

I N D E X
UNITED FOOD AND COMMERCIAL WORKERS LOCAL NO. 1000
DALLAS CLERKS

TERM: December 8, 2013 THROUGH June 3, 2017

ARTICLE 1	INTENT AND PURPOSE.....	1
ARTICLE 2	COVERAGE, CHECK-OFF, AND UNION SECURITY	1
ARTICLE 3	MANAGEMENT RIGHTS.....	3
ARTICLE 4	DISPUTE PROCEDURE	3
ARTICLE 5	NO STRIKE, NO LOCKOUT	6
ARTICLE 6	OTHER AGREEMENTS	6
ARTICLE 7	OTHER WORK.....	6
ARTICLE 8	WAGES	7
ARTICLE 9	WORKING CONDITIONS.....	7
ARTICLE 10	JURY DUTY	11
ARTICLE 11	SEPARATION PAY	11
ARTICLE 12	LEAVE OF ABSENCE	12
ARTICLE 13	DEATH IN FAMILY	13
ARTICLE 14	HEALTH AND WELFARE.....	13
ARTICLE 15	PREVIOUS EXPERIENCE	16
ARTICLE 16	HOLIDAYS	16
ARTICLE 17	VACATIONS.....	18
ARTICLE 18	SENIORITY	20
ARTICLE 19	UNION MANAGEMENT COOPERATION.....	26
ARTICLE 20	GENERAL	28
ARTICLE 21	SEPARABILITY	29
ARTICLE 22	INJURY ON THE JOB	29
ARTICLE 23	PENSION	29
ARTICLE 24	TECHNOLOGICAL CHANGE.....	30
ARTICLE 25	STORE CLOSING	31
ARTICLE 26	MARKETPLACE STORES.....	33
ARTICLE 27	EXPIRATION.....	34

SCHEDULE "A" - WAGES	A-1, A-2, A-3
LETTER OF UNDERSTANDING (Fuel Center Clerks)	B-1
LEVEL WAGE ADMINISTRATION	C-1, C-2
APPENDIX "A"	D-1, D-2
APPENDIX "B"	E-1, E-2, E-3
ATTACHMENT "A" (Health and Care Management)	F-1, F-2
LETTER OF AGREEMENT (Convenience Store Managers)	G-1
LETTER OF AGREEMENT (Plan Funding)	H-1

AGREEMENT

This agreement has been entered into between Kroger Texas L.P., or its successors or assigns, hereinafter designated as the Employer and the United Food and Commercial Workers Local Union No. 1000 its successors or assigns, chartered by the United Food and Commercial Workers International Union, hereinafter designated as the Union.

ARTICLE 1

INTENT AND PURPOSE

The Employer and the Union each represents 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

COVERAGE, CHECK-OFF, AND UNION SECURITY

Section 2.01

The Union shall be the sole and exclusive bargaining agent for all retail store employees in the stores of the Employer in Dallas County, Tarrant County, Collin County, Brown County, Grayson County, Denton County, Gregg County, Harrison County, Lamar County, Ellis County, Hood County, Johnson County, Rockwall County, Rusk County and Parker County, Texas, excluding store manager, assistant or co-managers, grocery manager, meat department managers, all meat department employees, watchman, guards, and supervisors as defined in the Act.

Section 2.02

The Employer shall deduct Union initiation fees, as authorized and shall deduct Union dues of employees who are members of the Union and who individually and voluntarily certify in writing authorization for such deductions. The Employer shall promptly remit all sums deducted in this manner to Local Union No. 1000. Dues and initiation fees will be deducted an amount equivalent to dues and initiation fees and remitted to the Union on a weekly basis.

A.B.C. deductions and remittance will be handled on a weekly basis in the same manner as outlined above.

Section 2.02A

Employees will be employed on a trial basis for the first forty-five (45) days and shall not accumulate seniority for this period. However, if said employee is retained following the forty-five (45) days trial period, his seniority will revert to the last date of hire. Employees discharged during the trial period shall not have recourse through any other provision of this Agreement. Probationary period may be extended up to ninety (90) days upon mutual agreement between the Employer and the Union.

Section 2.03

If, during the life of this Agreement, or any renewal or extension thereof, the law is changed or amended to make Union Shop Agreements valid, paragraph 2.03a of Article 2 shall immediately become effective upon the earliest date permitted by such enabling legislation as a part of this Agreement or any renewal or extension thereof.

Section 2.03a

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

Section 2.04

To prevent erosion of bargaining unit work, driver salesmen, book salesmen or sales representatives shall not perform work or services in the Employer's retail establishments in excess of the prevailing practice in the industry in the Dallas-Fort Worth area at the time of this Agreement.

Section 2.05

This paragraph will confirm our understanding that UFCW Local Union 1000:

1. Will obtain and retain a valid dues check -off authorization form for each individual for whom initiation and/or weekly dues are deducted.
2. Will be responsible for setting-up and maintaining all information concerning initiation fees and /or weekly dues deductions.
3. Will be responsible for making any change in initiation fees and/or weekly dues deductions.
4. Will be responsible for discontinuing deductions if and when a deduction authorization is revoked and notifying the company.

5. Will refund any deductions improperly made.

UFCW Local Union 1000 understands and accepts the above and agrees to hold The Kroger Co. harmless.

Section 2.06

Members of the Union will be allowed to wear their Union buttons while on duty.

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

ARTICLE 4

DISPUTE PROCEDURE

Section 4.01

The Union shall have the right to designate store stewards for each store. The store stewards so designated shall not exceed two (2) per store. Store Stewards shall have super seniority over all other part-time/full-time employees as it applies to layoffs and recalls only. Store Stewards shall retain this right only while they are Store Stewards.

Section 4.02

For the purposes of this section, it is agreed and understood that grievances concerning proper vacation payments, previous experience credit, proper personal holiday pay and progression step rate of pay issues shall proceed from step 1 directly to step 3 and shall not be required to go through step 2 as described herein. These grievances will still have to meet the timeliness standards or will be denied on this basis alone.

It is agreed that agreements and settlements reached in Step 1 or Step 2 will be on a non-precedent setting basis and will have no bearing on any other grievance or settlement. It is further agreed that if a grievance is settled at Step 1 then said grievance cannot be reopened by the Company or the Union. 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. No grievance will be considered or discussed which is presented later than ten (10) calendar days after such has happened. Where an employee has no knowledge that he is aggrieved until he receives his paycheck for the period in question, such ten (10) calendar days shall date from the day that he received such pay. By conference between the aggrieved employee and/or the union representative and/or the store steward and manager of the store.

Step 2. The grievance must be presented in writing. The written grievance shall include statement of the grievance, date of the occurrence, parties involved, and a statement of the provision of the agreement alleged to have been violated. By conference between the store steward and/or the business agent and the District Manager.

The Company will respond to the Union within fifteen (15) days of receipt written grievance or the Union may refer the grievance to Step 3.

Step 3. The Company will respond to the Union within fifteen (15) days of receipt of the grievance letter or the Union may refer the grievance directly to arbitration. By conference between an official of the Union and the Marketing Area Vice President, a representative of the Employer so delegated by the Marketing Area Vice President or both.

The Union shall have fifteen (15) days after receipt of a denial letter from the Human Resources Department to demand arbitration or the grievance shall be considered null and void.

Step 4. In the event that the last step fails to settle satisfactorily the complaint, it may be referred to the board of Arbitration.

Section 4.03

The board of Arbitration shall consist of one (1) person appointed by the Union, and one (1) person appointed by the Employer. Said two (2) persons shall, within two (2) days after disagreement, request the Director of the Federal Mediation and Conciliation Service to furnish a panel of arbitrators from which a third (3rd) arbitrator may be selected, (or other selection that is mutually agreeable). Failing to agree upon an arbitrator from this panel, said two (2) persons shall request an additional panel or panels of arbitrators until a mutually agreeable third (3rd) arbitrator is selected. The

decision of the majority of the Board shall be binding upon the Employer, the Union and the aggrieved employee. The expense of the third (3rd) arbitrator shall be paid for jointly.

Section 4.04

The Employer shall not discharge, nor demote, any employee without just cause and shall give at least one (1) written notice of the specific complaint or complaints against such employee to the employee, except that no written notice need be given to any employee before discharge or demotion for just cause such as but not limited to incompetence, proven dishonesty, intoxication, illegal use or possession of drugs, refusal to take alcohol or illegal substance test based on reasonable belief or probable cause, insubordination, failure to record sales and/or discounting, falsification of application, failure to perform work as assigned, etc. No warning notice will be recognized or used against any employee which is over six (6) months old. Insubordination shall be considered a deliberate and willful refusal to carry out a proper order. Foul or abusive language directed toward a supervisor is insubordination unless the abuse is provoked by the supervisor. Two consecutive days of no call no show will be considered a voluntary quit. Three documented no call no shows within a rolling 6 month period will be cause for discharge. Each no call no show will be documented by a written warning letter.

Section 4.05

No grievance will be discussed unless the outlined procedure has been followed except as otherwise provided in Article 4, Section 4.07.

Section 4.06

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

Section 4.07

It is agreed that Steps 1 and 2 of this dispute procedure may be waived if acceptable by both the Employer and the Union.

Section 4.08

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

Section 4.09

Any monetary settlement reached within Article 4 shall be remitted to the Union on or prior to employee's 2nd regular pay period following settlement.

ARTICLE 5
NO STRIKE, NO LOCKOUT

Section 5.01

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

Section 5.02

Forty-eight (48) hours written notice (after picketing commences) shall be given to the Company by Local 1000 of its intent to honor a legal picket line.

Section 5.03

No employee shall be required to cross a legal picket line when his health or safety would be endangered.

ARTICLE 6
OTHER AGREEMENTS

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

ARTICLE 7
OTHER WORK

Section 7.01

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

Where a Level 4 or Level 5 is demoted for just cause, he or she shall be returned to the appropriate rate of pay with service credit for time spent as a Level 4 or Level 5.

Section 7.02

Any employee assigned to relieve a bargaining unit Level 5 for a period of five (5) days or more in a workweek, and who assumes normal duties of the job, shall receive the contract rate in effect in the store involved, for such time spent on relief.

ARTICLE 8

WAGES

Section 8.01

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

Section 8.02

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

ARTICLE 9

WORKING CONDITIONS

Section 9.01

The hours for each employee shall be scheduled by the Employer. Schedules shall be prepared in ink indicating last name and first initial. A schedule for full-time employees prepared in ink shall be posted by noon Friday for the succeeding week and such schedule shall not be changed without the consent of the employee, unless such change is necessitated by sickness or emergency. Emergency means strike, fire, flood, etc.

Section 9.02

A schedule for part-time employees shall be posted by noon Friday for the succeeding week. This schedule is subject to change based on the needs of the business. Employees will be given twenty-four (24) hours notice of any schedule change after the schedule is posted except where the change is caused by conditions beyond the control of the Employer. Senior employees affected will not be forced to work.

Section 9.03

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

Section 9.04

The workweek shall consist of not more than forty (40) hours to be worked in five (5) shifts, not necessarily consecutive. The five (5) day shift week shall not apply to students during the school term. A student is to be defined as any employee currently enrolled in higher education (high school, technical school or college).

Section 9.05

All work in excess of forty (40) hours per week shall be paid for at time and one-half (1 1/2).

Section 9.06

All work in excess of eight (8) hours per shift, except one (1) shift in excess of ten (10) hours per shift for employees scheduled (who stock) for Grocery, Produce, and Drug/G.M., shall be paid at time and one-half (1 1/2). Time and one-half (1 1/2) shall be paid on the weekly basis or shift basis, whichever is greater, but in no case on both.

Section 9.07

(a) Hours worked on Sundays and holidays will be paid at a premium of fifty cents (.50) per hour in addition to the employee's straight-time hourly rate for employees with two (2) or more years of service.

(b) Employees hired on or after December 4, 2003, shall not be eligible for Sunday premium.

(c) There shall be no pyramiding of premium pay and any hours paid for at premium pay will not be counted in computing overtime, except as provided in Section 9.09.

(d) Overnight Grocery Stockers shall be paid a night premium of fifty cents (\$0.50) per hour for hours worked between 10 p.m. and 6 a.m. provided a majority of their shift is scheduled as part of the regular night crew.

Section 9.08

Work on Sundays and the holidays set forth in Article 16, Section 16.01, shall be on a voluntary basis. However, qualified employees who indicate in writing they are available to work on a continuing basis, shall be rotated for such work by classification, provided work for their classification is needed. Where additional employees are needed, the junior employees must work in inverse seniority order by store.

Section 9.09

If an employee works on Sunday and five (5) other days, hours worked on the sixth (6th) day will be paid at the time and one-half (1 1/2) rate.

Section 9.10

Any employee, except a student who works before or after school hours on any of his scheduled school days, who is instructed to report for work shall be guaranteed at least four (4) hours work or four (4) hours straight-time pay in lieu thereof.

Section 9.11

There will be a minimum of ten (10) hours between work shifts unless otherwise mutually agreed upon between the employee and the Company.

Section 9.12

Employees shall be given one (1) hour each shift without pay for lunch between the beginning of the fourth (4th) hour and the beginning of the sixth (6th) hour after starting time. Less than one (1) hour may be taken for lunch where mutually agreeable to the store manager and employee. An employee will not be required to take a lunch period if mutually agreeable between the store manager and the employee.

Section 9.13

If an employee works four (4) hours or more, but less than seven (7) hours in a shift, he shall receive a fifteen (15) minute rest period. If he works seven (7) hours or more in a shift, he shall receive two (2) fifteen (15) minute rest periods in a shift. If he works ten (10) hours or more in a shift, he shall receive three (3) fifteen (15) minute rest periods in a shift. These rest periods shall be in lieu of and not in addition to previous informal rest periods. No employee will be required to take a rest period within one (1) hour after reporting time or within one (1) hour after lunch time. Employees will be permitted to take their breaks in the store in an area designated by the Employer.

Section 9.14

Employees shall be allowed to keep all tips. Soliciting tips will be cause for discharge.

Section 9.15

The Union store card and/or decal shall be displayed on the entrance door in all stores covered by this Agreement as determined by the Store Manager. The store card is and shall remain the property of the Union.

Section 9.16

Employees are expected at all times to present a professional, business-like image to customers and other visitors.

Any uniform clothing deemed necessary by the Employer for its employees shall be furnished by the Employer.

The Employer will provide two shirts for each full-time (status 1, 2 and 3) employee and one shirt for each part-time (status 4 and 6) employee with the introduction of a new uniform and will provide the same number of replacement shirts on the successive annual anniversary dates of employees.

If shirt(s) are torn or damaged during normal work activities, a replacement will be provided by the Employer.

Additional shirts may be purchased by the employees at the Employer's cost.

Black slacks or jeans should coordinate with the shirt and present a neat appearance. During the summer months, the Employer may allow employees who work both inside and outside the building to wear shorts that coordinate with the shirt.

Coordinated aprons and hats will be furnished by the Employer as appropriate. Name badges are also furnished and expected to be worn on the upper left front of the shirt or apron. Employees are expected to wear safe, comfortable, closed toed shoes.

Employees are responsible for any and all reasonable care.

Employees separated from The Kroger Co. during the probationary period after receiving the uniform furnished by the Employer will have the cost of such uniform deducted from their last paycheck.

At its discretion, on a store-by-store basis, the Employer may allow employees to dress in a more casual fashion than is normally required i.e., Holiday or Event Selling. On such occasions, employees are still expected to present a neat appearance.

Section 9.17

The Employer shall make available to the Union a place in each store to post whatever notices may be necessary for the conducting of the Union's business.

Section 9.18

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

When an employee fails to record his time or when an error is recorded, the employee shall report such failure or error to the store manager or designate, who shall confirm the proper time and it shall be initialed by both the employee and the store manager.

Section 9.19

Time spent by employees in travel from store to store during the work shift in order to perform work assigned to them by the Employer shall be paid for as time worked.

Section 9.20

Texas law regarding employee's time off for voting shall be followed. Any employee who is scheduled to work eight (8) hours on election day and who is registered to vote shall be allowed time off to vote in all State and Federal elections (without pay).

Section 9.21

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 Employer shall be allowed to schedule and conduct one (1) meeting every two months at which employee attendance is required and time spent by employees at such meeting shall be paid for the hours in attendance at the appropriate rate and shall be exempt for call-in pay, split shifts and six day premium pay, etc.

Section 9.22

If agreeable between the employee, the Company and the Union, an employee may be scheduled four (4) ten (10) hour shifts, not necessarily consecutive, without incurring daily overtime after eight (8) hours.

Section 9.23

Employees (other than night stocking clerks) who object to working late schedules shall have their schedules rotated with other employees who perform the same primary work assignment, when practical to do so.

Section 9.24

If there becomes an opening on the day shift for a forty (40) hour employee, these hours will be offered by seniority and job assignment to night employees provided a qualified employee is available to do the work. If the opening on the day shift is a part-time opening, the same would apply to a part-time employee working nights.

ARTICLE 10**JURY DUTY****Section 10.01**

In case an employee is known to have served on any duly constituted jury, or to have been subpoenaed as a witness, he shall be paid for hours necessarily absent from work. Employees who assume responsibility of citizenship by serving in such capacity will be privileged to retain jury or witness fees in addition to their pay. The employees will notify the Employer upon receipt of jury service notice as soon as possible. Employees shall not be required to work nine (9) hours prior to reporting for jury duty.

Section 10.02

Any employee required to appear in legal proceeding on behalf of the Employer shall be paid for any time necessary for that purpose, including travel time to the proceeding from the store and shall be reimbursed for parking fees resulting from parking for such proceeding. Parking receipt must be presented to receive reimbursement.

Section 10.03

This article does not apply to probationary employees.

ARTICLE 11**SEPARATION PAY**

A regular employee with more than six (6) months service who is discharged for incompetence or is permanently separated due to discontinuance of the job, store closing or reduction in force, shall be given one week's notice or one week's pay in lieu

of notice. An employee separated during a week for any of these reasons is entitled to pay through the day he was told of his dismissal, plus pay for one additional week which, at the option of the Employer, may either be worked out or paid in lieu of notice.

ARTICLE 12

LEAVE OF ABSENCE

Section 12.01 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. The employee shall, upon returning to work, receive any wage increase or any wage reduction that may have become effective during such absence, provided the Employer is given at least one (1) week's notice in writing specifying the length of time off. Such leave of absence shall be limited to twelve (12) months.

Section 12.02 Personal Leave of Absence:

Leaves of absence up to thirty (30) days shall be granted for reasonable personal reasons but not for the purpose of engaging in gainful employment elsewhere. Any employee desiring a leave of absence from the job shall secure written permission from the Employer with a copy to the Union, the length of absence to be agreed 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 rights of the employee involved.

Section 12.03 Pregnancy, Sickness or Injury:

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

Section 12.04 Family Leave:

Federal Family Leave Act provisions will apply.

Section 12.05 Military:

Any employee in Military Service under the provisions of Federal Law shall be returned to his job and retain his seniority in accordance with such law. An employee on National Guard or Reserve Duty will not be required to use his vacation for this purpose.

Section 12.06

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 13

DEATH IN FAMILY

In case of a death in the immediate family of any employee, provided he attends the funeral, shall be paid for a reasonable period of absence depending upon the circumstances, but not to exceed a maximum of three (3) days and in no case shall he be paid for more than the number of hours in the basic work week. "Immediate family" shall include spouse, parent, child, brother, sister, grandchildren, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandmother, grandfather, step-children, step-parents or any relative residing with him.

Pay for part-time employees will be determined by scheduled time missed, or in the case where no schedule is posted, the Employer will pay the difference between hours worked during the week of the funeral and the average hours worked in the four (4) weeks prior to the funeral week, up to a maximum of twenty-four (24) hours.

This article does not apply to probationary employees.

ARTICLE 14

HEALTH AND WELFARE

The Employer shall contribute to the established MED 1000 Plan for all hours paid, not to exceed forty (40) hours per week, after thirty (30) calendar days of employment as follows:

January 1, 2013 - \$2.19 (On December Hours)

Employee Co-Premiums

Employees hired on or after December 4, 2005 and enrolling in coverage shall pay an employee co-premium of \$2.50 (employees in a Level 1 or Level 2 wage)/\$5.00 (all other participants) per week for employee only coverage; \$10.00 per week for employee/spouse or employee/children; and, \$12.50 per week for family coverage.

Effective January 1, 2009 for employees hired on or before December 3, 2005 and enrolling in coverage shall pay an employee co-premium of \$2.50 (employees in a Level 1 or Level 2 wage)/\$5.00 (all other participants) per week for employee only coverage;

\$10.00 per week for employee/spouse or employee/children; and, \$12.50 per week for family coverage.

It is understood the Employer contributions are used exclusively for the benefit of its eligible employees represented by Local 1000, and will not be used to subsidize any other employer or group of employees.

Reserve Target:

As a condition of receiving the Employer contributions provided for herein, the Trustees of the Med 1000 Fund shall maintain a minimum target reserve level throughout the entire contract period at least equal to Incurred But Not Reported claims (IBNR) plus two (2.0) months of total plan expense. (IBNR is based on the self-insured medical claims experience).

Effective for calendar year beginning January 1, 2015 and each calendar year thereafter, the Fund Consultant will give a projection for the coming plan year as well as a projection of the remaining term of the Agreement. Such projection must be tendered to the Trustees not later than January 1st of each calendar year. It is understood and agreed that if any projection shows reserves below IBNR plus two (2.0) months, for two consecutive quarters, the Trustees must take action(s) to bring the level of reserves back to the desired level of IBNR plus two (2.0) months. Action may include a combination of any or all of the following sufficient to bring the Plan back into a fully reserved status and achieve the income and expense targets provided herein:

- (i) A call for a lump sum employer contribution as provided in the attached Letter of Understanding regarding Plan Funding.**
- (ii) An increase in employee co-premiums,**
- (iii) Modification of Plan eligibility/coverage, and /or**
- (iv) A decrease in benefit levels.**

The Union trustees will be allowed to take the laboring oar to make recommendations to the Trustees of the Fund with respect to benefits eligibility, benefit modifications and plan design with respect to the structure of the benefit plans consistent with the parties' objectives of maintaining the Fund's reserves at, or above, the level of IBNR plus two (2.0 MOR) once all contemplated changes have become effective provided that such recommendations may not reduce the rate of employee co-premiums or delay the effective date of their implementation. The Employer trustees, consistent with their fiduciary duties, shall support the recommendations of the Union trustees.

If the Trustees cannot reach agreement and, as a result, deadlock motions on adjustments necessary to bring the Plan back into compliance with these provisions within sixty (60) days of the receipt of a future projection showing reserves below the minimum requirements provided above, then the deadlocked motions shall be submitted for resolution through expedited arbitration. The

Trustees are directed to request a FMCS list of at least seven (7) arbitrators who are members of the National Academy of Arbitrators within twenty-four (24) hours' following notice of the dispute. Within seventy-two (72) hours of receipt of the arbitrators list, the Trustees must select an arbitrator who can comply with the hearing and decision requirements of this paragraph. The Trustees will bring this matter before the arbitrator within twenty (20) days of the notice of dispute. The arbitrator will render a decision within twenty (20) days of the commencement of the hearing. The arbitrator shall be considered a fiduciary and such arbitrator's authority shall be limited to casting a vote for or against any pending deadlocked motion.

Health Care Reform

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

PRESCRIPTION DRUG PLAN

Effective May 19, 2002, the Employer will provide a prescription drug benefit to all employees who are presently or become eligible for health care, for as long as they maintain such eligibility during the term of the collective bargaining agreement. The benefit provided herein as a discount to eligible employees is administered through the company.

Employees eligible for health care plan AA, A, and D will have family coverage and employees eligible for health care plan B and C will have employee only coverage.

Eligible employees will receive a prescription drug card valid at any Kroger Pharmacy. The benefit and deductible charge is as follows:

- No change in plan design.
- 10% or Ten Dollar (\$10) Employee Co-pay for Generic Drugs, whichever is greater. Associates will never pay more than the retail of the prescription (i.e. \$4 dollar generic drugs at Kroger)
- Thirty Dollar (\$30) minimum or twenty percent (20%) whichever is greater, Employee Co-Pay for Formulary Branded Drugs.
- Thirty-Five Dollar (\$35) minimum or twenty-five percent (25%), whichever is greater, Employee Co-Pay for Non-Formulary Branded Drugs.
- Add PPS Mail order on a voluntary basis (Generic Co-Pay \$20, Branded Formulary Co-pay 20% of 60 day cost – for 102 days of prescription, Branded Non-Formulary Co-Pay 25% of 60 day cost – for 102 days of prescription.

Any employee who works in an outlying area where a Kroger Pharmacy is not readily available may receive prescription drugs via mail order.

If a generic drug is legally available as a substitute for a brand name drug, the generic must be purchased. If the employee purchases the brand name drug instead of the generic drug, then the employee must pay the difference in price.

ARTICLE 15

PREVIOUS EXPERIENCE

Section 15.01

Previous proven comparable experience within ten (10) years from date of present employment, as shown on application for employment shall be the basis for determination of the new employee's rate of pay. Maximum experience credit is five (5) years. Falsification of application shall be reason for discharge.

Section 15.02

Claims for rate adjustment based on previous experience not listed on the application for employment must be filed in writing within thirty (30) days from date of employment; otherwise, the employee forfeits any claim under this provision.

Section 15.03

Claims for a rate adjustment due to a change in part-time/full-time status that are based upon previous experience listed on the application for employment and verified at the time of the Associate's last date of hire, must be brought to the attention of the Store Manager. The Associate will receive retro pay for any hours paid after the substantiated status claim has been brought to the attention of the Store Manager.

Section 15.04

In the event that the Employer is unable to verify previous experience, the employee and the Union shall be notified in writing. The employee shall have ten (10) days from receipt of such notice in which to file a grievance.

ARTICLE 16

HOLIDAYS

Section 16.01

The following shall be recognized as holidays: New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day or days legally celebrated in lieu thereof. Employees who work a full week in which a holiday occurs shall receive eight (8) hours pay in addition to the hours worked, provided that there shall be no deduction

from pay of employees who work a full week in which a holiday occurs. Employees who are absent during a holiday week shall not be paid holiday pay unless such absence is due to proven illness or is excused by the Employer in which case the employee shall receive holiday pay, provided he worked any part of the holiday week. Overtime at time and one-half (1 1/2) will be paid in a holiday week after the hours actually worked exceed forty (40) straight-time hours.

Section 16.02

Part-time employees shall be entitled to holiday pay for the holidays set forth in Section 16.01. Employees who are absent during a holiday week shall not be paid holiday pay unless such absence is due to proven illness or is excused by the Employer in which case the employee shall receive holiday pay, provided he worked any part of the holiday week. Holiday pay shall be determined by averaging the hours worked during the previous four (4) weeks to the holiday week in accordance with the following schedule:

<u>AVERAGE HOURS</u>	<u>HOLIDAY PAY</u>
Under 12	2 hours
12 to 24	4 hours
24 to 32	6 hours
32 and over	8 hours

Section 16.03

Employees shall earn personal holidays on the following basis effective January 1, 2011:

3 Years of Service.....	1 Personal Holiday
8 Years of Service.....	2 Personal Holidays
15 Years of Service.....	3 Personal Holidays
20 Years of Service.....	4 Personal Holidays

Personal holidays are defined as any days in a year which are chosen by the employee who will notify the Employer two (2) weeks in advance of the holiday choice. The Employer may restrict the number of employees off within any one day on personal holidays, provided that conflicts of the choice of days shall be resolved on a seniority basis.

Employees may take two (2) or more personal holidays together as a mini-vacation providing it is mutually agreed upon between the employee and the store manager.

Probationary employees will be excluded from all holidays.

Personal holidays not taken during any calendar year may not be carried over into the following year unless the holidays are earned in November or December.

ARTICLE 17

VACATIONS

Section 17.01

All employees shall be eligible for vacation in accordance with years of continuous service with the Employer and the following schedule effective January 1, 2011:

12 Months of Service	1 Week
3 Years of Service	2 Weeks
10 Years of Service	3 Weeks
15 Years of Service	4 Weeks
20 Years of Service	5 Weeks
30 Years of Service	6 Weeks

Section 17.02

After qualifying for their first one (1) week vacation, an employee will qualify for future one (1) week vacation as of January 1. After an employee qualifies for additional weeks of vacation as outlined above, they shall become eligible for those additional weeks as of January 1.

Section 17.03

Full-time employees will be paid their straight-time earnings for their basic workweek as vacation pay.

Section 17.04

Part-time employees will be paid a vacation week equal to the hours in their anniversary year divided by fifty-two (52) and will earn weeks of vacation as outlined in Section 17.01.

Section 17.05

Vacation pay shall be paid in advance.

Section 17.06

During the first (1st) week in December, proceeding the upcoming calendar year, the Employer will issue each employee a vacation request form that will allow the employee to request a first (1st) or second (2nd) option for each week of vacation that the employee has earned. These forms are to be returned to the Employer by February 15th of each year. The Employer will post a chart in each store showing each employee and their agreed upon vacation dates by March 1st of each year. Employees who do not remit their vacation request by February 15th deadline will be scheduled vacation on a first come, first serve basis. Employees who request vacation by full week will be considered first by seniority. Vacation by days will not be considered as part of this scheduling process.

An Employee transferring from one store to another store will keep their same vacation weeks unless the honoring of these weeks at the new location prevents the employer from meeting the needs of the business. If a change is required, the Employee and the Store Manager will meet and agree upon the new vacation weeks.

Choice of vacation dates will be granted on the basis of seniority, consistent with the operation of the business. However, once a vacation has been scheduled, it can only be changed for good cause or by mutual agreement between the employee and the Company.

There will be no weeks blacked out for purposes of vacation scheduling.

Section 17.07

Vacations must be scheduled in the calendar year, except where necessary, vacations which fall due in November or December may be carried over to the first month of the next year. No employee shall be given pay in lieu of vacation. No vacation may be carried over unless the vacation is earned in November or December.

Section 17.08

If an employee qualifies for a 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.

Section 17.09

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

Section 17.10

In case a granted holiday falls during an employee's vacation, the employee shall be granted an additional day of paid vacation or eight (8) hours pay at his straight-time rate in lieu thereof. The Employer shall have the option as to the additional day of vacation or eight (8) hours pay.

Section 17.11

Leaves totaling ninety (90) days or less in any calendar year shall not affect 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.

Section 17.12

Employees eligible for three (3) weeks and four (4) weeks of vacation may elect to take one (1) week of vacation by days. Employees eligible for five (5) weeks and six (6)

weeks of vacation may elect to take two (2) weeks of vacation by days. The employee must give the Store Manager one (1) week's notice prior to the schedule being posted. The day(s) selected must be agreeable with the Store Manager.

ARTICLE 18

SENIORITY

Section 18.01

In layoffs and rehiring, the principle of seniority shall apply. Seniority shall be determined on the length of service of the employee, with regard to his experience and ability to perform the work. All circumstances being reasonably equal, length of service shall be the controlling factor.

Section 18.02

In the matter of promotions or transfers from one type of work to the other, or from one store to the other, the Employer shall have the right to exercise his final judgment after giving due regard to seniority.

If an employee is transferred from one store to another, he shall be given twenty-four (24) hours advance notice of such transfer except when the employee is needed immediately in the other store. Employees will be told of transfer as soon as this information is available to the store manager.

Employees desiring a transfer from one store to another will submit a request in writing to the Union, Human Resources Department and District Manager. The request will remain on file for a period of six (6) months.

Transfers shall be granted when a job vacancy exists provided the employee is qualified and available to perform the work.

Any employee who desires consideration for promotion shall notify his District Manager in writing with a copy to Human Resources Department and the Union. Employees will be considered from those who apply in accordance with seniority. The request will remain on file for a period of six (6) months.

Employees will be promoted from those who apply in accordance with seniority, availability and ability to perform the work before another is hired. The request will remain on file for a period of six (6) months.

Courtesy Clerks promoted to another classification will have the date of promotion as their seniority date for scheduling purposes. All present employees seniority date will be their date of hire.

Employees who transfer from one department to another department in the same store will maintain their seniority, rate of pay, and months accumulated toward their next length of service increase.

All employees promoted or transferred from one type of work to another shall be on probation for forty-five (45) consecutive workdays. If the employee does not qualify within the above time, the Employer shall return the employee to their former position.

Section 18.03

Seniority shall be considered broken if an employee is duly discharged by the Employer, if he voluntarily quits, if he has been laid off continuously for a period of more than six (6) months, or if he is called back to work after a layoff and does not report for work within one (1) week.

Section 18.04

Seniority for full-time employees shall be store, geographic territory (as agreed by the parties) and division basis as follows:

- Full-time Lead Sales Clerks (Level 4)
- Full-time Food Clerks
- Full-time General Merchandise Clerks
- Full-time Delicatessen-Bakery Clerks
- Full-time Utility Clerks
- Full-time Courtesy Clerks

Section 18.05

Seniority for part-time employees shall be on a store basis as follows:

- Part-time Food Clerks
- Part-time General Merchandise Clerks
- Part-time Delicatessen-Bakery Clerks
- Part-time Utility Clerks
- Part-time Courtesy Clerks

In the event of a total layoff (0 hours) for two (2) consecutive weeks, seniority for part-time employees, with six (6) months service, shall be store, geographic territory (as agreed by the parties) and division.

In a general layoff or where inequities exist, the Employer and the Union will meet and such arrangements worked out will be final and binding on all parties. If agreement cannot be reached, contract provisions will apply.

Section 18.06

Effective June 7, 1998 current part-time employees and new employees shall be reclassified to full-time status and full-time rate upon working an average of thirty five (35) hours per week, for twelve consecutive weeks. Seniority date will revert to the

original date of hire in the bargaining unit. This provision shall not apply to employees performing relief work in the place of another employee, or students available for additional hours May thru August.

Effective June 7, 1998 current employees on a full-time rate will maintain such full-time rate by working an average of twenty eight (28) hours per week for twelve (12) consecutive weeks. If such employee (excluding those currently on a red-circled rate), disqualifies by working an average of less than twenty-eight (28) hours per week for twelve (12) consecutive weeks and subsequently requalifies for full time status, he/she will return to their former full- time rate. (Example: a current employee on a there-after rate disqualifies and then re-qualifies, he/she shall return to their former there-after rate.) If a current employee on a red-circled rate restricts their availability for work resulting in their working an average of less than twenty-eight (28) hours per week for twelve (12) consecutive weeks, such employee will be re-classified to part-time status and part-time rate. If such employee re-qualifies for full-time status by working an average of twenty-eight (28) hours per week for twelve consecutive weeks he/she will be returned to their former red-circled rate. Employees on a red circle rate who restrict their availability three (3) or more times will be subject to permanent reclassification to part-time status and part-time rate.

Effective May 19, 2002, Part-time employees who work twelve (12) consecutive weeks at forty (40) hours per week shall be reclassified as full-time employees. Seniority date will revert to original date of hire in bargaining unit.

Section 18.07

Agreed upon seniority lists shall be established and maintained, and such lists shall be available to the Union at all times.

Section 18.08

If it is necessary to reduce hours of a full-time employee in a classification in a store, the least senior employee in such classification shall have his hours reduced. If such employee has his hours reduced below forty (40) for four (4) consecutive weeks, he may take the job of the least senior employee in his classification in his geographic territory who is working forty (40) hours per week or be classified to part-time. (Weeks of less than forty (40) hours due to approved leaves of absence will not count towards the four (4) weeks.)

The same procedure will apply in the Marketing Area (portion of Marketing Area covered by this Agreement). The full-time employee eligible for transfer must request same in writing within fourteen (14) days after being advised of his change in status, or forfeits all rights to the transfer.

New employees and current part-time employees who achieved full time status and full time rate may be reclassified to part time status and part-time rate as a result of working an average of less than thirty-two (32) hours per week for twelve (12) consecutive

weeks or if the employee voluntarily elects part time. The employee will receive the appropriate part time rate of pay based on length of service.

Full time employees who are excused from their work week for the benefit of the Employer, or who are absent due to illness, injury, vacation, leave of absence or jury duty and average less than thirty-two (32) hours worked, shall not be reclassified to part time. In the event a disqualification is contested in the grievance procedure, the reclassification and rate adjustment will be suspended until final resolution is determined. In the event the grievance is denied, it is understood and agreed that the Employer will have the right to recover all overpayment.

Section 18.09

Seniority date shall be the employee's last date of hire in this bargaining unit.

Section 18.10

If a part-time employee transfers from one store to another store, he will take his seniority date to the new store.

Section 18.11

If a full-time employee transfers to an existing vacancy in a store covered by a separate Agreement with Local Union 1000, he will take his seniority date to the new store.

Section 18.12

If an employee accepts a job assignment with the Company outside of the bargaining unit and remains continuously employed, he will retain his seniority date up to one (1) year. If the employee returns to the bargaining unit after one (1) year, or ceases to be continuously employed, he will establish a new seniority date upon his re-entry into the bargaining unit.

Section 18.13

A part-time employee shall have the first choice for a full-time job in his classification in his store based on his seniority, provided he is capable of performing the work, and he may be offered a full-time job in another store, provided that he has notified his store manager in writing with a copy to his District Manager and the personnel manager, that he is available for a full-time job in his store or any other store in his zone.

Section 18.14

- a. The Employer will schedule employees, not to exceed eight (8) hours per day or forty (40) hours per week (thirty-two (32) hours in a holiday week) in accordance with their seniority, availability, ability to perform the work and job classification, in the individual store, provided that this does not conflict with another provision of this Agreement. It is further agreed that if an employee with seniority does not feel that a schedule of hours has been correctly assigned, he must advise the store manager within twenty-four (24) hours after the schedule is posted or he has no claim on such schedule of hours. Employees currently on the full-time seniority list will be scheduled forty (40) hours unless due to reduced sales, a

sufficient number of forty (40) hour schedules are not available. Work schedules will not be written to prevent forty (40) hour schedules, but the needs of the business will be served.

- b. Full-time employees, by classification and job assignment, may exercise a preference and claim a total weekly schedule by seniority. This claim must be made by 12:00 noon Saturday after posting of the schedule for the succeeding weeks hours of work. Such schedule shall not be arbitrarily or capriciously changed by the Employer.
- c. Full-time checkers shall be allowed to claim an earlier start time (eight-hour shift) from a less senior Checker on a day in which both are scheduled to work provided such claim is made prior to noon on Saturday.
- d. Part-time employees, by classification with the most seniority within a store, will be allowed to claim daily and weekly schedules up to eight (8) hours per day or forty (40) hours per week. It is understood the hours must be consecutive and further understood job assignments may be combined on a given day provided the employee is qualified to do the work and is available for the entire shift. (For example, an employee is scheduled for thirty-two (32) hours Monday through Thursday, four (4) hours of work is available on Friday that the employee is qualified to perform. That employee may claim those hours.) Back to back schedules may be combined when possible without interfering with the needs of the business. The resulting combined schedules with the most hours will be available to the senior employee.
- e. For the purpose of this entire section, management maintains the right to assign specific employees to certain job classifications and job assignments, which required certain skills, training or qualifications. These job assignments shall not be subject to any claiming provisions as outline in this Article for full-time or part-time employees.

The store manager/unit director and business agent will meet and agree on appointments to job assignments as described in Level IV (Lead Sales Clerks). If these parties cannot reach an agreement, the appointment will be passed on to the next step.

The Manager of Labor Relations/District Manager and the Director of Servicing/Business Agent will meet and agree on appointments to job assignments as described in Level IV (Lead Sales Clerks). Demotions from Level IV (Lead Sales Clerks) and Level V (Department Heads) are subject to the grievance procedure.

Level 4 job assignment vacancies will be posted in each store in the areas covered by the bargaining agreement for a minimum of seven (7) days prior to

the assignment. Such notice shall be of a uniform size and shall be posted in a prominent location to be seen by all employees.

- f. All hours must be consecutive and no employee can claim the daily schedule of another employee with the same or less hours. It is further understood that employees may not claim overtime hours, nor is it the intention of this provision to provide preferential selection of scheduled hours of work.
- g. Employees with restricted schedules shall not be exempt from claiming. The Employer agrees to make every effort to continue to maximize the number of full-time jobs during the term of this agreement.
- h. Any employee in "an assigned position" shall have the right upon giving three (3) weeks written notice to be removed from their assigned position.

An employee who is qualified and is able to do the work may claim Self-Check-out schedule consistent with the Collective Bargaining Agreement.

Section 18.15

No employee (excluding Courtesy Clerks) will be scheduled (if available) less than fifteen (15) hours per work week.

Stores with sales volume less than \$250,000 per week are limited to ten (10) work schedules of 15 hours and stores over \$250,000 are limited to 15 work schedules of 15 hours. Courtesy clerks with less than one (1) year of service are excluded from the above, except the Employer agrees that at least 50% of all Courtesy Clerks, within a store, will be scheduled at or above fifteen (15) hours per week.

Section 18.16

Within each store and by job assignment, overtime for work on an extra day shall be offered by seniority. Daily overtime not previously scheduled shall be offered by seniority to the employees, by job assignment, working when the need for overtime arises. Nothing in this provision will require the Employer to work employees on overtime.

Section 18.17

Unscheduled and vacated hours will be filled from a voluntary call-in list in seniority order, provided the employee can perform the job. If unable to fill the hours, employees will be called in on a reverse seniority basis. Employees on the list who refused two (2) consecutive assignments will be removed from the list.

ARTICLE 19
UNION MANAGEMENT COOPERATION

Section 19.01

The Union agrees to uphold the rules and regulations of the Employer in regard to punctual and steady attendance, proper and sufficient notification in case of necessary absence, conduct on the job, and all other reasonable rules and regulations established by the Employer.

Section 19.02

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

The Union will be allowed to select up to two (2) representatives to participate in a joint Safety Committee known as the STAR Safety Program to discuss safe working conditions within the store.

Section 19.03

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

Section 19.04

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

Section 19.05

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

Section 19.06

In the interest of promoting cooperative relations, the store manager will introduce each new employee in his store to the Union store steward within forty-eight (48) hours after the new employee reports to work. At this meeting, which shall take place during working hours, the store steward shall give the new employee a copy of the contract and shall explain its operation. This store steward may answer any questions the new employee asks him, may request the new employee to join the Union and may make arrangements for the new employee to become a member.

Section 19.07

The management of a store shall grant to any accredited Union Official access to the store, including discussions with employees', reviewing employees' schedules, payroll

recaps, and seniority lists for the purpose of satisfying himself that the terms of this Agreement are being complied with.

Section 19.08

Up to two (2) store stewards per store will be allowed up to two (2) days off per year with pay to attend Union workshops. The Union will give the Company at least two (2) weeks advance notice. Holiday weeks will be excluded for time off.

Section 19.09

Up to two (2) store stewards per store will be granted super seniority. The Union will provide the Company with a list of stewards and up date the list as needed.

Section 19.10

The parties have reached agreement on the following list of items.

The Company will insure that shop stewards will be scheduled off to attend the annual meeting with no loss of time from their regular weekly schedule.

The Company will maintain the current level of electronic exchange of employee information.

The Company will maintain the current level of support for The Voluntary Organizing Committee (VOC).

The Company will cooperate with the Local in its fight against Leukemia by allowing canisters to be placed in store for eight (8) weeks during the year.

Section 19.11

As an incentive for the Employer to open stores in outlying areas which are not feasible under current agreements, the following shall apply:

It is understood and agreed that should the Employer open a new store (s) in an outlying geographic area in which it is not currently operating, then such store (s) shall be under the jurisdiction of UFCW Local 1000. 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 competitor (s) in the trade area, as well as area economic conditions.

Section 19.12

The Employer agrees to conduct an Orientation Program for new employees within a reasonable time period after date of hire. The employee shall be paid for all hours in attendance. The Employer agrees to give at least twenty-four (24) hours notice to the Union office of the date, time, location and number of employee attending the Orientation Program.

Within the Orientation Program, the store management or his/her designee shall introduce the store steward and/or Union Representative and allow a reasonable uninterrupted amount of time (to be mutually agreed upon), to explain the labor agreement, to answer questions and sign up the new employees for Union membership.

Section 19.13

The Southwest Division (and its Managers) and UFCW Local 1000 (and its Agents) in stores covered by this agreement, agree to treat each other with mutual business respect. When the agents of Local 1000 are in the store they will respect the company's need to service customers, and the Company will respect the needs of the agents to service their members. Neither party will engage in negative discussion about each other, nor will the Company tell employees it opposes or supports the Union. Kroger and its Managers will not coerce and will not interfere with the rights of its employees to choose to join a Union. Local 1000 and its Agents will not coerce and will not interfere with the rights of Kroger employees to choose not to join a Union.

ARTICLE 20

GENERAL

Section 20.01

This Agreement contains all of the covenants, stipulations and provisions agreed upon by the parties hereto.

Section 20.02

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

Section 20.03

The Company may request that a store (or group of stores) may have the labor agreement opened for negotiation due to special considerations.

Section 20.04

No employee shall, as a condition of employment, be required to submit to a Polygraph Test without approval of the Union and the employee involved.

ARTICLE 21
SEPARABILITY

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

ARTICLE 22
INJURY ON THE JOB

When an employee is injured on the job and returns to work following such injury and is certified as ready and able to perform all of his regular duties, but requires medical treatment as a result of the same injury, the Employer shall adjust the work schedule without penalty to the employee or the Employer so that the employee may have the necessary time off for medical care, without pay, and still work the average number of hours for which he has been scheduled in the preceding four (4) consecutive weeks.

Contributions to the trust fund shall be continued under the following conditions effective June 1, 2010 for active participants of the health plan: In the case of a compensable work injury, while on an approved Leave of Absence, the company will contribute to the health and welfare trust fund, each month for six (6) months for all status 1 and 3 associates – and three (3) months contributions for Status 2 and 4 associates - starting the month in which the compensable injury occurs.

ARTICLE 23
PENSION

Section 23.01

The Kroger Co. and UFCW Local Union #1000 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 employees of Kroger working under this CBA. A copy of the UFCW/Kroger MOU is available upon request.

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 to 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 23.02

Contributions shall be made to the United Food and Commercial Workers Union's Southern Division and Employer's Pension Fund, which is a jointly administered Employer-Union Trust Fund and is administered by an equal number of trustees representing the Employers and an equal number of trustees representing the Unions. The Pension Trust Fund has been established pursuant to a Pension Trust Agreement and Pension Plan to be hereinafter entered into by the parties hereto for the sole purpose of providing pensions for eligible employees as defined in such Pension Plan.

Section 23.03

Said Pension Plan and Trust Agreement establishing the Pension Trust 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 pay of any employee.

ARTICLE 24

TECHNOLOGICAL CHANGE

Section 24.01

The parties recognize that automated equipment and technology is now available for the retail food industry. The Employer recognizes that there is a desire to protect and preserve work opportunities. At the same time, the Union recognizes that the Employer has the right to avail itself of modern technology. With this common objective, the parties agree as follows:

In the event the Employer introduces major technological change, which for the purpose of this Article is defined as price marking and electronic scanner which would have a direct material impact affecting bargaining unit work, sixty (60) days advance notice of such change will be given to the Union.

In addition, the parties agree:

- a) The Employer has the right to install such equipment.
- b) Any training or necessary retraining will be furnished expense free by the Employer to affected employees.
- c) Where employees would be displaced by such installation, the Employer will make every effort to affect a transfer.
- d) If an employee is not retrained or transferred and would be displaced as a direct result of major technological change, as defined above, then the employee would qualify for separation pay if:
 - 1. The employee had two (2) or more years of continuous service.
 - 2. Does not refuse a transfer within a twenty-five (25) mile radius.
 - 3. Does not refuse to be retrained.
 - 4. Such action does not occur more than one (1) year from date of installation.
 - 5. Does not voluntarily terminate employment.
- e) Severance pay would be paid at the rate of one (1) week's pay for each year of service in excess of two (2) years not to exceed eight (8) weeks.
- f) Severance pay would equate the average number of hours worked the fifty-two (52) weeks preceding displacement, not to exceed forty (40) hours straight-time.

ARTICLE 25

STORE CLOSING

Section 25.01

In the event the Employer closes or sells a store and employees are terminated as a result thereof, pro rata vacation and severance pay equal to one (1) week's pay for each year of continuous service commencing with the third (3rd) year of continuous service for employees up to, but not to exceed eight (8) weeks pay at their regular rate. However, those employees who have an incomplete year of continuous service as an employee will receive pro rata severance pay for that year as follows:

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

Section 25.02

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

Section 25.03

Employees terminated as a result of store closing shall receive, in addition to severance pay, pro rata vacation pay.

Section 25.04

The Employer shall continue contributions to the Pension and Health and Welfare Trust funds for three (3) full months following termination on a hourly basis in direct relationship to the severance pay received 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 25.05

All monies due employees, including severance pay, shall be paid in a lump sum upon termination.

Section 25.06

The Employer agrees to give to the employees and the Union sixty (60) days notice in advance of a store closing or sale. When such notice is given, an employee shall remain with the Employer until the store closes or forfeits his rights under this Article, unless mutually agreed to by the employee, Employer and the Union.

Section 25.07

No benefits shall accrue under the terms of this Article unless the Employer makes a business decision to close or sell a store. If a store closing is caused by fire, flood, storm, land condemnation, or remodeling, then this Article shall not apply.

Section 25.08

No benefits shall accrue under the terms of this Article if the employee refuses a transfer within a twenty-five (25) mile radius.

Section 25.09

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

ARTICLE 26
MARKETPLACE STORES

Section 26.01

The Employer will notify the union in each instance of classifying a store with the "Marketplace" designation.

The Company will assign to each Marketplace location a "Home Hard Line Manager". The Home Hard Line Manager will be paid the Department Head rate established on the Schedule A wage page.

A Home Hard Line Manager will be a department head to the following sub-departments:

- Furniture
- Home Décor
- Expanded Toys
- Expanded Kitchen Place
- Baby World

The Home Hard Line Manager department head position will not replace the Drug GM Department Head position.

For Marketplace designated stores, each of the sub-departments (furniture, home décor, expanded toys, and expanded kitchen) will have a lead position. These sub-departments lead positions will be a Level 4 Classification position at the employer's current rate upon satisfactory completion of training and upon certification. Each individual will be trained at the Company's expense and on the Company's time table. After the training, each will be tested both on knowledge and work environment application. Each successful candidate will then be certified in the position and shall begin receiving the level 4 rate of pay. The employer reserves the right to remove any employee from the level 4 positions for performance related reasons including the failure to maintain "best practices" measurements for the average group performance in the Division.

ARTICLE 27
EXPIRATION

This Agreement shall continue in effect through June 3, 2017, and shall automatically be renewed from year to year thereafter unless either party serves notice in writing to the other party, sixty (60) days prior to the expiration date, or prior to any anniversary date thereafter of a desire for termination of or for changes in this Agreement

IN THE WITNESS WHERE OF, the said parties have caused duplicate copies to be executed by their duly authorized officers' this 24th day of April.

For The Company



4/30/14
Date

For The Union



5-19-14
Date

**LOCAL 1000 SCHEDULE "A" WAGES
DALLAS METROPLEX
SCHEDULE "A" - WAGES - COMPREHENSIVE
Dallas Clerks**

The following scale of wages shall be the minimum for employees covered by this contract. On the first full payroll period on or after:

<u>CLASSIFICATIONS</u>	<u>6/2/13</u>	<u>New Progression</u>	<u>Effective 12/8/13</u>	<u>Effective 9/14/14</u>	<u>Effective 6/7/15</u>	<u>Effective 6/5/16</u>
<u>Level 1</u>						
<u>Courtesy Clerks</u>	\$7.25	Start	\$7.35	\$7.45	\$7.55	\$7.65
	\$7.25	6 Months & thereafter	\$7.35	\$7.45	\$7.55	\$7.65
<u>Level 2 Classification</u>						
Start	\$7.35	Start	\$7.45	\$7.55	\$7.65	\$7.75
9 Months	\$7.45	9 Months	\$7.55	\$7.65	\$7.75	\$7.85
18 Months	\$7.60	18 months	\$7.70	\$7.80	\$7.90	\$8.00
27 Months	\$7.80	27 Months	\$7.95	\$8.05	\$8.15	\$8.25
36 Months	\$8.00	33 Months	\$8.15	\$8.25	\$8.35	\$8.45
42 Months	\$8.30	39 Months	\$8.50	\$8.60	\$8.70	\$8.80
48 Months	\$8.50	45 Months	\$8.70	\$8.80	\$8.90	\$9.00
54 Months	\$8.70	51 Months	\$9.00	\$9.10	\$9.20	\$9.30
57 Months & Thereafter	\$10.20	57 Months & thereafter	\$10.45	\$10.70	\$10.95	\$11.20
<u>Level 3 Classification (P.T. Floor Supervisor, Cake Decorator, Office Clerk.)</u>						
Start	\$7.50	Start	\$7.50	\$7.60	\$7.70	\$7.80
6 Months	\$7.75	6 Months	\$7.75	\$7.75	\$7.80	\$7.90
12 Months	\$7.95	12 Months	\$7.95	\$7.95	\$8.00	\$8.10
18 Months	\$8.25	18 Months	\$8.25	\$8.25	\$8.25	\$8.25
24 Months	\$8.55	24 Months	\$8.55	\$8.55	\$8.55	\$8.55
36 Months	\$9.25	36 Months	\$9.25	\$9.25	\$9.25	\$9.25
48 Months	\$10.00	48 Months	\$10.00	\$10.00	\$10.00	\$10.00
54 Months	\$10.50	54 Months	\$10.50	\$10.50	\$11.00	\$11.00
60 Months	\$13.15	60 Months & thereafter	\$13.40	\$13.65	\$13.90	\$14.15
<u>Red Circled F.T. Clerks</u>						
Hired Prior 90'	\$15.40	Hired Prior 90'	\$15.65	\$15.90	\$16.15	\$16.40

<u>CLASSIFICATIONS</u>	<u>6/2/13</u>	<u>New Progression</u>	<u>Effective 12/8/13</u>	<u>Effective 9/14/14</u>	<u>Effective 6/7/15</u>	<u>Effective 6/5/16</u>
<u>Level 4 Positions</u>		<u>Level 4 Positions</u>				
Key Positions, One 40 Hour Cash Office, Dairy, Frozen Food, Cake Decorator, Receiver, File Clerk, Floral Attendant and Marketplace (4)	\$13.25	Key Positions, One 40 Hour Cash Office, Dairy, Frozen Food, Cake Decorator, Receiver, File Clerk, Floral Attendant, Marketplace Leads (4) and Starbucks	\$13.50	\$13.75	\$14.00	\$14.25

Department Heads

<u>1st Year</u>	\$16.55	Under \$500K w/o Rx & Fuel	\$16.95	\$17.30	\$17.65	\$18.00
<u>2nd Year</u>	\$17.05	\$500K - \$750K w/o Rx & Fuel	\$17.45	\$17.80	\$18.15	\$18.50
<u>3rd Year</u>	\$17.55	Over \$750K w/o Rx & Fuel	\$17.95	\$18.30	\$18.65	\$19.00

With respect to Department Heads, the parties agree to remove the bargaining note and all other references which tie future increases and rates to the Houston Clerks agreement and the parties acknowledge that Department Heads will be paid rates in the amounts and on the dates as provided for in this agreement. Effective December 8, 2013, employees classified as a Department Head shall also receive, in addition to the hourly rate increase provided above, a Lump Sum payment for back pay, before taxes, of \$490. Such payment shall be made by separate check.

Fuel Clerk

0-3 months	\$7.60	0-3 months	\$7.60	\$7.65	\$7.70	\$7.75
3-6 months	\$7.85	3-6 months	\$7.85	\$7.90	\$7.95	\$8.00
6-12 months	\$8.10	6-12 months	\$8.10	\$8.10	\$8.10	\$8.10
12-18 months	\$8.35	12-18 months	\$8.35	\$8.35	\$8.35	\$8.35
18-24 months	\$8.50	18-24 months	\$8.50	\$8.50	\$8.50	\$8.50
24 months	\$10.00	24 months	\$10.25	\$10.50	\$10.75	\$11.00

Level 4 Specialty

Bistro Chef, Murray's Cheese Master, SRS, Wine Consultant, Fuel Lead, Nature's Market (Deemed Necessary by Employer)			\$13.50	\$13.75	\$14.00	\$14.25
---	--	--	---------	---------	---------	---------

<u>Department Head Assistants</u>		SVL 1	SVL 2	SVL 3
Assistant Position (Deemed by Employer) Deli, Bakery, Drug, CSM, Produce, Floral Lead, Frozen Lead, Dairy Lead	Employee shall move to the top of their classification plus the Premium	\$0.65	\$1.00	\$1.00

<u>Overnight Grocery Stocker</u>					
Working 10 p.m. - 6 a.m.		.50 O.R.	.50 O.R.	.50 O.R.	.50 O.R.

Lump Sum Wage Payment: At the earliest feasible date, but not later than December 8, 2013, for active employees with at least 1 year of service shall receive a lump sum wage payment in the following amounts:

- (i) Department Heads: \$300
- (ii) Assistant Department Heads/Leads: \$250
- (iii) Full-time Level 3 and 4) and Red-Circle: \$200
- (iv) Part-time (Level 2): \$100
- (v) Courtesy Clerks: \$50

LETTER OF UNDERSTANDING
Kroger Texas L. P. and U.F.C.W. Local 1000

The following summarizes our understanding of the agreement reaches with regard to establishing the new employee classification of "Fuel Center Clerk".

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

The terms of the Collective Bargaining Agreement such as Union Security and Seniority shall apply but Fuel Center Clerks shall not receive benefits of a monetary nature, except wages, vacation and holidays as specified in the labor agreement. It is understood that benefits such as sick leave, health and welfare, pension, etc., are of a monetary nature and are not to be provided to the Fuel Center Clerk. Seniority within the Fuel Center shall apply.

The employer may utilize any vendor service available to the trade at no additional cost. Management may perform any tasks necessary to ensure the efficient operation of this center.

A Fuel Center Clerk after six (6) months of service, shall be given preference by seniority, together with ability, practicability, and availability, should an opening occur for a part-time store employee and shall further be given preference in the same way for full-time positions after they have been offered to the part-time employees.

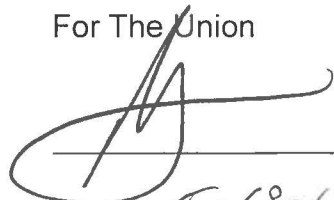
Store Clerks interested in transferring to the Fuel Center Clerk classification, shall put their interest in writing to the Store Manager with a copy to the union.

For The Company



Date

For The Union



Date

LEVEL WAGE ADMINISTRATION

Current classifications will be replaced with five (5) levels. The levels are determined by the knowledge, skills, abilities and duties. Each level will be assigned wage rates commensurate with the above. Employees would progress from Level 1 to Level 5 based upon knowledge, skill, ability, and seniority with regard to the needs of the business.

Level 1 - Employees who would perform general courtesy clerk duties. The Courtesy Clerks service shall not be considered in determining his or her rate of pay upon promotion to part time or full time. Level 1 classification clerks shall be allowed to maintain the area of the checkstands and customer entrances in an orderly condition through clean-up work. Stock supply items throughout the store, which shall not include merchandise for sale. Verify prices against shelf merchandise, return rejected merchandise to shelf, get change for checkers, handle and assist with outdoor plants, Christmas Trees and products, handle/assemble seasonal merchandise, and assist with Floral tent selling. **Perform all duties related to shelf facing/blocking.**

Perform all required sanitation duties throughout the stores including, but not limited to, cleaning of parking lot, exterior and interior of the store, restrooms, lunch rooms, floor cleaning, sweeping, mopping and dusting of the store, cleaning of shelves and cases (including the removal from and restocking of shelf/case), etc. Perform general maintenance duties such as changing light bulbs (except for ceiling lights), light painting, etc.

In the event of any violation of this section, the Union shall notify the Employer, in writing, stating the store in which the violation occurred. If the violation is substantiated, the most senior Clerk in this classification will be paid for all hours worked on the day the violation took place at the appropriate regular Clerk rate. In the event of a second (2nd) violation of this section occurring within the same store, the Union shall have the right to terminate the Courtesy Clerk classification for a period of three (3) months in the store involved.

In the event a third (3rd) violation should occur in a store, then the Union shall have the right to terminate the Courtesy Clerk classification for a period of one (1) year in the store in which the violations have occurred.

Where the Union exercises its right to terminate the Courtesy Clerk classification, then those employees working in the store under the Courtesy Clerk classification shall be promoted to the appropriate Clerk classification, and that rate shall prevail thereafter for such employees.

Level 2 - Part time employees who could perform any type work in the store with training and demonstrated skills; i.e., checker, produce, floral, grocery, drug/GM, deli and bakery. Employees who are promoted from Level 2 to Level 3 (part time to full time) will move to the same rate on the Level 3 schedule and retain their date of next increase. Where there is no rate that applies, they will move to the next higher rate of pay on level 3 progression and will begin a new date of next increase.

Level 3 - Employees working in the cash office or floor supervisors (part time or full time), employees assigned as cake decorators (part time or full time) and all other full time employees. Level 3 employees are capable of performing all production and customer service in assigned departments. These employees also provide leadership and act as a resource for Level 2 employees.

Level 4 - Employees managing specific sections/work assignments in their departments and may be expected to perform any assignments for Level 5. Level 4 employees may provide Direct close supervision of Level 3, 2 and 1 employee. Positions include: one employee assigned to Cash Office, Dairy, Frozen Food, SRS (Store Recruiting Specialist), Cake Decorator, Receiver, File Clerk, Starbucks/Seattle's Best Manager, Floral Attendant based on the needs of the business; i.e., 40 hour schedule available.

Managers for the Marketplace Stores; Furniture, Home Décor, Expanded Toys, Baby World and Expanded Kitchen Place will also be added to the level 4 classification.

Level 5 - Employees responsible for managing specific departments and supervise, schedule, order, inventory, etc. An employee, who desires consideration for Department Head training, shall notify the Store Manager and Business Representative in writing.

General Merchandise Manager will be appointed in a store when determined necessary by management.

Employees promoted to cash office, floor supervisors, or cake decorator, Level 3, Level 4 and Level 5 employees who are subsequently reassigned/demoted will receive the appropriate part time or full time rate of pay based on length of service and status.

APPENDIX "A"

Assistant Department Heads

Stores with Department Heads classified as Sales Volume 2 or 3 may employ an Assistant Department Head for each Department of the store. This is not a required position and management may elect not to assign the position. In the event an employee is assigned as an Assistant Department Head then such employee shall be paid a premium of \$1.00 per hour over their current pay rate.

Lead Fuel Clerks

Management may assign a fuel clerk to the position of Lead Fuel Clerk. This is not a required position and management may elect not to assign the position. In the event an employee is assigned as a Lead Fuel Clerk then such employee shall be paid a premium \$0.35 per hour over their current Fuel Clerk pay rate.

Bistro Chefs

Management may assign an employee to the position of Bistro Chef. This is not a required position and management may elect not to assign the position. In the event an employee is assigned as a Bistro Chef, then such employee shall be paid in accordance to the appropriate wage identified in the Local 1000 Schedule "A" Wages.

Floral Attendant

The employer agrees to pay a Level 4 Floral attendant a Premium Rate of Three (\$3) per hour for work performed in the six (6) days preceding and including Valentine's Day and the six (6) days preceding and including Mother's Day.

Level 5 (Department Heads)

Department Heads and Marketplace Hardline Manager – Effective the first Sunday of the month following ratification. Restructure the Department Head classification based on store sales volumes as defined in Houston Clerks Agreement.

Department Heads working in stores which the previous calendar year had sales volume less than \$500,000 without Rx and Fuel shall be classified as Sales Volume 1 Department Heads.

Department Heads working in stores which the previous calendar year had sales volume equal to \$500,000 or less than \$750,000 without Rx and Fuel shall be classified as Sales Volume 2 Department Heads.

Department Heads working in stores which the previous calendar year had sales volume equal to or more than \$750,000 without Rx and Fuel shall be classified as Sales Volume 3 Department Heads.

Adjust the hourly rates on Dallas Department Heads to equal to Houston Department Head Rates in effective the first Sunday following ratification. Thereafter the rates for Department Heads shall be adjusted to equal the Department Head rate in effect for Houston clerks on that date.

APPENDIX "B"

UFCW AND EMPLOYERS PENSION FUND (the "Plan")

Trustees' Understanding

December 30, 2009

It is understood that any actions required to be taken by The Kroger Co. ("Kroger") and the United Food and Commercial Workers Union ("UFCW") Local 1996 as bargaining parties will apply to all collective bargaining agreements between Kroger and the UFCW which require that contributions be made by Kroger into the Fund.

It is further understood that actions described below will be conditioned on the fact that the Plan is certified by the plan actuary to be in Critical Status for the 2010 Plan Year and that the plan actuary shall make his certification as soon as possible in 2010.

1. The Social Security Level Income Option will cease to be available for all retirements effective as soon as possible following actuarial certification of PPA '06 status in 2010.
2. As soon as possible following actuarial certification in PPA '06 status in 2010, all adjustable benefits for inactive participants will be eliminated.
3. All future accruals shall be based on a Normal Retirement Age of 65 whether or not retirement is directly from active service in covered employment. Pensions commencing prior to Normal Retirement Age shall be actuarially reduced.
4. All subsidies for retirements prior to age 65 shall be preserved as to accrue benefits as of December 31, 2012 on a "wear away" basis. In other words, participants retiring on and after January 1, 2013 shall have their pensions calculated as the greater of (a) the pension accrued as of December 31, 2012 paid in accordance with the terms of the Plan as then in effect and (b) the pension accrued as of the termination of employment reduced, if applicable, for retirement prior to age 65 on an actuarial equivalent basis.
5. All actuarial increases for late retirement shall be eliminated to the extent possible as determined by fund counsel.
6. With respect to service earned after January 1, 2010, the following benefit rates shall apply:

- a. Participants hired prior to July 1, 2004: \$40.00
- b. Participants hired after July 1, 2004 but before January 1, 2010: \$30.00
- c. Participants hired on or after January 1, 2010: \$16.00

7. The method of determining withdrawal liability under the Plan shall be changed from the Presumptive Method under section 4211(b) of ERISA to the Direct Attribution Method under section 4211(c)(4) of ERISA.

8. Kroger and the UFCW will agree to open the pension article of all participating Kroger Collective Bargaining Agreements in the Plan for the sole purpose of increasing the employer contribution rates with respect to covered employment on or after the effective dates shown below:

Effective Date	Increase Per Hour
First Month after 2010 Actuarial Certification	15¢
January 1, 2011	15¢
January 1, 2012	15¢
January 1, 2013 (If a 4-year contract is negotiated in Atlanta)	15¢

9. Appropriate actions shall be taken so that the surcharges on employer contributions, if any, required by IRC Section 432 will be "netted out" of the contribution increases specified in Item 8 above.

10. The Board of Trustees hereby directs the plan actuary to apply for a ten year amortization extension under IRC Section 431(d) for all charge bases in existence for the 2009 Plan Year.

11. The Board of Trustees will continue to explore alternative means of improving the Plan's funding status such as single sum contributions and transfers of unfunded liability out of the Plan in lieu of some or all of any remaining contribution increases specified in Item 8 above, or Item 12 below, on an actuarially equivalent basis as defined below. Any action taken will apply to all collective bargaining agreements between Kroger and the UFCW which require that contributions be made by Kroger into the Fund.

12. In the event the above actions, reflecting annual 2009 investment returns and legislative relief enacted on or before November 25, 2010, are not sufficient to enable the Plan to emerge from Critical Status by the end of the Rehabilitation Period, then further adjustments will be reflected in the Preferred Schedule of the Rehabilitation Plan in accordance with the following:

- a. If there are optional provisions in such legislative relief, the Board of Trustees will elect those options which would minimize any required contribution increases described in Item 8.
- b. Contribution increases benefit accrual rates, or both, as agreed upon by the Board of Trustees, will be changed to satisfy the requirements of a valid schedule for the Preferred Schedule of the Rehabilitation Plan.

As a further clarification of the proposal, the Trustees agreed that an actuarial certification should be made by January 4 or 5, 2010 and that the notice should be mailed on February 2, 2010 in order that participants retiring with an effective date of February 1, 2010 can retire with and receive a level income option if they should so elect.

ATTACHMENT "A"

Health and Care Management

Direct Trustees to Implement Integrated Health and Care Management Programs. The programs shall be designed to progress over the term of the Agreement to "best-in-class" levels with respect to the key characteristics listed below:

- Quality education campaign for all participants
- Superior participant communications, including robust web tools
- Superior participant information tools
- Analytics measuring participation, compliance, and results
- Very strong comprehensiveness of programs
- High levels of integration
- Strong physician behavior change mechanisms
- Significant levels of medical and drug trend reduction

These health and care management programs may include services that are currently available through existing vendors and may include services such as health risk assessment surveys, nurse help lines, targeted disease and chronic medical management and complex care management services.

1. Reduce prescription drug co-pays as shown below for participants taking maintenance drugs (and related supplies which require a prescription) for certain disease states which would include categories of drugs such as:

- Hypertension
- High cholesterol
- Diabetes control drugs
- Asthma
- Glaucoma
- Osteoporosis

Drug Class	Co-Pay (Retail)
Generic	\$5
Formulary Brand	10% but not less than \$15
Non-formulary Brand	12.5% but not less than \$20

It is understood that the employer will continue to evaluate the effectiveness of including these scheduled drug categories on Plan costs. The employer may remove drugs from this list and/or add other categories of drugs consistent with the objective of increasing compliance with prescribed drug therapies which will lower trust fund plan costs and trend.

- Preventive health care at medically appropriate times (see below)

Service	PPO coverage (In-network)
Mammography	Plan pays 100%
Routine Annual Physical Exam	Plan pays 100%
Well-baby care	Plan pays 100%
Childhood Immunizations	Plan pays 100%
Papanicolaou (Pap) smear and pelvic examination	Plan pays 100%
Prostate specific antigen (PSA) testing	Plan pays 100%
Colonoscopy	Plan pays 100%

Utilize nationally recognized guidelines preferably the U.S. Preventive Service Task Force recommendation as a basis for coverage.

LETTER OF AGREEMENT
Between Kroger Texas L.P.
And UFCW Local 1000

The Southwest Division will open the first offsite Fuel station in the Dallas/Fort Worth area serviced by Local 1000. The Employer will continue to notify the Union in each instance of opening an "Offsite Fuel Station".

The Company will add the classification of a Convenience Store Manager in these offsite locations and will follow the same wages as outlined in the Houston Schedule "A" Wages for Convenience Store Manager. This classification will follow the shown wage schedule below for locations that have been designated, by the Employer, as an "Offsite Fuel Station" in the Dallas/Fort Worth Metroplex.

<u>CLASSIFICATIONS</u>	<u>Current</u>	<u>Effective</u> <u>12/08/13</u>	<u>Effective</u> <u>9/14/14</u>	<u>Effective</u> <u>6/07/15</u>	<u>Effective</u> <u>6/05/16</u>
<u>Convenience Store Manager</u>	15.00	<u>\$15.25</u>	<u>\$15.50</u>	<u>\$15.75</u>	<u>\$16.00</u>

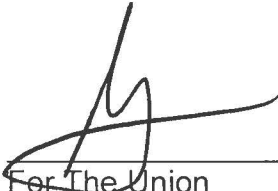
The Company may assign an employee to the position of "Fuel Lead" in a station designated as an "Offsite Fuel Station". This will be a thirty-five (.35) cent premium rate. This is not a required position and the company may elect not to assign this position. The Convenience Store Manager will supervise the "Fuel Lead" position.



For The Company

4/30/14

Date



For The Union

5-19-14

Date

LETTER OF AGREEMENT
Between Kroger Texas L.P.
And UFCW Local 1000

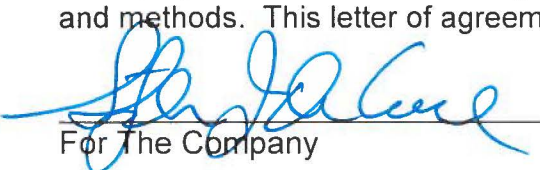
Plan Funding

Kroger Texas L.P. and UFCW Local 1000 hereby agree as follows:

The Trustees to the Med 1000 Health Plan shall be directed to enact the following benefit adjustments not later than January 1, 2014:

- (i) Merge Plan AA into Plan A.
- (ii) On January 1, 2014 deductibles will increase from \$200.00 to \$300.00 for Plans B and A.
- (iii) On January 1, 2015 deductibles will increase from \$300.00 to \$400.00 on Plans B and A.

If the Trustees to the MED 1000 Health Plan enact the preceding benefits to be effective January 1, 2014, then in the event the reserves attributed to the MED 1000 Health and Welfare Plan are projected to fall below IBNR plus two months, based on a 7% trend rate, and that if such projections by the Trustees and the Professionals of the Plan show reserves remaining below IBNR plus two months for two consecutive quarters such projection the Trustees must take action(s) to bring the level of the Plan's reserves back to the desired level of IBNR plus two months as provided in the collective bargaining agreement. Such actions may include requiring the Employer to make a lump-sum payment into the Fund of up to \$3.9 million dollars, if needed, to ensure the Plan achieves a targeted Plan reserve of IBNR plus two months by the end of June 2017. If the lump sum payment is not sufficient, the Trustees must take further actions(s) to bring the level of the Plan's reserves back to a level of IBNR plus two (2.0) months by the end of June 2017 as provided in the collective bargaining agreement. Kroger reserves the right to have any of the projections provided for in this Letter of Agreement peer reviewed, at its cost, to ensure that such projections were reasonably derived and computed based on standard actuarial practices and methods. This letter of agreement will expire on the last date of the Agreement, June 3, 2017.



For The Company



Date



For The Union



Date