

November 22, 1987

#6781
Dwn 11/87
7,400.00

MAY 2 1988

MEMORANDUM OF AGREEMENT

BETWEEN

THE KROGER CO. AND UFCW LOCAL 1063

Present Agreement with the following changes:

1. ARTICLE 3 - CHECK-OFF
(Paragraph B)

- *Delete - "first pay of each month".
- *Add - "pay each week, provided only that the total amount to be deducted in any one (1) week shall not exceed four (4) week's dues".

2. ARTICLE 3 - CHECK-OFF
(Paragraph E - Change to read as follows:)

The Employer will make deductions weekly from employees who have signed an active ballot club check-off card and the money collected will be forwarded to the President of UFCW Local 1063 at the conclusion of each operating quarter.

3. ARTICLE 5 - DISPUTE PROCEDURE
(Add Paragraph I to read as follows:)

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.

4. ARTICLE 9 - OTHER WORK
(Paragraph D)

Delete the word stock.

5. ARTICLE 10 - WAGES
(Paragraph D - Change to read:)

Effective January 8, 1989, January 7, 1990, and January 6, 1991.....

*less out
applied to
A40*

Note: Initial Department Head reclassification will take place in this agreement effective June 19, 1988 based on the average sales for the first six (6) periods of 1988 and will then be reclassified annually as outlined above.

X 11/91

6. ARTICLE 10 - WAGES
(Paragraph E.1. - Previous Experience - Change to read as follows:)

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 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.

7. ARTICLE 11 - WORKING CONDITIONS
(Paragraph C and I-1 - Add the following:)

Hold
Employees hired after ratification will be paid time and one-half for hours worked over forty (40) in a holiday week. Sunday and holiday rotation will not apply to employees hired after ratification of the Agreement.

8. ARTICLE 11 - WORKING CONDITION
(Paragraph H - Add the following sentence:)

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

9. ARTICLE 11 - WORKING CONDITIONS
(Change Paragraph I-1 - Add the following:)

Employees hired after ratification of the Agreement 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.

10. ARTICLE 11 - WORKING CONDITION
(Paragraph I-2 - Change second and third sentence to read.
as follows:)

Effective 1/1/88 this holiday will become a personal holiday.

11. ARTICLE 11 - WORKING CONDITIONS
(Paragraph I-6)

Delete this Paragraph (Restriction of store hours Thanksgiving, Easter)

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.

12. ARTICLE 11 - WORKING CONDITIONS
(Paragraph P- Change to read:)

For employees hired after ratification the following shall apply:

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

13. ARTICLE 11 - WORKING CONDITIONS
(Paragraph V)

Change 6:30PM to 7:00PM.

14. ARTICLE 12 - SENIORITY
(Paragraph C-1 - Make the following changes:)

1. Department Head openings will be posted in each store within the Zone Manager's Area and the seniority quadrant within Area I....
2. Change three (3) days to four (4) days.

- 18 ARTICLE 12 - SENIORITY
(Paragraph F)

Change thirty (30) days of employment to forty-five (45) days of employment.

16. ARTICLE 12 - VACATIONS
(Paragraph A - Add the following:)

Effective with employees hired after ratification the following vacation schedule will apply:

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

17. ARTICLE 17 - NON-DISCRIMINATION
(Change to read as follows:)

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, handicap, 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.

18. ARTICLE 19 - HEALTH AND WELFARE
(Paragraph A-1 - Change to read:)

For employees hired after ratification of the agreement the following shall apply:

A-1 The term "eligible employee" shall mean any employee except Courtesy Clerks who have been employed for a period of six (6) months and who has averaged thirty-two (32) hours for twelve (12) consecutive 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) week period (384 hours) and such date shall hereinafter be referred to as his eligibility date.

left out

A-2 In the case of part-time employees, the term "eligible employee" shall mean any employee, except courtesy clerks, who has been employed for a period of six (6) consecutive months immediately preceding the first of any month and during the last eight (8) week period, has worked at least ninety-six (96) hours.

19. ARTICLE 19 - HEALTH AND WELFARE
(Paragraph B-1 - Change to read:)

Effective December 1, 1987, the Employer shall contribute one hundred forty-five dollars (\$145.00) per month for each eligible employee to the United Food and Commercial Workers Union and Employers Insurance Fund, which is a jointly administered Employer and Union Trust Fund as provided in the Trust Agreement.

Such contribution shall remain at that level until the economic reserve (Benefit cost plus administrative cost) equals four (4) months. Effective the first of the following month the contribution shall be increased to one hundred fifty-four dollars (\$154.00). The Fund will then be reviewed each twelve (12) months from the date of the last review regarding maintenance of present benefits and the four (4) months reserve.

The Employer agrees to increase the contribution necessary (full-time and part-time) to maintain present benefits each review period up to a maximum of six percent (6%) per review.

Effective with employees hired after ratification of this Agreement 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 a 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.
- F. The employer agrees to maintain present benefits in Plan B on a twelve (12) month review basis and six percent (6%) maximum (full-time and part-time). (Same review dates as Plan A)

20. ARTICLE 19 - HEALTH AND WELFARE
(Paragraph B-3 - Add the following:)

Contributions to this Fund shall be suspended effective 12/1/87 until the Trustees deem additional monies are necessary (goal of five (5) months reserve). 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.

21. ARTICLE 21 - PENSION
(Paragraph A - Add the following:)

Effective retroactively to January 1, 1987, change contribution rate to thirty-five cents (35 cents) per hour.

22. ARTICLE 24 - EXPIRATION
(Change to read:)

November 29, 1987 through November 2, 1991.

23. APPENDIX "A" - APPLICATION OF SENIORITY

Add Cherokee County to Area I.

24. APPENDIX "A" - APPLICATION OF SENIORITY

After the definition of AREA'S, add the following:

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

25. SCHEDULE "A" - WAGES

Add Cherokee County to Area I.

26. APPENDIX "C" COST OF LIVING - DELETE

27. SCHEDULE "A" - WAGES

Delete Wage Schedule for Albany, Georgia.

28. SCHEDULE "A" - WAGES

(Courtesy Clerk Duites - Add the following:)

Returns rejected merchandise to shelf or case, checks prices against shelf or case price, secures change from office, hangs signs and store decorations.

29. Ratification Bonus (See Attached)

30. Employer Incentive Plan (See Attached)

31. Schedule "A" Wages (See Attached)

32. LETTER OF AGREEMENT

(Last paragraph Sunday work - Change to read:)

For employees on payroll as of ratification, Sunday work to be on voluntary basis. Delete last two sentences.

Sunday/Holiday work to be a part of basic work week and worked at straight time rate of pay for employees hired after ratification.

Sunday rotation will not change as it is applied to present employees. Present employees shall not lose any Sunday or holiday work they have previously volunteered to work, except in the event that more present employees volunteer for Sunday/holiday work under the terms of the previous agreement.

Subject to ratification of the membership:

FOR THE COMPANY:

J. Donald Summer

FOR THE UNION:

Clyde D. Owens

SCHEDULE "A" WAGES

AREA I

6/19/88

Head Clerk &
Front End Manager

Store Volume less than 250,00	\$12.00
250,001 - 375,00	12.25
375,001 and over	12.50

Checker/Stock Clerk
Full-time

Start	\$ 5.49
After 6 months	5.74
12 - 18 months	5.99
18 - 24 months	6.24
24 - 30 months	6.79*
Thereafter	10.30

*Upon completion of each six (6) months of service, the employee's rate of pay will be increased by fifty cents (50¢) per hour for each six (6) months worked up to a maximum of \$10.30 per hour. The last increase will be fifty-one cents (51¢) per hour.

Part-time employees progressing on this full-time schedule as of 9/8/84 will continue to progress on this schedule at the rate of fifty cents (50¢) per hour for each nine (9) months worked to a maximum of \$10.30 per hour. The last increase will be fifty-one cents (51¢) per hour.

Checker/Stock Clerk
Full-time

Sunday following
ratification

12/4/88 12/3/89

Start	\$ 4.25		
After 60 days	4.40		
After 6 months	4.50		
After 12 months	4.90		
After 18 months	5.30		
After 24 months	5.70		
After 30 months	6.10		
After 36 months	6.50		
After 42 months	6.90		
After 48 months	7.30		
After 54 months	7.50	\$7.65	\$7.80

*Part-time - Start \$4.25 - After 60 days \$4.40 - then progress one level each nine (9) months. Part-time on payroll on ratification can progress to top rate. Part-time hired after ratification top out at \$6.90.

Checker/Stock Clerk
Full-time

Sunday following
ratification

12/4/88

12/3/89

Start	\$ 4.25		
After 60 Days	4.40		
After 6 months	4.50		
After 12 months	4.90		
After 18 months	5.30		
After 24 months	5.70		
After 30 months	6.10		
After 36 months	6.50		
After 42 months	6.90		
After 48 months	7.15		
After 54 months	7.35	\$7.50	\$7.65

*Part-time - Start \$4.25 - After 60 days \$4.40 - then progress one level each nine (9) months. Part-time on payroll at ratification can progress to top rate. Part-time after ratification top out at \$6.90.

Courtesy Clerks

9/4/88

Start	\$ 3.70	
After 60 days	3.80	
After 6 months		\$3.90

Miscellaneous

1. Employees designated as Lead Floral, Lead File Maintenance and lead nutrition (where appointed), and Assistant Front-End Manager (in store whose total volume is \$250,001 and over) will receive a premium of thirty cents (30¢) per hour in addition to their personal rate.

MACON, GEORGIA

AND

AUGUSTA, GEORGIA

This Agreement will apply to the employees in the Macon, Georgia and Augusta, Georgia stores (current and future) except as follows:

- *Wage schedules in Macon and Augusta will remain as they were as of 11/28/87.
- *In the area of premium jobs, present employees are frozen and there will be no new appointments.
- *The incentive plan will be in effect, however there will be no minimum guarantee to eligible employees in Macon and Augusta.

UFCW LOCAL #1063

RATIFICATION BONUS

Effective no later than the second week of December 1987 (December 6th-12th) a Ratification Bonus shall be paid to the following classifications:

All Department Heads
All "Thereafter" Clerks (excluding Courtesy Clerks)

In the following amounts:

Full-time	\$1,000
Part-time	\$ 500

Macon and Augusta full-time only	\$ 300
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The following rules shall apply:

Employees must be on the payroll six (6) months or longer as of ratification.

Required legal deductions will be withheld.

EMPLOYEE INCENTIVE PLAN

Effective with the 1st half 1988 and each full half year thereafter during the term of this Agreement, eligible employees will participate in an incentive bonus plan as follows:

- Eligible employees

Department Heads, employees on the top rate of their respective classification wage scale, and employees designated as lead floral clerks, lead file maintenance clerks, lead nutrition clerks, head night stock clerks, lead dairy clerks and lead frozen food clerks, Asst. Front-End Managers, excluding courtesy clerks.

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

- Percent (%) to be paid to be determined by percent (%) paid 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 their time in the half year. Should an employee move from one eligible position to another, the bonus potential will be the potential where the employee spends the majority of their time during the half year.
- Each eligible employee will be guaranteed a minimum payment of one-half (1/2) of their potential incentive bonus each half year.
- The maximum potential incentive bonus an employee can earn on an annual basis will be as follows:

Dept. Head Str. Vol. Less	1st Half		2nd Half		Annual Totals	
	Min.	Max.	Min.	Max.	Min.	Max.
250,000	\$200	\$400	\$200	\$400	\$400	\$800
250,001 to 375,000	\$250	\$500	\$250	\$500	\$500	\$1000
375,001 and over	\$300	\$600	\$300	\$600	\$600	\$1200

	1st Half		2nd Half		Annual totals	
	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>
Full-time top rate, lead floral clerk, lead file maintenance clerk, lead nutrition clerk, head night stock clerk, lead dairy clerk, lead frozen food clerk, and Asst. Front-End Manager.	\$150	\$300	\$150	\$300	\$300	\$600
Part-time top rate clerks	\$75	\$150	\$75	\$150	\$150	\$300

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

The second half minimum bonus will be paid to all eligible employees the 1st week of December each year. The remainder amount earned will be paid six (6) weeks after the close of the year end books.

Required legal deductions will be withheld from bonus payments.