

INDEXUNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 700INDIANAPOLIS AGREEMENT

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SCHEDULE "A" WAGES
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 LETTERS OF UNDERSTANDING

TERM: May 12, 2012 thru May 12, 2016

PREAMBLE

This Agreement is mutually entered into on June 7, 2013 by and between Kroger Limited Partnership, I, Indianapolis, Indiana, or its successors, hereinafter referred to as the Employer, and the United Food and Commercial Workers Local 700 chartered by the United Food and Commercial Workers International Union, hereinafter referred to as the Union.

ARTICLE 1. INTENT AND PURPOSE

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

ARTICLE 2. UNION SECURITY

Section 2.1 **Coverage:** The Employer recognizes the Union as the sole collective bargaining agent with respect to working conditions, rates of pay, hours and other terms and conditions of employment for all department employees in the Employer's retail stores as classified in Schedule "A" attached hereto and made a part of this Agreement located in the counties listed in Schedule "C" attached hereto and made a part of this Agreement.

Section 2.2 For the purpose of this Agreement, all department employees shall be all employees of the Employer not specifically exempted herein who are engaged in the handling or selling of items classified as groceries. Exempted are Store Managers, Co-Managers, guards, and professional and supervisory employees as defined in the Labor Management Relations Act of 1947 as amended.

Section 2.3 **Union Shop:** The Employer agrees to conduct an orientation program for new employees within fourteen (14) days of their date of hire. The employee shall be paid for all hours in attendance. The Employer agrees to give at least a twenty-four (24) hour notice to the Union office of the date, time and location and number of employees attending the orientation program.

Within the orientation program, management or his/her designee shall introduce the Union Representative or his/her designee, and allow a reasonable amount of uninterrupted time to explain the labor agreement, to answer questions and to sign up the new employee(s) for Union membership. Management will be present during this orientation.

The Employer may secure new employees from any source whatsoever. During the first thirty (30) days of employment, a new employee shall be on a trial basis and may be discharged at the discretion of the Employer. By mutual agreement between the Employer and the Union, such trial period may be extended for an additional thirty (30)-day probation period. For the purpose of this paragraph, the execution date of this Agreement shall be considered its effective date.

- Section 2.4** **Check-Off:** The Employer agrees to deduct initiation fees, dues and uniform general assessments from the wages of employees in the bargaining unit who are members of the Union and who provide the Employer with a voluntary written authorization which shall be irrevocable for a period of more than one (1) year or beyond the termination date of this Agreement, whichever occurs sooner. Deductions will be made by the Employer from wages of employees on a weekly basis (weekly deductions will commence within ninety (90) days of ratification) or the first pay period of each calendar month (as determined by the Local Union) and will be transmitted weekly to Local 700.
- Section 2.5** **Credit Union:** Credit Union deductions will be made by the Employer. Before any money is deducted, the Union must provide the Company with a signed authorization form from the employee stating the amount to be deducted weekly. The Company will transmit this money monthly to the designated UFCW Credit Union which will be located within the state of Indiana.
- Section 2.6** **A.B.C. Deduction:** The Employer agrees to honor and to transmit to the Union contribution deductions to the UFCW Active Ballot Club from employees who are Union members and who sign deduction authorization cards. The deductions shall be in the amounts and with the frequency (weekly or monthly in accordance with Section 2.4 above) specified on the Political Contribution Deduction Authorization Cards.
- Section 2.7** **Union Visitation:** The Manager of a store shall grant to any accredited official of the Union access to the store for the purpose of satisfying himself that the terms of this Agreement are being complied with.
- Section 2.8** **Union Store Card and Buttons:** The Employer agrees to display a Union Store Card and/or decal in a prominent place in its stores. The Union Store Card and/or decal is and shall remain the property of the Union. The Employer will make available a bulletin board or an appropriate space for the Union to post notices or bulletins concerning administrative affairs of the Union.
- Section 2.9** Members of the Union may wear their Union buttons when on duty.
- Section 2.10** **New and Terminated Employees:** The Employer agrees to give the Union a list of new employees weekly showing employee's name, residence address, social security number, store number, date of employment, birth date and rate of pay.
- Section 2.11** The Employer shall provide the Union with a list of terminated employees weekly.

Section 2.12 **Other Agreements:** The Employer agrees not to enter into any agreement or contract with its employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement.

ARTICLE 3. **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 other legitimate reasons, the right to study or introduce new or improved production methods or facilities (subject to the provisions of Article 14, Section 14.3 and Article 15) 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.

ARTICLE 4. **DISPUTE AND ARBITRATION PROCEDURE**

Section 4.1 **Grievance Procedure:** Should any differences, disputes or complaints arise over the interpretation or application of the contents of this Agreement, there shall be an earnest effort on the part of both parties to settle such promptly through the following steps:

- Step 1.* By conference between the aggrieved employee, the Union Steward, the salaried Union Representative, or both, with the Manager of the store.

- Step 2.* By conference between the salaried Union Representative and the District Manager. (Step 2 shall be held within seven (7) calendar days after the conclusion of Step 1. Failure of the District Manager to meet within such time limit, unless by mutual agreement on an individual basis, shall result in the grievance proceeding to Step 3.)

- Step 3.* By conference between an official or officials of the Union and the Personnel Manager, or such other representative designated by the Employer.

Step 4. In the event the last step fails to settle the difference, dispute or complaint satisfactorily, the Employer shall reply in writing to the Union's written grievance within ten (10) working days from the conclusion of the Step 3 meeting.

Section 4.2 No grievance will be considered or discussed which is presented later than twenty-one (21) calendar days after such has happened. Grievances if not settled in Step 1 in the above procedure, shall be reduced to writing with copies for the employee, the Union, the Personnel Manager, and the District Manager. The time limitation above will not apply to wage claims which involve changes in classification, bracket increases, or scheduled calendar wage increases, which must be presented within six (6) months after such has happened. The Employer shall reduce to writing any grievances settled in Step 3 and shall submit same to the Union.

Section 4.3 If satisfactory to both the Union and the Employer, Steps 1 and 2 of this grievance procedure may be dispensed with.

Section 4.4 **Discharge and Indefinite Suspension:** The Employer may at any time discharge any employee for proper cause. The Employer shall notify the Union promptly of such discharge. The Union, if it wishes to contest the discharge, shall file a grievance with the Employer within six (6) calendar days after notification. Such grievance shall be taken up promptly and if the Employer and the Union fail to agree, it may be referred to Arbitration. Should the Arbitrator determine that it was an unfair discharge, the Employer shall reinstate the employee in accordance with the findings of the Arbitrator.

Section 4.5 In discharge or indefinite suspension grievances, the Employer agrees to hold a Step 3 meeting within ten (10) days (excluding weekends and holidays) after receipt of a Union request in writing to the Personnel Department for such meeting. In the event said meeting is not held within the time limit, the grieved employee shall be paid for each day after the ten (10) days provided for above that the Employer fails to meet.

Section 4.6 **Arbitration:** After receiving the Employer's written answer in Step 4 of the grievance procedure above, the Union, if it desires to proceed to arbitration, shall make its written request known to the Employer within sixty (60) days. Failure of the Union to request arbitration within the time limits stated above, shall cause the grievance to be resolved on the basis of the Employer's written Step 3 answer.

Section 4.7 Arbitrators shall be selected under all CBAs between Kroger and Local 700 pursuant to the Federal Mediation and Conciliation Service's ("FMCS") Policies and Procedures. The party desiring arbitration shall, within twenty (20) days following the denial of a grievance in the last step of the grievance procedure preceding the arbitration step, request the FMCS to submit a list of seven (7) arbitrators for each grievance appealed to arbitration. Each party shall have the right to strike one (1) entire FMCS panel and seek another panel in each arbitration proceeding. A decision to strike an entire FMCS panel must be made and communicated to the opposing party in writing within seven (7) days following receipt of the FMCS panel. A party electing to strike an entire FMCS panel shall, simultaneously with its striking of the panel, request the FMCS to submit a second panel of seven (7) arbitrators. The parties shall select the arbitrator for each grievance within twenty (20) days following receipt of the acceptable FMCS panel by alternately striking names from the accepted FMCS panel until the name of one-arbitrator remains, who shall be deemed to be the arbitrator in the arbitration proceeding. The parties shall alternate striking first with the Union being the first to strike to begin the alternation process. The cost of seeking a panel of arbitrators from the FMCS shall be shared equally between the parties, except that any FMCS fee for requesting a second or third panel will be borne by the party striking that entire FMCS panel. The time limits set forth in this Memorandum may be extended upon the written mutual agreement on an individual basis of the parties.

Section 4.8 The party desiring arbitration shall notify the other party, in writing, of its intention to arbitrate. Said party shall also notify, in writing, the appropriate Arbitrator of his appointment with a copy to the other party.

Section 4.9 The decision of the Arbitrator shall be binding upon the Employer, the Union, and the aggrieved employee. The fees and expenses of the arbitrator are to be borne equally by the Union and the Employer.

The Arbitrator is not vested with the power to change, modify or alter this Agreement, but only to interpret the provisions of this Agreement.

Section 4.10 **Constructive Advice Records:** When a Constructive Advice Record or any disciplinary action is to be discussed with an employee, the employee, upon request, shall have the Union Steward or salaried Union Representative present.

Section 4.11 Constructive Advice Records used by the Employer shall not affect the employee's right to file a grievance, and upon signing such Constructive Advice Record, the employee shall receive a copy thereof.

Any probationary period resulting therefrom shall be limited to a period not to exceed sixty (60) days. Additional periods of thirty (30) days may be imposed if necessary improvement is lacking and the employee and the Union shall be advised.

Section 4.12 Any such Constructive Advice Record not received by the Union within twenty-one (21) days of the consultation date shall be null and void.

Section 4.13 Any Constructive Advice Record which does not involve a disciplinary suspension and is more than twelve (12) months old, shall not be used in any disciplinary proceedings.

Section 4.14 All Constructive Advice Records shall be issued and signed by management personnel (non-bargaining unit employees).

Section 4.15 Constructive Advice Records will be discussed with the employee no later than the employee's first working day following issuance.

Section 4.16 **Time Limits:** Any time limitation set forth in this Article may be extended by mutual agreement on an individual basis of both parties to this Agreement.

ARTICLE 5. NO STRIKE, NO LOCKOUT/PICKET LINE

Section 5.1 During the term hereof, the Union agrees that there shall be no strike, slowdown, sympathy strike, boycott, or any other interference with or interruption of the normal conditions of the Employer's business by the Union or its members. The Employer agrees that there shall be no lockout.

Section 5.2 No employee shall be required to cross a legal picket line which has been officially recognized by the Union. Before the Union gives official recognition to any picket line, such action will be discussed with the Employer and notification given to the Employer shall be by registered mail. In case a picket line is officially recognized by the Union, employees shall not leave their jobs before completing the work at hand, disposing of perishable merchandise, and properly accounting for all money and other property in their custody.

ARTICLE 6. **WAGES**

- Section 6.1** **Rates of Pay:** Rates of pay as set forth in Schedule "A" Wages, attached hereto, shall remain in effect for the life of this Agreement and constitute the basis for determination of wages for time worked. The Employer will recognize previous comparable work experience in determining the rates of pay upon hiring employees.
- Section 6.2** **Other Work:** Employees shall perform any work ordered by supervision 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 lesser-rated job and desires to retain such job rather than accept a layoff.
- Section 6.3** **Progression:** The Employer, when hiring employees at any of the wage brackets, agrees to advance said employee to the next highest bracket within such time as is designated in the wage schedule.
- Section 6.4** **Department Manager Relief:** Any employee assigned to relieve a Department Manager for a period of one (1) week or more shall receive a dollar (\$1.00) premium or the current contract rate, whichever is greater, for the relief job in effect in the store involved for such time spent on relief. When the Employer is aware a Department Manager is going to be off work for any reason for one (1) week or more, the Company will assign an employee to relieve the Department Manager.
- Section 6.5** **Management Relief:** Relief of a member of store management by a member of this bargaining unit shall be on a voluntary basis. Employees who are requested to perform such relief work will be advised of the rate of pay and approximate schedule of work hours in advance.
- Section 6.6** **Night Work:** Sixty cents (\$.60) per hour additional compensation will be paid for all work performed between store closing time (or 10:00 p.m., whichever is sooner) and 6:00 a.m. Any employee working the majority of his hours during this period shall receive this additional compensation for all hours worked that day.
- Section 6.7** **Employee in Charge:** In any store in which a Store Manager and Co-Manager are absent from the store during store hours, except for lunch and rest breaks, the Employer shall designate one (1) employee as "Employee in Charge" who shall have limited responsibilities for the operation of the store. Such employee shall receive a premium of seventy cents (70¢) per hour for any hours worked as Employee in Charge during the basic workweek

between the hours of 7:00 a.m. and 10:00 p.m., excluding Sundays and holidays.

Section 6.8 **Employee Premiums:** Employees assigned as DSD Receiver, Lead Clerks (as deemed necessary by the employer: cheese, nutrition, fuel, cake decorator), and Lead File Maintenance, shall receive forty (\$.40) cents per hour in addition to his/her hourly rate for all hours worked. Only one person per job title per store will be entitled to the premium.

Additional Lead Clerk positions will follow the appropriate wage rate outlined in Schedule "A" Wages.

Employees working in the office shall receive a forty (\$.40) cents per hour premium above his/her current hourly rate for hours worked in that position.

Employees assigned as Front End Supervisor, shall receive a one dollar (\$1.00) per hour premium above his/her current hourly rate for hours worked in that position.

Section 6.9 **New Job Classification:** In the event the Employer creates a new job or classification which involves new job duties, responsibilities, or skills, the Employer agrees to negotiate with the Union the rate of pay for the new job or classification, and the Employer shall notify the Union two (2) weeks prior to the implementation of such new job or classification.

Section 6.10 **Back-Up Department Managers:** Back-up Department Managers, as deemed necessary by the employer, and defined under Schedule "B" definitions shall receive a forty (\$.40) cents per hour premium in addition to his/her hourly rate for all hours worked. Employees will be selected based on type of work, ability to perform the work, and in accordance with seniority.

ARTICLE 7. **HOURS OF WORK**

Section 7.1 **Basic workweek:** The basic workweek for full time employees shall be forty (40) hours, Monday through Saturday, to be worked in five (5) days or less, unless mutually agreed upon*. For full time employees hired after May 11, 1987, the basic work week shall be forty (40) hours, Sunday through Saturday, to be worked in five (5) days or less, unless mutually agreed upon*.

For all part time employees, the basic workweek shall consist of up to forty (40) hours Sunday through Saturday.

Section 7.2 **Weekly Overtime:** All time worked in excess of the workweek, as specified in Section 7.1 above, shall be paid for at time-and-one-half (1-1/2) the regular rates.

Section 7.3 **Daily Overtime:** For full time employees, all work in excess of eight (8) hours per day shall be paid for at time and one-half (1 ½) the regular hourly rates except where mutually agreed* and except for night stock employees who have mutually agreed in writing with the Employer to work a weekly schedule of four (4) ten (10) hour days. In such event, all time worked in excess of ten (10) hours per day shall be paid for at time and one half (1 ½) the regular hourly rate.

For current and future part time employees, all work in excess of forty (40) hours in a basic workweek will be paid at time and one half (1 ½). They will not receive daily overtime. This applies to full time associates by mutual agreement on an individual basis. *

*Mutual Agreement – When referred to in this contract, “mutual agreement” means when both the employee and the Employer jointly agree to the benefit of both on a specific subject (on an individual basis). For Sections 7.1, 7.3, and 7.5, the reference to mutual agreement on an individual basis will be documented in writing.

No Pyramiding: Time-and-one-half (1-1/2) shall be paid on the weekly basis or daily basis, whichever is greater, but in no case on both.

Section 7.4 No employee will be required to accept time off as compensation for overtime.

Section 7.5 **Sixth (6th) Day Overtime:** Full time employees called into work on the sixth (6th) day of any one (1) workweek shall be paid at the rate of time and one half (1 ½) for the hours worked on that day and shall not be considered as part of the basic workweek unless mutually agreed upon.* For pay purposes, the sixth (6th) day shall be the employee’s normally scheduled day off, unless the employee is scheduled to work six (6) days in one (1) workweek, in which case it shall be the sixth (6th) day in which work is performed by that employee.

For current and future part time employees, all work in excess of forty (40) hours in a basic workweek will be paid at time and one half (1 ½). They will not receive sixth (6th) day overtime. This applies to full time associates by mutual agreement on an individual basis.*

Section 7.6 **Sunday Premium:** Employees on the payroll prior to May 12, 1987, who work on Sunday shall be paid time-and-one-half (1-1/2) for the hours worked on that day and shall not be considered as part of the basic workweek. There will be no pyramiding of premium pay and any hours paid for at premium pay will not be counted in computing overtime. Sunday hours shall not be computed in qualifying or disqualifying for transfers.

Employees hired on or after May 12, 1987, who work on Sunday shall be paid at their regular straight-time hourly rate.

Section 7.7 **Minimum Daily Work Schedules:** Each employee who is scheduled or reports for work upon request is guaranteed not less than four (4) hours pay or work for that day at his applicable hourly rate, providing he does whatever work is assigned to him. The payment of four (4) hours shall not apply to employees whose hours of work are restricted by circumstances beyond the control of the Employer. This clause will in no way directly or indirectly interfere with an employee's right to be scheduled for the maximum number of hours nor with the employee's right to claim hours. The four (4) hour daily minimum may be waived by mutual agreement on an individual basis between the employer and the employee.

Section 7.8 **Minimum Weekly Work Schedule:** An employee who is scheduled and/or works during any week shall be guaranteed a minimum of twelve (12) hours of work or pay. The twelve (12) hours work requirement shall not be used to defeat the right of any employee to be scheduled or claim available hours. Similarly, the claiming of an employee's scheduled hours shall not defeat the right of the employee to receive twelve (12) hours work or pay. This twelve (12) hour weekly minimum does not apply to employees who are not scheduled to work during a given week, and yet are called in to work as an absentee replacement. This twelve (12) hour weekly minimum does apply to all employees (whether scheduled or not) who are called into work for hours which are in addition to those on the posted work schedule. The twelve (12) hour weekly minimum may be waived by mutual agreement on an individual basis between the employer and the employee.

Section 7.9 **Lunch Hour:** Employees shall be granted one-half (1/2) hour uninterrupted period for meal time at approximately the middle of the working day. Every effort will be made so that this meal period shall not be scheduled until an employee has worked three (3) hours and the employee will not be required to work more than five (5) hours prior to beginning such meal period. (Employees who certify in writing that they desire the meal period of one (1) hour on a continuing basis shall be entitled to the hour meal period.) Meal periods will not be required unless an employee has been scheduled for seven (7) hours or more, unless in conflict with State or Federal laws. Scheduling of meal periods, whether one (1) hour or one-half (1/2) hour, will not defeat the employee's right to maximize his/her hours.

Section 7.10 **Rest Periods:** All employees shall be entitled to one (1) fifteen (15) minute rest period. These rest periods shall be in lieu of and not in addition to previous informal rest periods. Rest periods will be scheduled in approximately the middle of each half shift. An employee who works more than four (4) hours will receive two (2) rest periods. No rest period shall be scheduled until the employee has worked at least one (1) hour except in emergency.

Section 7.11 **Employer Meetings:** Hours spent in meetings called by the Employer at which employee attendance is required shall be considered hours worked and shall be paid accordingly. (The call-in provision in Article 7, Section 7.7 shall not apply to store meetings.)

Section 7.12 Employees will be required to wait on customers in the store at closing time.

ARTICLE 8. **WORK SCHEDULES**

Section 8.1 **Posting Work Schedule:** The hours for each employee shall be scheduled by the Employer. A working schedule for the succeeding week shall be posted no later than 10:00 a.m. Friday of the current week. This schedule will be posted in ink and a copy will be given to the Store Steward. In the event such schedule is not posted by 10:00 a.m. Friday, the schedule for the preceding week shall prevail except in the week of a holiday.

No changes will be made unless in accordance with other provisions of this Agreement, in the schedule for an employee who has averaged thirty (30) hours or more per week for eight (8) consecutive weeks, unless due to an emergency beyond the control of the Employer (such as fire, flood, and Acts of God).

No changes will be made unless in accordance with other provisions of this Agreement in the schedule of other employees without six (6) hours advance notice unless due to an emergency beyond the control of the Employer (such as fire, flood, and Acts of God). Such changes that do occur after 10:00 a.m. on Saturday shall be communicated to the employee.

Any changes in the work schedule will be reflected on the posted schedule at the time the change is made. All schedules will be posted together, and each schedule will list employees in seniority order.

Section 8.2 **Intent of Scheduling:** It is understood that the work schedules will be arranged so as to provide as many employees eight (8) hours per day schedules and as many employees forty (40) hours per week schedules as is consistent with the limitations set forth in Section 8.3 and with the further understanding that hours not consistent with the needs of the business will not be added to accomplish this objective.

Employees who are not available to work hours under the provisions of 8.2 and 8.3 of this Article for bona fide reasons (it is understood that an employee who desires to restrict his/her availability due to other employment is not a bona fide reason) must notify the Company in writing with a copy to the Union that they have voluntarily limited their availability. This limiting of availability will be a minimum of six (6) months.

Section 8.3 **Available Hours:** Employees shall be scheduled for available hours up to and including eight (8) hours per day or forty (40) hours per week, (thirty-two (32) hours in a holiday week for those hired prior to May 12, 1987), in accordance with seniority, type of work and ability to perform the work assigned within the five (5) highest hour days in the week (four (4) highest hour days in a holiday week), excluding Sunday and holidays.

If an employee with one (1) or more years seniority in the Regular Clerk classification who has the necessary seniority wishes to increase his or her weekly hours within the classification up to a maximum of forty (40), and it is claimed that the employee is not capable of performing such assignment, the employee must notify the District Manager, Store Manager and Union in writing of such desire. The District Manager will honor such request. The employee will then be given the necessary training to accomplish this within a reasonable period of time consistent with the prudent management of the business. This is on a store-by-store basis and shall not exceed three (3) such employees per sixty (60) day period per store. For the purpose of this paragraph only, an employee who opts to take advantage of this clause must take an entire daily shift, or a portion of either end of the shift, but in no event may cause the "claimed on" junior employee to be reduced below the daily or weekly minimum of hours called for in this Agreement. Section 8.2 guarantees the intent of the scheduling procedures.

Employees hired after January 13, 2003, shall be entitled to the week's schedule of work with the most hours in accordance with his/her seniority, availability, and ability to perform the work required.

Section 8.4 **Claiming of Hours:** If a less senior employee is scheduled hours that a more senior employee is entitled to, the more senior employee must notify the Manager within twenty-four (24) hours after the posting of the schedule and the schedule will be changed accordingly.

In the event the Employer refuses to change the schedule, employee(s) involved shall be paid straight-time for all hours lost, provided it is a valid claim.

All Utility Clerks hired after July 7, 1990 will be entitled to the week's schedule of work with the most hours within their department in accordance with their seniority, availability and ability to perform the work required.

Section 8.5 **Desirable Shift Scheduling:** The Employer will recognize seniority and classification in scheduling employees for their continuing preferential shift selection, on a daily basis, including days off, provided that qualified, experienced and competent employees are on duty at all times to serve the customer.

Preferential shift means what is preferential to that employee. This could be nights, days, etc.; however, once selected, the preference will remain in effect for a minimum time period of four (4) months.

Employees must indicate their preference in writing. The night stock crew may exercise his/her preference of shift within the night stock crew only.

Section 8.6 **Sunday Scheduling:** Sunday work, when required, will be confined to the employees regularly assigned to the store involved, provided the employee has been scheduled hours during the basic workweek in which the Sunday schedule is posted. Such work shall be voluntary, rotated and allocated as equally as possible among the employees provided they are capable of performing the work required in each of the required classifications. For purposes of Sunday work rotation only, Department Manager classifications will be rotated among the Regular Clerk classifications (except Deli/Bakery Manager which will be rotated among the Regular Clerks in their department). Should the Employer be unable to obtain enough voluntary workers, reverse seniority shall apply.

If an employee with one (1) or more years of seniority expresses an interest, in writing, for Sunday work and is not capable of performing the work required, such employee will be trained by seniority to perform the Sunday

work required within a reasonable period of time (a minimum of four (4) such employees per store per thirty (30) days).

- Section 8.7** **Holiday Scheduling:** The Employer will post in each store a volunteer work list at least (10) days prior to any given holiday set forth in Article 10. Employees desiring to work said holiday shall sign this listing. The Employer will schedule the necessary employees from this listing in accordance with seniority considering the classifications required and provided the employee is capable of performing the work required. Should the Employer be unable to obtain enough voluntary workers, reverse seniority shall apply.
- Section 8.8** **Additional or Replacement Hours:** If additional or replacement hours become necessary during the week, the hours shall be offered to employees by seniority, classification and ability, with the intent of providing the more senior employees with the greater number of hours, while at the same time, providing the optimum in customer service. "If telephone calls are required, the following persons in sequence shall place the calls: first, Union Steward; second, Front End Managers; and third, a member of the bargaining unit."
- Section 8.9** Such additional or replacement hours will not be required when such hours would necessitate the payment of daily or weekly overtime.
- Section 8.10** **Employees Working in More Than One (1) Store:** Employees will not be scheduled to work in more than one (1) store per week, unless a vacancy is created by absenteeism and where the Employer cannot fill the vacancy under Article 8, Section 8.8 above.
- Section 8.11** **Scheduling Overtime:** Scheduled overtime shall be offered by seniority within each classification in each store. Daily overtime not previously scheduled shall be offered by seniority within the classification and the ability to perform the work in the store among employees present when the need for overtime arises.
- Section 8.12** **Split-Shifts:** No employee shall be required or permitted to work a split-shift schedule. 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 as time worked between the two (2) work periods at the applicable rate of pay.

Section 8.13 **Period Between Shifts:** 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 one-and-one-half (1-1/2) times his straight-time hourly rate for all hours worked during his eight (8) hour rest period, except for employees who are working four (4) ten (10) hour days in which the unbroken rest period will be ten (10) hours. This paragraph shall not apply to the week preceding or the week of a new store opening. This provision may be waived by mutual agreement on an individual basis between the employer and the employee on an individual basis.

Section 8.14 Any work which is declined by the senior employee may be assigned to the junior qualified employee, within the classification, who is available.

ARTICLE 9. **OTHER WORKING CONDITIONS**

Section 9.1 The Employer may utilize any vendor stock assistance on D.S.D. products which are available to the trade.

Section 9.2 **Management Work:** In stores having both Managers and Co-Managers, the Employer agrees they will not be scheduled to check out customer orders or stock shelves, except: 1) routine customer service; 2) any emergency occasioned by accident, Act of God, or mechanical equipment failure which requires immediate remedial action; 3) MSI ordering, emergency basis only; 4) ordering of Bakery Department product; or any other work normally done by bargaining unit members. This does not prohibit Managers and Co-Managers from doing the above due to employees being absent and where no one is available to do the work.

Section 9.3 In the event of a proven violation of Section 9.1 and 9.2 above, the Employer will pay to the employee filing the grievance the amount of time spent in such proven violation, but no less than one (1) hour's pay at the employee's regular rate of pay. If this would result in the employee receiving more than forty (40) hours pay, the employee filing the grievance will receive straight-time pay for the amount of time of the proven violation, but no less than one (1) hour's pay. In the event the Union files said grievance, the pay shall go to the most senior employee not receiving forty (40) hours at the store where the violation occurred.

Section 9.4 **Uniforms:** Any uniform deemed necessary by the Employer for the employees shall be furnished and laundered by the Employer. Where dacron or similar type uniforms are furnished to employees, such uniforms shall be laundered by the employee. Rain gear will be provided for carry-outs. Uniforms will be replaced as necessary.

Section 9.5 **Physical Examinations:** In the event of a city ordinance or where the Company requires a physical examination for the employees, the cost of such examination shall be paid for by the Employer.

Section 9.6 **Polygraph Tests:** No employee will be required to take a polygraph (lie detector) or voice or stress evaluator test.

Section 9.7 **Employees on Duty:** The Employer agrees that there will be a minimum of two (2) employees, not necessarily members of the bargaining unit, in the store except in cases of emergency, such as fire, flood, Acts of God, or because of employee illness.

Section 9.8 **In-Store Work Related Injury:** Employees shall be paid for the balance of the shift in the event of an in-store work related injury, plus the next scheduled day, providing the doctor certifies that such additional time is necessary. Any accident where the employee suffers time off work, the Union will be sent a copy of the accident report.

Section 9.9 **Time Cards:** All employees covered by this Agreement shall document his/her time worked in accordance with Company policies and this labor Agreement.

Employee's time cards shall show the employee's job classification code.

Section 9.10 **Power Saws:** Only properly trained employees shall be permitted to use power saws.

Section 9.11 **First Aid:** The Employer agrees to supply a First-Aid Kit in each Meat Department.

ARTICLE 10. **HOLIDAYS**

Section 10.1 **Holidays Observed:** The following shall be recognized as legal holidays under the terms of this Agreement: New Year's Day, Decoration Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or days legally celebrated in lieu thereof. If a holiday set forth in this paragraph occurs on a Sunday, the following Monday shall be observed for the purpose of computing holiday pay.

Part-time employees hired after July 7, 1990, upon attaining full-time status, will receive holiday pay as outlined in Article 10.

Part-time employees hired after July 7, 1990 shall receive two (2) national holidays - Thanksgiving and Christmas. After one (1) year of continuous service, these employees shall receive two (2) additional national holidays - Memorial Day and Labor Day. After two (2) years of continuous service, these employees shall receive two (2) additional holidays, New Year's Day and July 4th.

Section 10.2 **Computation of Holiday Pay (Unworked Legal):** Any employee hired before 1/1/2013 who has averaged thirty (30) hours or more for the eight (8) weeks preceding any of the above legal holidays, shall be entitled to eight (8) hours pay for such day. Employees hired on or after 1/1/2013, who are classified as full time shall receive eight (8) hours pay for such day.

Employees hired before 1/1/2013 who average less than thirty (30) hours, and part time employees hired on or after 1/1/2013 shall be entitled to holiday pay based on the average hours worked per day in the previous eight (8) weeks (dividing the total hours worked by forty (40) days) preceding the holiday or four (4) hour pay at their straight time rate of pay, whichever is greater.

To be eligible for holiday pay, all employees must work the scheduled day before, the scheduled day after, and the holiday itself, if scheduled (except in the case of proven illness and/or an act of God, when employees shall receive holiday pay provided they have worked any part of the holiday week).

Section 10.3 **Personal Holidays:** Employees hired before May 12, 1987, with one (1) year or more continuous service, shall receive a total of three (3) personal holidays. These employees will receive a fourth (4th) personal holiday after completing fifteen (15) years of continuous service.

1 Year of Continuous Service	1 Personal Holiday
2 Years of Continuous Service	2 Personal Holidays
8 Years of Continuous Service	3 Personal Holidays
15 Years of Continuous Service	4 Personal Holidays

Employees hired on or after June 18, 2008 will receive personal holidays based on the following schedule:

1 Year of continuous service	1 Personal Holiday
3 Years of continuous service	2 Personal Holidays
10 Years of continuous service	3 Personal Holidays

Part-time employees hired after July 7, 1990, upon attaining full-time status, will receive personal holidays as stated above.

In some cases where several of the employees select the same personal holiday, seniority shall prevail with the understanding that the Employer reserves the right to have qualified personnel on duty at all times. These days may be taken as sick days where mutually agreeable between Employer and employee. Employees will receive these days prior to their next anniversary date of employment.

Section 10.4 **Computation of Holiday Pay (Unworked Personal):** Any employee who has averaged thirty (30) hours or more for the eight (8) weeks preceding a personal holiday shall be entitled to eight (8) hours pay for such day. Employees who average less than thirty (30) hours will be entitled to four (4) hours pay for such day.

Section 10.5 **Additional Compensation:** When computing holiday pay as provided for in Section 10.2 and 10.4 above, the Employer agrees to pay the employee any additional compensation as provided for in Article 6, Sections 6.6 and 6.8, that the employee would have normally received had the day not been a holiday.

Section 10.6 **Holiday Premium (Worked Legal):** Employees on the payroll prior to May 12, 1987, who work on any of the holidays listed in Section 10.1 of this Article, shall be paid time and one-half (1-1/2) for the hours worked on that day. There will be no pyramiding of this premium pay and any hours paid for at this premium pay will not be counted in computing overtime.

Employees hired on or after May 12, 1987, who work on any of the holidays as indicated above, shall receive a premium of one dollar (\$1.00) per hour for such hours worked.

Employees hired on or after June 18, 2008 who work on any of the holidays as indicated above, shall receive their straight time rate of pay for all such hours worked.

Section 10.7 **Holiday Workweek:** No employee hired prior to May 12, 1987 of this Agreement shall be required to work more than thirty-two (32) hours in a holiday week. Any employee who is hired prior to May 12, 1987 who works thirty-two (32) hours in a holiday week shall receive eight (8) hours of holiday pay. Any employee who is hired prior to May 12, 1987 of this Agreement and works more than thirty-two (32) hours in a holiday week shall receive time and one half (1 ½) for all hours worked in excess of thirty-two (32).

Section 10.8 **Christmas - New Year's:** No employee shall be required to work past 6:00 p.m. on Christmas Eve or 8:00 p.m. on New Year's Eve. Such work after 6:00 p.m. on Christmas Eve and 8:00 p.m. on New Year's Eve, if deemed necessary by the Employer, will be performed by employees on a voluntary basis. In the event a sufficient number of employees fail to volunteer, then reverse seniority shall apply.

No employee will be required to work on Christmas Day.

ARTICLE 11. **SENIORITY**

Section 11.1 **Determining Seniority:** Seniority shall be defined as length of continuous employment with the Employer and shall begin with the employee's most recent date of employment within the bargaining unit in the jurisdiction of the Local Union.

No employee shall acquire seniority until employed by the Employer for at least thirty-one (31) days, after which seniority shall start with the date of employment.

An employee hired after July 7, 1990 who works an average of thirty (30) hours or more per week for ten (10) consecutive weeks, shall be classified as full-time and entitled to all contract benefits unless specifically exempted elsewhere in this Agreement. An employee classified as full-time who fails to work an average of thirty (30) hours hired after July 7, 1990, thirty-four (34) hours after January 13, 1994 or thirty-six (36) hours after May 22, 1995 for ten (10) consecutive weeks shall be reclassified to part-time; however, for seniority purposes only, this employee shall maintain full-time seniority rights for an additional eight (8) week period. Weeks used for classification to full-time shall not also be used for reclassification to part-time. Employees reclassified to part-time as a result of this provision shall revert to original seniority date. Status will not be reviewed during the months of November and December. Students' hours during the summer months will not count towards progressing to full-time. Part-time employees shall not accumulate seniority over full-time employees. For employees hired after January 13, 1994, an employee who works an average of thirty-four (34) hours or more per week for ten (10) consecutive weeks shall be classified as full-time. For employees hired after May 22, 1995, an employee who works an average of thirty-six (36) hours or more per week for ten (10) consecutive weeks shall be classified as full-time. For employees hired after May 22, 1995, hours worked up to forty (40) per week shall be included in the average.

Employees that are reduced in hours shall remain at his/her current rate of pay until he/she works a sufficient number of hours to achieve full-time status.

Section 11.2 If two (2) or more employees have the same seniority date, the employee who punches in first will be the more senior. In the event that the Employer has no records available to determine who punched in first, the employee or employees involved with the lowest sequence of the last four (4) digits of the social security number shall be considered to be the more senior.

Section 11.3 **Application of Seniority:** In layoffs, recalls, promotions and transfers, the principle of seniority shall apply as hereinafter provided for in this Agreement.

Section 11.4 **Seniority Classifications:** Each employee shall accrue seniority within the following classifications:

- 1) Department Managers
- 2) Journeymen/Lead Market Clerks/Regular Clerks
- 3) Utility Clerks
- 4) Pharmacy Techs

Department Managers shall have two (2) seniority dates, a date of hire, and a date of promotion to the current classification. In the event of layoffs, Department Managers shall be laid off within their Department Manager classification based upon date of promotion and shall be reduced to a regular clerk based upon date of hire. Their seniority date shall be the most recent date of hire.

Qualified Utility Clerks may exercise their seniority rights over new applicants to obtain a Clerk job vacancy. The promoted Utility Clerks shall have two (2) seniority dates, to wit, the date of promotion and the date of hire. In the layoff of Regular Clerks (who were promoted from Utility Clerks), the promotion date shall be used. For seniority purposes, a Regular Clerk who elects to accept a Utility Clerk classification, rather than accept a layoff, will revert back to original date of hire. However, if such employee is reclassified back to Regular Clerk within six (6) months, then such employee will retain his previous Regular Clerk seniority date.

Section 11.5 **Night Stock Employees:** Night stock employees with one (1) year of service on the night stock crew may exercise their seniority rights in transferring (a minimum of one (1) employee each sixty (60) calendar days) to day hours over any less senior employee in their store, and the Employer will offer a reasonable period of training to accomplish this transition. Such employees

must advise the Employer in writing of their desire for day hours. In the event an employee claims hours from a night stock employee in order to maximize hours, the one (1) year service requirement will not apply.

Section 11.6 **Termination of Seniority:** Seniority of employees shall be terminated for any of the following reasons:

1. *Voluntary resignation*
2. *Discharge for proper cause*
3. *Absent from work due to a layoff for a period of nine (9) months with the exception of one (1) year due to Acts of God*
4. *Failure to report back to work within seven (7) calendar days after receiving notification to return to work following layoff by certified mail to the employee's last known address.*

Section 11.7 **Seniority Lists:** Agreed upon seniority lists shall be established, maintained and kept current and such records shall be available to the Union at all times.

Section 11.8 **Promotions:** Promotions to Department Manager positions shall be made from the list of persons who have completed the required training for the particular Department Manager position, and the Union shall receive a copy of this list on a monthly basis. Promotion from this list shall be made by seniority. Employees interested in Department Manager positions will so notify the Human Resources Department and the Union in writing. Employees may apply for Department Manager training provided they have work experience in that department. If all job qualifications are considered to be equal, seniority shall apply.

Those employees who successfully complete the required training will then be placed on the list of available, promotable employees for the particular Department Manager position. Promotion from this list will be offered by seniority within a forty (40) mile radius from home store location, first reviewing existing Department Managers of the same merchandising department. Employees offered promotion within a forty (40) mile radius that does not accept promotion shall be reclassified. By mutual agreement on an individual basis, employees eligible for promotion may be offered promotion outside the forty (40) mile radius.

Promoted employees shall be granted a thirty (30) day trial period in the new position. Employees unsuccessful in qualifying on the new position shall be removed from the position and be governed by all applicable terms and conditions of this Agreement.

Employees disqualified from the Department Manager position shall not be eligible to be considered for a like position for a minimum of six (6) months.

No employee shall be demoted from a Department Manager position without just cause.

- Section 11.9** Reduction in Hours - Metropolitan Indianapolis Area: Employees who have worked thirty-eight (38) to forty (40) regular hours per week for eight (8) weeks who have their hours reduced through no fault of their own shall have the opportunity to transfer to another store to maintain their forty (40) hours status, within a forty (40) mile radius of home store location. Basis of the transfer would be the replacement of the least senior thirty-eight (38) to forty (40) hour employee in that forty (40) mile radius performing similar work.
- Section 11.10** Employees who have averaged thirty (30) hours or more for eight (8) consecutive weeks, whose hours are reduced through no fault of their own as set forth in Section 11.15 of this Article, will have the opportunity to transfer to another store within a forty (40) mile radius of home store location. Basis of the transfer would be the replacement of the newest employee who has worked an average over thirty (30) hours for the preceding eight (8) weeks period on the seniority list within the forty (40) mile radius performing similar work.
- Section 11.11** Employees working less than thirty (30) hours whose hours are reduced through no fault of their own as set forth in Section 11.15 of this Article shall have the opportunity to transfer to another store within a forty (40) mile radius of home store location. Basis of the transfer would be the replacement of the newest employee on the seniority list within the forty (40) mile radius performing similar work.
- Section 11.12** The least senior employee who is replaced as a result of the above shall be reduced within that store or may upon written request to the Employer, with copies to the Union, replace the least senior employee in his hours group as set forth in Sections 11.9, 11.10, and 11.11 above performing similar work within the forty (40) mile radius.
- Section 11.13** Reduction in Hours - Outside Metro Indianapolis Area: Employees whose hours have been reduced through no fault of their own and who have transfer rights as set forth in Section 11.9, 11.10, and 11.11 above will be transferred on the same basis with the exception that if there is no store within a forty (40) mile radius, they will replace the least senior employee performing similar work in the next store closest to their home store location.
- Section 11.14** The least senior employee who is replaced as a result of Section 11.13 above shall be reduced within that store or may, upon written request to the Employer, with copies to the Union, replace the least senior employee as set

forth in Sections 11.9, 11.10, and 11.11 above performing similar work in the jurisdiction of the Local Union.

Section 11.15 **Reduction in Hours in Order to Transfer:** Employees who are involuntarily reduced in hours by more than five (5) hours per week during the basic workweek, Monday through Saturday, (from the "base period") for two (2) weeks and whose hours are reduced by five (5) hours or more for the third week when the schedule is posted for the third week, will be eligible to transfer as set forth in Sections 11.9 through 11.12, 11.13, and 11.14 of this Article. The "base period" is defined as average weekly hours worked for the immediate three (3) week period which precedes the hours reduction. This paragraph will not apply to employees who are temporarily working additional hours due to replacement of absent employee.

In the event of reduction in hours which is less than set forth in this Section above, the employee shall not have the store transfer rights, but shall be limited to the claiming of hours as set forth in Article 8, Section 8.4 of this Agreement.

Employees exercising these rights in January and February of any year will have their "base period hours" consisting of the hours worked in the tenth (10th) period of the preceding year.

Section 11.16 **Layoff:** Employees permanently laid off through no fault of their own shall have the opportunity to replace the least senior employee performing similar work within a forty(40) mile radius of home store location. If there is not a less senior employee, then the employee may replace the least senior employee in the Local Union jurisdiction. For the purpose of a transfer, a permanent layoff is defined as a period of two (2) consecutive weeks of no work.

Section 11.17 An employee who is laid off for more than one (1) week in their respective classification may claim, within the employee's store only, the hours worked by the least senior employee within their classification. If the hours claimed involves work which the employee has not previously performed, then the Employer shall offer the employee a reasonable period of training.

It is understood that training hours are over and above the normal work schedule and no employee will suffer a reduction in hours due to training hours. These hours will not be claimed by another employee.

Section 11.18 In the event that an employee has no transfer rights within the forty (40) mile radius from home store location they may exercise their rights within the Local jurisdiction as set forth above.

- Section 11.19** **Transfer Rules Re: Reduction of Hours and Layoff:** When an employee exercises their transfer rights as set forth above, the transfer will be based upon the latest information that is available within the last eight (8) weeks at the time the transfer is requested.
- Section 11.20** If the eligible employee does not advise the Employer in writing within twenty-one (21) days of his intent to transfer, he shall forfeit all rights to the transfer. Any transfer involved will be at the employee's expense.
- Section 11.21** The Employer will arrange the transfer at the beginning of the second week after the request by the eligible employee.
- In case of store closing, displaced employees will be transferred the week following the store closing.
- Section 11.22** The employee must complete the transfer on the date scheduled by the Employer or forfeit all rights to the transfer.
- Section 11.23** **Transfer Rights Over New Applicants:** Employees who have one (1) or more years of seniority and who desire to increase or maximize their hours shall notify the Human Resources Department with a copy to the Union in writing of their desire and set forth the store numbers in which they would be willing to transfer to in order to maximize their hours. The Employer agrees to transfer said employee over any new applicant and before anyone is promoted from a lower rated classification into their classification.
- Section 11.24** Once every two (2) years, employees who desire to transfer to a store closer to their residence shall notify the Human Resources Department with a copy to the Union in writing of their desire and set forth the store number they desire to transfer to. The Employer agrees to transfer said employee over any new applicant and before anyone is promoted from a lower rated classification into their classification.
- Section 11.25** **Expense of Transfer:** Any transfer as provided for in this Section of the Agreement shall be at the employee's expense. The employee will continue to work on a reduced hours basis until the transfer has been completed.

Section 11.26 **New Store Openings:** In the event of the opening of a new store (not a replacement of an existing store), the available jobs that are created will be filled as follows:

At least four (4) weeks prior to the opening of the new store, the Employer will post a notice in all stores covered by this Agreement, describing each job that is to be filled and the number of forty (40) hour and less than forty (40) hour jobs available. The notice shall remain posted for ten (10) days including date of posting.

Employees seeking those jobs shall make their request in writing to the Human Resources Department with a copy to the Union. Such request must be postmarked no later than ten (10) days following the date of posting.

All available job positions will be filled by such employee requests according to seniority, job classification and ability to perform the work. Any position not filled by the procedure just described, will be offered to employees on layoff status less than nine (9) months according to seniority.

Any remaining job openings to be filled may then be filled by newly hired employees.

Employees transferred from existing stores to a new store, if subject to layoff or reduction in hours in accordance with Article 11, Section 11.9 through 11.14, within a period of six (6) weeks after the store is opened, have the right to return to the store from which they were transferred and assume the job that their seniority would warrant.

Section 11.27 When a new store is opened replacing an existing store, employees of the existing store shall have transfer rights for the available jobs in the new store and the remaining jobs will be filled as set forth above.

ARTICLE 12. **VACATIONS**

Section 12.1 **Vacation Entitlement:** Employees will be entitled to vacations according to the following schedule:

<i>One (1) year of continuous service</i>	<i>One (1) week</i>
<i>Two (2) years of continuous service</i>	<i>Two (2) weeks</i>
<i>Eight (8) years of continuous service</i>	<i>Three (3) weeks</i>
<i>Fifteen (15) years of continuous service</i>	<i>Four (4) weeks</i>
<i>Twenty (20) years of continuous service</i>	<i>Five (5) weeks</i>

Part-time employees hired after July 7, 1990, upon attaining full-time status, will receive vacations as outlined above.

Part-time employees hired after July 7, 1990 will receive one (1) week's vacation after one (1) year of continuous service. Following two (2) years of continuous service, these employees shall receive two (2) weeks of vacation. Following eight (8) years of continuous service, these employees shall receive three (3) weeks of vacation.

Section 12.2 **Vacation eligibility:** An employee will be eligible for a one (1) week vacation as of the first anniversary of continuous service, provided he has completed one (1) year of continuous service as of that date.

After qualifying for his first one (1) week vacation, an employee who has completed one (1) year of continuous service (but less than two (2) years) prior to January 1, is eligible for one (1) week vacation as of January 1.

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

Employees qualifying for additional weeks of vacation shall do so on the same basis set forth above.

Section 12.3 **Computation of Vacation Pay:** Vacation pay for eligible employees shall be computed on the basis of the total number of hours worked in the vacation qualifying year divided by fifty-two (52) to a maximum of forty (40) hours straight-time pay for each week of vacation in accordance with Section 12.1 of this Article. (Weeks not worked due to paid vacation, sick leave, or other authorized leave of absence shall be excluded from the divisor.) Employees who have averaged thirty-eight (38) hours or more per week under the provisions of this paragraph will receive forty (40) hours pay for each week of vacation. Employees working the majority of their hours at premium rates as outlined in paragraphs 6.6 and 6.8 for the four (4) weeks prior to the start of a vacation shall receive such premium pay with their vacation pay.

Section 12.4 **Effect of Holiday:** If a holiday occurs during the period of any employee's vacation, that employee shall (upon mutual agreement on an individual basis) be entitled to an extra day for his vacation or straight-time pay. Basis to determine holiday pay shall be any employee who has averaged thirty (30) hours or more for eight (8) weeks preceding a holiday shall be entitled to eight (8) hours pay for such day. Employees who average less than thirty (30) hours will be entitled to four (4) hours pay for such day.

Section 12.5 **Effect of Leave of Absence:** Leaves totaling ninety (90) days or less in any calendar year shall not affect a vacation earned in that year; leaves totaling more than ninety (90) days but not over one hundred eighty (180) days shall reduce vacation and vacation pay by one-fourth (1/4); leaves totaling more than one hundred eighty (180) days but not over two hundred seventy (270) days shall reduce vacation and vacation pay by one-half (1/2); leaves totaling more than two hundred seventy (270) days shall disqualify for vacation. In the event an employee is off work because of illness, pregnancy and/or injury, the Employer shall count all time off through one hundred twenty (120) days as time worked for the purpose of computing vacation payments. For time off in excess of one hundred twenty (120) days, the above formula shall apply.

Employees who are on leave of absence and not receiving or eligible for time lost benefits from the Health & Welfare Trust shall be entitled to take any earned vacation and vacation pay due the employee during a leave of absence.

Employees who received vacation pay while on leave of absence as set forth above, shall not be required to take time off after returning from leave of absence.

Section 12.6 **Effect of Termination:** Upon termination of employment after one (1) year of employment, the employee shall be paid earned vacation pay as follows:

Annual vacation pay then due the employee but unpaid, plus pro-rata vacation pay, on the additional week, if such employee would have qualified for an additional week's vacation as of their next anniversary date provided the employee is not discharged for proven dishonesty.

Section 12.7 Vacation pay will be paid in advance.

Section 12.8 **Scheduling Vacation:** Vacations must be scheduled in the calendar year, except where necessary, vacations which fall due in November or December may be carried over to January of the next year if mutually agreed between the Employer and the employee; no employee shall be given pay in lieu of vacation.

Section 12.9 Choice of vacation dates will be granted on the basis of seniority any time during the calendar year. In cases where several of the employees select the same week or weeks for vacation, seniority shall prevail with the understanding that the Employer reserves the right to have qualified personnel on duty at all times. The Employer will post a notice effective February 1st of each calendar year and the employees will sign the roster as to the choice of vacation. This list will remain posted until March 31 of each calendar year.

Any employee who fails to sign such roster prior to March 31 will be permitted to take vacation at a time that will not interfere with the other employees' established vacation periods.

Section 12.10 When the vacation dates have been established, they will not be changed unless mutually agreeable between the employee and the Employer.

Section 12.11 Vacation dates for bargaining unit employees will not be affected by the vacations of non-bargaining unit employees, except for Department Managers.

Section 12.12 Employees entitled to more than one (1) week's vacation shall be permitted to take two (2) weeks consecutively by seniority any time during the calendar year. If more than two (2) consecutive weeks are requested due to extended trips, illness, or any other acceptable reason, it shall be by mutual agreement on an individual basis between the employee, the Employer and the Union.

Section 12.13 Employees will not be permitted to work during their vacation. Employees allowed to work during their vacation will receive time-and-one-half (1-1/2)

for all hours worked except as set forth in Section 12.5, paragraphs 2 and 3 above.

ARTICLE 13. **NO DISCRIMINATION**

Section 13.1 The Employer and the Union agree that there shall be no discrimination against any employee because of race, religion, color, creed, national origin, sex, age, handicap, veteran's status or union activity in accordance with existing law.

Section 13.2 Any reference in the Agreement to the words "he" or "his" shall be applicable to both male and female sex.

ARTICLE 14. **UNION COOPERATION**

Section 14.1 The Union agrees to encourage its members to uphold all rules and regulations of the Employer with regard to punctual and steady attendance, proper and sufficient notification in case of absences, conduct on the job, proper care of equipment, prevention of waste and other reasonable rules and regulations established by the Employer, and not in conflict with the Agreement.

Section 14.2 The Union recognizes the need of 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, (subject to the provisions of Section 14.3 below) in suggesting improved methods, and in the education of its members on the necessity for changes and improvements.

Section 14.3 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. (See Article 15.)

Section 14.4 In the interest of promoting cooperative relations, all new employees will be introduced to the union steward within thirty (30) days after the new employee reports to work.

ARTICLE 15. AUTOMATION

The Employer and the Union recognize that technological change involving certain automated equipment is now available to the retail food industry, particularly as it pertains to the Universal Product Code and electronic checkout equipment. In recognition of this, the parties agree that:

- A. Where installations of such equipment will materially affect bargaining unit work, the Union will be pre-notified by the Employer sixty (60) days prior to installation.
- B. The Employer has the right to install such equipment.
- C. Any training or necessary retraining will be furnished expense free by the Employer to affected employees.
- D. Where employees who average thirty (30) hours or more per week for the preceding eight (8) consecutive weeks would be displaced by such installation, the Employer will make every effort to affect a transfer.
- E. If an employee who averaged thirty (30) hours or more per week for eight (8) consecutive weeks is not re-trained or transferred and would be displaced as a direct result of major technological change, as defined above, then the employee would qualify for separation pay if:
 1. The employee (except Utility Clerks) had two (2) or more years of service in which he averaged thirty (30) hours or more per week for eight (8) consecutive weeks.
 2. Does not refuse a transfer first to a store within the forty (40) mile radius from home store location and then within the Local Union jurisdiction..
 3. Does not refuse to be retrained.
 4. Such action does not occur more than six (6) months from date of installation.
 5. Does not voluntarily terminate employment.

- F. Employees who have averaged thirty (30) or more hours per week within the two (2) years preceding the installation of such equipment would receive severance pay in the amount of one (1) week's pay for each year over two (2) years up to a maximum of eight (8) weeks.
- G. Severance pay would equate the average number of hours worked the four (4) weeks preceding displacement, not to exceed forty (40) hours straight-time pay.

ARTICLE 16. SEPARABILITY

Nothing contained in this Agreement is intended to violate any Federal or State Laws, rules or regulations made pursuant thereto. If any part of this Agreement is construed to be in such violations, then that part shall be null and void, and the parties agree to begin negotiations within thirty (30) days to replace said void part with a valid provision. When an eligible employee (an employee who has averaged thirty (30) hours or more per week for the preceding eight (8) week period) is separated for incompetence, or is permanently laid off due to a discontinuance of the job, or reduction in force, he shall be entitled to one (1) week's notice or one (1) week's pay in lieu of notice, except in cases of dishonesty, drinking on the job, being under the influence of liquor on the job, use of illegal drugs, gross insubordination or discourtesy to customers. This is in addition to any other pay or benefits employees may be entitled to.

ARTICLE 17. LEAVES OF ABSENCE

Section 17.1 Sickness, Injury or Pregnancy: A leave of absence because of sickness, injury or pregnancy, not to exceed ninety (90) days, shall be granted to employees with thirty (30) days or more of continuous service upon written request supported by proper medical evidence. Extension will be granted up to ninety (90) days at a time for a cumulative total of two (2) years, if requested and granted in writing supported by proper medical evidence prior to each expiration.

Prior to returning to work, employees who were on leave of absence due to sickness, injury or pregnancy, must provide to their Employer a statement from the attending physician which states the date the employee may safely return to work.

Section 17.2 **Union Business:** The Employer shall grant the necessary time off without discrimination or loss of seniority rights and without pay to any employee designated by the Union to attend a labor convention or serve in any capacity on other official Union business, provided the Employer is given at least fourteen (14) days' notice in writing specifying the length of time off, but in no case shall the length of time off exceed one (1) year. A Department Manager may be utilized if mutually agreeable between the Employer and the Union.

Section 17.3 **Military Leave:** Any employee who enlists or is inducted into military service shall be returned to his job and retain his seniority under the provisions of the Federal Selective Training Act.

Section 17.4 **Personal Leave:** Any employee with thirty (30) days continuous service shall be granted a leave of absence up to (30) days for an urgent or compelling reason but not for the purpose of engaging in gainful employment elsewhere. Personal leave may be extended at thirty (30) day intervals up to a maximum of ninety (90) days, by mutual agreement on an individual basis between Employer and Union.

No leave of absence will be granted to any employee for the purpose of trying out another job or to venture into business for himself. Failure to comply with this provision shall result in the complete loss of seniority rights for the employee involved.

Section 17.5 **Request for Leave of Absence:** All leave of absences in excess of fourteen (14) days, must be requested in writing to the Human Resources Department with a copy to the Store Manager.

Any employee desiring a leave of absence shall secure written permission from the Employer with a copy to the Union, the length of absence to be agreed to by the Employer and the employee. The length of leave shall be commensurate with the need. Failure to comply with this provision shall result in the complete loss of seniority of the employee involved unless there is a reasonable cause which does not permit the employee to submit a timely written request.

Section 17.6 **Returning From Leave of Absence:** Upon returning to work from a leave of absence, an employee shall be restored to the job previously held, or a job comparable with regard to work and rate of pay. Upon notice to the Employer of availability for work prior to Thursday, 4:00 p.m. of any week, the employee shall be restored to work to begin not later than the following Monday. If notice of availability for work is given after Thursday at 4:00 p.m. of any week, the Employer is required to schedule the employee on the second Monday following the posting of the schedule.

Section 17.7 **Effect of Leave of Absence on Seniority:** Time spent on leave of absence will not be counted as time worked for the purpose of wage computation or other benefits and will not result in loss of seniority. Failure to report back to work at the end of a leave of absence shall result in employee being considered a voluntary quit. Any employee accepting employment elsewhere while on leave of absence shall be considered a voluntary quit, except in a case where such employee works for the Union.

ARTICLE 18. **FUNERAL LEAVE - JURY DUTY**

Section 18.1 In case of a death in the immediate family of any employee, the employee shall be paid for a reasonable period of absence depending upon the circumstances, up to a maximum of three (3) scheduled days (except in cases of spouse, parent, or child, the employee shall be allowed up to four (4) scheduled days), but in no case will he receive more than his normal week's pay except that any daily overtime worked in such week will be paid even though this brings his total pay to more than the pay for a normal week. By immediate family is meant parents, brother, sister, wife, husband, child, mother-in-law, father-in-law, grandparents, grandchildren, step-parents, step-children, or any other relative residing with the employee. In case of a death of a member of the immediate family who lives out of town and additional time is necessary, the Employer will grant reasonable additional time off without pay for the purpose of attending the funeral.

If an employee is notified of a death of his spouse, parent, or child while at work, he shall be granted the remainder of the day off and paid for scheduled work hours. This shall not be counted as part of the above four (4) days.

Section 18.2 Employees must attend the funeral in order to qualify for pay as outlined in this Section.

Section 18.3 No schedule shall be changed in order to make the employee's day off replace a day that would otherwise have been paid for under the provisions of Section 18.1 above.

Section 18.4 **Jury Duty:** When an eligible employee (an employee who has averaged thirty (30) hours or more per week for the preceding eight (8) week period) is summoned for jury service, he will be excused from work for the day on which he reports (providing he has been scheduled for that day) and shall be recompensed for any loss in income, based on a standard workweek and his classified straight-time hourly rate of pay.

This shall apply only when an eligible employee is summoned and reports and/or serves and shall not apply if he voluntarily offers his services as a juror.

Section 18.5 No payment shall be made to the employee unless he advises the Store Manager no later than the next scheduled workday as to the jury summons. Before any payment shall be made to any employee, he shall present to the Store Manager proof of the jury summons, time served, and amount of compensation received. When an employee (with the exception of Night Clerk employees) is released for a day or part of a day during any period of jury duty and they have more than the majority of their work schedule remaining, they shall report to their store and work the balance of their schedule.

Night Clerk employees serving on jury duty will be given the night off with pay either before or after the day of jury duty depending upon the work schedule of the employee so as to allow the maximum period of unbroken rest.

Section 18.6 Time spent by employees who are required to testify and/or assist the Employer in court will be considered as time worked.

ARTICLE 19. STORE CLOSING

Section 19.1 In the event the Employer closes or sells a store, employees shall have the right to transfer to another store of the Employer in accordance with Article 11, Sections 11.6 through 11.8 of this Agreement; or, at their option (except stores being closed due to replacement store), the right to receive severance pay computed as follows: one (1) week's pay for each year of continuous service commencing with the second year for employees working eight (8) weeks over thirty (30) hours and the seventh (7th) year for employees working eight (8) weeks less than thirty (30) hours up to, but not to exceed, eight (8) weeks pay at their regular rate. However, for those employees who have an incomplete year of continuous service as an employee, they will receive pro-rata severance pay for that year as follows:

*0-3 months equals twenty-five percent (25%) of week's pay
3-6 months equals fifty percent (50%) of week's pay
6-9 months equals seventy-five percent (75%) of week's pay
Over 9 months equals one (1) week's pay*

Severance pay shall be computed on the average hours worked per week for fifty-two (52) weeks preceding termination.

- Section 19.2** The Employer shall continue contributions to the Pension and Health and Welfare Trust Funds for three (3) months following termination for those employees who receive severance pay, except those employees who secure employment with a contributing Employer in the Pension and Health and Welfare Trust Funds.
- Section 19.3** Holidays that fall within thirty (30) days after termination and employees who are eligible for severance pay shall be entitled to holiday pay.
- Section 19.4** All moneys due employees shall be paid in a lump sum upon termination of layoff.
- Section 19.5** An employee who is terminated or laid off and who is eligible for severance pay and accepts severance pay shall not retain seniority or recall rights.
- An employee who does not accept severance pay shall retain his recall rights for a period of nine (9) months at which time he shall receive severance pay.
- Section 19.6** If a store is sold and the successor Employer offers employment to an employee who is otherwise eligible for severance pay under the terms of this Article, and if the new job is comparable, then the employee shall have the option of accepting the job or the severance pay.
- Section 19.7** The Employer agrees to give the employees and the Union two (2) weeks notice in advance of a store closing or sale.
- Section 19.8** Letters of recommendation will be given to all laid off employees at time of layoff.
- Section 19.9** The Company agrees to recall any laid off employees in any new location opened under the jurisdiction of the Local Union covered by this Agreement.
- Section 19.10** Vacation and holiday pay shall be based on the highest rate paid to an employee during the one (1) year period prior to the employee receiving said vacation and holiday pay.

ARTICLE 20. UNION STEWARDS

- Section 20.1** Where store operation is not adversely affected, the appointed Steward and/or Officer will not be scheduled to work later than 6:00 p.m. on the night (not more than one (1) per month) of the regular Local Union meeting. The

Steward and/or Officer must notify the Store Manager prior to the posting of the schedule for the week in which the meeting occurs.

Section 20.2 The Employer agrees to schedule the Union Steward and/or Officer with pay one (1) day per year for the purpose of attending a Union Steward Seminar. The Union agrees to notify the Company at least seven (7) days in advance of such Seminar. This benefit shall not exceed one (1) day off per store, per calendar year. The Union Steward and/or Officer shall sign an attendance record and said record will be mailed to the Personnel Office.

Section 20.3 In case of a reduction in help, the Union Steward shall be the last person laid off in their classification in the store in which they work.

ARTICLE 21. **STORE SAFETY**

Employees will not be required to use equipment that may pose a serious hazard to their safety or health due to poor condition or repair. If equipment is not working properly or is in need of service or repair, employees should bring it to the attention of management so that arrangements for repairs can be made.

ARTICLE 22. **TRAVEL PAY**

In case of temporary transfer, the standard IRS rate will be used for reimbursement of mileage allowance. Travel pay will be determined based upon any additional miles the employee travels from his/her home store.

ARTICLE 23. **PENSION**

Section 23.1 **For eligible employees covered by the Consolidated Pension Plan:**

The Kroger Co. and UFCW Local Union #700 entered into a Memorandum of Understanding dated December, 2011 (the "UFCW/Kroger MOU"), the terms of which are incorporated herein by reference in their entirety). The UFCW/Kroger MOU establishes all of the terms and conditions of employment as they relate to the provision of retirement benefits provided to eligible employees under this CBA and governs (1) Kroger's participation in, and contributions to, the UFCW Consolidated Pension Fund (the "Fund"), and (2) the benefits provided to eligible employees of Kroger working under this CBA. A copy of the UFCW/Kroger MOU is available upon request.

Eligible employees in the bargaining unit covered by this CBA shall participate in the UFCW Consolidated Pension Fund, subject to the

eligibility, vesting and other requirements and in accordance with the plan of benefits ("Plan") of the Fund.

Kroger agrees to provide the Board of Trustees of the Fund or its designee all information needed in connection with the administration of the Fund, including but not limited to all hours worked, paid, or for which employees are entitled to payment, and total compensation, with respect to all bargaining unit employees. In order to ensure that all employees entitled to participate in the Fund are appropriately reflected in the records of the Fund, Kroger further agrees to the examination of its payroll records by the Board of Trustees of the Fund or its designee.

Section 23.2 For eligible employees covered by the United Food and Commercial Workers International Union-Industry Pension Fund:

The Employer will contribute one hundred two dollars and ninety-six cents (\$102.96) (current benefit cost) for employees who work an average of twenty-eight (28) hours or more per week for the four (4) consecutive weeks preceding the first (1st) of the month into the United Food and Commercial Workers International Union-Industry Pension Fund. Effective January 1, 2014, the employer will contribute one hundred thirteen dollars and twenty-six cents (\$113.26) for employees who work an average of twenty-eight (28) hours or more per week for the four (4) consecutive weeks preceding the first (1st) of the month into the United Food and Commercial Workers International-Union Industry Pension Fund. The first contributions under this Section shall be due and payable by the tenth (10th) day of the month following initial liability. Contributions for employees hired after May 21, 1987 shall be made by the tenth (10th) of the month following one (1) year of continuous service. For employees hired after October 30, 1998, once completing service and hours requirements stated in this section, the employer will contribute sixty-one dollars and sixty two cents (\$61.62) per month to provide pension benefits for employees that average thirty-two (32) hours or more for four (4) consecutive weeks. Effective January 1, 2014, the employer will contribute sixty seven dollars and seventy-eight cents (\$67.78) per month to provide pension benefits for employees that average thirty-two (32) hours or more for four (4) consecutive weeks. For employees hired after September 1, 2005, once completing service and hours requirements stated in this section, the employer will contribute eighty-eight dollars and nine cents (\$88.09) per month to provide pension benefits for employees that average thirty-two (32) hours or more for four (4) consecutive weeks. Effective January 1, 2014, the employer will contribute ninety-six dollars and ninety cents (\$96.90) per month to provide pension benefits for employees that average thirty-two (32) hours or more for four (4) consecutive weeks. For employees hired after June 18, 2008, once completing service and hours requirements stated in this section, the employer will contribute sixty-four

dollars and fifty cents (\$64.50) per month to provide pension benefits for employees that average thirty-two (32) hours or more for four (4) consecutive weeks. Effective January 1, 2014, the employer will contribute seventy-one dollars and twelve cents (\$71.12) per month to provide pension benefits for employees that average thirty-two (32) hours or more for four (4) consecutive weeks.

Effective January 1, 2004, employees who do not qualify for a pension contribution as described above, who have attained the age of twenty-one (21), and have completed one (1) year of continuous service, shall have a pension contribution of twenty dollars (\$20.00) per month paid on their behalf, the first of the month following the month they accumulate a total of eight hundred and seventy (870) hours worked. Effective January 1, 2014, the employers will contribute twenty-one dollars and eighty-nine cents (\$21.89) per month paid on their behalf, the first of the month following the month they accumulate a total of eight hundred and seventy (870) hours worked. The employee must maintain eight hundred and seventy (870) hours worked each plan year (July 1 through June 30) to continue to qualify. If hours are worked of 870 or more, retro contributions will be made for any months in which the employee did not initially qualify.

For employees hired after September 1, 2005 who do not qualify for a pension contribution as described above, who have attained the age of 21, and have completed one (1) year of continuous service, shall have a pension contribution of twenty-seven dollars and thirty-two cents (\$27.32) per month paid on their behalf, the first of the month following the month they accumulate a total of eight hundred and seventy (870) hours worked. Effective January 1, 2014, the employer will contribute thirty dollars and five cents (\$30.05) per month paid on their behalf the first of the month following the month they accumulate a total of eight hundred and seventy (870) hours worked. The employee must maintain eight hundred and seventy (870) hours worked each plan year (July 1 through June 30) to continue to qualify. If hours are worked of eight hundred and seventy (870) or more, retro contributions will be made for any months in which the employee did not initially qualify.

For employees hired after June 18, 2008 who do not qualify for a pension contribution as described above, who have attained the age of 21, and have completed one (1) year of continuous service, shall have a pension contribution of twenty dollars (\$20.00) per month paid on their behalf, the first of the month following the month they accumulate a total of eight hundred and seventy (870) hours worked. Effective January 1, 2014, the employer will contribute twenty-two dollars and seven cents (\$22.07) per month paid on their behalf, the first of the month following the month they accumulate a total of eight hundred and seventy (870) hours worked. The

employee must maintain eight hundred and seventy (870) hours worked each plan year (July 1 through June 30) to continue to qualify. If hours are worked of eight hundred seventy (870) or more, retro contributions will be made for any months in which the employee did not initially qualify.

In case of compensable injury, the Employer shall make six (6) monthly contributions including the month in which such compensable injury occurs.

The jointly administered Employer-Union Pension Fund shall be administered by an equal number of Trustees representing the Employer and an equal number of Trustees representing the Union. Said Pension Fund shall be used to provide benefit pensions for eligible employees of the Employer as provided in a Pension Plan, the terms and provisions of which are to be agreed upon by the parties hereto. Said Pension Plan shall, among other things, provide that all benefits under the Plan and costs, charges and expenses of administering the Plan, and all taxes levied or assessed upon or in respect of said Plan or Trust or any income there from shall be paid out of the Pension Fund.

Said Pension Plan and the Trust Agreement establishing the Pension Fund shall be submitted to the United States Treasury Department for the approval and rulings satisfactory to the Employer, that said Plan is qualified under I.R.C. section 401, et. seq., and that no part of such payments shall be included in the regular rate of any employee.

A copy of the Trust Agreement and any amendments thereto shall be made a part hereto, as herein at length set forth. Trust Agreement and Pension Plan shall in all respects comply with all applicable legal requirements.

Section 23.3

For eligible employees covered under the Kroger Retirement Plan:

Qualified associates classified as Deli, Bakery, Cheese, Fuel, Drug G/M, and Pharmacy will receive pension coverage pursuant to the Kroger Retirement Plan.

ARTICLE 24. HEALTH & WELFARE

Through December 31, 2013 Health and Welfare benefits, contributions, and co-premiums will remain the same as in the previous collective bargaining agreement which expired on May 12, 2012. Effective with open enrollment in October 2013, for coverage on January 1, 2014, and thereafter during the term of this agreement, Article 24 will change to read:

Section 24.1 The Employer agrees to contribute to the Indiana Area United Food and Commercial Worker's Union Locals and Retail Food Employer's Health and Welfare Plan (the "Plan") the contribution rates based upon the Plan's prior twelve (12) month's experience, as calculated by the Fund consultant. Current rates are as follows:

For Plan A:	\$1,020.14	per month for full-time
	\$526.23	per month for part-time

For Plan B:	\$392.93	per month for full-time
	\$199.79	per month for part-time

Effective February 2, 2014, the Employer agrees to pay the claims and the expenses of administration (pass through method) incurred by participants of the employer (Kroger) covered under the Plan.

The pass through method of funding benefits will begin with claims paid and expenses paid week beginning February 2, 2014. The employer agrees to pay its portion of plan costs for its eligible employees ("Employees").

Section 24.2 Eligibility for Coverage

Effective with open enrollment scheduled to commence in October 2013, for coverage January 1, 2014, and for each subsequent annual open enrollment commencing in October of each year, for coverage the following January of each year, in accordance with Patient Protection and Affordable Care Act and guidance published thereunder ("PPACA") rules, eligibility for coverage shall be determined in the following manner:

Employees hired on or before April 22, 1995:**Full-Time Eligibility**

And Measurement Period: average at least 30 hours paid per week in the preceding 52 week Measurement Period

Part-Time Eligibility

And Measurement Period*: average at least 12 but less than 30 hours paid per week in the preceding 52 week Measurement Period

For Employees hired after April 22, 1995:

Full-Time Eligibility

And Measurement Period: average at least 36 hours paid per week in the preceding 52 week Measurement Period

Part-Time Eligibility

And Measurement Period*: a) hired prior to July 1, 2013: average at least 20 but less than 30 hours paid per week in the preceding 52 week Measurement Period
b) hired on or after July 1, 2013: average 24 but less than 30 hours paid per week in the preceding 52 week Measurement Period

* Part-Time Utility Clerks who average less than 30 paid hours per week during the 52 week Measurement Period are ineligible for benefits.
Part -Time Fuel Clerks hired after 1/1/2014 who average less than 30 paid hours per week during the 52 week Measurement Period are ineligible for benefits.

All Employees regardless of hire date:

PPACA-Eligible Employees: a) reasonably expected to work 30 hours per week, as determined by the Company, are eligible for coverage the first of the month following 60 days of employment
b) all other Employees who average at least 30 but less than 36 paid hours per week in the preceding 52 week Measurement Period

Section 24.3

Measurement and Stability Period

Initial and standard Measurement Periods and a Stability Period of 52 weeks (12 months) shall be a part of the Plan's eligibility rules with the standard Measurement Period beginning in October of each year and ending within the October of the following year. Employees who are eligible for the Plan based on the average paid hours worked in any Measurement Period shall generally remain eligible for the Plan for the duration of the subsequent Stability Period, provided that the Employee remains employed by the Employer and

continues to pay his or her required weekly co-premium.

The Employer shall be responsible for identifying those Employees who are reasonably expected to work at least 30 paid hours per week and the Employer shall also be responsible to provide the Plan's administrator with a report including date of hire and paid hour data which shall be sufficient to enable the administrator to determine at each open enrollment period the level of benefits for which each Employee is eligible.

Section 24.4 **Eligibility for Levels of Coverage:**

- a. Full-Time Employees who are eligible for coverage will be eligible to enroll their dependent children. In addition, Full-Time Employees with at least one year of service will be eligible to enroll their spouse in dental and vision coverage only.
- b. PPACA-Eligible Employees who are eligible for coverage will be eligible to enroll their dependent children. PPACA-Eligible Employees are not eligible to enroll their spouses for any Plan coverage.
- c. Part-Time Employees who are eligible for coverage will be eligible for Employee-only coverage.

Section 24.5 **Eligibility for Plans of Benefits:**

Effective 1/1/2014, the current Plans A and B, will be replaced with new Medical, Rx, Dental, and Vision Plans: **Gold, Silver, and Bronze.**

Gold, Silver and Bronze Plans: Full-Time Employees with 6 or more years of service at the end of the applicable Measurement Period each October will be eligible to enroll in the Gold, Silver or Bronze Plans. Eligible Part-Time Employees hired on or before April 22, 1995 will be eligible to enroll in the Gold, Silver, or Bronze Plans.

Silver and Bronze Plans: Full-Time Employees with 3 or more years of service at the end of the applicable Measurement Period each October will be eligible to enroll in the Silver or Bronze Plan.

Bronze Plan: The following Employees shall be eligible to enroll only in the Bronze Plan:

- a) Full-Time Employees with less than 3 years of service at the end of the applicable Measurement Period each October;
- b) All PPACA-Eligible Employees; and
- c) All eligible Part-Time Employees hired after April 22, 1995.

Effective 1/1/14, spouses of eligible Employees are not eligible for Medical and Rx benefits under the Plan. Only spouses of Full-Time Employees with at least one year of service will be eligible for Dental and Vision benefits.

Section 24.6 **Eligibility for Plans of Benefits effective with Open Enrollment in October 2014, for coverage January 1, 2015 and each subsequent open enrollment**

Employees who are otherwise eligible for the Gold or Silver Plans as set forth in section 24.5 above must also meet the biometric screening criteria, as established by the Trustees of the Plan, during the open enrollment period commencing in October 2014 in order to be eligible to enroll in the Gold and Silver Plans effective January 1, 2015.

Section 24.7 **New Hire Ancillary Preventive Benefits**

Employees with 3 months of service who are ineligible for coverage described above (Gold, Silver or Bronze Plans) will be eligible for an ancillary new hire preventive package at no cost, provided that the Employee submits an enrollment form as required by the Trustees. Once eligible for coverage as described above (Gold, Silver or Bronze Plans), Employees are ineligible for this ancillary benefit package.

Section 24.8 **Dental and Vision Benefits**

Eligible Employees who enroll in Gold, Silver, or Bronze Medical and Rx Plans will also have Dental and Vision Coverage for themselves and any eligible dependents that such Employee has enrolled.

Eligible Employees who are eligible for, but do not enroll in, Gold, Silver, or Bronze Medical and Rx Plans may enroll in Dental and Vision Coverage only for themselves and any eligible dependents that such Employee has enrolled.

Spouses of eligible Full-Time Employees with at least one year of service may be enrolled in Dental and Vision only coverage at the same level (Gold, Silver, or Bronze) as the Employee.

Section 24.9 **Employee Contributions**

Current Employee co-premiums for Plans A and B will remain in effect until the first full pay period in January, 2014.

Effective with the first full payroll in January, 2014, Employees who have elected **Medical/Rx** coverage (which includes Dental and Vision coverage), must timely pay the applicable co-premium as follows:

Medical/Rx Coverage (includes Dental and Vision)

Gold:	Employee only	\$15.00 per week
	Employee plus children	\$20.00 per week
Silver:	Employee only	\$10.00 per week
	Employee plus children	\$15.00 per week
Bronze:	Employee only	\$ 5.00 per week
	Employee plus children	\$10.00 per week

Eligible Employees who do not enroll in Gold, Silver, or Bronze Medical Plans may enroll in Dental and Vision Coverage only. The applicable co-premium for the Dental and Vision only option is as follows:

Vision and Dental Coverage Only

Gold:	Employee only	\$3.00 per week
	Employee plus children	\$3.00 per week
Silver:	Employee only	\$2.00 per week
	Employee plus children	\$2.00 per week
Bronze:	Employee only	\$1.00 per week
	Employee plus children	\$1.00 per week

Spouses of eligible Full-Time Employees may be enrolled in Dental and Vision only coverage at the same level (Gold, Silver, or Bronze) as the Employee. There will be an additional weekly co-premium if an Employee enrolls his or her spouse for Dental and Vision only coverage follows:

Spouse Dental and Vision Coverage Only

Gold:	Spouse only coverage	\$5.00 per week
Silver:	Spouse only coverage	\$4.00 per week
Bronze:	Spouse only coverage	\$3.00 per week

If an eligible Employee does not timely pay the entire applicable weekly co-premium, such Employee's Plan coverage will be immediately discontinued, regardless of whether the Employee is still in a Stability Period.

Section 24.10 The Trustees shall take steps necessary to retain U.S. Treasury Department approval so that contributions by the Employer qualify as a tax deduction in accordance with applicable laws or regulations.

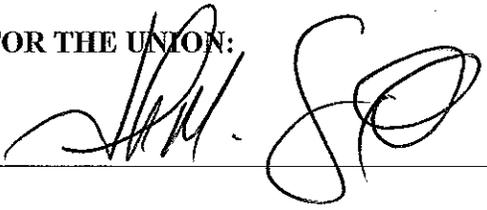
Section 24.11 Coverage for benefits under the Plan shall be discontinued as of the first of the month following a termination of employment and as determined under the Plan's Rules and Regulations.

ARTICLE 25. EXPIRATION

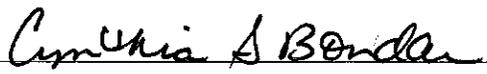
This Agreement shall continue in effect from May 12, 2012, through May 12, 2016, and shall automatically be renewed from year-to-year thereafter unless either party serves notice in writing to the other party sixty (60) days prior to the expiration date or anniversary date thereafter of a desire for termination of or changes in this Agreement.

IN WITNESS WHEREOF, the said parties have caused duplicate copies to be executed by their duly authorized officers this 22ND day of September, 2014.

FOR THE UNION:



FOR THE COMPANY:



9-22-14
Date

9/22/2014
Date

SCHEDULE "A" WAGES

Clerks (Includes all departments)

Months	Current	9/1/2013	4/6/2014	4/5/2015
0 - 6	\$7.25	\$7.25	\$7.25	\$7.25
7 - 12	\$7.35	\$7.35	\$7.35	\$7.35
13 - 18	\$7.45	\$7.45	\$7.45	\$7.45
19 - 24	\$7.55	\$7.55	\$7.55	\$7.55
25 - 30	\$7.65	\$7.65	\$7.65	\$7.65
31 - 36	\$7.75	\$7.75	\$7.75	\$7.75
37 - 42	\$7.85	\$7.85	\$7.85	\$7.85
43 - 48	\$8.95	\$8.95	\$8.95	\$8.95
49 - 54*	\$9.40	\$9.60	\$9.80	\$10.00
55 - 60	\$9.70	\$9.90	\$10.10	\$10.30
61-66**	\$10.10	\$10.30	\$10.50	\$10.70
67-72	\$10.60	\$10.80	\$11.00	\$11.20
Thereafter	\$12.75	\$13.05	\$13.30	\$13.60
**Part time cap (Effective 4/6/2014)				

* Part time cap, thirty-six (36) hours for ten (10) consecutive weeks. Hours up to forty (40) per week shall be included in the average.

** Effective April 6, 2014, the part time cap will be moved to the 61-66 month bracket, thirty-six (36) hours for ten (10) consecutive weeks. Hours up to forty (40) per week shall be included in the average.

*** Full Time Clerks, with one year of service at the rate of \$12.75 at ratification will receive a lump sum bonus in the amount of \$1,000 effective with payroll week beginning June 23, 2013, less applicable taxes.

Part Time Clerks with one year of service at the rate of \$12.75 at ratification will receive a lump sum bonus in the amount of \$500 effective with payroll week ending June 23, 2013, less applicable taxes.

Part Time Clerks with one year of service at the rate of \$9.40 to \$12.75 at ratification will receive a lump sum bonus in the amount of \$500 effective with payroll week ending June 23, 2013, less applicable taxes.

Grandfathered Employees

Grandfathered employees (employees above the top rate of \$12.75) shall receive the following increases to their personal rates.

<u>9/1/2013</u>	<u>4/6/2014</u>	<u>4/5/2015</u>
+ .30	+ .25	+ .30

In addition to the increases listed above, full time Grandfathered clerks will receive a lump sum bonus in the amount of \$1,000, effective with payroll week beginning June 23, 2013, less applicable taxes. Part time Grandfathered clerks will receive a lump sum bonus in the amount of \$500, effective with payroll week beginning June 23, 2013, less applicable taxes.

Lead Front End Supervisors will be considered red circled and will receive the wage increases and lump sum bonus the same as grandfathered clerks listed above.

Lead Market Clerks at or above \$14.35 will be considered red circled and will receive the wage increases the same as grandfathered clerks listed above.

Full Time Lead Market clerks, with one year of service at or above the rate of \$14.35 will receive a lump sum bonus the same as grandfathered clerks listed above.

Utility Clerks

Months	Current	9/1/2013	4/6/2014	4/5/2015
0 – 6	\$7.25	\$7.25	\$7.25	\$7.25
7 – 12	\$7.30	\$7.30	\$7.30	\$7.35
13-18		\$7.35	\$7.35	\$7.45
Thereafter	\$7.35	\$7.45	\$7.55	\$7.65

In addition to the increases listed above, full time Utility Clerks at or above \$7.35, with one year of service, will receive a lump sum bonus in the amount of \$200, effective with payroll week beginning June 23, 2013, less applicable taxes.

Utility Clerks Over Scale

<u>9/1/2013</u>	<u>4/6/2014</u>	<u>4/5/2015</u>
+ .10	+ .10	+ .10

In addition to the increases listed above, full time Utility Clerks over scale, with one year of service, will receive a lump sum bonus in the amount of \$200, effective with payroll week beginning June 23, 2013, less applicable taxes.

All Department Managers (Front End Manager, Produce Manager, Grocery Manager, Food Service Manager & Meat Manager (without fuel))*

Volume 1	<\$275,000
Volume 2	\$275,001-\$375,000
Volume 3	\$375,001-\$500,000
Volume 4	\$500,000-\$650,000
Volume 5	\$650,001- \$850,000
Volume 6	\$850,001+

***Effective 3/31/2014, Drug/GM Department Managers will follow the volume schedule listed below.**

Department Manager Wage Rates

	Current	9/1/2013	4/6/2014	4/5/2015
Volume 1	\$15.40	\$15.70	\$15.95	\$16.25
Volume 2	\$15.80	\$16.10	\$16.35	\$16.65
Volume 3	\$16.10	\$16.40	\$16.65	\$16.95
Volume 4	\$16.50	\$16.80	\$17.05	\$17.35
Volume 5	\$17.00	\$17.30	\$17.55	\$17.85
Volume 6	\$17.50	\$17.80	\$18.05	\$18.35

Grandfathered Department Managers at rates higher than those posted for their volume shall receive the following increases:

<u>9/1/2013</u>	<u>4/6/2014</u>	<u>4/5/2015</u>
+30	+25	+30

In addition to the raises listed above, the following classifications will receive a lump sum bonus in the amount of \$1,000 with payroll the week beginning June 23, 2013, less applicable taxes:

All Department Managers (Front End, Produce, Grocery, Food Service, Meat, Drug/GM) and all Grandfathered Department Managers.

Drug/GM Manager*

Current	9/1/2013	3/31/2014*	4/6/2014*	4/5/2015*
\$15.15	\$15.45	Volume Schedule	Volume Schedule	Volume Schedule

Frozen Food Manager, Dairy Manager

Current	9/1/2013	4/6/2014	4/5/2015
\$15.15	\$15.45	\$15.70	\$16.00

Qualified Assistant Department Manager (Front End, Food Service, Grocery, Produce, Meat and Drug/GM)

Current	9/1/2013	4/6/2014	4/5/2015
\$14.25	\$14.55	\$14.80	\$15.10

Lead Market Clerks

Months	Current	9/1/2013	4/6/2014	4/5/2015
0-6	\$11.70	\$11.70	\$11.70	\$11.70
6-12	\$12.00	\$12.00	\$12.00	\$12.00
Thereafter		\$13.45	\$13.70	\$14.00

Lead Market Clerks at or above \$14.35 will be considered red circled and will receive the wage increases the same as grandfathered clerks previously listed.

Specialty Department Manager (Wine Steward/Cheese Steward /Master Floral Designer/ Pastry Chef)

Current	9/1/2013	4/6/2014	4/5/2015
\$13.75	\$14.05	\$14.30	\$14.60

Lead Floral and Lead Seafood

Current	9/1/2013	4/6/2014	4/5/2015
\$13.25	\$13.55	\$13.80	\$14.10

In addition to the raises listed above, the following classifications will receive a lump sum bonus in the amount of \$1,000 with payroll the week beginning June 23, 2013, less applicable taxes:

- Frozen Food and Dairy Department Managers
- Qualified Assistant Department Managers with 1 year of service
- Specialty Department Managers with 1 year of service
- Lead Floral and Lead Seafood Clerks with 1 year of service

RX TECHS

Month	Current	9/1/2013	4/6/2014	4/5/2015
0 - 6	\$7.50	\$7.50	\$7.75	\$8.00
7 - 12	\$7.65	\$7.65	\$7.90	\$8.25
13 - 18	\$7.85	\$7.85	\$8.10	\$8.50
19 - 24	\$8.05	\$8.05	\$8.30	\$8.75
25 - 30	\$8.25	\$8.25	\$8.50	\$9.00
31 - 36	\$8.50	\$8.50	\$9.00	\$9.50
37 - 42	\$9.25	\$9.25	\$10.00	\$10.50
43 - 48	\$11.50	\$11.50	\$11.50	\$11.50
Thereafter	\$12.00	\$12.30	\$12.55	\$12.85

RX TECHS LEVEL 2

Month	Current	9/1/2013	4/6/2014	4/5/2015
0 - 6	\$8.00	\$8.00	\$8.25	\$8.50
7 - 12	\$8.25	\$8.25	\$8.50	\$8.75
13 - 18	\$8.55	\$8.55	\$8.75	\$9.00
19 - 24	\$8.85	\$8.85	\$9.00	\$9.25
25 - 30	\$9.15	\$9.15	\$9.25	\$9.50
31 - 36	\$9.70	\$9.70	\$9.75	\$10.00
37 - 42	\$10.80	\$10.80	\$11.00	\$11.00
43 - 48	\$12.95	\$12.95	\$13.00	\$13.00
Thereafter	\$13.25	\$13.55	\$13.80	\$14.10

RX TECHS LEVEL 3

Month	Current	9/1/2013	4/6/2014	4/5/2015
0 - 6	\$8.75	\$8.75	\$9.00	\$9.25
7 - 12	\$9.00	\$9.00	\$9.25	\$9.50
13 - 18	\$9.30	\$9.30	\$9.50	\$9.75
19 - 24	\$9.60	\$9.60	\$9.75	\$10.00
25 - 30	\$9.90	\$9.90	\$10.00	\$10.25
31 - 36	\$10.50	\$10.50	\$10.50	\$10.75
37 - 42	\$11.60	\$11.60	\$11.60	\$11.85
43 - 48	\$13.80	\$13.80	\$13.80	\$14.25
Thereafter	\$15.00	\$15.30	\$15.55	\$15.85

In addition to the raises listed above, Full time Rx Techs at Level 3 and at the rate of \$15.00 or above will receive a lump sum bonus of \$1,000 with payroll week beginning June 23, 2013, less applicable taxes.

Part time Rx Techs at Level 3 and at the rate of \$15.00 or above will receive a lump sum bonus of \$500 with payroll week beginning June 23, 2013, less applicable taxes.

Rx Techs who have **successfully** completed the required training will progress to the Rx Tech Level 2 Schedule. The Company will provide Rx Techs with opportunity for training.

Current Pharmacy Techs who are above the top rates for their classification shall receive increases the same as the grandfathered clerks.

SCHEDULE "B" - DEFINITIONS

- A. **Department Managers:** classifications as contained in this Agreement are defined as: An employee(s) who directs and is responsible for the operations of a given department under the direction of store management.
- B. **Qualified Assistant Department Managers:** Are defined as Back-up Department Manager (Front End, Food Service, Grocery, Produce, Meat and Drug/GM), who have successfully completed the required training and have successfully passed the required evaluations and will progress to the Qualified Assistant Department Manager Wage Schedule. Qualified Assistant Department Managers must be willing to accept promotion to a Department Manager position as outlined in Section 11.8: Promotions.
- C. **Specialty Department Managers:** As deemed necessary by the Company, are defined as those who have successfully completed the required training and have successfully passed the required evaluation and will progress to the Specialty Department Manager rate of pay.

The Company reserves the right to add new positions or remove positions as the needs of the business dictate.

- D. **Back-up Department Managers:** Where the employer feels a Back-up Department Manager is necessary, they may appoint one for each department (Front End, Deli, Bakery, Grocery, Produce, Meat, and Drug/GM, Dairy, and Frozen). Employees will be selected based on type of work, ability to perform the work, and in accordance with seniority.
- E. **Lead Clerks:** As deemed necessary by the Company, an employee who is responsible for the operation of one of the following sub departments: Seafood, Floral, Fuel, Cheese, Meat Market Clerk, Nutrition, and Cake Decorator. Lead clerks will be paid the premium as outlined in Section 6.8, or will be paid in accordance with Schedule "A" wages for specific Lead Clerk positions, but in no case both.
- F. **Manager Trainees:** are defined as employees identified and selected by management to be trained for store management responsibilities, and shall be permitted the necessary flexibility to adequately prepare for store management. Hours worked by management trainees shall not affect hours worked by permanent bargaining unit employees. Hours allocated to manager trainees shall not be included in hours chargeable to store operations as it relates to allocated store hours.
- G. **Utility Clerks:** The duties of Utility Clerks shall be limited to sorting, bagging and packaging sold merchandise; carrying and loading sold merchandise; sweeping floors anywhere in the store; cleaning the parking lot and other adjacent areas outside the store; snow removal; maintenance of lawns and shrubs; returning shopping carts to the store; filling bag racks; cleaning areas around and in front of the checker lanes; cleaning rest rooms; collecting and sorting returnable containers; price checks at check stand; returning merchandise to stock from check stand area; disposing of trash and rubbish; blocking, facing and sweeping floors, and cleaning anywhere in the store. Utility Clerks may be utilized to block and face. However, they will not be specifically scheduled to perform these duties.

It shall be a violation of this contract for Utility Clerks to perform any duties other than those specified above. In order to remedy violations of this Section, the parties agree as follows:

1. The Employer shall post in each of its stores a notice to the employees, signed by an authorized Employer representative, instructing all employees of the duties of Utility Clerks and instructing all employees that the performance of any other duties constitutes a violation of the contract.
2. Upon the first violation of this Section, the Utility Clerk in the store involved shall be paid the applicable Clerk's wage rate for all hours worked in the week or weeks in which the violation occurred, including hours worked in performance of Utility Clerk duties.
3. Upon a second violation within a 90-day period from the first violation in the same store, all Utility Clerks in the store involved shall be paid the applicable Clerks wage rate for all hours worked in the week or weeks in which the violation occurred, including hours worked in performance of Utility Clerk duties.
4. Upon a third violation within a 90-day period from the second violation in the same store, all Utility Clerks in the store involved shall be paid one and one-half (1-1/2) times the Utility Clerk rate for all hours worked in the week or weeks in which the violation occurred, including hours worked in performance of Utility Clerk duties.

There shall be no right of claiming hours of work in this classification by employees in other classifications and vice-versa.

SCHEDULE "C" - COUNTY COVERAGE

Marion	Grant
Hancock	Howard
Shelby	White
Johnson	Benton
Bartholomew	Cass
Monroe	Jasper
Morgan	Fountain
Putnam	Boone
Ripley	Hamilton
Hendricks	Madison
Fayette	Tipton
Rush	Wayne
Tippecanoe	Henry
Montgomery	Lawrence
Miami	

LETTER OF UNDERSTANDING
BETWEEN
KROGER LIMITED PARTNERSHIP I
CENTRAL MARKETING AREA
AND
UFCW LOCAL 700 CLERKS

1. Previous letter dated March 8, 1987:

It is understood and agreed to by the parties to this Agreement that the Employer will recognize UFCW Local 700 as the sole collective bargaining Agent for all Grocery Department employees in the Employer's Kroger Retail Food Stores opening during the term of such Agreement within those counties within the State of Indiana within the jurisdiction of the Local Union not specifically provided for in Schedule "C". All terms and conditions of employment shall be negotiated by the parties with the understanding that the resulting agreement will be consistent with the wages, fringe benefits and working conditions which prevail in the stores of the major competitor(s) in that trade area.

2. Previous letter dated March 8, 1987:

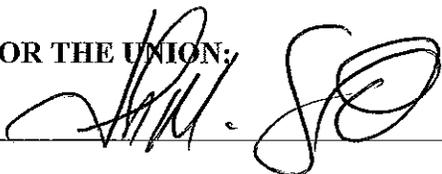
Economic Relief Provision:

If it becomes necessary for the Employer to request modification to economic clauses in the contract to keep from making it necessary to close a store, it is understood that the membership in the affected store shall vote on any contract modification. If there is more than one (1) store in a city, all stores within that city area must vote to accept the modifications. It would not, therefore, affect the contract for all other stores covered thereunder. If the Company has a store or stores affected by this clause, the Company shall give the Union thirty (30) days notice before any discussions with the employees. If any meetings are held, the Union Representative shall have the right to be present.

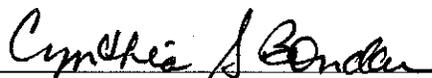
3. Previous letter dated July 6, 1990

It is understood and agreed to by the parties to this Agreement that where the Employer initiates outside floor care services, existing employees will not suffer a reduction in hours because of this service.

FOR THE UNION:



FOR THE COMPANY:



9-22-14
Date

9/22/2014
Date

**Letter of Understanding
Regarding Fuel Center Clerks
Indianapolis Agreement**

The parties agree to the following:

Fuel Center Clerks hired after January 1, 2014 will follow all terms and conditions of the Collective Bargaining Agreement, however, fuel clerks will be ineligible for pension, and fuel clerks averaging less than 30 hours will be ineligible for H&W.

In addition, Fuel Clerks, both full time and part time, hired after January 1, 2014 will not progress beyond the 61-66 month progression.

A Fuel Center Clerk, averaging less than 30 hours per week, after twelve months of service, shall be given preference by seniority together w/ ability, practicability, and availability, should an opening occur for a part time store position. Interested Fuel Center Clerks will make their request known in writing.

It is understood that clerks within the store may relieve in Fuel Center to cover breaks, lunches, absenteeism, customer service, and as directed by store management. It is understood that clerks who relieve in the fuel center will retain their eligibility for Health and Welfare and Pension.

Fuel Center Clerks who move into the store after twelve months of service will keep their date of hire for seniority and benefit eligibility purposes.

The Company may, at its discretion, appoint a Lead Fuel Center Clerk. Lead Fuel Clerks will be paid .40¢ per hour above their rate of pay. Only one (1) Lead Clerk may be appointed per store.

For the Company:

Cynthia S. Bondar

Date: 9/22/2014

For the Union:

[Signature]

Date: 9-22-14

**Letter of Understanding
Regarding
Terre Haute Agreement**

The parties agree that if during negotiations for a new Terre Haute collective bargaining agreement set to expire on March 30, 2013, an agreement is reached between UFCW Local 700 and Kroger Limited Partnership 1, the Terre Haute Agreement may be merged into the Indianapolis Agreement.

**Letter of Understanding
Regarding
Kitchen Place Departments and Baby World Departments**

The parties agree that on a trial basis, and in limited stores, where deemed necessary by the employer, the employer may appoint a lead clerk for Kitchen Place and Baby World. The lead clerk assigned to this department will receive a forty (\$.40) cents per hour premium in addition to his/her hourly rate of pay for all hours worked.

**Letter of Understanding
Regarding
Volunteer Organizing Program**

Effective September 1, 2013 and during the term of this agreement, the employer agrees to schedule two (2) employees per store (as mutually agreeable between the union and the employer) to be scheduled not later than 6:00 p.m. Friday, and off on weekends to participate in the new Volunteer Organizing Program (VOC) with UFCW Local 700 for the sole purpose of protecting market share. Department managers, qualified assistant managers, and lead clerks will not be eligible to participate in this program. This program will be discontinued November 1st of each year and employees will return to their store. Volume 1 and Volume 2 stores will schedule one (1) per store (as mutually agreeable between the union and the employer) for the VOC program. New stores for the first year and stores that are undergoing a remodel will not participate in this program. Employees who participate in this program will not wear Kroger apparel while working in this capacity, nor will any employee who participates in this program use this program to work at organizing any Kroger affiliated store or facility. The union will provide the company quarterly a master list of employees participating in the VOC program.

For the Company:

Conelia S. Bondar

Date: 9/22/2014

For the Union:

[Signature]

Date: 9-22-14

**Letter of Understanding
Regarding
Spousal Coverage Lump Sum**

Effective with payroll week ending February 15, 2014 current employees who have enrolled their spouse for medical coverage (either primary or secondary) during open enrollment in 2013, who are on the payroll effective February 3, 2014 will be eligible for a **one time lump sum of \$1,000.00**, less applicable taxes, to facilitate the transition of spouses to the federal exchange or to their own employer for the purchase of health care coverage. This \$1,000.00 lump sum only, less applicable taxes, will apply to the other CBA's between Kroger and UFCW local 700 (Fort Wayne, South Bend, Terre Haute, Decatur).

**Letter of Understanding
Regarding
Reversion to Maintenance of Reserve**

Pass through method of funding benefits will begin with claims paid and expenses paid week beginning February 2, 2014. Kroger agrees to pay its portion of plan costs for its eligible employees for the term of this agreement and for any extended period of time beyond the term, if such an extension is needed and agreed to by the Company and Union. If either party cancels the extension, Kroger will agree to pay the plan costs incurred through the end of the month in which the extension agreement was cancelled. Kroger will only pay the plan costs incurred on or before the end of the month in which the extension agreement was cancelled or, the parties may agree to modify the plan of benefits in order to continue uninterrupted benefits until such time a new agreement is reached.

At the expiration of this agreement, if the parties agree to revert back to the funding of a Taft-Hartley Health Plan, then Kroger and the UFCW will bargain a contribution rate that will fund the plan of benefits that will be in place for the new agreement and the required reserves of IBNR plus two (2) months. The Fund Consultant will identify the appropriate trend and a contribution rate needed to fund the plan of benefits and the required reserves of IBNR plus (2) two months and Kroger shall pay such rate adjusted by the Consultant.

In the event, during the term of this agreement, UFCW and Kroger negotiate an alternative method on the funding of reversion, the parties may adopt by mutual agreement.

For the Company:

Cynthia S. Borders

Date: 9/22/2014

For the Union:

[Signature]

Date: 9-22-14

**Letter of Understanding
Regarding
Merger with Southwest Ohio**

The bargaining parties agree that it is in the best interest of the parties to direct the trustees of the Indiana Health and Welfare fund to merge with the Southwest Health and Welfare Fund. The parties further agree to complete the merger, if practical, by July 1, 2014, but no later than December 31, 2014.

The parties further agree that Biometric screenings will be effective with open enrollment in the fall of 2014, for plan year beginning 1/1/2015. Criteria for eligibility for the Gold Plan is to be determined by the trustees of the Southwest Health and Welfare Fund.

**Letter of Understanding
Regarding
Non Kroger Employers**

The parties agree to direct the trustees that non Kroger Employer contribution rates will increase effective for 7/1/2012 and 7/1/2013 to reflect the increases needed as a result of health care reform to fund their claims. The contribution rates are to be determined by the fund consultant by 6/15/2013. In the event the rates are insufficient to fund the claims incurred by the non-Kroger employers, the trustees are responsible to correct the shortfall.

For the Company:

Cynthia S. Bender

Date: 9/22/2014

For the Union:

[Signature]

Date: 9-22-14