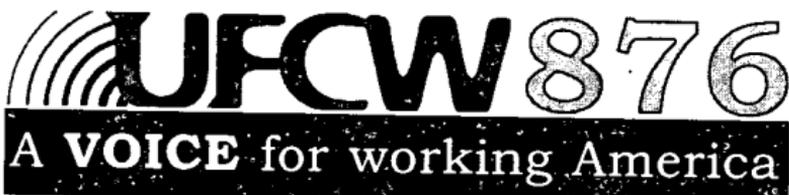


THE KROGER COMPANY - GROCERY - 2010 - 2013

K#9299



AGREEMENT OF
UNITED FOOD & COMMERCIAL WORKERS
UNION LOCAL 876

CHARTERED BY
UNITED FOOD & COMMERCIAL WORKERS
INTERNATIONAL UNION
WITH

THE KROGER COMPANY
(GROCERY DIVISION)

JUNE 10, 2010 THROUGH JUNE 15, 2013



Roger Robinson
President

Rick Blocker
Secretary-Treasurer

George Misko
Recorder



United Food & Commercial Workers International Union Local 876

876 Horace Brown Drive
Madison Heights, MI
48071

Phone: (248) 585-9671
Toll Free: 1-800-321-6406
Fax: (248) 585-0509

www.ufcw876.org

Dear Member:

The following is the Collective Bargaining Agreement as negotiated with The Kroger Company (Grocery Division) for the period commencing June 10, 2010 thru June 15, 2013.

I urge you to fully acquaint yourself with the terms and provisions of this Agreement.

If you have any questions concerning this Agreement, please contact your business representative at the UFCW Local 876 office at (248) 585-9671 or toll free at 1-800-321-6406.

In Solidarity,

A handwritten signature in black ink, appearing to read "Roger Robinson".

Roger Robinson
President

RR:rg
UFCW/876

INDEX

ARTICLE 1	INTENT AND PURPOSE	1
ARTICLE 2	COVERAGE	1
ARTICLE 3	UNION SHOP, CHECK-OFF, DUES	2
ARTICLE 4	MANAGEMENT RIGHTS	4
ARTICLE 5	DISPUTE PROCEDURE	6
ARTICLE 6	NO STRIKE, NO LOCKOUT	10
ARTICLE 7	OTHER AGREEMENTS	11
ARTICLE 8	OTHER WORK, WORK BY OTHERS	11
ARTICLE 9	MAINTENANCE OF STANDARDS	14
ARTICLE 10	WORKING CONDITIONS	14
ARTICLE 11	OVERTIME AND PREMIUM PAY	21
ARTICLE 12	HOLIDAYS AND PAY	24
ARTICLE 13	LUNCH PERIODS AND REST PERIODS	27
ARTICLE 14	CALL-IN PAY	28
ARTICLE 15	UNIFORMS AND TOOLS	29
ARTICLE 16	VACATIONS	29
ARTICLE 17	SEVERANCE NOTICE OR PAY	32
ARTICLE 18	LEAVES	33
ARTICLE 19	HEALTH AND WELFARE	36
ARTICLE 20	PENSION PLAN	44
ARTICLE 21	PREPAID LEGAL SERVICES PLAN	46
ARTICLE 22	REVIEW OF EMPLOYER RECORDS	46
ARTICLE 23	SENIORITY	47
ARTICLE 24	UNION COOPERATION	55

ARTICLE 25 GENERAL	56
ARTICLE 26 ECONOMIC RELIEF	58
ARTICLE 27 EXPIRATION	58
APPENDIX A LOCAL 876-1 WAGES	61
APPENDIX B LOCAL 876-2 WAGES	66
APPENDIX D MISCELLANEOUS NOTES	70
APPENDIX E LETTERS OF UNDERSTANDING	
Reset Team	76
Marketplace and Convenience Stores	78
Reset Vendor "Ratio"	79
Farmer Jack Acquisition	80
NOTES	82

AGREEMENT

THIS AGREEMENT made and entered into this 18th day of June 2010, effective June 10, 2010 between THE KROGER CO. hereinafter designated as the "Employer," and the UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL NO. 876, its successors and assigns, chartered by UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, hereinafter designated as the "Union."

ARTICLE 1 - INTENT AND PURPOSE

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

ARTICLE 2 - COVERAGE

The Employer recognizes the Union as the sole and exclusive bargaining agent of all employees of the Employer, including employees of lessees, licensees and concessionaires, including those classifications of employees covered by this Agreement and of any new classifications hereafter established in those food stores in the following counties and any food stores hereafter owned and/or operated and supervised within the present territorial area of the Detroit, Michigan Division, in the counties of Wayne, Macomb, St. Clair, Oakland, Livingston, Washtenaw, Lenawee and

Monroe, (876-1 counties) and Shiawassee, Genesee, Lapeer, Sanilac, Huron, Tuscola, Saginaw, Midland and Bay, (876-2 counties) Michigan, excluding store managers, co-managers, pharmacists, and pharmacist interns as provided under Article 8B herein and meat department employees.

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

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

ARTICLE 3 - UNION SHOP, CHECK-OFF, DUES

A. The Union is recognized as the sole representative and bargaining agent for all employees covered by this Agreement in collective bargaining with the Employer. It shall be a condition of continued employment that all employees of the Employer covered by this Agreement shall remain members in good standing and those who are not members on the execution date of this Agreement shall, on the thirty-first (31st) day following the execution date of this Agreement become and remain members in good standing in the Union.

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

C. New employees, pending their application for, and membership in, the Union as aforesaid, shall with all other employees, be uniformly subject to the provisions of this Agreement, including those pertaining to wages, hours and working conditions; except new employees within sixty (60) days (ninety (90) days for those hired in a new store) of hire may be discharged or disciplined without recourse for any reason whatsoever. The probationary period may be extended an additional thirty (30) days by mutual agreement between the company and the Union.

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

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

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

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

day of the month, deduct and remit such dues, as authorized, to the Union.

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

G. Check-Off For The Active Ballot Club:

The Employer agrees to honor and transmit to the Local Union contribution deductions for the UFCW Active Ballot Club from employees who are union members and who sign deduction authorization cards.

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

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

ARTICLE 4 - MANAGEMENT RIGHTS

The management of the business and the direction of the working forces, including the right to plan, direct and control store operations, hire, suspend, or discharge for proper cause, transfer

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

Post-Accident Employee Drug and Alcohol Testing Policy:

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

The basis for which the Company requires a post-accident drug and alcohol test is any accident/injury within the store.

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

All post accident drug and alcohol tests will be performed at an established medical facility or through an oral fluid test done at store level. To ensure privacy, testing at store level shall be performed by management when on duty or associate designated by the Company. Employees shall be required to take only one test, either at the medical facility or at the store.

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

An employee testing positive will be given seven (7) business days from the date of suspension to be evaluated and enroll, in a certified substance abuse program. Consideration of eligibility for reinstatement will be given to an employee who provides proof of evaluation within seven (7) business days of suspension and successfully completes the recommended treatment.

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

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

ARTICLE 5 - DISPUTE PROCEDURE

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

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

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

Step 2 If the grievance is not satisfactorily adjusted in Step 1, the grievance shall be reduced to writing and signed by the employee or employees involved with concurrence of a Union representative, or signed by a Union representative in his be-

half, presented to the Employer, and discussed with reasonable promptness between the Unions Business Representative and the territorial store supervisor, or human resources department representative of the Employer. A conference shall be conducted within fourteen (14) days (unless extended by mutual agreement between the Union and the Employer) between the Union's business representative, and the territory store supervisor or human resources department representative of the Employer. The Employer will respond within seven (7) days of the conference. If not responded to, the grievance shall be considered automatically denied.

Step 3 If the grievance is not satisfactorily adjusted in Step 2, it shall be presented to the Employer, and discussed with reasonable promptness by an officer or designated Union Representative and a Representative or Representatives of the Employer.

Step 4 If the grievance is not satisfactorily adjusted in Step 3, either party may, with reasonable promptness, in writing, request arbitration, and the other party shall be obliged to proceed with arbitration in the manner hereinafter provided. The Executive Board of the Union shall have the exclusive right to determine whether or not the employee's grievance shall be submitted to arbitration by the Union. The parties shall forthwith attempt to agree upon an impartial arbitrator. If they cannot so agree within five (5) working days of the request for arbitration, the party requesting for arbitration may, with reasonable promptness thereafter, file a demand for arbitration with the American Arbitration Association, in accordance with the then applicable rules and regulations of the Association. The expenses of the arbitrator, excepting the parties' own expenses, shall be borne equally by the Union and the Employer.

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

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

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

D. Grievances must be taken up promptly and no grievance shall be considered or discussed which is presented later than fourteen (14) calendar days from the time the individual should have known there was a contractual violation with the exception of wage claims. Wage claims shall be limited to twelve (12) months and shall be defined as the following:

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

In the case of a grievance contesting a discharge, the time limit shall be seven (7) days from the date of written notice of the discharge.

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

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

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

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

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

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

ARTICLE 6 - NO STRIKE, NO LOCKOUT

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

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

until the Employer has been officially notified by the President of the Local Union.

ARTICLE 7 - OTHER AGREEMENTS

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

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

ARTICLE 8 - OTHER WORK, WORK BY OTHERS

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

B. The Employer agrees to the following exclusions: In stores employing forty (40) or more members, a maximum of seven (7) will be excluded.

C-1 To preserve bargaining unit work, the Employer agrees that no supervisor, store manager, co-manager or any other person not covered by this Agreement shall perform any work customarily performed by employees covered by this Agreement, except that they shall be permitted to assist on resets, occasional and unscheduled clean up or facing of shelves or end caps, customer re-

quests, holiday promotions, opening of new or remodeled stores, seasonal and specialty displays during the months of November and December and the four (4) weeks preceding Easter, and emergencies not attributed to the Employer, and train employees in connection with this activity. In event of an unexpected and unanticipated increase in customer demand, management shall have the right to perform incidental front end bargaining unit work, excluding operating a check lane register.

C-2 The Employer may utilize any vendor services available to the trade. Current employees will not have their hours reduced as a direct result of the implementation of this provision.

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

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

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

working less than forty (40) hours that week. If such pay places the most senior employee over forty (40) hours for that week, such pay in excess of forty (40) hours shall be paid to the next most senior employee working less than forty (40) hours, etc.

D. The Employer may designate persons of its choice as managers in training. The Employer shall notify the Union of the names, assigned stores and date of entry into the training program for all associates who are accepted into the Company's Management Training Program.

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

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

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

ARTICLE 9 - MAINTENANCE OF STANDARDS

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

ARTICLE 10 - WORKING CONDITIONS

A. For the purpose of establishing eligibility for full-time benefits as set forth in this Agreement, a full-time person is one who is hired as such, or an employee who averages thirty-six (36) hours or more during their basic work week for twelve (12) consecutive calendar weeks, excluding hours worked on Sundays and Holidays for employees hired prior to 8/9/1987. Full-time employees involuntarily reduced to part-time shall continue to be classified and treated as full-time until they have averaged less than thirty (30) hours per week during their basic work week for

twelve (12) consecutive weeks, excluding hours worked on Sundays and Holidays for employees hired prior to 8/9/1987. For those employees awarded full-time after 6/18/92, the full-time disqualifier is an average of less than thirty-four (34) hours for twelve (12) consecutive weeks.

For the months of July and August part time employees may be scheduled up to forty (40) hours per week and such work will not be counted toward the twelve (12) week qualifier.

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

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

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

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

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

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

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

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

Four (4) ten (10) hour shifts may be permitted by mutual agreement between the Employer and all full-time employees on said shift. This may be cancelled any time by the Employer, the Union, or the employees.

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

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

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

D-2 Work schedules shall be posted in the stores no later than Thursday 6:00 p.m. for the following week. All employees

listed on the schedule for work shall be guaranteed work or pay provided they report and work as scheduled. Any employee required to work over his scheduled time any day shall not be required to take time off later in the work week. This guarantee shall be inapplicable in the event of fire, flood, civil disturbances or Acts of God.

D-2 (a) If the schedule of employees is not in conformance to the employee's seniority, employees shall have until Saturday 12:00 noon to bring to the store manager's attention, in writing, the error in scheduling, and such schedule shall be adjusted prior to the start of the workweek. In the event an employee fails to report the scheduling error as outlined above, the schedule will be deemed acceptable and not subject to a grievance.

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

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

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

D-3 The Employer shall recognize the wishes of senior employees' choice for days off and daily work schedules by seniority based on classifications and demonstrated skill and ability to perform the duties within the store in which they work. Once the choice is made, (more than thirty (30) days) neither the Employer nor employee will arbitrarily change the schedule. The Employer has the right to adjust the schedule weekly to fit the needs of the business.

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

D-4 In the event the manager fails to post a work schedule, as required by the preceding section, the schedule last posted shall prevail. The foregoing sentence shall not apply to the week preceding or the week including a holiday, as to each of which weeks a new schedule shall be posted.

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

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

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

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

Part-time employees, who scheduled weekly hours are below the previous twelve (12) week average for three (3) consecutive weeks, may claim additional hours throughout the store in order to maximize their weekly hours. An employee's scheduling limitations may affect the Company's ability to maximize the employee's schedule.

Schedules can be claimed on a weekly basis only. Employees must have the demonstrated skill and ability for the schedule that they are claiming. Employees who do not have the demonstrated skill and ability to perform the work may request, in writing to their Store Manager and the Union, their interest to have the ability to maximize their hours.

Pharmacy Techs, Pharmacy Clerks, Fuel Center Clerks and Star-buck's Coffee will continue to be scheduled by department and will not be able to claim hours in other departments.

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

D-10 No full-time employee within the department, except night stocking and receiving crews, shall be required to work more than two (2) nights after 7:00 p.m. in any workweek, except as necessary to enable work for the employee's basic work week. Saturday night work shall be uniformly rotated among those full-time employees scheduled to work nights. The Employer shall schedule such employees in the inverse (the word "inverse" used in this Agreement shall mean starting with the least senior) order of seniority to work nights in accordance with the needs of the store. No full-time employee because of his seniority shall force another full-time employee to work a third (3rd) or more nights. The Union has the right to review work schedules. Where they feel this provision has been abused, they shall have the right to consult with the Employer.

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

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

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

D-13 The Employer agrees that he shall have in each store a minimum of six (6) Department Heads in combo stores.

D-14 In the event of a re-grand opening and/or grand opening of a store the Employer may utilize employees to assist up to two (2) week preceding and two (2) weeks following the re-grand opening or grand opening. Current employees within the effected stores will not have their hours reduced as a direct result of the implementation of this provision.

ARTICLE 11 - OVERTIME AND PREMIUM PAY

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

Employees hired after 8/8/87 shall be paid at the rate of time and one-half (1½), after eight (8) hours in any one day or forty (40) hours and/or five (5) days during a holiday week.

Effective January 5, 1998 the Company and the Union agree that employees hired after 8/8/87, with three (3) years of service and having qualified for holiday pay for all holidays in accordance with the Collective Bargaining Agreement, will receive pay at time and one half for all hours worked on the fifth day during a holiday week.

Employees hired after 8/8/87, with less than three (3) years of service and not having qualified for holiday pay for all holidays, will receive pay at straight time for hours worked on a fifth day during a holiday week. Employees hired after June 5, 2004 qualify only for daily and weekly overtime.

Daily overtime will apply after ten (10) hours for employees who are working four (4) ten (10) hour shifts. This will be applied on a store by store basis.

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

For the purpose of this provision, the sixth (6th) day is defined as the call-in day.

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

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

the classification within the department. Sufficient notice shall be given when overtime is necessary.

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

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

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

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

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

ARTICLE 12 - HOLIDAYS AND PAY

A. All employees hired prior to 6/5/04 shall receive six (6) paid national holidays or days customarily celebrated in lieu thereof. Full-time employees, who have completed one (1) year of employment and who work the scheduled day before, the holiday if scheduled, and the scheduled day after each holiday, shall receive holiday pay consisting of eight (8) hours pay at straight-time hourly rates. Full-time employees who are absent during a holiday week because of proven illness shall receive holiday pay if they have worked any part of the holiday week.

B. Part-time employees who have completed one (1) year of employment and who work the scheduled day before, the holiday if scheduled, and the scheduled day after each holiday, shall receive holiday pay consisting of four (4) hours holiday pay at straight-time hourly rates. Part-time employees who are absent during a holiday week because of proven illness shall receive holiday pay if they have worked any part of the holiday week.

C-1 **Supplemental Days:** Employees hired prior to 8/9/1987 in 876-1 shall receive eight (8) supplemental days per year. Employees hired prior to 8/9/1987 in 876-2 shall receive five (5) supplemental days per year.

Employees hired after 8/8/87, excluding Courtesy Clerks, shall receive five (5) supplemental days off with pay.

Employees hired after 6/5/04, excluding Courtesy Clerks, qualify for six (6) holidays and five (5) supplemental days as follows:

After thirty (30) days of service	Christmas
After one (1) year of service	Add Labor Day Add one Supplemental Day
After two (2) years of service	Add Memorial Day Add one Supplemental Day
After three (3) years of service	Add Thanksgiving Add one Supplemental Day
After four (4) years of service	Add New Years Day and July 4 th Add two Supplemental Days

Employees hired on or after 6/18/10, excluding Courtesy Clerks, shall qualify for six (6) holidays and five (5) supplemental days as follows:

After one (1) year of service	Christmas and Labor Day Add one Supplemental Day
After two (2) years of service	Add Memorial Day Add one Supplemental Day
After three (3) years of service	Add Thanksgiving Add one Supplemental Day
After four (4) years of service	Add New Years Day and July 4 th Add two Supplemental Days

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

Supplemental days are to be scheduled and taken between January 1st and December 10th of each year. An exception will be made for those employees that have been denied their request for supplemental days.

Effective June 6, 2004, employees qualifying for supplemental days between December 10th and December 31st shall be able to schedule and take those days during the first quarter of the New Year.

Employees shall notify the store manager in writing at least three (3) weeks in advance of his intention to use his supplemental days off for a mini-vacation. The Employer will notify the employee at least one (1) week in advance of approval/or denial. In the event of a conflict of employee choice, seniority shall prevail.

Employees shall notify the store manager in writing at least two (2) weeks in advance of his intentions to use a supplemental day off. The Employer will notify the employee at least one (1) week in advance of approval/or denial. In the event of a conflict of employee choice, seniority shall prevail.

C-3 The Employer agrees to permit the use of supplemental days for absences that are a result of sickness. The employee would have to submit their request in writing to management to be paid for the absence(s) before the specified week is completed. Request submitted after payroll has been processed will not be eligible for payment. Any supplemental days that are paid for the above absence will be subject to the attendance policy.

C-4 An employee who separates or is separated from the Employer's service, voluntarily or involuntarily (including but not limited to separation occasioned by voluntary or involuntary

termination of the Employer's business) except when such employee is duly discharged for dishonesty, shall on separation be paid for unused supplemental days on a pro-rata basis upon written request.

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

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

F. Hours of work after 6:00 p.m. on New Year's Eve and hours of work on New Year's Day shall be voluntary. In the event an adequate staff cannot be obtained, the Employer can require employees to work in inverse order of seniority, provided they have the ability to perform such work to meet staffing requirements.

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

ARTICLE 13 - LUNCH PERIODS AND REST PERIODS

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

shall be required to work more than five (5) hours before starting his lunch period.

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

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

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

ARTICLE 14 - CALL-IN PAY

Any employee who reports for work upon request shall be guaranteed for that day not less than four (4) such hours if worked (at his applicable straight-time, overtime or premium rate for such hours).

Notwithstanding the provisions of Article 10-D-2, in the event hours become available because of an emergency, such additional hours shall first be rescheduled to the senior full-time and/or part-time employee not working eight (8) hours that day. Any other additional hours shall be given to the most senior employee. This provision shall not be construed to guarantee overtime for that day.

ARTICLE 15 - UNIFORMS AND TOOLS

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

ARTICLE 16 - VACATIONS

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

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

***Part-time employees hired on or after 6/18/10 will receive a maximum of two (2) weeks' vacation.**

If the Employer sells or closes a store and employees are terminated as a result thereof, employees with three (3) years of full-time service or frozen full-time service shall be paid earned vacation which may be split into weekly units by mutual agreement between the Employer and the employee.

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

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

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

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

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

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

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

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

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

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

F. All employees shall be permitted to take vacations of their choice consecutively by seniority within the department any time during the year based on individual seniority, subject to personnel needs of the Employer, subject to store seniority preferential in the event of conflict of employee choice.

At the time employees indicate their preference for vacation dates, those employees who have more earned vacation than two (2) weeks coming during that year, may opt, by mutual agreement with the Employer, to work and be paid for his or her vacation for a number of weeks due in excess of two (2). If this election is made by the employee and is agreeable with the Employer, the pay due for the vacation time not taken will be given to the employee with the first (1st) vacation check received. If the Employer must limit the number of week's vacation to be paid in lieu of time off, the more senior employees will be given preference.

The Employer shall on January 1st, post a vacation request schedule. Employees shall, on or before February 1st, designate desired vacation weeks. The Employer shall, on or before March 1st, notify in writing denials.

The Employer shall on or before April 1st approve the vacation schedule. Once approved, the vacation schedule may not be changed except by mutual consent by the employee and Employer.

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

ARTICLE 17 - SEVERANCE NOTICE OR PAY

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

In the event three (3) weeks of severance pay and one (1) additional week of severance pay for each additional year of full-time service or frozen full-time service up to a maximum of six (6) weeks of severance pay.

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

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

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

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

ARTICLE 18 – LEAVES

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

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

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

Employees returning from illness, injury and/or approved leave of absence shall notify the manager by Wednesday noon of his availability for work the following week.

D. **Job Injury:** Employees injured on the job and unable to complete his/her day's work, shall be paid for all hours scheduled for that day plus an additional one (1) day of scheduled lost time within seven (7) calendar days of the injury providing a doctor certifies an inability to return to work and such time shall not be charged to supplemental days.

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

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

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

ARTICLE 19 - HEALTH AND WELFARE

A. The Employer shall participate in and contribute to the Michigan UFCW Unions & Employers Health and Welfare Fund ("Health Fund"), and adopts and agrees to be bound by the terms and conditions of the Health Fund's Trust Agreement, as amended, and the actions taken pursuant to such provisions. The Employer shall execute the normal form of Participation Agreement concerning participation under the Health Fund.

B. **Employee Contributions:** The required employee contributions for full-time and part-time employees who qualify for Health and Welfare benefits in effect as of the date of this agreement shall continue. As of January 1, 2011 contributions shall be as follows:

Single	\$ 5.00 per week
Single + Child/Spouse	\$10.00 per week
Family	\$15.00 per week

Part-time employees shall only qualify for single coverage.

Employee contributions will be made by weekly payroll deductions on a Section 125 pre-tax basis.

C. **Working Spouse Fee:** Each qualifying full-time employee electing to provide health insurance coverage to his or her spouse - if the spouse has access to health insurance through their employer (other than another contributing employer) and chooses not to take that health insurance, the employee will pay a \$100 pre-tax monthly fee for the spouse's coverage.

D. Employer contributions to the Health Fund shall be

made for all qualifying employees on the Employer's active payroll as of the first pay period of each month and such contributions and related contribution reports are due on the 1st of each month but in no event shall be received at the Health Fund Office, or other location which the Trustees may designate, no later than the fifteenth (15th) of such month. Employer will continue to make contributions to the Health Fund on all qualified full-time and part-time employees even if they opt out of the coverage.

E. **Employer Contributions:** The monthly Employer contribution rates are effective as follows:

7/1/2010	Fixed	\$ 6.00
8/1/2010	Fixed	\$ 6.00
9/1/2010	Fixed	\$ 6.00
10/1/2010	Fixed	\$619.00
7/1/2011	Not to Exceed	\$668.50
7/1/2012	Not to Exceed	\$722.00

These contributions are to be used exclusively for the purpose of providing benefits to associates who participate in the newly negotiated plans as adopted by the trustees effective 1/1/11. In accordance with the Health and Trustee's Contribution Policy for New Hires, contributions for those employees newly qualifying will be made in the month that the employee completes his qualifying period to provide coverage the first of the following month.

F. **Fund Reserves:** Employer contribution rate action 7/1/12 shall be subject to two general criteria. First, that a minimum target reserve level be maintained at least equal to 4.5 months of total assets as of 6/30/13. Second, that projected fund income from Employer and employee contributions must be at least equal to projected fund total expenses in the one year

period ending 6/30/13. The fund consultant shall prepare a report for Trustee review and action prior to 7/1/12, taking into account known investment gains/losses prior to the rate action, but excluding estimates of investment gains/losses thereafter through 6/30/13. If the consultant report indicates that up to one (1) month Employer and associate contribution holiday is possible within the criteria guidelines noted above, the Trustees will consider such action as part of its rate review for 7/1/12. Such holiday shall be taken in January 2013 if financial conditions at that time permit. Any trustee dispute/deadlock regarding 7/1/12 rate action shall be referred to final and binding expedited arbitration.

G. The parties agree to make their best efforts to direct the Trustees of the "Health Fund" to adopt as many cost containment measures as practical without reducing existing benefit levels. It is the desire of both parties that such cost containment measures when implemented might require a contribution rate that is less than the contribution rates listed in the Agreement to maintain benefits. However, the existing applicable benefits may be modified by the Trustees only if the proposed modifications are unanimously agreed to by every Employer Trustee (or Alternate) and by every Union Trustee (or Alternate.)

H. The Employer is responsible for reporting the appropriate qualifying status for each employee to the Health Fund Office on a contribution report each month. The Employer accepts that failure to submit timely and correct contribution reports and contribution payments may result in interest, liquidated damages and cost assessments pursuant to the Health Fund's delinquency collection rules and/or applicable law. The Employer consents to the audit of its payroll records by persons designated by the Health Fund's Trustees for the purpose of verifying the correctness of the Employer's contribution payments in accordance with uni-

form audit policies adopted by the Trustees. Any underpayments disclosed by such an audit shall be processed as delinquent contributions pursuant to the Health Fund's delinquency collection procedures. Contributions must be reported and paid each month, without regard to any prior overpayments. Prior overpayments and mistaken contributions can be claimed by the Employer pursuant to the rules adopted by the Health Fund's Trustees for refund of mistaken contributions.

I. For employees hired on or after ratification, a part-time employee must average a minimum of twenty-four (24) or more hours per week to qualify for healthcare coverage for a thirteen (13) consecutive week period. For employees hired before ratification, effective January 1, 2011, a part-time employee must average a minimum of twenty (20) or more hours per week to qualify for healthcare coverage for a thirteen (13) consecutive week period. Once qualified, part-time employees shall have their hours averages updated quarterly and such qualification changed as appropriate. Eligibility tunnels shall remain changed for the life of this agreement as follows:

Full-Time Employee Qualification – Effective 1/1/08: The Employer shall make monthly contributions for the following full-time employees:

1. Full-time employees who have completed nine (9) months of service shall have a contribution made in the ninth (9th) month to provide the newly bargained plan of benefits on an employee only basis on the first (1st) of the tenth (10th) month, provided the employee also make the necessary corresponding employee contribution and enrolls for such coverage.

2. Full-time employees who have completed twelve (12) months of service shall have a contribution made in the twelfth (12th) month to provide the newly bargained plan of benefits on a family basis on the first (1st) of the thirteenth (13th) month, provided the employee also makes the necessary corresponding employee contribution for dependent coverage and enrolls such dependents.
3. A full-time employee is one who is hired as such or who averages thirty-six (36) hours or more during their basic workweek, as defined in Article 10, for twelve (12) consecutive weeks.
4. Effective 1/1/03, full-time Courtesy Clerks with a minimum of five (5) years of continuous service will participate in the Michigan UFCW Union and Employers Health and Welfare Fund.

Part-Time Employee Qualification – Effective 1/1/08: The Employer shall make monthly contributions for the following part-time employees:

1. Part-time employees who have completed eighteen (18) months of service shall have a contribution made to provide the newly bargained plan of benefits on an employee only basis, provided the employee also makes the required employee contribution and enrolls for such coverage.

2. A part-time employee is one who is hired as such or who averages thirty (30) hours or less per week or thirty-four (34) hours for those awarded full-time after 6/18/92 for twelve (12) consecutive weeks.

J. The Employer shall continue contributions for any of said employees for up to three (3) months during absence from work due to an approved Workers Compensation Leave and for up to three (3) months for a proven illness.

K. The Employer shall continue to make full-time contributions for a further period of three (3) months for any employee reduced to part-time through no fault of their own and will resume full-time contributions if such employee thereafter is restored to or re-qualifies to full-time status.

L. Paid holidays and vacations shall be considered as time worked for benefit purposes.

M. The Employer agrees that the qualifying period shall be waived when hiring employees either currently covered under this Plan through another contributing employer or covered under another Health and Welfare Plan provided by an acquiring employer group, by making the delinquent contribution, if any, except that the Employer shall not be required to pay more than one (1) month delinquency.

N. Once an employee is covered by the Health and Welfare Plan, the employee shall remain eligible and the Employer shall continue to pay such contributions as required so long as the employee remains employed in a covered classification provided, however, that Employer contributions shall immediately be discontinued in either of the following events:

1. Leave of absence (not covered by FMLA).
2. Voluntary quit.
3. Termination for cause.
4. Layoff except that a contribution shall be paid for the one (1) month immediately following the layoff.

O. Employer contributions shall be resumed as of the first (1st) of the month immediately following return to work on the Employer's active payroll after illness, injury, leave of absence, or layoff.

P. The foregoing provisions are intended to establish the basis and amount of Employer contributions to the Health Fund, and nothing herein contained shall be deemed to established the eligibility, or the type or the amount of benefits to be provided by the Health Fund, which determinations shall be in the sole discretion of the Health Fund's Trustees pursuant to empowerment under the Health Fund's Trust Agreement, as amended from time to time.

Q. **Health and Welfare Delinquencies:** If the Employer fails to make monthly Health and Welfare contributions as set forth herein, he shall be notified in writing of his delinquency, by the Health and Welfare Fund Administrator, and if said remittance is not paid within ten (10) days, notwithstanding any provisions of this Agreement, the Union, without necessity of giving any other or further notice, shall have the right to strike or to take such action as it shall deem necessary until such delinquent payments are made, and it is further agreed that in the event such action is taken, the Employer shall be responsible to the employees for any losses resulting there from. The Employer hereby waives the requirement of any notice or notices being given by the Health & Welfare Administrator or by the Union to

him or to anyone else other than such notice or notices expressly provided for in this Article.

R. **Retiree Plan:** Effective July 1, 2007 the Employer agrees to contribute ten cents (\$.10) per hour for all hours worked up to forty (40) hours per week per employee to the Retiree Health Plan to provide Retiree Health benefits as may be determined by the Trustees of the Fund. Contributions to commence the first of the month following hire on all employees in a covered classification.

S. **Coordination of Benefits Rules:** When an eligible dependent has the option of receiving money in lieu of selecting health care coverage under a plan provided by such person's employer, the Michigan UFCW Unions and Employers Health & Welfare Fund will coordinate its benefits as if the other employer's benefit coverage was in force. The new coordination of benefits provision would also extend to dependent coverage and, in that situation the Fund also uses the "birthday rule" to determine which coverage is primary. It is the employee's responsibility to provide the Fund Office with information necessary to determine whether it will pay on a primary or secondary basis.

T. **Health Care Reform:** The Employer and Union agree to meet and discuss, at the request of either party, the effects of National Health Care Reform legislation and attendant federal regulations on this Health and Welfare article and to make any modifications, and only such modifications, that the Employer and the Union jointly agree are necessary.

ARTICLE 20 - PENSION PLAN

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

- A. The Employer shall continue contributions for employees hired prior to 8/8/1987, or who are former Great Scott employees with adjusted service dates prior to 8/8/1987 in the amount of one dollar and nine cents (\$1.09) per hour.
- B. For all employees hired on or after 8/8/1987 the Employer shall contribute the following amounts for eligible employees:
- 1 year of service - \$0.39/per hour
 - 2 years of service - \$0.45/per hour
 - 3 years of service - \$0.51/per hour

The above contributions shall commence the first of the month following eligibility.

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

The foregoing provisions are intended to establish the basis and amount of Employer contributions to the United Food and Commercial Workers International Union-Industry Pension Fund and

nothing herein contained shall be deemed to establish the benefits or beneficiaries of the Fund, which shall be determined by the Trustees thereof, pursuant to the Trust Agreement, as from time to time amended, and applicable Pension Plan, as from time to time amended.

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

C. The Employer shall continue to pay a contribution rate of twenty-four cents (\$.24) per hour for those Courtesy Clerks that were hired prior to 8/9/1987 and became eligible under prior contracts and through acquisition.

1. Language revised and rewritten to clarify rates, entitlement groups and accruals.
2. Effective with July hours, Employer to update rates in accordance with needed AUCR adjustment to maintain current benefit accruals.

ARTICLE 21 - PREPAID LEGAL SERVICES PLAN

A. The Employer shall participate in and contribute to the Michigan United Food and Commercial Workers Unions and Food Employers Joint Prepaid Legal Services Fund.

B. The Employer shall contribute two cents (\$.02) per hour on all hours worked by all members of the bargaining unit, except Courtesy Clerks and other employees with less than one (1) year of non-courtesy clerk service.

C. Coverage for qualifying employees and his or her eligible dependents begins on the first (1st) day of the calendar month following the first (1st) month in which Employer contributions are paid to the Legal Services Fund on behalf of the qualifying employee.

ARTICLE 22 - REVIEW OF EMPLOYER RECORDS

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

ARTICLE 23 – SENIORITY

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

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

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

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

less than thirty-four (34) hours or less per week (including all compensable absence pay) for twelve (12) consecutive calendar weeks for those employees awarded full-time after 6/18/92, except as provided under Article 10 A. The Employer shall maintain and furnish from time to time upon the Union's request a seniority list of all employees covered by this Agreement as follows:

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

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

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

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

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

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

876-1 Seniority Areas

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

876-2 Seniority Areas

Midland County
Bay County
Lapeer County

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

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

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

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

D. **Promotions:**

(1) Senior part-time employees shall be promoted to full-time employment over new hires.

(2) The most senior employee shall be promoted provided he/she has the demonstrated skill and ability to perform the job.

(3) Courtesy Clerks after two (2) years of continuous full-time service and promoted to a Clerk/Cashier classification shall be credited twenty-four (24) months on the Clerk/Cashier Progression.

(4) Preferences for Head Cashier openings will be given to employees in the Assistant Head Cashier classification.

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

Job openings for Department Heads shall be posted in the stores for a period of three (3) days. The employee selected shall be promoted

on a ninety (90) day trial basis during which time the employee may be reduced to his former status for justifiable reasons. An employee who may be reduced to his former status for justifiable reasons shall be disqualified from rebidding for the same department head job classification for one (1) year. The employee shall receive the classified department rate of pay during the trial period. The vacancy created by the promotion shall not be permanently filled until the original trial period is completed, after which the vacant job shall be posted. The temporary appointee shall receive the classified rate of pay. Any employee who wins a job bid and declines to accept the position shall be disqualified from bidding for any Department Head position for a period of one (1) year.

(6) If the bid notice posted either in Local 876-1, 876-2 or Dundee, Milan and Monroe goes unfilled by members in that particular area then it shall be posted in the opposing area before hiring someone outside the bargaining unit. Employees accepting a job bid outside their current seniority area shall retain their seniority and go to the current applicable wages and benefits of the new seniority area.

(7) If the Employer elects to create or replace a full-time non-department head position, he will post a notice in the stores for a period of three (3) days. The senior employee who applies and who has demonstrated skill and ability will be selected for the position.

(8) Employees selected for any Department Head positions will not be eligible to submit an energy clause transfer request during their ninety (90) day probationary period.

(9) The Company and the Union agree that in the event that a part time clerk-cashier is awarded a department head job bid and is subsequently reduced from that position, voluntarily or involun-

tarily, after a ninety day probationary period has expired but before one year in the position, the employee will be returned to their previous part time clerk-cashier position.

Furthermore, it is agreed that in the event that a part time clerk cashier is awarded a department head job and is subsequently reduced from that position, voluntarily or involuntarily, after one year in the position, the employee will maintain full time status in the clerk cashier classification.

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

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

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

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

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

Establishing a full time date in the event of a conflict will be done by alphabetical order, as is the industry standard.

E. **Transfers:** When the transfer of an employee to a different store becomes necessary for justifiable reasons, such transfer shall be made in the reverse order of seniority or on a voluntary basis.

The Employer shall make every effort to assign employees to a store where such transfer shall require the lesser travel time from his home. Such transfer will not be applied in an arbitrary, capricious or discriminatory manner, nor shall it be utilized as a device for creating hardship to the employee in order to provoke his resignation.

Full-time employees who desire to transfer to a store closer to their home shall notify the store manager, in writing, with a copy to the Union one time per calendar year. For the purpose of this article requests expire on December 31st of each calendar year. The Employer agrees to transfer said employee if a permanent full-time vacancy exists in their classification, or if another full-time employee agrees to exchange work shifts with said employee. Such transfers to new or remodeled stores are subject to the mutual agreement of the Employer. If two (2) or more employees request a transfer to a store, seniority shall apply. The intent of this clause is to reduce an employees' travel distance to and from work for the purpose of energy conservation. However, an employee requesting an energy clause transfer must reduce their driving distance by at least fifty (50) miles per week. Employees may not transfer if involved in the disciplinary process.

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

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

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

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

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

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

The Employer agrees to continue to post job bids for the Grocery Department Manager position in accordance with Article 23, Section D of the Labor Agreement between The Kroger Company and UFCW Local 876. Preferences for Department Manager openings will be given to current employees in the Night Stock Department

Manager classification with at least two (2) years in the position. Employees may not be considered if involved in a progressive disciplinary process.

When two (2) or more employees in the Night Stock Department Manager classification sign the bid for a Department Manager position, the Employer will recognize seniority within their classification as the determining factor when awarding the position, providing they have the demonstrated skill and ability.

ARTICLE 24 - UNION COOPERATION

A. The Union agrees to the reasonable rules and regulations of the Employer in regards to punctual and steady attendance, conduct on the job, and all other reasonable rules and regulations established by the Employer.

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

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

D. The Union recognizes the need for improved methods and output in the interest of the employees and the business, and agrees to cooperate with the Employer in the installation of such methods, in suggesting improved methods, and in the education of its members in the necessity for such changes and improvements.

E. The Union recognizes the need for conservation and the elimination of waste and agrees to cooperate with the Employer in suggesting and practicing methods in the interests of conservation and waste elimination.

ARTICLE 25 – GENERAL

A. It is agreed that in the event any Article, section or clause hereof shall be deemed invalid under applicable law or regulations that the various remaining Articles, sections and clauses of this Agreement shall be deemed severable and of continuing effect insofar as they shall not be affected thereby.

B. No employee or applicant for employment covered by this Agreement shall be requested or required by any representative of the Employer to be the subject of a Polygraph (lie detector) test for any reason whatsoever, nor shall the results of any Polygraph test or opinion based thereon be relied upon by the Employer or be admissible in any arbitration or judicial proceeding for any purpose whatsoever.

C. The Employer and the Union shall not discriminate against any employee for reasons of age, sex, race, religion, sexual orientation, handicap, creed, color, national origin or Union activity.

D. The Employer shall display Union store cards, which shall be furnished by the Union, in each of the Employer's stores covered by this Agreement. Such cards shall remain the property of the Union and shall be surrendered on demand.

E. The Employer will not schedule meetings so as to conflict with regular or special meetings of the Union.

F. In the event that the Employer contemplates the introduction of major technological changes affecting bargaining unit work, advance notice of such change will be given to the Union. If requested to do so, the Employer will meet with the Union to discuss the implementation of such changes before putting such changes into effect.

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

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

G. Effective June 6, 2004, employees required to use their automobile shall be paid at the Company's prevailing rate for all miles in excess of the mileage between their home and base store. The Employer shall not arbitrarily change the employee's base store.

Employees who use their automobile for Employer errands shall be paid at the Company's prevailing rate.

H. The Employer and the Union agree that registers may be located in the following departments: snack bar, floral, pharmacy, lobby, parking lot, and liquor. Such registers shall be for ringing sales for their respective departments. No employee shall be disciplined for encouraging customers to use the front end for purchasing products from outside their department.

ARTICLE 26 - ECONOMIC RELIEF

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

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

ARTICLE 27 - EXPIRATION

This Agreement shall be effective the 10th day of June 2010, and shall continue in full force and effect to and including June 15, 2013, and thereafter from year to year unless either party serves notice in writing upon the other at least sixty (60) days prior to said expiration date or any anniversary thereof that such party desires to terminate this Agreement. It is agreed, however, that where no such termination notice is served and the parties desire to continue this Agreement, but desire also to negotiate any changes or revisions in this Agreement, each party may serve upon the other a notice, at least sixty (60) days prior to said expiration date or any anniversary thereof, advising that such party desires that the parties change or revise designated provisions of this Agreement. Pending negotiations on such proposed changes or revisions, or pending effectuation of changes or revisions which may in fact be negotiated, this Agreement shall continue in full force and effect, provided that the parties reserve the right without further notice, and notwithstanding the provisions of Article 6 hereof, to exer-

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

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

IN WITNESS WHEREOF, the said parties have caused duplicate copies hereof to be executed by their duly authorized officers this 8th day of November 2010.

**FOR THE UNION:
UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL No. 876**

Roger Robinson

Rick Blocker

Date 11/8/10

**FOR THE EMPLOYER:
THE KROGER COMPANY**

Henry B. Taylor

Lanell Ohlinger

Date 11/8/10

APPENDIX A - LOCAL 876-1 WAGES

ALL ASSOCIATES (EXCEPT COURTESY CLERKS and UNDER 18 YEARS OLD) AT TOP RATE AS OF 6/10/12 WILL RECEIVE A \$0.25 INCREASE.

Department Managers:

Customer Service, Deli, Bakery, Produce, Grocery, Night Stock and Dairy – (hired prior to 6/18/10):

Start	\$15.85
6 months	\$18.28

Department Managers:

Customer Service, Deli, Bakery, Produce, Grocery, Night Stock and Dairy (hired on or after 6/18/10):

Start	\$15.50
6 months	\$16.00
12 months	\$16.50

Drug G/M Manager

(Combo store only - hired prior to 6/18/10):

Start	\$14.50
6 months	\$16.00

Drug G/M Manager

(Combo store only – hired on or after 6/18/10):

Start	\$14.50
6 months	\$15.00
1 year	\$16.00

Assistant Customer Service Manager
(hired prior to 6/18/10): \$17.65

Assistant Customer Service Manager
(hired on or after 6/18/10): \$14.25

Clerk/Cashier on the payroll as of 8/8/87: \$17.23

Clerk/Cashier promoted
and/or hired after 8/8/87: \$15.13

Clerk/Cashier (hired after 6/5/04):

Start	\$ 7.40
6 months	\$ 7.45
12 months	\$ 7.50
24 months	\$ 7.70
36 months	\$ 8.50
48 months	\$ 9.50
60 months	\$11.00
72 months	\$14.22

Clerk/Cashier (hired on or after 6/18/10):

Start	\$ 7.40
12 months	\$ 7.50
24 months	\$ 7.70
36 months	\$ 8.50
48 months	\$ 9.50
*60 months	\$10.50
72 months	\$12.00

***indicates top rate for part-time employees**

****Lead Frozen Food Clerks to receive a fifty cent (\$0.50) per hour premium**

Specialty Clerks hired and/or promoted after 8/8/87):

\$14.05
Specialty Clerks (hired after 6/5/04):

Start	\$ 7.40
6 months	\$ 7.45
12 months	\$ 7.50
24 months	\$ 7.70
36 months	\$ 8.50
48 months	\$ 9.50
60 months	\$10.00
72 months	\$13.52

Specialty Clerks (hired on or after 6/18/10):

Start	\$ 7.40
12 months	\$ 7.50
24 months	\$ 7.70
36 months	\$ 8.50
48 months	\$ 9.50
*60 months	\$10.50
72 months	\$11.50

***indicates top rate for part-time employees**

Clerk/Cashier (hired after 6/5/04) - Under 18 years old):

Start	\$ 7.25
6 months	\$ 7.30
12 months	\$ 7.35
24 months	\$ 7.50
36 months	\$ 8.50
48 months	\$ 9.50
60 months	\$11.00
72 months	\$14.22

Clerk/Cashier (hired on or after 6/18/10) - (Under 18 years old):

Start	\$ 7.25
6 months	\$ 7.35
12 months	\$ 7.45
24 months	\$ 7.55
36 months	\$ 8.35
48 months	\$ 9.35

Specialty Clerks (hired after 6/5/04) - Under 18 years old

Start	\$ 7.25
6 months	\$ 7.30
12 months	\$ 7.35
24 months	\$ 7.50
36 months	\$ 8.50
48 months	\$ 9.50
60 months	\$10.00
72 months	\$13.52

Specialty Clerks (hired on or after 6/18/10) - Under 18 years old:

Start	\$ 7.25
6 months	\$ 7.35
12 months	\$ 7.45
24 months	\$ 7.55
36 months	\$ 8.00
48 months	\$ 9.00

Fuel Center Clerk (hired prior to 6/18/10):

Start	\$ 7.40
6 months	\$ 7.45
12 months	\$ 7.50
18 months	\$ 7.70
24 months	\$ 9.70

Fuel Center Clerk (hired on or after 6/18/10):

Start	\$ 7.40
12 months	\$ 7.50
24 months	\$ 8.00
36 months	\$ 8.50
48 months	\$ 9.00

All Courtesy Clerk:

Start	\$7.40
6 months	\$7.45

All Courtesy Clerks - Under 18 years old:

Start	\$7.25
6 months	\$7.30

APPENDIX B - LOCAL 876-2 WAGES (277, 600, 635, 795)

ALL ASSOCIATES (EXCEPT COURTESY CLERKS and UNDER 18 YEARS OLD) AT TOP RATE AS OF 6/10/12 WILL RECEIVE A \$0.25 INCREASE.

Department Managers: Customer Service, Deli, Bakery, Produce, Grocery, Night Stock, and Dairy:

Start	\$15.50
6 months	\$16.00
12 months	\$16.50

Drug G/M Manager (Combo Store only):

Start	\$14.50
6 months	\$15.00
12 months	\$16.00

Assistant Customer Service Manager: \$15.76

Assistant Customer Service Manager (hired on or after 6/18/10): \$14.25

Clerk/Cashier hired prior to 12/1/82: \$15.34

Clerk/Cashier hired after 12/1/82: \$14.38

Clerk/Cashier promoted and/or hired after 8/8/87): \$13.01

Clerk/Cashier (hired after 6/5/04):

Start	\$ 7.40
6 months	\$ 7.45
12 months	\$ 7.50
24 months	\$ 7.70
36 months	\$ 8.70
48 months	\$ 9.65
60 months	\$10.50
72 months	\$12.20

Clerk/Cashier (hired on or after 6/18/10):

Start	\$ 7.40
12 months	\$ 7.50
24 months	\$ 7.70
36 months	\$ 8.50
48 months	\$ 9.50
*60 months	\$10.50
72 months	\$12.00

***indicates top rate for part-time employees**

****Lead Frozen Food Clerks to receive a fifty cent (\$0.50) per hour premium**

Specialty Clerks hired and/or promoted after 8/8/87): \$13.11

Specialty Clerks (hired after 6/5/04):

Start	\$ 7.40
6 months	\$ 7.45
12 months	\$ 7.50
24 months	\$ 7.89
36 months	\$ 8.30
48 months	\$ 9.16
60 months	\$10.25
72 months	\$12.31

Specialty Clerks (hired on or after 6/18/10):

Start	\$ 7.40
12 months	\$ 7.50
24 months	\$ 7.70
36 months	\$ 8.50
48 months	\$ 9.50
*60 months	\$10.50
72 months	\$11.50

***indicates top rate for part-time employees**

Clerk/Cashier (hired after 6/5/04) - Under 18 years old:

Start	\$ 7.25
6 months	\$ 7.30
12 months	\$ 7.35
24 months	\$ 7.40
36 months	\$ 8.70
48 months	\$ 9.65
60 months	\$10.50
72 months	\$12.20

Clerk/Cashier (hired on or after 6/18/10)

(Under 18 years old):

Start	\$ 7.25
6 months	\$ 7.35
12 months	\$ 7.45
24 months	\$ 7.55
36 months	\$ 8.35
48 months	\$ 9.35

Specialty Clerks (hired after 6/5/04) -Under 18 years old:

Start	\$ 7.25
6 months	\$ 7.30
12 months	\$ 7.35
24 months	\$ 7.89
36 months	\$ 8.30
48 months	\$ 9.16
60 months	\$10.25
72 months	\$12.31

Specialty Clerks (hired on or after 6/18/10)

Under 18 years old:

Start	\$ 7.25
6 months	\$ 7.35
12 months	\$ 7.45
24 months	\$ 7.55
36 months	\$ 8.00
48 months	\$ 9.00

Fuel Center Clerk:

Start	\$ 7.40
After 6 months	\$ 7.45
After 12 months	\$ 7.50
After 18 months	\$ 7.55
After 24 months	\$ 9.13

Fuel Center Clerk (hired on or after 6/18/10:

Start	\$ 7.40
12 months	\$ 7.50
24 months	\$ 8.00
36 months	\$ 8.50
48 months	\$ 9.00

Courtesy Clerk:

Start	\$7.40
6 months	\$7.45

Courtesy Clerk - Under 18 years old:

Start	\$7.25
6 months	\$7.30

Appendix "D"
MISCELLANEOUS NOTES

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

A-2. Pharmacy Technician classification will remain a separate specialty clerk classification in of itself. Pharmacy technicians certified through a Company sponsored training program may receive up to a one dollar (\$1.00) premium per hour above their current hourly rate. Upon satisfactorily completing the required courses premiums will be applied as follows:

Level One (1) -	\$0.25
Level Two (2) -	\$0.50
Level Three (3) -	\$0.25

Company will offer a minimum of one (1) training class per year.

A-3. Lead specialty clerks will retain seniority over other specialty clerks for the purpose of scheduling only. Preferences for Lead Position Openings will be given to current employees with demonstrated skill and ability and seniority in the store in which the opening has occurred. If no current employee demonstrates interest in said position, then the position will be bid in accordance to the normal bidding process.

B. A Clerk/Cashier who is regularly assigned to assist the Head Cashier shall be reclassified Assistant Head Cashier and paid the classification rate on all hours worked in the workweek. Openings for assistant customer service manager positions will be bid per Article 23D. However, Clerk/Cashiers may be utilized to assist with Customer Service Counter duties (i.e. Western Union, postage stamps, lottery tickets, money orders, refunds and exchanges, payroll checks or other customer service duties with the exception of accounting, overrides and banking functions). Seniority shall prevail when assigning such work.

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

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

7. General cleaning inside the store, excluding power equipment.
8. Obtain product from selling area requested by customer being checked out, check prices for customers and replace damaged and/or saleable merchandise accumulated at check-out counters.
9. Tie up cardboard and cartons.

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

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

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

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

G. A Fuel Center Clerk's responsibilities will be to perform all tasks associated with the operation of the Fuel Center as directed by store management.

The Employer agrees to appoint a Lead Fuel Clerk in each Fuel Center that it operates by seniority, skill, and ability. Each Lead will receive a \$1.00 per hour premium on their individual rate.

The terms of the Collective Bargaining Agreement such as Union Security and Seniority shall apply but Fuel Center Clerks shall

not receive benefits of a monetary nature, except for wages, National Holidays, and vacation as specified. It is understood that benefits such as health and welfare, pension, etc., are of a monetary nature and are not to be provided to the Fuel Center Clerk. Seniority within the Fuel Center shall prevail.

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

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

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

Store Clerks interested in transferring to the Fuel Center Clerk classification, shall put their interest in writing to the Store Manager with a copy to the Union, (their clerk cashier seniority shall be frozen).

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

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

H. The parties agree that "Starbucks Specialty Clerk" is added to the Collective Bargaining Agreement. The terms of the Grocery Collective Bargaining Agreement shall apply to the Starbucks Specialty Clerk and to the Starbucks Department. A Starbucks Specialty Clerk's responsibilities will be to perform all tasks associated with the operations of the Starbucks as directed by store management.

In accordance with the provisions of the CBA, departmental seniority within the Starbucks Department shall be utilized for Starbucks Specialty Clerks. Starbucks Specialty Clerks shall be paid the Specialty Clerk wage rate under the Grocery CBA.

Management may assist in training and when necessary to ensure the efficient operation of the Starbucks Department.

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

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

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

In the event of the closing of a Starbucks Department, the Starbucks Specialty Clerks who worked in another area of the store prior to becoming a Starbucks Specialty Clerk will be allowed to return to their previous department with full seniority. Other Specialty Clerks hired as such will be allowed other Specialty Clerk work in another department of the store, maintaining full seniority.

I. The parties recognize the need for the Boars Head Branded products. The parties further agree that Boars Head requires additional in store monitoring and training with its products and with employees who are responsible for their stores. This in store presence will in no way adversely affect available hours to our deli associates or any other associate in the store-but is necessary for us to carry Boars Head Products.

Appendix "E"
LETTER OF UNDERSTANDING

Re: Reset Team

It is agreed between the Union and the Company that a reset team will be constructed for the purpose of doing major resets in the Kroger stores for the term of this agreement effective June 10, 2010 through June 15, 2013.

No employee working in any store during the reset will have their hours reduced as a direct result of the reset or reset team. The reset team will consist of approximately 20-30 bargaining unit members.

An informational bid for full-time clerk-cashiers will be posted for three days in the Local 876 Kroger Marketing area. Senior employee who applies and who has demonstrated skill and ability will be selected for the position.

All miles in excess of the mileage between their home stores will be paid per the contract.

The hours shall be determined by the company but the shifts shall consist of five (5) eight (8) hour days or four (4) ten (10) hour days. The employees working on the crew will be identifiable through a special designation (name badges).

Should any prior 1987 member choose to work Sunday, they must sign the Sunday and Holiday list at their home store per the contract.

**FOR THE UNION:
UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL No. 876**

Roger Robinson

Date 11/8/10

**FOR THE EMPLOYER:
THE KROGER COMPANY**

Henry B. Taylor

Date 11/8/10

**LETTER OF UNDERSTANDING
REGARDING "MARKETPLACE" AND
"CONVENIENCE" STORES**

This letter confirms the agreement of the parties that should the Company determine to operate "marketplace" stores, or "convenience" stores with fuel centers, the parties will meet and discuss appropriate collective bargaining provisions to apply to such stores.

**FOR THE UNION:
UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL No. 876**

Roger Robinson

Rick Blocker

Date 11/8/10

**FOR THE EMPLOYER:
THE KROGER COMPANY**

Henry B. Taylor

Lanell Ohlinger

Date 11/8/10

**LETTER OF UNDERSTANDING
REGARDING RESET VENDOR "RATIO"**

The parties hereby agree that the current practice and understanding between the parties, which require the Employer to assign a bargaining unit employee to work when one or more vendors or other third party employees are stocking, re-setting or otherwise working in a Company store shall no longer apply, and that all grievance settlements or other related understanding or agreements concerning such bargaining unit employee staffing requirements are hereby cancelled. The current Appendix "D" Letter of Understanding regarding reset teams remains in effect during the terms of the new Agreement and is not affected by the above language.

**FOR THE UNION:
UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL No. 876**

Roger Robinson

Rick Blocker

Date 11/8/10

**FOR THE EMPLOYER:
THE KROGER COMPANY**

Henry B. Taylor

Lanell Ohlinger

Date 11/8/10

LETTER OF UNDERSTANDING **FARMER JACK ACQUISITION**

1. The employee's seniority date shall be the date of hire by Kroger. (All previous Farmer Jack employees hired at Farmer Jack acquisition stores within ninety (90) days of acquisition shall be given a date of hire of June 20, 2007).

2. Any employee who previously worked for Farmer Jack at the time of the acquisition and is hired by Kroger (within ninety (90) days of acquisition) will be given credit for service with Farmer Jack in determining number of weeks of vacation and number of holidays and supplemental days effective 1/1/08 with the following guidelines:

Former Farmer Jack employees will be entitled to the Kroger vacation schedule, up to four (4) weeks maximum. After five (5) years of service, employees will be allowed five (5) weeks of vacation if their adjusted service date is eighteen (18) years or more.

The supplemental day's provision for employees hired after 6/5/04 of the Kroger agreement will apply based on the former Farmer Jack employee's adjusted service date.

3. Those employees who previously worked for Farmer Jack at the time of the acquisition, who are hired by Kroger, will be given credit for their experience with Farmer Jack in establishing their rate of pay.

4. All Farmer Jack employees hired by Kroger (within ninety (90) days of acquisition) who are participating in the National Industry Pension Fund will continue to participate without any break in service.

5. All Farmer Jack employees hired by Kroger (within ninety (90) days of acquisition) who had previously qualified for health care coverage will initially qualify for coverage under the Kroger Collective Bargaining Agreement, as provided by the new agreement. Kroger employer contributions to the Health and Welfare Plan will commence the later of the month following the final contribution paid for that employee by the acquired store employer, or as needed to provide coverage in the month hired by Kroger.

**FOR THE UNION:
UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL No. 876**

Roger Robinson

Rick Blocker

Date 11/8/10

**FOR THE EMPLOYER:
THE KROGER COMPANY**

Henry B. Taylor

Lanell Ohlinger

Date 11/8/10

NOTES

NOTES

IMPORTANT PHONE NUMBERS

LOCAL 876 OFFICES

- BUSINESS REPRESENTATIVES
- DUES DEPARTMENT
- ORGANIZING DEPARTMENT
- PROFESSIONAL BEAUTY TRADES
- RETIREMENT CENTER & FINANCIAL ADVISEMENT

1-800-321-6406

MICHIGAN HEALTH & WELFARE FUNDS

(248) 585-9610

(800) 322-8190

INDUSTRY PENSION FUND & SAUSAGE MAKERS PENSION

(800) 531-2385

PRE-PAID LEGAL

(800) 826-0101

UNITED FOOD & COMMERCIAL

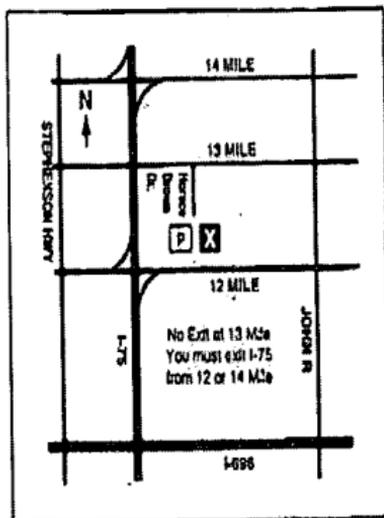
WORKERS LOCAL 876

876 HORACE BROWN DRIVE

MADISON HEIGHTS, MICHIGAN 48071

1-800-321-6406

WWW.UFCW876.ORG



UNITED FOOD & COMMERCIAL WORKERS LOCAL 876

876 HORACE BROWN DRIVE

MADISON HEIGHTS, MICHIGAN 48071

1-800-321-6406

WWW.UFCW876.ORG