stoppage.

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

M. Effective November 19, 2000, part-time employees will be allowed to claim daily schedules Sunday through Saturday within their store in their classification based on seniority in order to provide up to forty (40) straight-time hours per week, excluding overtime hours. Such employees must claim hours within the area of their job assignment and must be available and able to perform the work. In no instance shall the claiming of hours result in a reduction of an employee's schedule to less than the twelve (12) hour part-time guarantee. Hours in newly remodeled stores and new stores will not be available for claiming until the store is classified.

The Business Agent will inform the Store Manager and the Atlanta Personnel Department of any violations pertaining to scheduling of hours on a seniority basis, and a decision will be rendered within one week.

First Violation

The Store Manager will correct such violation in the following Manner:

Assign the hours to the most senior part-time employee who is available and qualified to perform the work.

Should the hours have already been worked by a less senior employee, the most senior employee who is available and qualified shall be paid for said hours that the junior employee worked that the senior employee could have worked.

Second Violation

Should the hours be assigned to a less senior employee, the more senior employee who is available and qualified to perform the work shall be paid at two (2) times their regular rate of pay for all hours the junior employee worked that the senior employee could have worked.

Third Violation

Should hours be assigned to a less senior employee, the more senior employee who is available and qualified to perform the work shall be paid at three (3) times their regular employee rate of pay for all hours assigned to the less senior employee that the senior could have worked.

Senior employees or the business agent shall be able to claim all or portion of less senior employee's schedules on a daily basis up to and including forty (40) hours.

Claims for payment as outlined above shall not be valid after thirty (30) days. If after the third (3rd) violation, it is determined that the schedule is being deliberately manipulated to prevent senior part-time employees from claiming hours, the two (2) most senior part-time employees in the store shall be reclassified to full-time.

One or more senior part-time employees may claim hours from a junior employee so as to eliminate that junior employee from the schedule. However, schedules may not be claimed from a part-time employee so as to leave the employee with less than the twelve (12) hour guarantee unless that employee is totally removed from the schedule.

Schedules will be posted in one (1) location in the store by work location, classification and seniority order. Copies of this weekly schedule will be maintained in the store for a minimum of thirty (30) days.

N. Hinesville Merger

Effective November 19, 2000, it is the intent of the Company and the union to merge the Hinesville Clerks into what is presently known as the Savannah bargaining unit. The Hinesville Employees will hereafter become part of the Kroger Savannah Group agreement and shall hereafter enjoy all rights, privileges, and benefits as noted in this agreement.

The exception to the above paragraph shall be that the Company will maintain a separate seniority list for the Hinesville employees, and the application of seniority will be followed as outlined in Article 12. It is understood that the Hinesville employees will be treated separate but equal as noted in this agreement.

Beginning with the second year of the Agreement, the Company will create a combined seniority list between the two (2) units that dovetail both seniority lists into one (1) list. Example: If a Savannah Kroger employee is recognized to have the most seniority, he shall be placed at the very top of the seniority list. If a Hinesville employee is recognized as being the second most senior employee, he shall be listed in the second position from the top of the list. It is the intent of the parties that the two (2) seniority lists be merged in the above manner, and that employees' seniority will seek its own level.

Prior to and After Merger of Seniority Lists

In the event an employee is transferred from the Hinesville store to a Savannah store, and vice-versa, the employee's seniority date will be their date of hire, or beginning date of full-time continuous service.

Prior to Merger of Seniority Lists

Only in the event of a layoff, employees who have transferred from Hinesville to a Savannah store, and vice-versa, will be treated as if they had not transferred in determining their appropriate transfer dates.

Only in the event of a store closing, the Employer will place affected employees in a store of the Employer's choice, they will be eligible for separation pay as outlined in this Agreement. In the event an employee is not interested in such transfer, they will be eligible for separation pay as outlined in this agreement.

ARTICLE 13 VACATIONS

A. Once a vacation selection has been agreed to and scheduled, it shall be changed only by mutual agreement between the employee and the Employer, except in cases of emergency beyond the control of the Employer.

B. Full-time employees will be entitled to vacation according to the policy of the Employer, a summary of which is attached to this contract in Schedule "C" except that employees with seven (7) or more years of continuous service shall receive three (3) weeks vacation and full-time employees with fifteen (15) or more years of continuous service shall receive four (4) weeks vacation.

Effective November 19, 2000, employees hired after April 11, 1989, will be entitled to four (4) weeks of vacation after seventeen (17) years of continuous service.

B-1. Full-time employees in the 600 series stores will be entitled to vacation according to the policy of the Employer, a summary of which is attached to this contract in Schedule "C", except that employees with eight (8) or more years of continuous service shall receive three (3) weeks vacation and full-time employees with fifteen (15) or more years of continuous service shall receive four (4) weeks.

C. A part-time employee will be entitled to vacation under the same general rules as for a full-time employee. Part-time vacation will be figured on the number of straight-time hours worked in the vacation qualifying year divided by fifty-two (52). The qualifying date for all vacation purposes of any part-time employee who subsequently, and without a break in his/her employment, qualifies as a full-time employee shall be the date from which his/her service has been counted for part-time vacation purposes rather than the date he/she qualified as a full-time employee. His/her vacation for the year in which he/she is reclassified to full-time shall be figured on average straight-time hours worked during such year. Conversely, when a full-time employee is reclassified to part-time, his/her vacation for the year in which he/she is classified shall be figured on average straight-time hours worked during such year.

D. Effective with employees hired after April 11, 1989, the following vacation schedule will apply:

1 year service - 1 week vacation
4 years service - 2 weeks vacation
10 years service - 3 weeks vacation
17 years service - 4 weeks vacation

E. Full-time 600 series store employees who are eligible for four (4) weeks of vacation prior to 1/1/93 will be grandfathered and will continue to receive four (4) weeks of vacation. Employees who are within two (2) years of receiving their third week or fourth week of vacation, effective March 22, 1993, shall receive their vacation accordingly upon reaching either eligibility for the third or fourth week. Effective 1/1/93, all other full-time 600 series store employees will be eligible for vacations as outlined in D above, except no full-time employee will suffer a reduction in the number of weeks of vacation they received in 1992.

No employee will suffer a reduction in the number of weeks of vacation they receive except in accordance with Schedule C Vacation Policy.

Part-time 600 series store employees on the active payroll as of March 22, 1993, will be eligible for one (1) week of vacation as of 1/1/93 if they have completed at least one (1) year of continuous employment. These employees may earn additional weeks of vacation as per D. above as if 1/1/92 was their date of hire.

Part-time 600 series store employees who have less than one (1) year of continuous employment as of 1/1/93 will earn vacation as per D. above.

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

ARTICLE 14 ABSENCE DUE TO JURY DUTY

A. A full-time employee who serves on jury duty shall be paid for time necessarily lost from work provided the employee makes every reasonable effort to be available for work within his or her regular work schedule when not occupied with jury duty. The pay should be the difference between each day's jury fee and the employee's regular rate for time lost from work.

B. In the event any employee is subpoenaed by the Employer to appear in court on behalf of the Employer, or assist in any legal proceedings on behalf of the Employer, the employee will be compensated for the time involved at his regular rate of pay, straight-time or premium as set forth in Article 10 of this Agreement, less any compensation provided by the court.

ARTICLE 15 SEPARATION PAY

A. A full-time employee with more than six (6) months' full-time service who is discharged for incompetence or is permanently separated due to discontinuance of the job, store closing or reduction in force shall be given one (1) weeks' notice or one (1) week's pay in lieu of notice. An employee separated during the week for any of these reasons is entitled to pay through the day he was told of his dismissal, plus pay for one (1) additional week which, at the option of the Employer, may either be worked out or paid in lieu of notice.

B. In the event the Employer closes or sells a store and employees are terminated as a result thereof, full-time employees who have completed two (2) years service shall receive severance pay equal to one (1) week's pay for each year of continuous full-time service, commencing with a third year, but not to exceed four (4) weeks pay at their regular rate.

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

D. In the event Savannah stores are sold or permanently closed, the Union and the Company will meet to establish guidelines for possible transfers to other locations in the Atlanta Marketing Area if there are any such positions available.

**ARTICLE 16
SEPARABILITY**

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

**ARTICLE 17
NON-DISCRIMINATION**

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

**ARTICLE 18
UNION COOPERATION**

- A.** The Union agrees to uphold the rules and regulations of the Employer in regard to punctual and steady attendance, proper and sufficient notification in case of necessary absence, conduct on the job, and all other reasonable rules and regulations established by the Employer.
- 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 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.
- D.** 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.
- E.** The Union agrees to cooperate inefficiencies of members which might otherwise necessitate discharge.

**ARTICLE 19
HEALTH AND WELFARE**

A-1. Eligibility Requirements

Effective for employees covered by the proceeding Sav-on agreement prior to March 22, 1993, the following will apply:

- a.) Courtesy Clerks will continue to be excluded from coverage.
- b.) All other employees will receive no coverage for six (6) months.
- c.) After completion of the six (6) month period above, employees will be covered by Plan B for pay period of eighteen (18) months.
- d.) After completion of the above eighteen (18) months, the employee will be covered by Plan A.
- e.) Coverage will be full-time or part-time determined by average hours.

A-2. Effective for 600 series stores and all employees hired after March 22, 1993, the following will apply:

- a.) Courtesy clerks will continue to be excluded from coverage.
- b.) All other employees will receive no coverage for six (6) months.
- c.) After completion of the six (6) month period above, employees will be covered by Plan B.
- d.) Coverage will be full-time or part-time determined by average hours.

A-3. Eligible Employee Definition

(a) The term "eligible employee" shall mean an employee who has worked an average of thirty-two (32) hours per week for a period of twelve (12) consecutive calendar weeks (384 hours). Such an employee becomes eligible for Health and Welfare benefits on the first day of the second calendar month immediately following completion of the twelve (12) consecutive calendar weeks (384 hours) and such date shall hereinafter be referred to as his eligibility date provided the employee has met the service requirements in paragraph A-1 and A-2 above.

(b) In the case of part-time employees, the term "eligible employee" shall mean an employee who has worked an average of twelve (12) hours or more per week for the twelve (12) consecutive weeks immediately preceding the first of any month provided the employee has met the service requirements in paragraph A-1 and A-2 above. Such an employee becomes eligible for Health and Welfare benefits on the first day of the second calendar month immediately following twelve (12) consecutive weeks and such date shall hereinafter be referred to as his eligibility date.

B-1. Contributions to the Trust Fund shall be discontinued as of the first of the month immediately following:

(1) Layoff or leave of absence of ninety (90) calendar days or more, other than Family and Medical Leave, except as otherwise provided below.

(2) The employee's ceasing to be an eligible employee due to his failure to work an average of thirty-two (32) hours or more per week for twelve (12) consecutive calendar weeks (384 hours), or in the case of part-time employee, due to his failure to work an average of twelve (12) hours or more per week for the twelve (12) consecutive weeks immediately preceding the first of any month. For the purpose of this paragraph, an eligible employee who is on an approved leave of absence of two (2) weeks or less or on military leave of absence of two (2) weeks or less shall be credited with hours he would normally have worked on such week or weeks.

B-2. Contributions to the Trust Fund shall be continued under the following conditions:

(1) In case of illness, non-compensable or compensable injury, six (6) months' contribution following the month in which the illness or injury occurred.

In case of compensable injury, contributions will be made until such time as the employee is allowed to return to work or a final settlement is reached on his claim, not to exceed six (6) months.

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

The Employer will resume the monthly Health and Welfare contribution the month following that month in which an employee returns to work following an absence due to illness, injury, or any authorized leave of absence provided for in this Agreement, when contributions have been suspended as provided for under paragraph B-1 provided that the employee had been qualified for Health and Welfare contributions at the time the absence commenced.

Employee contributions which have been discontinued as provided in paragraph B-1 will be resumed on the first day of the month following return to work on the Employees active payroll after illness or injury.

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

B-3. Contributions

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

	5/1/01	5/1/02	5/1/03	5/1/04
Plan A Full-time	\$374.00	\$427.00	\$499.00	\$542.00
Plan A Part-time	92.00	92.00	92.00	92.00
Plan B Full-time	264.00	300.00		
Plan B Part-time	46.00	46.00		

The employer agrees to build reserves of approximately \$5,000,000 over thirty-six (36) months following May 6, 2001 with the actual amount to be determined by the Fund Consultant.

B-4. This shall constitute the Employers acceptance of the Agreement and Declaration of Trust and any amendments thereof. In the event of the loss of Treasury Department approval and the contributions to the Trust Fund are not deductible expenses under the Internal Revenue code of 1954, as amended, or if for any reason the Fund cannot receive contributions, then all of the contributions which the Employer is required to make to the Fund shall be paid into a separate, interest-bearing bank account until such time as the Trust Fund can receive such contributions and interest. The Employer agrees that any Retail Employer who executes or has executed a collective bargaining agreement with this Union or with any other Local Union chartered by the United Food & Commercial Workers International Union which provides for contributions to a Pension Fund, shall be entitled to become a signatory to the Trust Agreement mentioned above by agreeing to the terms of the Trust Agreement, and is accepted for participation in the Fund by the Trustees in accordance with the provisions of the Trust Agreement.

B-5 In order to facilitate the proper functioning of the Pension Plan herein, and to insure that contributions are being made for all covered employees in accordance with the provisions of the bargaining agreement, the Employer hereby agrees to the necessary examination of those records appropriate to the functioning of the Trust and as deemed necessary by a certified public accountant or by any other qualified party to be mutually agreed to by the parties hereto.

ARTICLE 22 TECHNOLOGICAL CHANGE

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

1. Where installations of such equipment will materially affect bargaining unit work, the Union will be pre-notified by the Employer sixty (60) days prior to installation.
2. The Employer has the right to install such equipment.
3. Any training or necessary retraining will be furnished expense free by the Employer to affected employees.
4. Where full-time employees would be displaced by such installation, the Employer will make every effort to affect a transfer.
5. If a full-time employee is not retrained or transferred and would be displaced as a direct result of major technological change, as defined above, then the employee would qualify for separation pay if:
 - a. The employee (except Courtesy Clerks) had two (2) or more years of full-time service.
 - b. Does not refuse a transfer within a fifty (50) mile radius.
 - c. Does not refuse to be retrained.
 - d. Such action does not occur more than six (6) months from date of installation.
 - e. Does not voluntarily terminate employment.
6. Severance pay would be paid at the rate of one (1) week's pay for each year of full-time service in excess of two (2) years not to exceed eight (8) weeks.
7. Severance pay would equate the average number of hours worked the four (4) weeks preceding displacement, not to exceed forty (40) hours straight-time pay.
8. To the extent the Employer installs U-Scans in its stores, the Employer agrees that such operations shall not cause any employee (hired prior to May 6, 2001) to be laid off, and for these employees, paragraphs 5, 6, and 7 shall be null and void.

The parties agree that should a reduction in health and welfare benefits become necessary during the term of any existing collective bargaining agreement with Local 1996, that both parties will reopen discussions for the purpose of Health and Welfare, Article 19 or applicable articles dealing with Health and Welfare benefits under other collective bargaining agreements between Local 1996 and the Atlanta Marketing Area. Both parties further agree that Article 6, No Strike – No Lockout or articles containing No Strike – No Lockout in other collective bargaining agreements between Local 1996 and the Atlanta Marketing Area will not prohibit the members from exercising their right to strike the employer over applicable articles dealing with Health and Welfare should no agreement be reached. However, if the Company contributes in the amount of the shortfall and maintains benefits, then it is agreed that it is not necessary for the parties to meet.

It is understood that should the monthly contribution rate change in the Atlanta Agreement, the same monthly contribution rate will be in Savannah for eligible participants.

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

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

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

Note: The parties agree that should the Plan be terminated, the assets of the Plan will be transferred to the Health Care Plan if allowed by law subject to approval of the Board of Trustees.

2. The Employer agrees to change the contribution rates during the life of the agreement as per the contribution rates negotiated in the Atlanta agreement.

ARTICLE 20 INJURY ON THE JOB

When an employee is injured on the job, there shall be no deduction from the employee's pay for his hours scheduled for the day on which he was injured and reported for medical care. When such employee returns to work following the injury, and is certified as ready and able to perform all regular duties, but requires medical treatment as a result of the same injury, the Employer shall adjust his work schedule without penalty to the employee to provide both the time for medical care and the number of hours for which the employee is regularly scheduled.

ARTICLE 21 PENSION

A. Employees working in departments of the Non-Food Section (Sav-on stores), Courtesy Clerks and 600 series store employees will receive pension coverage pursuant to the Kroger Retirement Benefit Plan. (The parties agree to open the contract 9/15/96 to discuss Pension).

B-1. Employees working in departments of the Food Section (Sav-on stores) will receive pension coverage pursuant to a jointly-administered Trust Fund known as the United Food and Commercial Workers Unions and Employers Pension Fund.

B-2. The Employer agrees to contribute to the Pension Fund described in B-1 above the sum of thirty-five cents (\$.35) per hour for all hours worked up to forty (40) hours per week for all eligible employees in the Food Section.

Employees hired after April 11, 1989, pension contributions will commence after the employee has completed twelve (12) months of service.

B-3. Hours paid shall include paid hours of vacation, holidays, and other hours of leave paid for by the Employer. Such contributions shall be made on or before the twentieth (20th) day of each month for the preceding calendar month. Upon payment of the monthly contributions, the Employer shall report to the Union and the Trust Fund all hours paid all employees for which contributions were required during the preceding month. In accordance with the foregoing method of determining contributions payable, such report will be made in a manner prescribed by the Trustees. The contributions provided for in this section shall be for the purpose of providing such pension benefits for eligible employees as are determined from time to time by the Trustees of the aforesaid Trust Fund pursuant to the terms of a Trust Agreement and Declaration of Trust.

**ARTICLE 23
EXPIRATION**

This agreement shall continue in effect from November 19, 2000 through May 14, 2005, and shall automatically be renewed from year to year thereafter unless either party serves notice in writing to the other party sixty (60) days prior to the expiration date or prior to any anniversary date thereafter of a desire for termination of or changes in this Agreement.

IN WITNESS WHEREOF, the said parties have caused duplicate copies hereof to be executed by their duly authorized officers this 19th day of November, 2000.

FOR THE UNION:

FOR THE EMPLOYER:

Steve Lomax

Glynn Jenkins

Leon Holderfield

Peggy Prescott

Ricardo L. McMillan

**SCHEDULE "A" WAGES
GROCERY, PRODUCE, AND
FRONT-END (SAV-ON) EMPLOYEES
HIRED BEFORE MARCH 22, 1993**

CLERK FULL-TIME

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
0-06 months	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35
06-12 months	5.40	5.40	5.40	5.40	5.40
12-18 months	5.50	5.50	5.50	5.50	5.50
18-24 months	5.70	5.70	5.70	5.70	5.70
24-30 months	5.80	5.80	5.80	5.80	5.80
30-36 months	6.00	6.00	6.00	6.00	6.00
36-42 months	6.50	6.50	6.50	6.50	6.50
42-48 months	7.40	7.40	7.40	7.40	7.40
48-54 months	7.90	7.90	7.90	7.90	7.90
Over 54 months	9.85	10.10	10.45	10.70	10.90

CLERK PART-TIME

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
0-06 months	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35
06-12 months	5.40	5.40	5.40	5.40	5.40
12-18 months	5.45	5.45	5.45	5.45	5.45
18-24 months	5.50	5.50	5.50	5.50	5.50
24-30 months	5.55	5.55	5.55	5.55	5.55
30-36 months	5.60	5.60	5.60	5.60	5.60
36-42 months	5.65	5.65	5.65	5.65	5.65
42-48 months	5.70	5.70	5.70	5.70	5.70
Over 48 months	6.40	6.55	6.70	6.85	7.00

**DEPARTMENT MANAGER
Grocery, Produce, Front-End**

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
Under \$250,000	\$12.45	\$12.70	\$13.05	\$13.30	\$13.50
\$250,000-\$375,000	12.95	13.20	13.55	13.80	14.00
\$375,000-over	13.65	13.90	14.25	14.50	14.70

COURTESY CLERKS

11/19/00
\$5.15

**SCHEDULE "A" WAGES
NON-FOOD SECTION DRUG/GM AND DELI/BAKERY
SAV-ON EMPLOYEES
HIRED BEFORE MARCH 22, 1993**

CLERK FULL-TIME

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
0-06 months	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35
06-12 months	5.40	5.40	5.40	5.40	5.40
12-18 months	5.50	5.50	5.50	5.50	5.50
18-24 months	5.70	5.70	5.70	5.70	5.70
24-30 months	5.80	5.80	5.80	5.80	5.80
30-36 months	6.00	6.00	6.00	6.00	6.00
36-42 months	6.50	6.50	6.50	6.50	6.50
42-48 months	6.75	6.75	6.75	6.75	6.75
48-54 months	7.25	7.25	7.25	7.25	7.25
Over 54 months	9.20	9.45	9.80	10.05	10.25

CLERK PART-TIME

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
0-06 months	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35
06-12 months	5.40	5.40	5.40	5.40	5.40
12-18 months	5.45	5.45	5.45	5.45	5.45
18-24 months	5.50	5.50	5.50	5.50	5.50
24-30 months	5.55	5.55	5.55	5.55	5.55
30-36 months	5.60	5.60	5.60	5.60	5.60
36-42 months	5.65	5.65	5.65	5.65	5.65
42-48 months	5.70	5.70	5.70	5.70	5.70
Over 48 months	6.40	6.55	6.70	6.85	7.00

DEPARTMENT MANAGER

Drug G/M, Deli-Bakery

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
Under \$250,000	\$12.45	\$12.70	\$13.05	\$13.30	\$13.50
\$250,000-\$375,000	12.95	13.20	13.55	13.80	14.00
\$375,000-over	13.65	13.90	14.25	14.50	14.70

BAKERY MANAGER

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
	\$10.75	\$11.00	\$11.35	\$11.60	\$11.80

**SCHEDULE "A" WAGES
GROCERY, PRODUCE, DRUG/GM, DELI/BAKERY
AND FRONT-END (600 SERIES) AND ALL EMPLOYEES
HIRED ON OR AFTER MARCH 22, 1993**

CLERK FULL-TIME

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
0-06 months	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35
06-12 months	5.40	5.40	5.40	5.40	5.40
12-18 months	5.50	5.50	5.50	5.50	5.50
18-24 months	5.70	5.70	5.70	5.70	5.70
24-30 months	5.80	5.80	5.80	5.80	5.80
30-36 months	6.00	6.00	6.00	6.00	6.00
36-42 months	6.50	6.50	6.50	6.50	6.50
42-48 months	6.70	6.70	6.70	6.70	6.70
48-54 months	6.90	6.90	6.90	6.90	6.90
Over 54 months	8.45	8.70	9.05	9.30	9.50

CLERK PART-TIME

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
0-06 months	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35
06-12 months	5.40	5.40	5.40	5.40	5.40
12-18 months	5.45	5.45	5.45	5.45	5.45
18-24 months	5.50	5.50	5.50	5.50	5.50
24-30 months	5.55	5.55	5.55	5.55	5.55
30-36 months	5.60	5.60	5.60	5.60	5.60
36-42 months	5.65	5.65	5.65	5.65	5.65
42-48 months	5.70	5.70	5.70	5.70	5.70
Over 48 months	6.40	6.55	6.70	6.85	7.00

**DEPARTMENT MANAGER
Grocery, Produce, Front-End**

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
Under \$150,000	\$11.35	\$11.60	\$11.95	\$12.20	\$12.40
\$150,000-\$250,001	11.60	11.85	12.20	12.45	12.65
\$250,001-over	11.85	12.10	12.45	12.70	12.90

COURTESY CLERKS

11/19/00	\$5.15
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For Sav-on and 600 series stores only

Employees designated as Lead File Maintenance (scanning stores only), and Full-time Cake Decorator will receive the Lead Clerk premium.

Effective November 19, 2000, Lead Grocery Receiving Clerk and Lead Dairy Clerk will receive lead clerk premium.

Lead Cheese Clerks will be grandfathered; in the future, there will be no Lead Cheese Clerks assigned.

Receiving Clerks (Drug/GM) will be grandfathered; in the future, there will be no Receiving Clerks (Drug/GM) assigned.

Employees will be considered for promotion to a lead clerk position as per the provisions set forth in Article 12.

Effective May 6, 2001, for the above positions, the lead clerk premium is .40 per hour.

For Sav-on stores and 600 series if store volume is \$250,001 or more per week.

Effective November 19, 2000, Back-up Head Produce Clerk will receive lead clerk premium. Effective May 6, 2001, the lead clerk premium for this position is .50 per hour.

Employees designated as Lead Floral, Lead Frozen Food, and Lead Dairy in the above mentioned stores will receive the Lead Clerk premium. Effective May 6, 2001, for these positions, the lead clerk premium is .40 per hour.

Employees designated as Back-Up Head Deli Clerk and Assistant Front-End Manager in the above mentioned stores will receive the Lead Clerk premium. Effective May 6, 2001, the lead clerk premium for these positions is .50 per hour.

For Sav-on stores only

Employees designated as Lead Nutrition, Lead video, and Lead Cosmetician will receive the Lead Clerk premium. Effective May 6, 2001, for these positions, the lead clerk premium is .40 per hour.

Employees designated as Back-Up Drug/GM Manager will receive the Lead Clerk premium. Effective May 6, 2001, the lead clerk premium for this position is .50 per hour.

Seniority, Section A

Six (6) months from March 22, 1993, the Company and the Union agree to discuss the position of Lead Receiving Clerk for Savannah and 600 series stores.

Notes:

(1) Red-Circle current "Receiving Clerks" - these employees will receive same increases as top rate F.T. Clerks.

(2) Bakery Manager (stores where Deli & Bakery are separated).

11/17/96	09/01/97	11/15/98	11/14/99
\$9.80	\$10.00	\$10.20	\$10.40

(3) Employees in 600 series stores on F.T. or P.T. clerk wage scale will stay at their current rate and on next increase date will move to the next highest rate on the appropriate wage scale above.

(4) Employees in 600 series stores on wage scale other than F.T. Clerk, P.T. Clerk, or Dept. Mgr. will be red-circled. If employee is at a rate lower than appropriate top clerk rate above, they will follow the provisions of note (3) above. If employee is at a rate higher than appropriate top clerk rate above, they will receive the increases of the F.T. top rate or P.T. top rate, whichever is applicable.

(5) Front-End Manager, Produce Manager, and Grocery Manager will either remain on their personal rate with the appropriate F.T. clerk increases or be put on the appropriate contract rate, whichever is greater.

**SCHEDULE "A" WAGES
HINESVILLE
GROCERY, PRODUCE, DRUG/GM,
DELI/BAKERY AND FRONT-END
EMPLOYEES HIRED ON OR AFTER 11/17/96 AND PRIOR TO NOVEMBER 19, 2000**

CLERK FULL-TIME

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
0-06 months	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35
06-12 months	5.40	5.40	5.40	5.40	5.40
12-18 months	5.50	5.50	5.50	5.50	5.50
18-24 months	5.70	5.70	5.70	5.70	5.70
24-30 months	5.80	5.80	5.80	5.80	5.80
30-36 months	6.00	6.00	6.00	6.00	6.00
36-42 months	6.50	6.50	6.50	6.50	6.50
42-48 months	6.70	6.70	6.70	6.70	6.70
48-54 months	6.90	6.90	6.90	6.90	6.90
Over 54 months	8.45	8.70	9.05	9.30	9.50

CLERK PART-TIME

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
0-06 months	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35
06-12 months	5.40	5.40	5.40	5.40	5.40
12-18 months	5.45	5.45	5.45	5.45	5.45
18-24 months	5.50	5.50	5.50	5.50	5.50
24-30 months	5.55	5.55	5.55	5.55	5.55
30-36 months	5.60	5.60	5.60	5.60	5.60
36-42 months	5.65	5.65	5.65	5.65	5.65
42-48 months	5.70	5.70	5.70	5.70	5.70
Over 48 months	6.40	6.55	6.70	6.85	7.00

**DEPARTMENT MANAGER
Grocery, Produce, Front-End
Drug, Deli-Bakery**

	11/19/00	11/18/01	11/17/02	11/16/03	11/13/04
Under \$250,000	\$12.45	\$12.70	\$13.05	\$13.30	\$13.50
\$250,000-\$375,000	12.95	13.20	13.55	13.80	14.00
\$375,000-over	13.65	13.90	14.25	14.50	14.70

COURTESY CLERKS

11/19/00
\$5.15

Miscellaneous

The duties of the Courtesy Clerks will be limited to unloading bascarts, bagging, carryout, handling bascarts, handling returnable containers, checking prices for the cashiers, stocking checkstand supplies and general clean-up and sweeping of the store. Courtesy Clerks will be given preference for part-time openings prior to hiring new part-time employees provided they are available and have demonstrated their ability (except in 600 series stores, the current practice will continue).

It is agreed that a violation of this Addendum in any of the store employing Courtesy Clerks shall result in the following remedy in the particular store where the violation occurs (excluding 600 series stores).

1. The Union shall inform the Employer in writing in the first instance.
2. An employee performing duties in violation of this Addendum shall be paid the part-time clerk's rate effective upon the date a complaint is filed in the second instance.
3. Courtesy Clerks shall be discontinued in the particular store in the third instance.

It is understood that for purposes of this paragraph, each store shall be considered separately.

SCHEDULE "B"
EMPLOYEE INCENTIVE PLAN

Effective with the 1st half 1993 and each full half year thereafter during the term of the Agreement, eligible employees will participate in an incentive bonus plan as follows:

Percent (%) to be paid to be determined by percent (%) paid to the employee's store manager. In the event an employee transfers from one store to another, the percent (%) earned will be based on the store in which the employee spent the majority of his/her time in the half year. Should an employee move from one eligible position to another, the bonus potential will be the potential where the employee spends the majority of his/her time during the half year.

Eligible employees are Department Managers, employees on the top rate of their respective classification wage scale, and lead positions (where designated) at the beginning of each half year, excluding Courtesy Clerks. Eligible employees must have been in the bonus position at the beginning and end of the half year in which the bonus is earned, and on payroll at the time of distribution

The maximum potential incentive bonus an employee can earn on an annual basis will be as follows:

	<u>1st Half</u>	<u>2nd Half</u>	<u>Annual Totals</u>
Department Manager			
Lowest volume	\$400	\$400	\$800
Middle volume	\$500	\$500	\$1000
Highest volume	\$600	\$600	\$1200
Full-time top rate			
Lead positions	\$300	\$300	\$600
Part-time top rate	\$150	\$150	\$300

Bonus will be paid by the sixth (6th) week after close of the books for the half. Required legal deductions will be withheld from bonus payments.

Employees will be given the option of receiving the bonus in cash or the after-tax value of Kroger Common Stock. Legal forms will be provided by the Employer.

SCHEDULE "C"
VACATION POLICY

1. ELIGIBILITY

A. A full-time employee will be eligible for a one-week vacation as of the first anniversary of his/her beginning date of continuous full-time service provided he/she has completed one year of continuous full-time service as of that date.

B. After qualifying for the first one-week vacation, a full-time employee who has completed one year of continuous full-time service (but less than four (4) years) prior to January 1 is eligible for a one-week vacation as of January 1.

C. A full-time employee will become eligible for a second week of vacation as of the fourth anniversary of his/her beginning date of continuous full-time service provided he/she has completed four (4) years of continuous full-time service as of that date.

D. After qualifying for the first two-week vacation, a full-time employee who has completed for (4) years of continuous full-time service prior to January 1 is eligible for a two-week vacation as of January 1.

2. VACATION PAY

A. Employees will be paid their straight-time earnings for their basic workweek.

B. Vacation pay will be paid in advance.

3. GENERAL PROVISIONS

A. Vacations must be scheduled in the calendar year except that, where necessary, vacations which fall due in the 12th or 13th periods may be carried over to the first period of the next year; no employee shall be given pay in lieu of vacation.

B. If an employee qualified for a one-week vacation as of January 1 and is due to complete the service necessary for an additional week of vacation later in the year, the employee may take the first week early or wait and take both weeks together.

C. Choice of vacation dates will be granted on the basis of seniority; except that the Company reserves the right to grant vacations to any employee when their absence will least affect the operation. Employees must choose vacation by March 1, otherwise they forfeit the privilege of choice by seniority.

4. SEPARATIONS

If an employee who has not taken the vacation which he/she has earned by reason of his/her service leaves (regardless of whether he/she gave notice), goes into military service or is separated for any reason other than confessed dishonesty, he/she shall receive his vacation pay at the time of leaving.

5. EFFECT OF ABSENCE LEAVES

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

6. RETURN FROM MILITARY LEAVE

Vacations for employees with one (1) year or more of continuous service who return to Kroger employment from military leave within ninety (90) days after discharge from the armed services, shall be as follows:

A. Continuous service as an employee includes time on military leave of absence.

B. Those who return to Kroger service and thereafter work for ninety (90) days or more before the end of the year are eligible for vacation in that year based on their length of continuous service as defined above.

C. Those who do not return early enough in the year to be employed ninety (90) days are not eligible for a vacation in that year, but are eligible for a vacation in the next calendar year upon completion of ninety (90) days of employment following their return from military leave of absence.

**APPENDIX "A"
HOLIDAYS AND SUNDAY WORK**

It is the intent of the Company and the Union that through the bargaining Agreement that expired November 14, 1992, the signing of this letter, the previously referred to Sunday work in what was Article 11, B.1 and B.2, and holiday pay as previously described in what was Article 11, H.2, H.3, and H.4, will be grandfathered for employees who were covered by this language. The above referenced Articles state:

Sav-on

B-1. The workweek shall be considered Sunday through Saturday. Time worked on Sunday and holidays shall be paid at time and one-half (1-1/2) for employees hired prior to July 14, 1985. Employees hired on or after July 14, 1985 will receive Sunday and holiday pay as follows:

1. Part-time employees will receive fifty cents (\$.50) an hour in addition to their regular straight-time rate of pay.

2. Full-time employees will receive one dollar (\$1.00) an hour in addition to their regular straight-time rate of pay.

All work in excess of forty (40) hours per week shall be paid at time and one-half (1-1/2). There will be no pyramiding of premium pay, and any hours paid at premium pay will not be counted in computing overtime.

B-2. Employees hired after April 11, 1989, will be compensated at straight-time for hours worked on Sundays and holidays.

H-2. A part-time employee, hired prior to April 11, 1989, with sixty (60) or more days of continuous service who is scheduled to work in a week in which one of the holidays mentioned in Article 11, paragraph I-1, above occurs and who reports for work and works as scheduled in such week shall be paid four (4) hours holiday pay for such holiday.

H-3. Three (3) personal holidays will be given to full-time employees hired prior to June 1, 1985 with a year of continuous service at a time mutually agreeable to the employee and the Employer. Employees hired on or after will follow this schedule:

- 1 personal holiday after 1 year service
- 2 personal holidays after 2 years service

3 personal holidays after 3 years service

H-4. Employees hired after April 11, 1989, will become eligible for the five (5) basic holidays named in paragraph I-1, of this Article as of their first anniversary date. These employees will not be eligible for any other holidays listed in the Agreement.

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

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

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

600 series

It is also understood that employees in the 600 series stores who were eligible for Sunday and holiday premium prior to March 22, 1993, will continue to receive such pay as follows.

Employees will receive six paid holidays during the year which are:

New Year's Day	January 1
Independence Day	July 4
Labor Day	1st Monday in September
Thanksgiving	Last Thursday in November
Christmas	December 25
Birthday	

Full-time employees must be employed thirty (30) days and work the last scheduled day before and the first scheduled after the holiday.

Part-time employees who work eight (8) weeks prior to the holiday and average at least twenty (20) hours per week will receive four (4) hours holiday pay at straight-time hourly rate, provided they work as scheduled during the holiday week.

If a holiday falls during a vacation week, employees will be given an extra day off with pay.

All time worked by full and part-time employees on a paid holiday will be paid at the rate of time and one-half excluding birthdays which can be substituted by mutual agreement with management.

Personal days with pay may be taken when an employee is ill or for any other reason, except to extend vacation or paid holidays. Full-time employees with 24 months or more of service will receive two personal days with pay. Full-time employees with 12 months of service will receive one personal day with pay.

Part-time employees with 24 months or more of service will receive one personal day and part-time employees with 12 months of service will receive four (4) hours pay.

Employees hired prior to 11/4/90 who work on a Sunday and are full-time employees will be compensated at the rate of one and one-half (1-1/2) times their regular hourly rate of pay. Employees hired after 11/4/90 will receive straight-time pay for Sunday hours.

Employees hired after March 22, 1993, will become eligible for the five (5) basic holidays named in paragraph I-1, of Article 11, as of their first anniversary date. These employees will not be eligible for any other holidays listed in the Agreement.

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

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

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

March 12, 1993

President
United Food and Commercial
Workers Union
5780 Old National Highway
College Park, GA 30349

Employees designated as Assistant Head Grocery Clerks (where appointed) in stores whose total volume is \$375,001 and over will receive their personal rate or \$10.00 per hour, whichever is higher.

Employees designated as Assistant Head Grocery Clerks (where appointed) in stores whose total volume is \$250,001-\$375,000 will receive their personal rate or \$9.00 per hour, whichever is higher.

We will not assign a rate to the Assistant Head Grocery Clerk in stores that are at the bracket of less than \$250,000 sales volume.

Our plans are to have this structure completed by the end of 1993.

Sincerely,

Pete Williams
Director, Human Resources
Labor Relations

November 18, 2000

Mr. Steve Lomax
President
United Food and Commercial
Workers Local 1996
5780 Old National Highway
College Park, GA 30349

Dear Mr. Lomax:

In the event of minimum wage changes, we will discuss the impact of the change, if any.

Sincerely,

Glynn Jenkins
Director, Human Resources
Labor Relations
Atlanta Marketing Area

March 12, 1993

President
United Food and Commercial
Workers Union
5780 Old National Highway
College Park, GA 30349

During our recent negotiations for the Savannah, Ga. Labor agreement, we agreed that the employees listed below would be converted from an annual salary to an hourly rate. We also agreed that these employees would be allowed to work up to 45 hours per week and that time worked on Sundays and holidays would be paid at straight time.

These employees' rates were calculated in negotiations and they will either remain on their personal rate with the appropriate F.T. Clerk increases or be put on the appropriate contract rate, whichever is greater.

Employee list:
Homer West, Lucy White, Susan Graves and Carl Jayroe.

Sincerely,

Pete Williams
Director, Human Resources
Labor Relations

March 12, 1993

President
United Food and Commercial
Workers Union Local 1996
5780 Old National Highway
College Park, GA 30349

During our recent negotiations for the Savannah contract, we agreed that in the event the Employer opens a new store in Savannah, the Employer and Union would meet to determine whether the store will be considered a Savannah store or 600 series store. The Employer and Union will use current store size, etc. in making the determination.

Sincerely,

Pete Williams
Director, Human Resources
Labor Relations

November 18, 2002

Mr. Steve Lomax
President
United Food and Commercial
Workers Local 1996
5780 Old National Highway
College Park, GA 30349

Dear Mr. Lomax:

We discussed many issues during our recent Savannah, GA negotiations, of which Health and Welfare was of common concern to both of us.

This letter serves to confirm our discussion that in the event that the Atlanta agreement is opened prior to November 10, 2001, and a new Health & Welfare tentative agreement is reached or benefit reduction becomes necessary, that we will reopen discussions for the purpose of Health & Welfare, Article 19 only, for the Savannah Clerks and Meat contracts. We further agree that Article 6, Savannah Clerks and Meat, will not prohibit the members' from exercising their right to strike the Employer over Article 19, Health and Welfare, should no agreement be reached.

Sincerely,

Glynn Jenkins
Director, Human Resources
Labor Relations
Atlanta Marketing Area