

Memorandum of Agreement

**Between
Kroger Texas LP
And
UFCW Local Union No. 455**

**Houston Clerks and Meat
Louisiana Clerk and Meat**

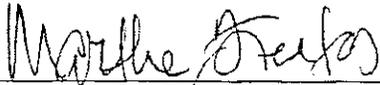
Kroger Texas LP and UFCW Local No. 455 are parties to collective bargaining agreement(s) for the Clerk and Meat Units in Houston, Texas and in Louisiana. The parties have met and reached a tentative agreement ("Agreement") for successor collective bargaining agreement(s). Such new agreement(s) shall contain the provisions of the expiring collective bargaining agreement(s) between the respective parties as modified in the attached document entitled, "Tentative Agreements." The new collective bargaining agreements shall have a term of April 10, 2016 through April 11, 2020 (with conforming dates for collective bargaining agreements with current expiration dates other than April 9, 2016). The attached documents and the current collective bargaining agreement(s), as modified herein, represent the entire agreement between the parties.

The parties reserve the right to correct any drafting errors in this Memorandum of Agreement.

The Union, its officers and bargaining committee agree to recommend and support the ratification of this Agreement.

Signed and agreed this 1st day of April, 2016:

For Kroger Texas LP



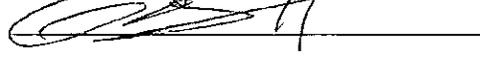




For UFCW Local 455:







April 1, 2016

Tentative Agreements

The following represents the tentative agreements reached during the course of negotiations between Kroger Texas L.P. and UFCW Local 455.

1. **Application:** Applicable to all collective bargaining agreements between the Employer and the Union in Houston, Texas and Louisiana.
2. **Term Of Agreement:** Four (4) years. The new collective bargaining agreement(s) shall have a term of April 10, 2016 through April 11, 2020 (with conforming dates for collective bargaining agreements with current expiration dates other than April 9, 2016).
3. **Wages:**
 - a. Effective April 10, 2016 (with conforming dates for collective bargaining agreements with current expiration dates other than April 9, 2016):
 - i. Part-time employees at the top (or "Thereafter") pay rate or above will receive a twenty cent (\$0.20) hourly wage increase.
 - ii. Full-time employees at the top (or "Thereafter") pay rate or above will receive a twenty-five cent (\$0.25) hourly wage increase.
 - iii. Department Heads will receive thirty cents (\$0.30) hourly wage increase.
 - iv. Move the General Clerk, Fuel Clerk, Service Clerk and Weighers/Wrappers entry rate to \$8.25 per hour with at least a \$0.25 cent per hour separation between each progression step.
 - v. Courtesy Clerks shall not receive the top rate increase but shall have their rate adjusted to a new rate of \$8.00 per hour.
 - b. Effective April 8, 2017 (with conforming dates for collective bargaining agreements with current expiration dates other than April 9, 2016):
 - i. Part-time employees at the top (or "Thereafter") pay rate or above will receive a twenty cent (\$0.20) hourly wage increase.
 - ii. Full-time employees at the top (or "Thereafter") pay rate or above will receive a twenty-five cent (\$0.25) hourly wage increase.
 - iii. Department Heads will receive thirty cents (\$0.30) hourly wage increase.
 - c. Effective April 8, 2018 (with conforming dates for collective bargaining agreements with current expiration dates other than April 9, 2016):
 - i. Part-time employees at the top (or "Thereafter") pay rate or above will receive a twenty cent (\$0.20) hourly wage increase.
 - ii. Full-time employees at the top (or "Thereafter") pay rate or above will receive a twenty-five cent (\$0.25) hourly wage increase.
 - iii. Department Heads will receive thirty cents (\$0.30) hourly wage increase.



- d. Effective April 7, 2019 (with conforming dates for collective bargaining agreements with current expiration dates other than April 9, 2016) :
 - i. Part-time employees at the top (or "Thereafter") pay rate or above will receive a twenty cent (\$0.20) hourly wage increase.
 - ii. Full-time employees at the top (or "Thereafter") pay rate or above will receive a twenty-five cent (\$0.25) hourly wage increase.
 - iii. Department Heads will receive thirty cents (\$0.30) hourly wage increase.
 - e. Attached rate sheets subject to final verification and audit.
 - f. Add to Appendix "A": The Employer at its election may implement its Sharing Success bonus plan with the understanding that the Employer reserves the right to determine the Plan's design including, but not limited to, criteria for determining payout, payout amounts, payout dates, administrative provisions and the right to make adjustments to the Plan and to terminate the Plan at its sole discretion. It is understood that within each store all bargaining unit employees of that store shall share equitably in any sharing success bonus earned by such store.
4. **Health And Welfare** – Re-write the following sections in the HW Article as indicated below and substitute the following in each contract covered by this Agreement.

HEALTH AND WELFARE

Section The Employer shall contribute to the established South Central United Food and Commercial Workers Union and Employers Health and Welfare Trust Fund for all hours paid, not to exceed forty (40) hours per week, after thirty (30) calendar days of employment. Effective April 1, 2016 (March hours) the employer will begin making contributions on part-time fuel clerks. Such contributions shall be used to provide Health and Welfare benefits, for all enrolled Bargaining Unit Employees, subject to and in strict accordance with the terms of Section ____ ("Funding Policy").

A. Contributions to Fund Benefits:

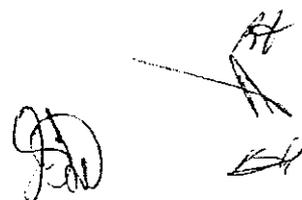
The Employer shall contribute to the Fund in the following amount provided that the Trustees of the Plan provide benefits and manage the Plan in accordance with their fiduciary responsibility and in accordance with the provisions of this Article:

<u>Date</u>	<u>Amount</u>
January 1, 2011 (Dec. hours)	\$2.32 per hour

Provided the Trustees have enacted modifications to the Plan consistent with the provisions contained at the end of this section (A. Contributions to Fund Benefits), the Employer further agrees to the following increases to its contribution rates to the Fund:

1. Effective the first of the month following adoption by the Trustees of a package of plan amendments conforming with the provisions detailed herein, the Employer will make a lump sum payment equal to \$3,500,000, in the aggregate for all bargaining units of the employer covered under the South Central Funding Group effective for the employees of this Agreement. Effective March 1, 2017, provided hours are worked by employees covered by this agreement, the employer will make a second \$3,500,000 lump sum payment in the aggregate for all bargaining units of the employer covered under the South Central Funding Group. In addition, should the fund reserves fall below \$2,000,000 prior to February 28, 2017, the Employer agrees to accelerate one-half of the next months contribution payment to bring the cash flow above \$2,000,000.
2. Effective April 1, 2016 (March hours), the employer's contribution rate will be increased to \$3.00 per hour.
3. Effective April 1, 2017 (March hours), the Employer's contribution rate will be increased to \$3.05 per hour.
4. Effective April 1, 2019 (March hours), the Employer's contribution rate will be increased to \$3.10 per hour.
 - a. In addition to the above rate increases, the Trustees (based on the advice of the Plan Consultants), not later than March 31, 2019, shall determine the Plan's current reserve status and if such reserves are projected to be at 4 months or above as of March 31, 2020, the Employer and the employees will receive contribution holidays in an amount necessary to achieve a reserve level on March 31, 2020 no greater than 4 months of reserves.

As a condition of receiving the contributions provided above, the Trustees of the Plan will establish a Plan(s) of benefits consistent with the provisions herein, which can be supported by the contributions provided herein. The Bargaining Parties recommend that Trustees of the South Central Fund adopt said plan of benefits. Consistent with this provision, not later than the first of the month following ratification, to be effective July 1, 2016 or January 1, 2017, the Trustees are directed to make the modifications to the Plan (which can include adjustments to the Plan(s) of benefits, eligibility rules and/or employee co-premium rates) of sufficient amount that when taking into account the contingent contribution increases detailed above will ensure that on April 1, 2020 that the Plan will have a reserve equal to three (3) months reserves and to further ensure that on or after January 1, 2019, the Plan will not drop below two months reserves.

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With respect to the July 1, 2016 or January 1, 2017 modifications contemplated in this provision, the union trustees will be allowed to take the laboring oar to make recommendations to the Trustees of the Fund with respect to benefit eligibility, benefit modifications, plan design and/or employee co-premium rates consistent with the objectives of this provision 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 Union Trustees fail to tender a timely motion no later than 60 days, or Consent Resolution, to enact changes consistent with this provision or the Union Trustees motion to enact changes is inadequate according to the plan's actuarial consultant to achieve the target discussed herein and as a result the Trustees deadlock motions on adjustments necessary to bring the Plan back in to compliance with this provision, then the deadlocked motions shall be submitted for resolution to arbitration in accordance with the trust's deadlock procedures. 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.

Eligibility

The Administrator will, on an annual basis, obtain all data necessary to enroll or re-enroll employees and their dependents as participants eligible for coverage under the Plan. To remain enrolled as a participant eligible for plan coverage, each employee who is currently enrolled, or who initially enrolls during the term of the Collective Bargaining Agreement, must re-enroll prior to the start of each succeeding plan year. Employees must make a positive election to enroll in the Plan. Enrollment is for the entire plan of benefits (except that Life Insurance and AD & D shall be provided to all eligible employees) for the Plan and an employee's failure to make a positive enrollment into the Plan shall result in such employee being ineligible for all benefits of the Plan for the remainder of the calendar year or until there has been a qualifying life event, as defined by the Trustees, whichever occurs first.

The Employer may, upon reasonable notice and at its own expense, audit the Fund's enrollment data and claims records once each plan year. The Employer may arrange to have the audit conducted by a recognized auditing firm that it shall select.

Independent of the foregoing audits, the Fund will audit its enrollment and claims records at least once each plan year to ensure that no employees of the Employer, or the dependents of such employees, are participating in plan coverage for which they are not eligible.

Employees shall become eligible for benefits upon meeting the requirements of the Plan.

All employees must continue to meet all eligibility requirements of the Plan as a condition of continued eligibility.

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The Trustees shall establish a separate accounting of income and expenses for the "Funding group" of the Fund who agree in their Collective Bargaining Agreements to the same provisions as provided herein, unless otherwise approved by the Trustees. Only those Employers who adopt these provisions may share in the pool of income and expenses established herein. The Trustees are expressly prohibited from using the contributions of these employers for the payment of benefits to the employees of other employers.

Section . Funding Policy

This Funding Policy shall become activated and of full force and effect on April 1, 2016. The contributions provided for herein are with the parties' understanding and agreement that the Trustees to the South Central Health and Welfare Fund will maintain the Plan in a fully funded and reserved status and will provide benefits in accordance with the provisions of this Article.

There are two purposes of this Funding Policy:

- A. Fully reserved status of the South Central Health and Welfare Fund
- B. Claims Payment Standards of the South Central Fund.

A. Fully Reserved Status

It is agreed that the target for fully reserved status shall be defined as reserves equal to a minimum of three (3.0) months of Health and Welfare expenses. In October of each year, the Fund Consultant will give a projection for the coming plan year as well as a projection of the remaining term of the Agreement.

The Consultant will provide the current status of the reserves at each quarterly meeting as well as a projection through the end of the current plan year.

It is understood and agreed that any projection showing reserves below two (2.0) months will cause the financial condition to be monitored closely by the Trustees and the Professionals of the plan. A projection showing reserves below two (2.0) months for two consecutive quarters, on or after January 1, 2019, will cause action to be taken by the Trustees to bring the level on reserves back to the desired level of three (3.0) months. Such actions may include a combination of benefit adjustments, eligibility changes and/or employee contribution rate increases.

B. Claims Payment Standard

The Plan Administrator is responsible for payment of claims on a timely basis.

Payment schedules should comply with any vendor contractual obligations in order

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to maintain the appropriate discounts provided by the vendor.

The Plan Administrator will make reports to the Trustees on compliance with these standards. Trustees are responsible for monitoring compliance of these standards and taking corrective action, as appropriate.

5. The Union agrees to withdraw the following grievances and NLRB Board Charges:

- a. NLRB Charge #10-CA-168122
- b. Houston: General Grievance, Houston Clerks (case #1652625 / Tracking #192935)
- c. Issue: Fuel Center Clerks, Federal Mediation – 160128-52625-3
- d. Shreveport LA: General Grievance, Shreveport LA Clerks (case #1652646 / Tracking #192959), Issue: Fuel Center Clerks, Federal Mediation – 160128-52645-3
- e. Lake Charles LA: General Grievance, Lake Charles LA Clerks (case #1652648 / Tracking #192961)) Issue: Fuel Center Clerks, Federal Mediation – 160128-52648-3

6. Houston Meat – Article 14 Pension - Insert the following after Paragraph E and renumber remaining paragraphs to read:

F. Effective May 1, 2016, for employees hired prior to June 13, 2004 and participating prior to September 1, 2005, the Employer shall pay two hundred fourteen dollars and ninety cents (\$214.90) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty-four (24) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

G. Effective May 1, 2016, for employees hired prior to June 13, 2004 and participating after September 1, 2005, the Employer shall pay two hundred eleven dollars and eighty-three cents (\$211.83) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty-four (24) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

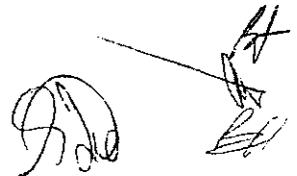
H. Effective May 1, 2016, for employees hired on or after June 13, 2004 and before October 1, 2010, the Employer shall pay one hundred sixty-two dollars and seventy-one cents (\$162.71) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty-four (24) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

I. Effective May 1, 2016, for employees at the 2007 contractual rate of seventy-nine dollars and fifty cents (\$79.50) and for employees hired after June 13, 2004, or hired on or after October 1, 2010, the Employer shall pay ninety-six dollars and sixty-four cents

(\$96.64) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty-four (24) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

J. Effective May 1, 2016, for part-time employees, the Employer shall pay forty-two dollars and ninety-eight cents (\$42.98) per month, for part-time employees who have completed twelve (12) full months of employment, attained the age of twenty-one (21) and who have worked at least eight hundred and seventy (870) hours or more in a calendar year. Upon qualification, a monthly contribution will be made if the employee averages seventy two and one-half (72.5) hours per month. Each plan year, (July 1st through June 30th), the employee's hours will be reviewed to determine if eight hundred and seventy (870) hours were worked during this time frame. If eight hundred and seventy (870) hours or more were worked, a retroactive contribution will be made for any months in which the employee did not initially receive a contribution in that plan year.

K. If prior to April 1, 2017, the National Pension Fund Trustees make the decision to reset the AUCR, and such reset requires a contribution increase to maintain the benefit level in effect on April 2, 2016, and the trustees further determine that such contribution increase must be made prior to the expiration of this agreement, then the employer agrees that the contribution rates in effect may be restored in an amount up to the rates in effect April 2, 2016.

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Attachment "A" - Clerk Rates

SCHEDULE "A" - WAGES - COMPREHENSIVE
Houston Clerks

Clerks moving to the new scale or new rate will move to the new rate and their DNI will be reset.

Clerks remaining on the current scales or whose rate does not change will continue to progress under the existing DNI.

CLASSIFICATIONS	Current Rate		Eff 4/10/16	Eff 4/1/17	Eff 4/1/18	Eff 4/1/19
Non-Food/Prep. Foods (Full-Time)						
0-6 Months	\$7.70	→	\$8.25	\$8.25	\$8.25	\$8.25
6-12 Months	\$7.80	→	\$8.50	\$8.50	\$8.50	\$8.50
12-18 Months	\$7.95	→	\$8.75	\$8.75	\$8.75	\$8.75
18-24 Months	\$8.25	→	\$9.00	\$9.00	\$9.00	\$9.00
24-30 Months	\$8.55	→	\$9.25	\$9.25	\$9.25	\$9.25
30-36 Months	\$9.25	→	\$9.50	\$9.50	\$9.50	\$9.50
36-42 Months	\$10.00	→	\$10.25	\$10.25	\$10.25	\$10.25
42-48 Months	\$11.00	→	\$11.25	\$11.25	\$11.25	\$11.25
48 Months & Thereafter	\$13.75	→	\$14.00	\$14.25	\$14.50	\$14.75
Clerks (Full-Time)						
0-6 Months	\$7.70	→	\$8.25	\$8.25	\$8.25	\$8.25
6-12 Months	\$7.80	→	\$8.50	\$8.50	\$8.50	\$8.50
12-18 Months	\$7.95	→	\$8.75	\$8.75	\$8.75	\$8.75
18-24 Months	\$8.25	→	\$9.00	\$9.00	\$9.00	\$9.00
24-30 Months	\$8.55	→	\$9.25	\$9.25	\$9.25	\$9.25
30-36 Months	\$9.25	→	\$9.50	\$9.50	\$9.50	\$9.50
36-42 Months	\$10.00	→	\$10.25	\$10.25	\$10.25	\$10.25
42-48 Months	\$11.00	→	\$11.25	\$11.25	\$11.25	\$11.25
48 Months & Thereafter	\$13.75	→	\$14.00	\$14.25	\$14.50	\$14.75
General Clerks (Part-Time)						
0-9 Months	\$7.65	→	\$8.25	\$8.25	\$8.25	\$8.25
9-18 Months	\$7.75	→	\$8.50	\$8.50	\$8.50	\$8.50
18-27 Months	\$7.85	→	\$8.75	\$8.75	\$8.75	\$8.75
27-33 Months	\$7.95	→	\$9.00	\$9.00	\$9.00	\$9.00
33-39 Months	\$8.05	→	\$9.25	\$9.25	\$9.25	\$9.25
39-45 Months	\$8.35	→	\$9.50	\$9.50	\$9.50	\$9.50
45-51 Months	\$8.55	→	\$9.75	\$9.75	\$9.75	\$9.75

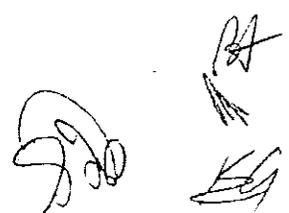
51-57 Months	\$8.75	\$10.00	\$10.00	\$10.00	\$10.00
57-63 Months	\$9.00	\$10.25	\$10.25	\$10.25	\$10.25
63 Months & Thereafter	\$10.85	\$11.05	\$11.25	\$11.45	\$11.65
Red Circled F.T. Clerks					
Promoted prior to 2/24/90	\$15.81	\$16.08	\$16.31	\$16.56	\$16.81
Head Checkers					
Promoted to FT prior to 2/24/90					
Rate includes .50 Premium	\$16.31	\$16.56	\$16.81	\$17.06	\$17.31
Head Checkers					
Rate includes .50 Premium	\$14.25	\$14.50	\$14.75	\$15.00	\$15.25
Department Heads					
Sales Volume 1 Under \$500k w/o RX Fuel	\$17.60	\$17.90	\$18.20	\$18.50	\$18.80
Sales Volume 2 \$500k-\$750k w/o RX Fuel	\$18.10	\$18.40	\$18.70	\$19.00	\$19.30
Sales Volume 3 Over \$750k w/o RX Fuel	\$18.60	\$18.90	\$19.20	\$19.50	\$19.80
Overnight Grocery Stockers (Full-Time)					
0-6 Months	\$8.00	\$8.65	\$8.65	\$8.65	\$8.65
6-12 Months	\$8.50	\$9.15	\$9.15	\$9.15	\$9.15
12-18 Months	\$9.00	\$9.65	\$9.65	\$9.65	\$9.65
18-24 Months	\$9.50	\$10.15	\$10.15	\$10.15	\$10.15
24-30 Months	\$10.00	\$10.65	\$10.65	\$10.65	\$10.65
30-36 Months	\$11.25	\$11.45	\$11.45	\$11.45	\$11.45
36-42 Months	\$11.45	\$11.65	\$11.65	\$11.65	\$11.65
42 Months & Thereafter	\$14.10	\$14.35	\$14.60	\$14.85	\$15.10
Overnight Grocery Stockers (Part-Time)					
0-6 Months	\$8.00	\$8.65	\$8.65	\$8.65	\$8.65
6-12 Months	\$8.50	\$9.15	\$9.15	\$9.15	\$9.15
12-18 Months	\$9.00	\$9.65	\$9.65	\$9.65	\$9.65
18-24 Months	\$9.50	\$10.15	\$10.15	\$10.15	\$10.15
24-30 Months	\$10.00	\$10.65	\$10.65	\$10.65	\$10.65
30 Months & Thereafter	\$11.25	\$11.45	\$11.65	\$11.85	\$12.05
Courtesy Clerks					
	\$7.55	\$8.00	\$8.00	\$8.00	\$8.00
Fuel Clerks					
Start	\$7.70	\$8.25	\$8.25	\$8.25	\$8.25

6 Months	\$7.95		\$8.50	\$8.50	\$8.50	\$8.50
18 Months	\$8.10		\$8.75	\$8.75	\$8.75	\$8.75
27 Months	\$8.35		\$9.00	\$9.00	\$9.00	\$9.00
36 Months	\$8.50		\$9.25	\$9.25	\$9.25	\$9.25
45 Months	\$10.50		\$9.50	\$9.50	\$9.50	\$9.50
45-51 Months			\$9.75	\$9.75	\$9.75	\$9.75
51-57 Months			\$10.00	\$10.00	\$10.00	\$10.00
57-63 Months			\$10.25	\$10.25	\$10.25	\$10.25
63 months +			\$11.00	\$11.25	\$11.50	\$11.75
Convenience Store Manager	\$16.05		\$16.25	\$16.65	\$16.95	\$17.25
Certified Pharmacy Tech FT						
Start	\$10.50		\$10.50	\$10.50	\$10.50	\$10.50
6 Months	\$11.00		\$11.00	\$11.00	\$11.00	\$11.00
18 Months	\$11.50		\$11.50	\$11.50	\$11.50	\$11.50
27 Months	\$12.00		\$12.00	\$12.00	\$12.00	\$12.00
33 Months	\$12.50		\$12.50	\$12.50	\$12.50	\$12.50
39 Months	\$15.80		\$15.80	\$16.00	\$16.20	\$16.40
Certified Pharmacy Tech FT						
0-6 Months	\$11.00		\$11.00	\$11.00	\$11.00	\$11.00
6-12 Months	\$11.50		\$11.50	\$11.50	\$11.50	\$11.50
12-18 Months	\$12.00		\$12.00	\$12.00	\$12.00	\$12.00
18-24 Months	\$12.50		\$12.50	\$12.50	\$12.50	\$12.50
24-30 Months	\$13.00		\$13.00	\$13.00	\$13.00	\$13.00
30 Months & Thereafter	\$16.40		\$16.65	\$16.90	\$17.15	\$17.40

SCHEDULE "B" - WAGES - COMPREHENSIVE
Nacogdoches Clerks

CLASSIFICATIONS	Current Rate		EH 4/00/16	EH 4/6/17	EH 4/6/18	EH 4/6/19
General Clerks (Part-Time)						
Start	\$7.65		\$8.25	\$8.25	\$8.25	\$8.25
6 Months	\$7.75		\$8.50	\$8.50	\$8.50	\$8.50
18 Months	\$7.85		\$8.75	\$8.75	\$8.75	\$8.75
27 Months	\$7.95		\$9.00	\$9.00	\$9.00	\$9.00
33 Months	\$8.05		\$9.25	\$9.25	\$9.25	\$9.25
39 Months	\$8.35		\$9.50	\$9.50	\$9.50	\$9.50
45 Months	\$8.55		\$9.75	\$9.75	\$9.75	\$9.75
51 Months	\$8.75		\$10.00	\$10.00	\$10.00	\$10.00

57 Months	\$9.00	↓	\$10.25	\$10.25	\$10.25	\$10.25
63 Months & Thereafter (Part-Time)	\$10.85		\$11.05	\$11.25	\$11.45	\$11.65
Clerks (Full-Time)						
0-6 Months	\$7.70		\$8.25	\$8.25	\$8.25	\$8.25
6-12 Months	\$7.80		\$8.50	\$8.50	\$8.50	\$8.50
12-18 Months	\$7.95		\$8.75	\$8.75	\$8.75	\$8.75
18-24 Months	\$8.25		\$9.00	\$9.00	\$9.00	\$9.00
24-30 Months	\$8.55		\$9.25	\$9.25	\$9.25	\$9.25
30-36 Months	\$9.25		\$9.50	\$9.50	\$9.50	\$9.50
36-42 Months	\$10.00		\$10.25	\$10.25	\$10.25	\$10.25
42-48 Months	\$11.00	↓	\$11.25	\$11.25	\$11.25	\$11.25
48 Months & Thereafter	\$13.75	→	\$14.00	\$14.25	\$14.50	\$14.75
Red Circled F.T. Clerks						
In Classification prior to 4/2/2000	\$14.85		\$15.10	\$15.35	\$15.60	\$15.85
Checker/Courtesy Booth Operator (Full-Time)						
0-6 Months	\$7.70		\$8.25	\$8.25	\$8.25	\$8.25
6-12 Months	\$7.80		\$8.50	\$8.50	\$8.50	\$8.50
12-18 Months	\$7.95		\$8.75	\$8.75	\$8.75	\$8.75
18-24 Months	\$8.25		\$9.00	\$9.00	\$9.00	\$9.00
24-30 Months	\$8.55		\$9.25	\$9.25	\$9.25	\$9.25
30-36 Months	\$9.25		\$9.50	\$9.50	\$9.50	\$9.50
36-42 Months	\$10.00		\$10.25	\$10.25	\$10.25	\$10.25
42-48 Months	\$11.00	↓	\$11.25	\$11.25	\$11.25	\$11.25
48 Months & Thereafter	\$13.75	→	\$14.00	\$14.25	\$14.50	\$14.75
Red Circled F.T. Clerks						
In Classification after 4/2/2000	\$14.35		\$14.60	\$14.85	\$15.10	\$15.35
Department Heads						
Sales Volume 1 Under \$500k w/o F	\$17.50		\$17.90	\$18.20	\$18.50	\$18.80
Sales Volume 2 \$500k-\$750k w/o F	\$18.10		\$18.40	\$18.70	\$19.00	\$19.30
Sales Volume 3 Over \$750k w/o F	\$18.60		\$18.90	\$19.20	\$19.50	\$19.80
FX Fuel						
Courtesy Clerks	\$7.55		\$8.00	\$8.00	\$8.00	\$8.00



 RA

 [Signature]

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SCHEDULE "A" - WAGES - COMPREHENSIVE
Houston Meat

CLASSIFICATIONS	Current Rate	Eff 4/10/16	Eff 4/9/17	Eff 4/8/18	Eff 4/7/19	
Head Meat Cutter	\$19.73		\$20.03	\$20.33	\$20.63	\$20.93
Red Circle Journeyman Meat Cutter	\$17.99		\$18.24	\$18.49	\$18.74	\$18.99
Red Circle Weighers and Wrappers (Hired prior 2-18-90 Assigned prior to 4/4/04)	\$15.61		\$15.86	\$16.11	\$16.36	\$16.61
Red Circle Weighers and Wrappers (Hired after 2-18-90 Assigned prior to 4/1/07)	\$14.20		\$14.45	\$14.70	\$14.95	\$15.20
Part-Time Apprentices (Assigned after 4/8/2004)						
Start	\$7.65		\$8.25	\$8.25	\$8.25	\$8.25
9 Months	\$7.75		\$8.50	\$8.50	\$8.50	\$8.50
18 Months	\$7.85		\$8.75	\$8.75	\$8.75	\$8.75
27 Months	\$7.95		\$9.00	\$9.00	\$9.00	\$9.00
33 Months	\$8.05		\$9.25	\$9.25	\$9.25	\$9.25
39 Months	\$8.35		\$9.50	\$9.50	\$9.50	\$9.50
45 Months	\$8.55		\$9.75	\$9.75	\$9.75	\$9.75
51 Months	\$8.75		\$10.00	\$10.00	\$10.00	\$10.00
57 Months	\$9.00		\$10.25	\$10.25	\$10.25	\$10.25
65 Months and Thereafter	\$10.85		\$11.05	\$11.25	\$11.45	\$11.65
Full-Time Apprentices (Assigned after 4/8/2004)						
0-6 Months	\$8.25		\$8.25	\$8.25	\$8.25	\$8.25
6-12 Months	\$8.50		\$8.50	\$8.50	\$8.50	\$8.50
12-18 Months	\$8.75		\$8.75	\$8.75	\$8.75	\$8.75
18-24 Months	\$9.00		\$9.00	\$9.00	\$9.00	\$9.00
24-30 Months	\$9.25		\$9.25	\$9.25	\$9.25	\$9.25
30-36 Months	\$9.75		\$9.75	\$9.75	\$9.75	\$9.75
36-42 Months	\$10.50		\$10.50	\$10.50	\$10.50	\$10.50
42-48 Months	\$11.50		\$11.50	\$11.50	\$11.50	\$11.50
Certified Meat Cutter*	\$15.00		\$15.25	\$15.50	\$15.75	\$16.00
*Upon completion of the apprentice scale and upon successfully passing the certification assessment such apprentice shall be advanced to the position of Certified Meat Cutter. Such assessment shall be completed within 30 days of the meat cutter completing their apprenticeship scale.						
Part-Time Weighers and Wrappers (Hired after 4-1-2007)						
Start	\$7.65		\$8.25	\$8.25	\$8.25	\$8.25
9 Months	\$7.75		\$8.50	\$8.50	\$8.50	\$8.50
18 Months	\$7.85		\$8.75	\$8.75	\$8.75	\$8.75

37 Months	\$7.95		\$9.00	\$9.00	\$9.00	\$9.00
38 Months	\$8.05		\$9.25	\$9.25	\$9.25	\$9.25
39 Months	\$8.25		\$9.50	\$9.50	\$9.50	\$9.50
45 Months	\$8.55		\$9.75	\$9.75	\$9.75	\$9.75
51 Months	\$8.75		\$10.00	\$10.00	\$10.00	\$10.00
57 Months	\$9.00		\$10.25	\$10.25	\$10.25	\$10.25
63 Months and Thereafter	\$10.85		\$11.05	\$11.25	\$11.45	\$11.65
Full-Time Weighers and Wrappers (Hired after 4-1-2007)						
0-6 Months	\$7.70		\$8.25	\$8.25	\$8.25	\$8.25
6-12 Months	\$7.80		\$8.50	\$8.50	\$8.50	\$8.50
12-18 Months	\$7.95		\$8.75	\$8.75	\$8.75	\$8.75
18-24 Months	\$8.25		\$9.00	\$9.00	\$9.00	\$9.00
24-30 Months	\$8.55		\$9.25	\$9.25	\$9.25	\$9.25
30-36 Months	\$9.25		\$9.50	\$9.50	\$9.50	\$9.50
36-42 Months	\$10.00		\$10.25	\$10.25	\$10.25	\$10.25
42-48 Months	\$11.00		\$11.25	\$11.25	\$11.25	\$11.25
48 Months and Thereafter	\$13.75		\$14.00	\$14.25	\$14.50	\$14.75
Part-Time Service Clerks						
Start	\$7.65		\$8.25	\$8.25	\$8.25	\$8.25
9 Months	\$7.75		\$8.50	\$8.50	\$8.50	\$8.50
18 Months	\$7.85		\$8.75	\$8.75	\$8.75	\$8.75
27 Months	\$7.95		\$9.00	\$9.00	\$9.00	\$9.00
33 Months	\$8.05		\$9.25	\$9.25	\$9.25	\$9.25
39 Months	\$8.35		\$9.50	\$9.50	\$9.50	\$9.50
45 Months	\$8.55		\$9.75	\$9.75	\$9.75	\$9.75
51 Months	\$8.75		\$10.00	\$10.00	\$10.00	\$10.00
57 Months	\$9.00		\$10.25	\$10.25	\$10.25	\$10.25
63 Months and Thereafter	\$10.85		\$11.05	\$11.25	\$11.45	\$11.65
Full-Time Service Clerks						
0-6 Months	\$7.70		\$8.25	\$8.25	\$8.25	\$8.25
6-12 Months	\$7.80		\$8.50	\$8.50	\$8.50	\$8.50
12-18 Months	\$7.95		\$8.75	\$8.75	\$8.75	\$8.75
18-24 Months	\$8.25		\$9.00	\$9.00	\$9.00	\$9.00
24-30 Months	\$8.55		\$9.25	\$9.25	\$9.25	\$9.25
30-36 Months	\$9.25		\$9.50	\$9.50	\$9.50	\$9.50
36-42 Months	\$10.00		\$10.25	\$10.25	\$10.25	\$10.25
42-48 Months	\$11.00		\$11.25	\$11.25	\$11.25	\$11.25
48 Months and Thereafter	\$13.75		\$14.00	\$14.25	\$14.50	\$14.75



The following modifications to the Health Plan shall be submitted to the trustees with the recommendation of the bargaining parties for approval in their entirety:

Effective July 1, 2016: Plan A/B Emergency Room co-pays shall be increased from \$50 to \$100

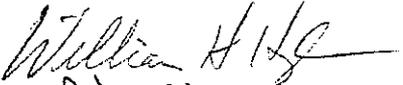
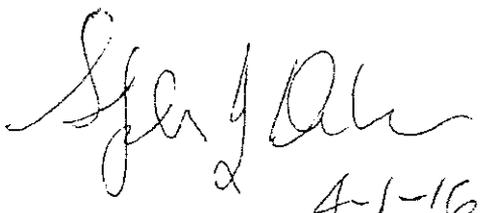
Effective January 1, 2017: Plan A/B deductibles shall be increased from \$300 to \$350 annually

Plan A/B out of pocket maximums shall increase from \$3000 to \$4000 annually, family shall increase from \$6000 to \$8000

Employee contribution for spousal coverage shall be \$100/month and the spouse penalty fee shall be increased to \$150/month

Part time fuel clerks who meet the eligibility requirements, shall be covered for benefits effective January 1, 2017 based on their hire date.

Effective upon ratification, the trustees shall implement a plan of benefits (Plan "C") for new hires with the following characteristics: a 70/30 medical plan, ancillary benefits the same as Plan "B". Plan "C" shall apply for the first three years of employment, and thereafter, the participant shall be placed in Plan "A" or "B", in accordance with the plan rules, provided that any employee who achieves full-time status and eligibility rules, shall be placed in Plan "A" in accordance with plan rules.

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I N D E X
UNITED FOOD AND COMMERCIAL WORKERS LOCAL NO. 455
HOUSTON CLERKS

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TERM: APRIL 4, 2010 THROUGH APRIL 6, 2013

AGREEMENT

This Agreement has been entered into by and between Kroger Texas L.P., hereinafter referred to as the "Employer" and the United Food and Commercial Workers Local No. 455, chartered by the United Food and Commercial Workers International Union, hereinafter referred to as the "Union."

It is the intent and purpose of the Employer and the Union to promote and improve labor management relations between them and to set forth herein the basic terms of Agreement covering wages, hours, and conditions of employment to be observed.

In consideration of the mutual promises and agreements between the parties hereto, and in consideration of their mutual desires in promoting efficient conduct in business and providing for the orderly settlement of disputes between them, the parties to this Agreement agree as follows:

ARTICLE 1. RECOGNITION OF THE UNION AND BARGAINING UNIT

Section 1.01 The Union shall be the sole and exclusive bargaining agent for all employees employed by Kroger Texas L.P. in stores operating in the counties of Austin, Brazoria, Brazos, Chambers, Fort Bend, Galveston, Grimes, Harris, Jefferson, Liberty, Madison, Matagorda, Montgomery, Orange, Polk, San Jacinto, Walker, Waller, Washington, Wharton, and Store #990 and Store #566, excluding all persons employed in the meat departments, store managers, co-managers, management trainees, professional employees, product demonstrators, guards and supervisors as defined in the L.M.R.A., as amended.

Section 1.02 The Employer agrees not to enter into any agreement or contract with the employees, written or oral, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement.

ARTICLE 2. UNION STORE CARD

The Union agrees to issue Union Store Cards to the Employer under the rules governing Union Store Cards as set forth in the Constitution of the United Food and Commercial Workers International Union. Such Union Store Cards are and shall remain the property of said

International Union, and the Employer agrees to surrender said Union Store Cards to an authorized representative of the Union upon demand in the event of failure by the Employer to observe the terms of this Agreement or the conditions under which said Union Store Card is issued. Union Store Cards will be displayed in a public area in all stores covered by this Agreement.

ARTICLE 3. UNION SECURITY

Section 3.01 During the life of this Agreement, the Employer shall deduct an amount equivalent to dues and initiation fees weekly from employees who individually and voluntarily certify in writing on the check-off authorization form for such deductions. Such authorization shall be binding on the employees for the duration of this Agreement unless the authorization is revoked in accordance with the provisions of the Taft-Hartley Act of 1947, as amended. No deductions shall be discontinued until the Employer has verified through the Union that the employee's request for revocation is timely and proper. The Union shall certify in writing a list of its new members, together with signed authorization cards with an itemized list of such initiation fees and dues to be deducted from such members. The Employer shall promptly remit all sums deducted in this manner to the Union monthly. Timing for such deductions may be worked out locally between the Employer and the Union.

Section 3.02 If there should be a change in the law permitting a Union Security Clause, the following shall, to the extent permitted by law, be effective as part of this Agreement, beginning upon the earliest date permitted by such enabling legislation.

Section 3.03 The Employer will make deductions from employees according to the signed Active Ballot Club check-off authorization card and the monies collected will be forwarded promptly by separate check to the President of UFCW Local No. 455.

Section 3.04 It shall be a condition of employment that all employees covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing, and those who are not members on the effective date of this Agreement shall, on the thirty-first (31st) day following the effective date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective date shall, on the thirty-first (31st) day following the beginning of such employment, become and remain members in good standing in the Union. For the purpose of this Section 3.04 only, the effective date of this Agreement, as referred to above, shall be determined in accordance with the provisions of Section 3.02 above.

Section 3.05 The Employer may secure new employees from any source whatsoever. During the first sixty (60) days of employment, a new employee shall be on a trial basis and may be discharged at the discretion of the Employer.

Section 3.06 The Employer agrees to notify the Union in writing within thirty (30) calendar days from the date of employment of the name and address of each new employee, his social security number, position for which he will be employed, date of employment and starting rate of pay. The Employer agrees to apply to such new employees the wage scale, hours and other conditions of employment set forth in this Agreement.

Section 3.07 The Employer agrees to conduct an Orientation Program for new employees within a reasonable time frame after date of hire. The employee shall be paid for the hours in attendance. In order to conduct the Orientation Program and to be consistent with the needs of the business, the Orientation Program shall be exempt from call-in pay, split shifts and six day premium pay, daily overtime, etc.

The Employer agrees to notify the appropriate Union Representative the date, time and location of the Orientation Program within a reasonable time frame.

Within the Orientation Program, the store management or a designee shall explain to the new employees the right to join the Union and 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 to sign up the new employee for Union membership. Such time shall not be an undue burden on the Employer.

Nothing in this Article is intended to preclude the application of Article 15.

ARTICLE 4. CLERKS WORK

Section 4.01 To prevent the 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 areas covered by this Agreement at the time of this Agreement as follows:

It is agreed that the prevailing practice of work performed by driver salesman, book salesmen, or sales representatives in the area covered by this Agreement can further be explained as follows:

1. Many outside sales personnel (as outlined above) perform the service of checking their merchandise, removing their outdated products from sale for credit, making out orders based on shelf inventory, etc., and this practice should not be construed to be a violation of the Agreement.
2. It is further understood that the practice of outside sales personnel working in preparation of and assistance during new store openings, remodels or resets is a valuable contribution to the future success of a particular store and should not be construed to be a violation of the Agreement.
3. In addition to the above, the established practice of stocking by certain vendors shall not be a violation of the Agreement. Those products in Conventional Stores are as follows: beverages, ice, bakery products (cookies, bread, cakes, etc.), snacks, chips, etc., dairy products, ice cream, tobacco and tobacco products, magazines, books, greeting cards, etc., party supplies, candles, etc., records, hosiery, baby food, specialty and ethnic foods, spices, dressings, floor care rental and supplies, brooms, mops, etc., candy, nuts, gum, pasta products, rack jobber (sewing notions, toys, pet supplies, window shades, food care products, garden supplies, shoes, soft goods, patterns, hardware, cosmetics), fire wood, produce

specialties (plants, flowers, etc.), bottled water, fishing supplies, sporting goods, paint, leather goods, appliances, auto supplies, and clothing.

Section 4.02 Product demonstrators shall be excluded from performing any work normally performed by Bargaining Unit employees. Their duties might include wrapping or slicing the demonstrated product to sell at the time of customer contact only.

Section 4.03 It is expressly understood and agreed that the following items, to the extent that they have been historically handled by the food clerk classification of employment, will continue to be handled by that classification, such as: Dog food, cat food, detergents, bleaches and other household cleaning chemicals and floor waxes.

Section 4.04 Pharmacists and Pharmacist Interns shall not be permitted to perform work in the stores outside the area of the pharmacy, which is normally performed by employees in the Clerk Bargaining Union.

This would not in any way preclude pharmacists from conducting themselves in a professional manner to service a patients needs.

ARTICLE 5. TECHNOLOGICAL CHANGE

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 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:

1. The Employer has the right to install such equipment.
2. Any training or necessary retraining will be furnished expense free by the Employer to affected employees.
3. Where employees would be displaced by such installation, the Employer will make every effort to affect a transfer.
4. 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:
 - a. The employee had two (2) or more year's continuous service.
 - b. Does not refuse a transfer within a twenty-five (25) mile radius.
 - c. Does not refuse to be retrained.

- d. Such action does not occur more than one (1) year from date of installation.
 - e. Does not voluntarily terminate employment.
5. 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.
6. 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 pay.

ARTICLE 6. DISCHARGE AND DISCRIMINATION

Section 6.01 The Employer shall not discriminate against an employee for upholding Union principles, serving on a committee of the Union or any organization affiliated therewith.

Section 6.02 An employee may be discharged for proper cause and the Employer shall give notice in writing of such discharge to the Union. The Employer shall not discharge any employee without proper cause and shall give at least one (1) written warning notice of the specific complaint or complaints against such employee to the employee and to the Union, except that no warning notice need be given to an employee before discharge, if the cause of such discharge is dishonesty, drunkenness, falsification of application for employment (discharge for falsification of application for employment must be within sixty (60) days from date of hire), recklessness resulting in a serious accident while on duty, or refusal of any employee to accept a job assignment, possession of or use of an illegal controlled substance (such as marijuana, heroin, etc.) on Company premises, or a felony conviction of possession or use of an illegal controlled substance (such as marijuana, heroin, etc.), refusing to take a blood alcohol test or drug test where circumstances indicate an employee is under such influence, instigating a fight, assaults, sexual harassment, intentionally selling alcohol to a minor, maintaining or possession of any firearm on Company premises; an employee who fails to notify store management of his absence and reasons therefore within the first two (2) consecutive scheduled workdays of such absence; in the application of his understanding and agreement, it is understood that the employee will not be required to call in every two (2) consecutive scheduled workdays, after the required initial notification has been given. Such employee will be subject to discharge without a prior warning notice; or is covered by reasonable work rules agreed in writing between the Employer and the President of the Union, provided the Employer gives the Union President at least thirty (30) calendar days advance written notice of any proposed new work rules governing employee conduct for which a written notice will not be required before discharge. In the event that the Employer and the Union President cannot reach agreement upon the reasonableness of such proposed work rule(s) within the aforementioned time period, either party may refer that issue to the dispute procedure for final determination. Such a disputed proposed new work rule(s) shall not be implemented until such has been approved by an arbitrator.

Two (2) documented no call no shows within a 6 month period will be cause for discharge. Each no call no show will be documented by a written warning letter.

Section 6.03 Warning notices shall be void after six (6) months from date of issue.

Section 6.04 The Union may thereupon file a written complaint with the Employer within seven (7) days after the Union receives notice of such discharge. Said complaint must be taken up within fourteen (14) days from the date it is filed with the Employer, by the Union's representative and the Employer's designated representative, and it may be referred to the Board of Arbitration in the event the Union and the Employer's designated representative fail to reach an agreement. Should the Board determine that it was an improper discharge; the Employer shall reinstate the employee in accordance with the findings of the Board of Arbitration.

Section 6.05 Upon receipt by the Union from the Employer of a warning notice or Corrective Action Record, an employee who feels that such charge was unfair or unwarranted, shall have fifteen (15) days from receipt by the Union of such notice to file a grievance concerning the Employer's action.

Section 6.06 Cash Control

The Employer shall have the right to maintain and publish rules and regulations governing the operation of the cash register. Such rules and regulations shall be posted in each store and made available to the employees. The reasonableness of such rules and regulations are subject to the grievance procedure. The employees shall not be required or allowed to make up cash register shortages.

Section 6.07 Any senior employee (five (5) or more years service) who is about to be discharged due to absenteeism will have his or her circumstances reviewed by a two (2) person committee consisting of the Manager of Human Resources of The Kroger Co., and the President of UFCW Local #455 or their designate. Should this committee be unable to agree upon a solution, the matter may be referred to arbitration as proposed in Article 19 of this Agreement.

Section 6.08 Customer Complaint

Recognizing the importance of customer relations, an employee who receives an extremely serious customer complaint will be issued progressive discipline up to and including discharge; provided however, that said complaint is substantiated.

ARTICLE 7. SENIORITY

Section 7.01 Definition:

- (a) Seniority shall be defined as the length of continuous service of the employee with the Employer from the employee's last date of hire and no employee shall suffer loss of seniority by reason of approved leave as defined in this Agreement.
- (b) No employee shall acquire any seniority rights until the employee has been in the bargaining unit thirty (30) days, and provided further, that after thirty (30) days, the seniority date shall revert to the date the employee entered the bargaining unit.

An employee who is promoted out of the bargaining unit to a management position and then returns to the bargaining unit without a break in service shall retain his or her original seniority date prior to the promotion, adjusted to show time spent out of the bargaining unit.

- (c) Seniority shall be by classification as shown in the Wage Schedule of this Agreement. Seniority shall be on a store, zone or district, city and contractual basis in the Houston area, and in other areas on a store, city, areas and contractual basis. (Areas to be agreed upon).

Section 7.02 Seniority Lists:

- (a) Seniority lists shall be established and maintained, and such records shall be available to the Union at all times. Full-time employees shall have seniority over part-time employees and General Clerks. A full-time employee reduced to part-time shall retain his or her seniority until the employee has exercised his or her rights as specified in Section 7.04. Store Steward lists shall be established and maintained, and such records shall be made available to the Company, by the Union, at all times. Store Stewards (up to two (2) per store) shall have super seniority over all other full-time employees as it applies to lay-offs and recalls only. Store Stewards shall retain this right only while they are Store Stewards.

- (b) Full-time employees: Definition of a full-time employee will apply where full-time employee appears in this Agreement, and will be defined as follows:

An employee (excluding General Clerks) will be classified as a full-time employee at the end of any twelve (12) consecutive workweeks during which his average hours worked per week equal or exceed thirty-two (32) hours per week.

- (c) Time not worked because of a holiday shall be counted as time worked towards qualification as a full-time employee, regardless of whether or not the employee is entitled to holiday pay.
- (d) For an employee who meets the aforesaid requirements, continued service as a full-time employee shall be dated back to the first day worked in the first of the twelve (12) qualifying weeks.
- (e) Once an individual has qualified as a full-time employee, he shall be removed from full-time status only:
 1. If he is discharged.
 2. If he quits voluntarily, or becomes unavailable for full-time work because of another job.
 3. If he is permanently laid off due to elimination of job.
 4. If he has been reduced at his voluntarily written request.
 5. If the employee works less than thirty-two (32) hours per week of the basic workweek each week for six (6) weeks.

6. A school student averaging thirty-two (32) or more hours in a basic workweek during the summer will be retained in a part-time basis until October 15. If he is still working at that time, has met all requirements for classification as a full-time employee, and is still averaging thirty-two (32) or more hours in a basic workweek, he shall be classified as a full-time employee.

Section 7.03 Choice of Schedules and Hours:

- a) Employees by classification and job assignment shall be entitled to a choice of a total weekly schedule by seniority. This claim must be made by 12:00 noon, Saturday after the posting of the schedule for the succeeding week's hours of work. An employee shall be permitted to exercise his or her claim for a weekly schedule only once in every ninety (90) days, unless his or her schedule is changed for more than one (1) week. (Changes of a total of four (4) hours or less per week shall not be considered a schedule change.) Such schedule shall not be arbitrarily or capriciously changed by the Employer.
- b) Full-time employees by classification within a store and where the employee is qualified to do the work available will be given the daily and weekly schedule with the most hours by seniority. At least fifty percent (50%) of the scheduled hours (excluding Sacker/Carryout hours) shall be forty (40) hour schedules and fifty percent (50%) of hours will be General Clerk schedule by store. This provision shall not apply during the first twenty-six (26) weeks of a new store opening or a major remodeling. To determine the number of forty (40) hour schedules per store, fractions will be treated as follows:

One-half ($\frac{1}{2}$) or over - Equals a full schedule
Less than one-half ($\frac{1}{2}$) - Drop

Forty (40) hour shifts shall be scheduled in compliance with Section 8.01.

The Employer will maintain this ratio on a weekly basis notwithstanding any other provision of the Agreement.

It is expressly understood that the Employer will have the right to obtain and maintain the above-mentioned ratio throughout this Agreement. Any language pertaining to claiming of hours or restriction of scheduling which interferes with the Employers' right will be considered null and void for the life of this Agreement.

A full-time forty (40) hour employee, who is absent because of an approved leave of absence, vacation, etc., shall count as full-time on ratio.

The Union agrees, that should the Employer become unable to comply with the above because of compliance would result in inadequate coverage of schedules, addition of unnecessary hours, etc., to meet with the Human Resource Manager and the President of the Union, or his designee, in an effort to work out a suitable solution to the specific problem.

- c) Part-time employees by classification and General Clerks with the most seniority within a store and where said employee is qualified to perform the work and is available will be given the remaining total weekly schedules with the most hours.
- d) Where additional hours in a store become necessary to add due to employee's absence, increased volume, etc., it will be done by seniority as defined in this Article. Employees will not necessarily be called in unless the additional hours exceed four (4) hours or more or the additional hours would run into overtime.
- e) Any grievance arising out of scheduling must be presented by 4:00 p.m. on Saturday of the week the schedule is posted by the employee involved; otherwise, said employee will be deemed not to have a valid grievance.
- f) 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.
- g) Part-time employees and General Clerks shall have first choice for regular full-time jobs based on seniority, provided they are capable of performing the work. Employees desiring such full-time jobs shall notify the District Manager in writing by either January 20th and July 20th of each year that they desire full-time work and are available. Such request will be for any full-time jobs that might occur during a six (6) month period from the first day of each month following such specified dates.

Should the vacancy not be filled as specified above, then said opening will be offered by seniority within the store.
- h) The word qualified as it appears in the Agreement, shall be intended to mean that an employee has knowledge of the policies, procedures, method and normal work processes that are necessary to perform the job and the employee would require reasonable orientation to perform the job in a satisfactory manner.
- i) The Employer agrees not to schedule two (2) employees where one (1) could be scheduled to do the work available and said employee is qualified and available.

Section 7.04 Layoff, Recall and Vacations

- (a) Seniority by classification shall apply in layoff and recall, provided the senior employee retained can perform the work available.

In layoffs or reduction in hours of a full-time employee, when they have averaged working four (4) consecutive weeks at less than thirty-two (32) hours, the employee shall have the right to exercise any one of the following:

1. Displace the least senior full-time employee in accordance with Section 7.01.
2. Accept less than full-time employment in their classification within their store, provided they can perform the work available.

3. Displace the least senior employee in another classification in their store, provided they can perform the work available, and with the understanding that the employee will be paid at the appropriate rate in that classification.

4. Accept layoff.

(a-1) In layoffs of a part-time employee, the employee shall have the right to exercise one of the following:

1. Displace the least senior part-time employee in a lower classification in their store, provided the employee can perform the work available, and with the understanding that the employee will be paid at the appropriate rate in that classification.

2. Employees with two (2) or more years of service will be allowed to displace the least senior part-time employee in accordance with Section 7.01 after he has been laid off for three (3) consecutive weeks.

3. Accept layoff.

(a-2) In layoffs of a General Clerk employee, the employee shall have the right to exercise one of the following:

1. Displace the least senior employee in a lower classification in their store, provided they can perform the work available with the understanding that the employee will be paid at the appropriate rate in the classification.

2. Employees with two (2) or more years of service will be allowed to displace the least senior General Clerk in accordance with Section 7.01 after he has been laid off for three (3) consecutive weeks.

3. Accept layoff.

(b) Seniority shall apply in choice of vacation time. Employee's vacation choice will be granted as long as the number of employees off at any one time does not interfere with the efficient operation of the store.

Section 7.05 Sunday and Holiday Rotation

Sunday and holiday work shall be rotated among qualified employees who sign a list (which will be posted in the store office and will be updated on a quarterly basis) that they are available to work on a continuing basis. Where additional employees are needed, the junior employees must work in inverse seniority order by store.

Full-time employees who request to work on Sundays or holidays will have those hours included in the basic workweek. Employees who are scheduled in inverse seniority order for Sunday or holiday work, those hours will also be included in the basic workweek. Only employees who work forty (40) hours in five (5) days, which include Sundays and holidays in their schedule, may be counted to comply with Section 7.03(b).

The Employer will neither schedule nor require any employee to work on Christmas Day unless the competitive environment warrants such.

Section 7.06 Promotions or Transfers:

- (a) Employees who desire transfers from one type of work to another or a promotion to a higher classification shall make their wishes known in writing to their District Manager with a copy to the Human Resource Manager and the Union. When openings occur, employees will be considered by seniority from those who have made their wishes known.
- (b) Where it becomes necessary to transfer an employee from one store to another, the Employer shall have the right to determine whether the employees in that job classification are qualified for the available assignment. All circumstances being reasonably equal, the job shall be offered to the most senior employees. In the event that the most senior employee refuses the transfer, the junior employee will be transferred.
- (c) Full-time employees desiring to transfer from one store to another store of the Employer shall make such request in writing to the Employer's District Manager and the Human Resource Department with a copy to the Union office. Such request shall remain on file with the Employer for a period of six (6) months, during which time, if the Employer has any openings occurring within their classification within any store or stores requested by the employee, the employee shall be granted such transfer, providing the employee is qualified and available to work the schedule.

Section 7.07 Loss of Seniority:

Seniority will be broken if an employee:

1. Quits.
2. Is discharged for just cause.
3. Is laid off continuously for a period of more than six (6) months.
4. Fails to return to work after being recalled by the Employer by registered letter (or telegram) to his last known address and does not report for work within one (1) week (7 calendar days) from date of his registered letter.
5. Fails to return to work upon completion of leave of absence as defined in Article 13.

ARTICLE 8. WORKING CONDITIONS

Section 8.01 Workweek:

The workweek shall consist of not more than forty (40) hours to be worked in not more than five (5) days, Monday through Saturday, (except as provided in Article 7, Section 7.05). The days are not necessarily consecutive.

Full-time employees may be scheduled on a four (4), ten (10) hour shift basis if agreeable between the employees and the Employer in writing. It is understood that when such a schedule is worked, time and one-half (1½) shall be paid after ten (10) hours per shift and forty (40) hours per week, and ten (10) hours would be paid for holidays, funeral leave, jury duty, etc. The above agreement may be rescinded in writing by either party.

Section 8.02 Workday:

1. The basic workday for all employees before overtime shall be eight (8) hours per day.
2. There shall be no split shifts worked or scheduled for employees.
3. No bargaining unit employee will be scheduled to work in a store unless there is at least one (1) other employee of the bargaining unit or a member of management scheduled in the store at the same time.

Section 8.03 Overtime:

Overtime at the rate of time and one-half (1½) will be paid for all hours worked in excess of the workweek or workday as set forth in Section 8.01 and 8.02 above, but in no case on both. Work performed on the seventh (7th) day worked in the workweek shall be compensated at the rate of time and one-half (1½). In no event shall the same hours be used twice in computing premium time and/or overtime.

Section 8.04 Daily, Weekly Guarantee:

All employees (except Sacker/Carryout) who are scheduled to work and report for work as scheduled, shall be guaranteed a minimum schedule of four (4) hours of work per day and fifteen (15) hours work per week.

Employees called in to work shall also be guaranteed a minimum of four (4) hours per day provided the employee is available to work the needed hours.

Section 8.05 Holiday Rate:

- (a) All work performed on a holiday shall be paid for at the premium rate of time and one and one-quarter (1¼) the employee's straight-time rate of pay except for General Clerks and Sacker/Carry-outs who will be compensated in accordance with paragraphs 8.05(b) and 8.05(c) below.

- (b) General Clerks shall receive fifty cents (50¢) per hour holiday premium for the first twelve (12) months of employment. Upon completion of twelve (12) months of employment, they shall receive time and one-quarter (1¼) their appropriate hourly rate.
- (c) Sacker/Carry-outs shall receive no holiday premium for the first six (6) months of employment. Thereafter, they shall receive a fifty cent (50¢) per hour holiday premium in addition to their hourly rate.

Section 8.06 Tips:

Employees shall be allowed to keep all tips.

Section 8.07 Transportation Allowance:

Employees shall not be required to furnish their own transportation to conduct any business of the Employer. Employees, who are authorized to use their own transportation to conduct any business of the Employer, shall be reimbursed at the current IRS mileage allowance rate.

Section 8.08 Work Schedule:

1. A schedule for employees shall be posted by 12:00 noon on Friday for the succeeding week (in an area accessible to the Union), and such schedule will not be changed during the week unless such requirement is necessitated because of sickness or emergencies ("emergency" means strike, fire, flood, etc.). Employees' schedules will not be changed to avoid the payment of overtime except as allowed herein.
2. The schedule shall be posted in ink or other permanent type printing and shall show the last name and initial of the employee, the employee's starting time and quitting time, total hours per week, and scheduled days off.

Section 8.09 Shift Interval:

The employee will be given ten (10) hours off duty between scheduled shifts.

Section 8.10 Meal Period:

Employees who are scheduled to work more than six (6) hours in a day shall be granted one (1) hour without pay for meal period. Such meal period will be scheduled daily and as near the middle of the work shift as possible. A meal period of less than one (1) hour may be granted when it is agreeable with both the employee and the store manager.

Section 8.11 Rest Periods:

Employees working six (6) hours or less shall receive one (1) uninterrupted paid fifteen (15) minute rest period. Employees working more than six (6) hours in a workday shall receive two (2) uninterrupted paid fifteen (15) minute rest periods during the workday; one in the first part of the workday and the other in the second part of the workday. Employees working ten (10) hours or more in a workday shall receive three (3) uninterrupted paid fifteen (15) minute rest periods.

Breaks will be as near the middle of the shift as possible.

Section 8.12 Night Premium:

A night premium of thirty-five cents (.35¢) per hour will be paid for work performed between 9:00 p.m. to 6:00 a.m. to regular night employees who are scheduled as part of the regular night crew.

Any regular night employee who regularly receives a night premium will have said premium included in the calculation of their vacation and holiday pay.

ARTICLE 9. WAGES

Rates of pay for job classifications now set forth in this Agreement shall not be less than as set forth in Schedules "A" and "B" attached hereto and made a part of this Agreement.

ARTICLE 10. HOLIDAYS

Section 10.01 Recognized Holidays

The following shall be considered as holidays: New Year's Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or days regularly celebrated in lieu thereof.

Section 10.02 Eligibility

Employees who are absent of their own accord on either their scheduled workday preceding or their scheduled workday following the holiday shall be paid only for the hours actually worked, except where absence is caused by proven illness or is excused by the Employer, the employee shall receive holiday pay, provided he or she worked any part of the holiday week. No probationary employee will receive holidays.

Employees hired after ratification will be eligible for paid holidays after twelve (12) months of employment.

Section 10.03 Holiday Pay:

- (a) Full-time: During a week in which one of the above holidays occur, full-time employees who work their scheduled workday preceding and their scheduled workday following the holiday shall receive eight (8) hours pay in addition to the hours worked.
- (b) General Clerks and Sacker/Carryout Employees: General Clerks and Sacker/Carryout employees shall receive four (4) hours holiday pay.

Section 10.04 Extra Day:

If a holiday occurs during an employee's vacation, he shall be given an extra day off with pay or receive pay in lieu thereof where such is agreeable to the employee and the Employer.

Section 10.05 Personal Holiday:

In addition to the National holidays, employees shall earn personal holidays as follows:

Three (3) years of continuous service	One (1) personal holiday
Eight (8) years of continuous service	Two (2) personal holidays
Fifteen (15) years of continuous service	Three (3) personal holidays
Twenty (20) years of continuous service	Four (4) personal holidays

The employee must give the store manager one (1) weeks' notice prior to the schedule being posted. The day(s) selected must be agreeable with the store manager.

ARTICLE 11. VACATIONS

Section 11.01 Eligibility

- (a) A full-time employee will be eligible for a one (1) week vacation as of the first (1st) anniversary date of continuous full-time service, provided he has completed one (1) year of continuous full-time service as of that date.
- (b) After qualifying for his first one (1) week vacation, a full-time employee who has completed one (1) year of continuous full-time service (but less than three (3) years) prior to January 1 is eligible for a one (1) week vacation as of January 1.
- (c) A full-time employee will become eligible for a second (2nd) week of vacation as of the third (3rd) anniversary of his beginning date of continuous full-time service, provided he has completed three (3) years of continuous full-time service as of that date.
- (d) After qualifying for his first two (2) week vacation, a full-time employee who has completed three (3) years of continuous full-time service prior to January 1 is eligible for a two (2) week vacation as of January 1.
- (e) A full-time employee will become eligible for a third (3rd) week of vacation as of the tenth (10th) anniversary of his beginning date of continuous full-time service, provided he has completed ten (10) years of continuous full-time service as of that date.
- (f) After qualifying for his first three (3) week vacation, a full-time employee who has completed ten (10) years of continuous full-time service prior to January 1 is eligible for a three (3) week vacation as of January 1.
- (g) A full-time employee will become eligible for a fourth (4th) week of vacation as of the fifteenth (15th) anniversary of his beginning date of continuous full-time service, provided he has completed fifteen (15) years of continuous full-time service as of that date.
- (h) After qualifying for his first four (4) week vacation, a full-time employee who has completed fifteen (15) years of continuous full-time service prior to January 1 is eligible for a four (4) week vacation as of January 1.

- (i) A full-time employee will become eligible for a fifth (5th) week of vacation as of the twentieth (20th) anniversary of his beginning date of continuous full-time service, provided he has completed twenty (20) years of continuous full-time service as of that date.
- (j) After qualifying for his first fifth (5th) week vacation, a full-time employee who has completed twenty (20) years of continuous full-time service prior to January 1 is eligible for a five (5) week vacation as of January 1.
- (k) A full-time employee will become eligible for a sixth (6th) week of vacation as of the thirtieth (30th) anniversary of his beginning date of continuous full-time service, provided he has completed thirty (30) years of continuous full-time service as of that date.
- (l) After qualifying for his first sixth (6th) week vacation, a full-time employee who has completed thirty (30) years of continuous full-time service prior to January 1 is eligible for a six (6) week vacation as of January 1.

Section 11.02 Vacation Pay:

- a) Full-time employees will be paid their straight-time earnings for their basic workweek forty (40) hours.
- b) Vacation pay will be paid in advance.

Section 11.03 General Provisions:

- a) Vacations must be scheduled in the calendar year as due. No employee shall be given pay in lieu of vacation. If an employee qualifies for a one (1), two (2), or three (3) weeks 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 his earned vacation early or wait and take his cumulative earned vacation later in the year.
- b) There will be no weeks blacked out for the purposes of vacation scheduling.

Section 11.04 Separations:

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 11.05 Effect of Leaves of Absence:

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 ($\frac{1}{4}$); 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 ($\frac{1}{2}$); leaves totaling more than two hundred seventy (270) days shall disqualify for vacation.

Vacations shall not be prorated for any leave of absence related to the Texas Occupational Injury or Disease Benefit Plan provided that:

- (a) The employee is in good standing with the plan.
- (b) The claim has not been denied by the Plan Administrator.

Section 11.06 Part-time:

- (a) A part-time employee shall be granted a vacation under the same general rules as provided for full-time employees. Part-time vacation will be figured on the number of hours in the vacation qualifying year divided by the weeks in a calendar year.
- (b) The qualifying date for all vacation purposes of any part-time employee who subsequently, and without a break in his employment, qualifies as a full-time employee shall be the date from which his service has been counted for part-time vacation purposes rather than the date he qualified as a full-time employee.

Section 11.07 Vacation Days

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) and six (6) weeks of vacation may elect to take two 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 12. STORE CLOSING

Section 12.01 In the event the Employer closes or sells a store, and employees are terminated as a result thereof, 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 (1) week's pay

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

Section 12.03 The Employer shall continue contributions to the Pension and Health and Welfare Trust Funds for three (3) full months following termination on an 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 Fund.

Section 12.04 All monies due employees, including severance pay, shall be paid in a lump sum upon termination.

Section 12.05 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 12.06 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 12.07 No benefits shall accrue under the terms of this Article if the employee refuses a transfer within a twenty-five (25) mile radius.

Section 12.08 An 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 13. LEAVES OF ABSENCE

Section 13.01 Sickness, Pregnancy or Injury:

A leave of absence because of sickness, pregnancy or injury not to exceed ninety (90) days shall be granted to an employee upon written request supported by medical evidence. Extensions will be granted up to ninety (90) days at a time for a cumulative total of one (1) year. A leave of absence due to an occupational illness or injury may be extended up to a maximum cumulative total of eighteen (18) months for exceptional cases documented by medical evidence and mutually agreed upon between the Employer and the Union.

Section 13.02 Personal Leave:

Any employee with six (6) months or more of service with the Employer may be granted, at the convenience of the Employer and the employee, a personal leave of absence, without pay, not to exceed thirty (30) days. An approved personal leave may be extended by an additional thirty (30) days.

Section 13.03 Union Business:

- (a) The Employer shall grant the necessary time off without discrimination or loss of seniority rights and without pay to any employee designated by the Union to attend a labor convention or serve in any capacity on other official Union business, provided the Employer is given at least seven (7) days notice in writing specifying the length of time off, but in no case shall the length of time off exceed one (1) year.
- (b) Union Stewards (limited to two (2) per store) shall be granted a leave of absence with pay up to 2 days per year (excluding Holiday weeks) for the purpose of attending Union Workshops, Leadership Conferences, etc. The Union will give the Company two weeks notice of such request.

Section 13.04 Requirements:

- (a) An employee desiring a leave of absence from the job shall secure written permission from the Employer with a copy to the Union unless otherwise specified in this Agreement. The length of absence to be agreed upon by the Employer and the employee. Failure to comply with this provision shall result in the complete loss of seniority rights of the employee involved. Inability to work because of sickness or injury shall not result in the loss of seniority rights.
- (b) Time spent on leave of absence will not be counted as time worked for the purpose of wage computation or other benefits, except as otherwise provided herein, and will not result in loss of seniority. Failure to report back to work at the end of a leave of absence shall result in the employee being considered a voluntary quit. Any employee accepting employment elsewhere while on leave of absence, shall be considered a voluntary quit, except a case where such employee works for the Union.
- (c) An employee returning from a leave of absence must notify the Employer not later than 12:00 noon Thursday of a week and will be placed on the following week's schedule.

Section 13.05 Military Leave:

- (a) An employee who enlists or is inducted into military service shall be returned to his job and retain his seniority under the provisions of the Federal Selective Training Act.
- (b) Any employee who is required to report for duty with the National Guard or with any Reserve of any branch of the military shall not be required to take his vacation at that time.

Section 13.06 Jury Duty and Appearances:

- (a) 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.
- (b) Any employee required to appear in legal proceedings 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 13.07 Funeral Leave:

If a member of an employee's immediate family shall die, said employee shall be paid for a reasonable period of absence depending upon the circumstances but not to exceed a maximum of three (3) scheduled workdays. The term "immediate family" shall mean spouse, parent, step-parents, child, step-child, brother, sister, grandchildren, grandmother, grandfather, father-in-law, mother-in-law, brother-in-law, sister-in-law or any relative residing with the employee.

Section 13.08 Family Leave Act

The Company will comply with the provisions of the Family Leave Act, 1993.

ARTICLE 14. GENERAL PROVISIONS

Section 14.01 Uniforms:

- a) Any uniform clothing deemed necessary by the Employer for its employees shall be furnished by the Employer and replaced when needed.
- b) The Employer shall provide and shall not charge for the shirts required by the Company.

Section 14.02 Bulletin Boards:

The Employer will provide a bulletin board in each store. Space will be provided to the Union for posting on such boards notices necessary for conducting Union business.

The Union may post whatever notices it deems necessary to conduct Union business.

Section 14.03 Charitable Contributions:

Charitable contributions will be on a voluntary basis.

Section 14.04 Store Meetings:

The Employer shall be allowed to schedule and conduct one (1) meeting per month at which employee attendance is required and time spent by employees at such meetings 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. Store meetings called by the Employer in excess of one (1) meeting per month as allowed shall be considered as hours worked and paid for accordingly.

Section 14.05 Voting Time:

Texas law regarding employee's time off for voting shall be followed.

Section 14.06 Recording of Time Worked:

- (a) Employees will be responsible for recording time utilizing the Company's method for the recording of time worked. Employees failing to follow the proper procedure for recording time worked will be subject to discipline.

- (b) When an employee fails to record his or her own time or when an error in recording of time occurs, the employee shall report such error to the store manager or his or her designee, who shall record the proper time in the employee's time record.

Section 14.07 Employees shall not be required to take a polygraph test.

ARTICLE 15. UNION RIGHTS

Section 15.01 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.

The store stewards while on duty shall have the right and be allowed reasonable time to discuss Union business with employees without disturbing the Company's operations.

Section 15.02 The management of a store shall grant to any accredited Union Official access to the store, including discussions with its employees and employees' schedules, payroll recaps, and seniority lists for the purpose of satisfying himself that the terms of this Agreement are being complied with.

Section 15.03 Under normal conditions, contract administration will be handled during the hours the manager, the assistant manager or their designee are in the store. However, if the store is closed and/or the store manager is not on the premises, and when the Union has reasonable cause to believe that the contract is being violated or where a member has requested representation, the Employer shall allow the Union access to the store, provided the Union notifies the store manager of the specific time the Union desires access to the store and the time is mutually agreed during that work shift.

ARTICLE 16. MANAGEMENT RIGHTS

The management of the business and the direction of the working forces, including the right to plan, direct, control, expand, reduce and terminate store operations, hire, suspend, or discharge for proper cause, transfer or relieve employees from duty because of lack of work or for other legitimate reasons, the right to study or introduce new or improved production methods or facilities and the right to establish and maintain rules and regulations covering the operation of the stores, a violation of which shall be among the causes for discharge, are vested in the Employer; provided, however, that this right shall be exercised with due regard for the rights of the employee 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 17. HEALTH AND WELFARE

Section 17.01 The Employer shall contribute to the established South Central United Food and Commercial Workers Unions and Employers Health and Welfare Trust Fund for all hours paid, not to exceed forty (40) hours per week, after thirty (30) calendar days of employment. Such contributions shall be used to provide Health and Welfare benefits, for all enrolled Bargaining Unit Employees with the exception of Part-time Fuel Clerks, subject to and in strict accordance with the terms of Section 17.02 (“Funding Policy”).

A. Contributions to Fund Benefits

The Employer shall contribute to the Fund in the following amounts provided that the Trustees of the Plan provide benefits and manage the Plan in accordance with their fiduciary responsibility and in accordance with the provisions of this Article:

<u>Date</u>	<u>Amount</u>
January 1, 2011 (Dec. hours)	\$2.32 per hour
January 1, 2012 (Dec. hours)	up to \$2.50 per hour
January 1, 2013 (Dec. hours)	up to \$2.98 per hour if needed to maintain reserve policy

In addition to maintaining the reserve policy, three months prior to January 1, 2013, the hourly employer contribution rate will be calculated (and increased in January 1, 2013) so that January through March 2013 employer contributions are equivalent to January to March 2013 projected net expenses, but the rate will not exceed \$2.98 per hour. (Projected net expenses are the projected expenses minus any other income except employer contributions.)

The following weekly contributions will apply at Ratification:

Employees hired after Ratification (9/30/10) Effective 1/1/12

Employee Only	\$ 6.00
Employee & Spouse	\$14.00
Employee & Children	\$12.00
Employee & Family	\$20.00

Current Employees as of Ratification (9/30/10)

Employee Only	\$ 5.00
Employee & Spouse	\$10.00
Employee & Children	\$10.00
Employee & Family	\$15.00

As a condition of receiving the contributions provided above, the Trustees of the Plan will establish Plan(s) of benefits, which can be supported by the contributions provided herein. The bargaining parties recommend that Trustees of the South Central Fund adopt the plan of benefits as shown within this document.

Eligibility

The Administrator will, on an annual basis, obtain all data necessary to enroll or re-enroll employees and their dependents as participants eligible for coverage under the Plan. To remain enrolled as a participant eligible for plan coverage, each employee who is currently enrolled, or who initially enrolls during the term of the Collective Bargaining Agreement, must re-enroll prior to the start of each succeeding plan year. Employees must make a positive election to enroll in the Plan. Enrollment is for the entire plan of benefits (except that Life Insurance and AD & D shall be provided to all eligible employees) for the Plan and an employee's failure to make a positive enrollment into the Plan shall result in such employee being ineligible for all benefits of the Plan for the remainder of the calendar year or until there has been a qualifying life event, as defined by the Trustees, whichever occurs first.

The Employer may, upon reasonable notice and at its own expense, audit the Fund's enrollment data and claims records once each plan year. The Employer may arrange to have the audit conducted by a recognized auditing firm that it shall select.

Independent of the foregoing audits, the Fund will audit its enrollment and claims records at least once each plan year to ensure that no employees of the Employer, or the dependents of such employees, are participating in plan coverage for which they are not eligible.

Full-time employees shall be eligible to enroll in Plan B, employee only, benefits on the first day after their 6th month of consecutive employment. Full-time employees shall be eligible to enroll in Plan A benefits on the first day after their 12th month of consecutive employment.

Part-time employees shall be eligible to enroll in Plan B, on the first day after their 9th month of consecutive employment and part-time employees hired prior to ratification (9/30/10) may become eligible for Plan A on the first day after their 24th month of consecutive employment.

Part-time employees hired after ratification (9/30/10) will only be eligible for Plan B and cannot migrate to Plan A, unless they become a full-time employee.

Employees shall continue to be eligible for benefits provided they enroll for coverage in accordance with this Article and provided they continue to average 60 hours per month for Plan B coverage (80 hours for new hires after ratification (9/30/10)) or 120 hours per month for Plan A coverage, in each month to maintain eligibility for benefits. All employees must continue to meet all eligibility requirements of the Plan as a condition of continued eligibility.

The Trustees shall establish a separate accounting of income and expenses for the "Funding group" of the Fund who agree in their Collective Bargaining Agreements to the same provisions as provided herein, unless otherwise approved by the Trustees. Only those Employers who adopt these provisions may share in the pool of income and expenses established herein. The Trustees are expressly prohibited from using the contributions of these Employers for the payment of benefits to the employees of other Employers.

Section 17.02 Funding Policy

This Funding Policy shall become activated and of full force and effect on October 1, 2010. The contributions provided for herein are with the parties' understanding and agreement that the Trustees to the South Central Health & Welfare Fund will maintain the Plan in a fully funded and reserved status and will provide benefits in accordance with the provisions of this Article.

There are two purposes of this Funding Policy:

- (A) Fully reserved status of the South Central Health and Welfare Fund.
- (B) Claims Payment Standards of the South Central Fund.

A. Fully Reserved Status

It is agreed that the target for fully reserved status shall be defined as reserves equal to projected incurred but not reported claims (IBNR) as determined by the Consultant through Fund Claims lag report plus a minimum of two (2.0) months of health and welfare expenses. In October of each year, the Fund Consultant will give a projection for the coming plan year as well as a projection of the remaining term of the Agreement.

The Consultant will provide the current status of the reserves at each quarterly meeting as well as a projection through the end of the current plan year.

It is understood and agreed that any projection showing reserves below IBNR plus two (2) months will cause the financial condition to be monitored closely by the Trustees and the Professionals of the plan. Beginning January 1, 2012, a projection showing reserves below IBNR plus one and a half (1.5) months for two consecutive quarters will cause action to be taken by the Trustees to bring the level of reserves back to the desired level of IBNR plus one and a half (1.5) months. Actions may include the increase in Employer contributions as outlined in this article and if needed any modifications as deemed appropriate by the Trustees. If the rate is not sufficient, this will cause action to be taken by the Trustees to bring the level of reserves back to a level sufficient to pay claims for the remainder of the Agreement.

B. Claims Payment Standard

The Plan Administrator is responsible for payment of claims on a timely basis. Payment schedules should comply with any vendor contractual obligations in order to maintain the appropriate discounts provided by the vendor.

The Plan Administrator will make reports to the Trustees on compliances with these standards. Trustees are responsible for monitoring compliance of these standards and taking corrective action, as appropriate.

If the Trustees do not agree on actions to bring the claims payments to contractual levels, the bargaining parties shall have 30 days to agree upon a resolution. If they cannot do so, the issue shall be resolved by expedited arbitration.

Section 17.03 Cost Control Measures

The Trustees are directed to search for and adopt cost control measures that will aid the Fund in managing costs within the contributions provided by the Employer and employees herein. The parties agree to develop a Medical Management program that targets high-risk participants with chronic diseases such as diabetes, asthma, and cardiovascular disease. Incentives to drive participation in the program are understood to be a key element to enhance quality health care.

There is recognition that incentives may take various forms and will likely evolve and change over time base on program experience with a goal of maximizing program effectiveness. The initial focus will be a thorough educational campaign in connection with program roll out. Such education will be reinforced by the Plan, the Union, and the Employer.

Section 17.04 National Health Care Reform

The Employer and the Union agree to meet and discuss, at the request of either party, the effects of the Patient Protection and Affordable Care Act (PPACA) and Federal regulations or any other legislation on this Health and Welfare article and to make modifications as necessary.

Section 17.05 Texas Occupational Injury and Disease Benefit Plan

The parties agree to meet once per quarter to continue discussions brought forth in bargaining regarding the Kroger Texas Occupational Injury and Disease Benefit Plan. Prior to any updating of the Plan, the Employer will give the Union the opportunity to submit recommendations for consideration.

The meetings will be co-chaired by the Manager of Operations for the Southwest Division and the President of UFCW Local 455 and/or his designate. It is understood that the parties may include other representatives as deemed necessary.

Section 17.6

Contribution to the trust fund shall be continued under the following conditions effective 1-1-08 for participants of Plan A: In the case of a compensable injury while on an approved leave of absence, six (6) months contributions for full time (three (3) months contributions for part time) following the month in which the compensable injury occurs.

ARTICLE 18. PENSION PLAN

United Food and Commercial Workers Union and Employers Pension Fund, the Atlanta Fund for all employees.

Section 18.01 The Employer agrees to make a contribution to the jointly administered Trust Fund known as United Food and Commercial Workers Unions and Employers Pension Fund for all hours paid up to forty (40) hours a week, for all employees in the bargaining unit. No contribution will be made for employees during the first twelve (12) months of employment. Hours paid shall include paid hours of vacation, holidays and other hours of leave paid for by the Employer. Such contributions shall be made on or before the twentieth (20th) day of each month for the preceding calendar month. Upon payment of monthly contributions, the Employer shall report to the Union and the Trust Fund all hours worked.

Effective February 1, 2010, the Employer will contribute to the Atlanta Pension Fund, seventy cents (.70) per hour, effective January 1, 2011, eighty-five cents (.85) per hour, effective January 1, 2012, one dollar (\$1.00) per hour, and effective January 1, 2013 will contribute one dollar and fifteen cents (\$1.15) per hour.

Section 18.02 The contributions provided for in Section 18.01 and 18.02 hereof shall be for the purpose of providing such Pension benefits for eligible employees and other eligible persons as are determined from time to time by the Trustees of the aforesaid Trust Fund, pursuant to the terms of a Trust Agreement and Declaration of Trust which shall be designated as Appendix (A) and attached to this Agreement as a part hereof.

ARTICLE 19. DISPUTE PROCEDURE

Section 19.01 The Union shall have the right to designate store stewards for each store.

Section 19.02 Should any differences, disputes, or complaints arise over the interpretation or application of the contents of this Agreement, there shall be an earnest effort on the part of both parties to settle such promptly through the following steps:

- Step 1. By conference between the aggrieved employee and/or store steward, Union business representative, or either, and the manager of the store. The Store Manager will issue their decision and/or position within five (5) days following the conference. It is understood that any agreement reached at Step 1 shall be on a non-precedent setting basis.
- Step 2. By conference between the Union business representative and/or store steward and the District Manager. A meeting will be held within twenty (20) days of the first step decision, and a decision and/or position be given within fifteen (15) days of the second step conference, unless mutually extended by the parties. It is understood that any agreement reached at Step 2 shall be on a non-precedent setting basis.

Step 3. By conference between an official of the Union and the Division Human Resource Manager (or Marketing Area President) or person designated by him. Meeting will be held within thirty (30) days of the second step, and written decision and position on the grievance within fifteen (15) days of the third step conference, unless mutually extended by the parties.

Step 4. In the event Step 3 fails to settle the complaint, it may be referred to arbitration by either party within thirty (30) calendar days from receipt of the Employer's written decision and position on the complaint; otherwise, the grievance shall be considered null and void.

Section 19.03 In the event the parties cannot agree upon the selection of an arbitrator within fifteen (15) days from date of referral of the controversy to arbitration, the arbitrator shall be selected in the following manner:

The Federal Mediation and Conciliation Service shall be jointly requested by the parties to name a panel of seven (7) arbitrators. The parties shall then choose the arbitrator by alternately striking a name from the list until one (1) name remains as the arbitrator chosen by the parties and empowered to arbitrate the dispute.

The arbitrator shall be authorized to rule and issue a decision and award in writing on any issue presented for arbitration including the question of arbitrability of such issue. His decision and award shall be final and binding upon the parties to this Agreement. Where more than one is part of a common grievance, it shall be heard as a single grievance. The fees of the arbitrator shall be borne one-half (½) by the Union and one-half (½) by the Employer party to the arbitration.

The arbitrator shall have no power to add to, subtract from, alter, amend, modify or project beyond its meaning any of the terms and provisions of this Agreement.

The time limit set forth in this Article may be extended upon mutual agreement of the parties.

Section 19.04 No grievance will be considered or discussed which is presented later than fifteen (15) calendar days after such has happened, except monetary issues, which may be presented within six (6) months and hourly wage rate and night premium claims, which may be presented within one (1) year. Grievances that have progressed through Step 1 of the dispute procedure must be submitted in writing to be considered in Step 2.

Section 19.05 The parties agree that grievances may arise of a general nature affecting or tending to affect several employees, and that such grievances may be initiated at any of the above-mentioned steps deemed appropriate by the parties.

ARTICLE 20. NO STRIKE, NO LOCKOUT

Section 20.01 The Union agrees not to cause, ratify, or sanction any strike, slowdown, or stoppage of work and the Employer agrees that there shall be no lockout of any employees during the term of this contract.

Section 20.02 The Employer agrees that nothing in this contract shall require any employee to report or to perform any work when to do so will require that he cross a legal labor picket line in a primary labor dispute involving the Employer when such is sanctioned by United Food and Commercial Workers, Local #455. Provided, however, that United Food and Commercial Workers, Local #455 agrees that it will give the Employer at least forty-eight (48) hours notice after such primary picketing commences of its intention to sanction any such primary picket.

ARTICLE 21. SEPARABILITY

Any provision of this Agreement which may be adjudged by a court of final jurisdiction to be in conflict with any Federal, State, or Local law, shall become inoperative to the extent and duration of such conflict. Since it is not the intent of either party hereto to violate any such laws, it is agreed that in the event of a conflict between any provision of this Agreement and such Federal, State or Local Law, the remainder of this Agreement shall remain in full force and effect. The Employer and the Union agree that substitute provisions shall be negotiated promptly to replace those provisions coming into conflict with the laws herein described. The Employer and the Union further agree, if they are unable to reach an agreement on the substitute provisions, to arbitrate any differences concerning a substitute provision.

ARTICLE 22. NON-DISCRIMINATION

The Employer and the Union agree that neither shall discriminate against any employee because of age, race, creed, color, sex, national origin, or sexual orientation. It is understood that wherever there appears a reference in this Agreement to male or female gender, the intent is to interpret the contract as to having no reference to a specific sex.

ARTICLE 23. DURATION AND EXPIRATION

Section 23.01 This Agreement, when executed, shall be deemed to define the wages, hours and rates of pay, and other conditions of employment covered by this Agreement for the term of this Agreement.

Section 23.02 This Agreement shall be in effect from April 4, 2010 through April 6, 2013, and shall automatically be renewed from year to year thereafter, unless either party serves notice in writing to the other party at least sixty (60) days prior to the expiration date or any anniversary date thereafter of a desire of termination or changes in this Agreement.

IN WITNESS WHEREOF the said parties have caused duplicate copies hereof to be executed by their duly authorized officers this _____ day of _____, 2011.

FOR THE UNION:

FOR THE EMPLOYER:

GENERAL PROVISIONS RELATIVE TO WAGE SCHEDULE

- A. Part-time employees will start on the first six (6) months rate for the proper classification, and will advance up the pay scale on the basis of one (1) bracket for each six (6) months worked. General Clerks will start on the first (1st) step and advance up the pay scale on the basis of one (1) bracket for each six (6) months worked.
- B. Any employee who is permanently assigned to a higher classification shall be placed in the next wage bracket in the new classification that will afford him an hourly increase, except in the cases where both rates are the same. In such cases, the employee will be assigned the same rate and will progress to the higher brackets in the new classification by normal progression.
- C. Previous Experience
1. Previous proven comparable experience within ten (10) years from date of present employment, not to exceed the maximum of five (5) years credit, as shown on application for employment shall be the basis for determination of the new employee's rate of pay.
 2. 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.
 3. Employees will not receive an experience credit until such previous experience has been proven. In the event that the Employer is unable to verify previous experience within thirty (30) days, 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.
- D. Other Work: Employees shall perform any work, except meat department 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 been regularly assigned to a lower rated job and desires to retain such job rather than accept a layoff.

An employee may be upgraded on a temporary basis to a higher classification only in emergency situations (such as absence of another employee due to sickness, etc. when no other arrangements can be provided), and the employee will be paid the rate for that particular classification. Upgrading of employees on a temporary basis will be noted on the back of the time card or on a time log, in stores with computerized time clocks, at the time of the upgrade by the store manager, or his/her designee.

- E. Any employee designated by the Employer to relieve the position of Department Manager, when the position is open four (4) or more days due to vacation, sickness, leave of absence, etc., shall receive the rate of the applicable classification beginning with the first day of such work.

- F. Time spent by employees in travel from place to place during the workday in order to perform work assigned to them by the Employer shall be paid for as time worked.
- G. No employee will be reduced in hourly rate as the result of the signing of this Agreement (other than decreases as provided in the Agreement).
- H. A Sacker/Carryout Clerk is an employee whose work is restricted by this Agreement to the performance of limited duties within specified work areas of the Employer's retail establishments, as follows:
1. 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 and get change for checkers.

Perform all required sanitation duties throughout the stores including, but not limited to, cleaning of parking lot, exterior and interior of the store, rest rooms, lunch rooms, floor cleaning, sweeping, mopping and dusting of the store, cleaning windows, cleaning of shelves and cases (including the removal from and restocking to shelf/case), etc. Perform general maintenance duties such as changing light bulbs (except for ceiling lights), light painting, handle and assist with outdoor plants, Christmas Trees and products, handle/assemble seasonal merchandise, and assist Floral tent selling, etc.
 2. Assistance to customers in the "bagging" of their orders and in transporting merchandise purchased by them (including lay-a-ways) to their automobiles on the store's parking lot.
 3. The collection of shopping carts on the premises.
 4. Sort empty return containers returned by customers and put in proper area for return.
 5. (a) 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 violation of this section occurring within one (1) year within the same store, the Union shall have the right to terminate the Sacker/Carryout classification for a period of three (3) months in the store involved.

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

- (c) Where the Union exercises its right to terminate the Sacker/Carryout classification, then those employees working in the store under the Sacker/Carryout classification shall be promoted to the appropriate clerk classification and that rate shall prevail thereafter for such employees.

The notification, as outlined above, will be to the Marketing Area Human Resource Manager, with a copy to the Marketing Area President. It is understood that the penalties, as outlined above, shall not progress until such notification has taken place in each step.

Sacker/Carryout Clerks will be identified by a vest and tie which will be furnished by the Employer. Sacker/Carryout Clerks will be required to furnish and wear white shirts. The Employer will make available white shirts and replacement ties (at the Employer's cost) for purchase by the Sacker/Carryout employee. The intent of this provision is to identify the Sacker/Carryout employee as an employee with limited duties. Alternate means of identification may be elected as future needs of the business dictates as long as the employee is easily identified.

Non-Food Clerk: The penalty, as outlined in paragraph 6 above, shall also apply to non-food clerks being used to stock grocery items or check on the front end.

- I. Employees hired for new stores or hired for major remodeled stores, may be hired forty cents (40¢) under contract rate for the first sixty (60) days Apprenticeship Program. The employee will then progress to the start rate for the remainder of the time in the progression (apprentice time to count toward progression).
- J. Where the Employer deems it necessary to appoint a Head Checker, in addition to a Front End Supervisor, such employee will receive thirty-five cents (35¢) per hour over their current rate. Where the Employer deems it necessary to appoint Leads in the positions of Floral, Scan Coordinator, Back Door Receiving, Dairy, Grocery, Frozen Food, Cake Decorator, Fuel, Starbucks such employee will receive thirty-five cents (35¢) per hour over the employee's current rate upon satisfactory completion of training and upon certification. It is expected that these positions will apply to most all stores within the designated bargaining unit area. Each individual will be trained at the Company's expense and on the Company's timetable. After the training, each will be tested both on knowledge and work environment applications. Each successful candidate will then be certified in the position and shall begin receiving the premium referenced herein. The Employer will endeavor to complete the initial training for these newly created positions within 12 months following ratification of this Agreement, if possible. The Employer reserves the right to remove any employee from the lead positions for performance related reasons including the failure to maintain the "best practices" measurements for the average group performance in the Division.
- K. 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 General Clerk store employee, at their food store location.

When a full-time clerk store opening occurs it shall be made available to full-time Fuel Center Kiosk clerks with six months or more seniority, at their food store location. It is

understood that General Clerks shall have first preference to full-time openings within the store. Such full-time openings, for their food store location, shall be posted in the Fuel Center for seven (7) calendar days prior to filling. Full-time Fuel Center Kiosk Clerks shall retain their full-time seniority date earned in the Fuel Center and that date can be used in the determination of greater seniority over existing store clerks.

- L. **Assistant Department Heads:** The Employer, at its discretion, may appoint an Assistant Department Head. 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 thirty-five cents (.35) for Sales Volume 1, fifty cents (.50) for Sales Volume 2 and seventy-five (.75) for Sales Volume 3 per hour over their current pay rate.

Assistant Department Heads will be required to successfully complete the Certification Program and required to work prime time hours.

- M. **Murray's Cheese Shop Master / Murray's Cheese Shop Associates:** Designated stores with a Murray's Cheese Shop may employ a Murray's Cheese Shop Master, then such employee shall be paid thirty-five cents (.35) above the full-time thereafter rate.

A Murray's Cheese Shop associates' responsibilities will be to perform all tasks associated with the operation of the Murray's Cheese Shop, as directed by Store Management.

Murray's Cheese Masters and Murray's Cheese Clerks will be required to successfully complete the Murray's certification program, required to work prime time hours, and required to train other Cheese Clerks in multiple stores. Previous proven comparable experience will be determined based upon their experience and associates will be placed at the appropriate wage on the wage schedule in accordance with the experience credit language.

In the event of individual Murray's Cheese Shop closures, the Company will follow the language in Section 7.04 Layoffs, Recall and Vacations. Should the concept of Murray's Cheese Shops fail and the partnership dissolves in whole then the Company agrees to grandfather the rate of pay for Murray's Cheese Shop Masters.

- N. **Bistro Chefs:** Management may assign an employee to the position of Bistro Chef provided the said store has been identified with having a "Chef Shop", "Chef on the Run", and a "Bistro Case". 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 thirty-five cents (.35) above the full-time thereafter rate. This premium will become available the second Sunday following ratification (9/30/10).
- O. **Lead Wine Consultant:** Management may assign an employee to the position of "Lead Wine Consultant: provided the said store has been identified with having average sales more than \$25,000 per week in wine (excluding beer) sales. 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 Wine Consultant, then such employee shall be paid thirty-five cents (.35) above the

employee's current wage rate. This premium will become available the second Sunday following ratification (9/30/10).

- P. **Lead Floral Volume 2 or 3:** Management may assign an employee to the position of "Lead Floral Volume 2 or 3". 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 Floral Sales Volume 2 or 3, then such employee shall be paid fifty (.50) for Volume 2 or seventy-five (.75) for Volume 3 above their current non-premium wage rate provided total store sales are at the Volume 2 or 3 level. This premium will become available the second Sunday following ratification (9/30/10).
- Q. **Lead Nature Market:** Management may assign an employee to the position of "lead Nature Market". This is not a required position and management may elect not to assign the position. In the event an employee is assigned as a Nature Market, then such employee shall be paid thirty-five (.35) above their current wage rate provided total store sales are at the Volume 2 or 3 level. This premium will become available the second Sunday following ratification (9/30/10).
- R. **Marketplace:** The Employer will continue to notify the union in each instance of classifying a store with the "Marketplace" designation.

The Home Hard Line Manager will be paid the Department Head rate established on the Schedule A wage page of this CBA, identical to other traditional store department heads. The Home Hard Line Manager Department Head position will not replace the Drug GM Department Head position.

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

Where the Employer deems it necessary, each of the sub-departments (furniture, home décor, expanded toys, and expanded kitchen) will have a lead position. These sub-departments lead positions will receive thirty-five cents (.35) per hour over 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 premium referenced herein. The Employer reserves the right to remove any employee from the lead positions for performance related reasons including the failure to maintain "best practices" measurements for the average group performance in the Division.

In addition to the sub-department leads, where the Employer deems it necessary a Marketplace store can appoint an additional “Scan Coordinator” who would also receive the additional “lead” premiums described above.

The Company retains its right to create the Home Fashion Manager designation, Marketplace Front End classification and Marketplace Specialty Clerk classification. The Company will assign to each Marketplace location a Home Hard Line Manager.

The parties agree to meet and negotiate rates for any new classification for any Market Place stores. If the parties cannot agree, it will be submitted to expedited arbitration.

SCHEDULE "A" WAGES – COMPREHENSIVE

Houston Clerks

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

<u>CLASSIFICATIONS</u>	<u>Current</u>	<u>New Progressions</u>	<u>Effective 7/3/2011</u>	<u>Effective 7/1/2012</u>	<u>Effective 1/6/2013</u>
<u>Non-Food/Prep Foods</u>					
0 – 6 Months	\$ 7.50	0 – 6 Months	\$ 7.50	\$ 7.50	\$ 7.50
6 – 12 Months	\$ 7.75	6 – 12 Months	\$ 7.75	\$ 7.75	\$ 7.75
12 – 18 Months	\$ 7.95	12 – 18 Months	\$ 7.95	\$ 7.95	\$ 7.95
18 – 24 Months	\$ 8.25	18 – 24 Months	\$ 8.25	\$ 8.25	\$ 8.25
24 – 30 Months	\$ 8.55	24 – 30 Months	\$ 8.55	\$ 8.55	\$ 8.55
30 – 36 Months	\$ 9.25	30 – 36 Months	\$ 9.25	\$ 9.25	\$ 9.25
36 – 42 Months	\$10.00	→ 36 – 42 Months →	\$10.00	\$10.00	\$10.00
42 Months & Thereafter	\$12.25	→ 42 – 48 Months →	\$11.00	\$11.00	\$11.00
		→ 48 Months & Thereafter →	\$12.45	\$12.65	\$13.00
<u>Clerks</u>					
0 – 6 Months	\$ 7.50	0 – 6 Months	\$ 7.50	\$ 7.50	\$ 7.50
6 – 12 Months	\$ 7.75	6 – 12 Months	\$ 7.75	\$ 7.75	\$ 7.75
12 – 18 Months	\$ 7.95	12 – 18 Months	\$ 7.95	\$ 7.95	\$ 7.95
18 – 24 Months	\$ 8.25	18 – 24 Months	\$ 8.25	\$ 8.25	\$ 8.25
24 – 30 Months	\$ 8.55	24 – 30 Months	\$ 8.55	\$ 8.55	\$ 8.55
30 – 36 Months	\$ 9.25	30 – 36 Months	\$ 9.25	\$ 9.25	\$ 9.25
36 – 42 Months	\$10.00	→ 36 – 42 Months →	\$10.00	\$10.00	\$10.00
42 Months & Thereafter	\$12.25	→ 42 – 48 Months →	\$11.00	\$11.00	\$11.00
		→ 48 Months & Thereafter →	\$12.45	\$12.65	\$13.00
<u>Red Circled F/T Clerks</u>					
Promoted prior to 2/24/90	\$14.31		\$14.51	\$14.71	\$15.06
<u>Head Checker</u>					
Promoted to FT prior to 2/24/90	\$14.66		\$14.86	\$15.06	\$15.41
Rate include .35 Premium					
<u>Head Checker</u>					
Rate include .35 Premium	\$12.60		\$12.80	\$13.00	\$13.35
<u>Department Heads</u>					
Sales Volume 1 Under \$500K w/o Rx & Fuel	\$15.70		\$15.95	\$16.20	\$16.55
Sales Volume 2 \$500K - \$750K w/o Rx & Fuel	\$16.20		\$16.45	\$16.70	\$17.05
Sales Volume 3 Over \$750K w/o Rx & Fuel	\$16.70		\$16.95	\$17.20	\$17.55
<u>Overnight Grocery Stockers</u>					
Eliminate Night Premium for this Classification					
0 – 6 Months	\$ 8.00	→ 0 – 6 Months →	\$ 8.00	\$ 8.00	\$ 8.00
6 – 12 Months	\$ 9.00	→ 6 – 12 Months →	\$ 8.50	\$ 8.50	\$ 8.50
12 – 18 Months	\$ 9.50	→ 12 – 18 Months →	\$ 9.00	\$ 9.00	\$ 9.00
18 – 24 Months*	\$10.00	→ 18 – 24 Months* →	\$ 9.50	\$ 9.50	\$ 9.50
24 – 30 Months	\$10.50	→ 24 – 30 Months →	\$10.00*	\$10.00*	\$10.00
30 – 36 Months	\$11.00	→ 30 – 36 Months →	\$10.50	\$10.50	\$10.50*
36 Months & Thereafter	\$12.60	→ 36 – 42 Months →	\$11.00	\$11.00	\$11.00
		→ 42 Months & Thereafter →	\$12.80	\$13.00	\$13.35
<u>Courtesy Clerks</u>					
	\$ 7.25		\$ 7.25	\$ 7.25	\$ 7.25
<u>General Clerks</u>					
Step 1	\$ 7.35	Start	\$ 7.35	\$ 7.35	\$ 7.35
Step 2	\$ 7.50	9 Months	\$ 7.50	\$ 7.50	\$ 7.50
Step 3	\$ 7.65	18 Months	\$ 7.65	\$ 7.65	\$ 7.65
Step 4	\$ 7.85	27 Months	\$ 7.85	\$ 7.85	\$ 7.85
Step 5	\$ 8.05	33 Months	\$ 8.05	\$ 8.05	\$ 8.05
Step 6	\$ 8.35	39 Months	\$ 8.35	\$ 8.35	\$ 8.35
Step 7	\$ 8.55	45 Months	\$ 8.55	\$ 8.55	\$ 8.55
Step 8	\$ 8.75	51 Months	\$ 8.75	\$ 8.75	\$ 8.75
Step 9	\$ 9.00	57 Months	\$ 9.00	\$ 9.00	\$ 9.00
Step 10	\$ 9.50	63 Months & Thereafter	\$ 9.65	\$ 9.85	\$10.10

SCHEDULE "A" WAGES – COMPREHENSIVE

Houston Clerks Continued

<u>CLASSIFICATIONS</u>	<u>Current</u>	<u>New Progressions</u>	<u>Effective</u> <u>7/3/2011</u>	<u>Effective</u> <u>7/1/2012</u>	<u>Effective</u> <u>1/6/2013</u>
<u>Fuel Clerks</u>					
Step 1	\$ 7.60	Start	\$ 7.60	\$ 7.60	\$ 7.60
Step 2	\$ 7.85	9 Months	\$ 7.85	\$ 7.85	\$ 7.85
Step 3	\$ 8.10	18 Months	\$ 8.10	\$ 8.10	\$ 8.10
Step 4	\$ 8.35	27 Months	\$ 8.35	\$ 8.35	\$ 8.35
Step 5	\$ 8.50	33 Months	\$ 8.50	\$ 8.50	\$ 8.50
Step 6	\$ 9.00	39 Months & Thereafter	\$ 9.20	\$ 9.40	\$ 9.75
<u>Convenience Store Manager</u>	\$14.15		\$14.40	\$14.65	\$15.00
<u>Certified Pharmacy Tech PT</u>					
Step 1	\$10.50	Start	\$10.50	\$10.50	\$10.50
Step 2	\$11.00	9 Months	\$11.00	\$11.00	\$11.00
Step 3	\$11.50	18 Months	\$11.50	\$11.50	\$11.50
Step 4	\$12.00	27 Months	\$12.00	\$12.00	\$12.00
Step 5	\$12.50	33 Months	\$12.50	\$12.50	\$12.50
Step 6	\$14.25	39 Months	\$14.40	\$14.60	\$14.85
<u>Certified Pharmacy Tech FT</u>					
0 – 6 Months	\$11.00		\$11.00	\$11.00	\$11.00
6 –12 Months	\$11.50		\$11.50	\$11.50	\$11.50
12 – 18 Months	\$12.00		\$12.00	\$12.00	\$12.00
18 – 24 Months	\$12.50		\$12.50	\$12.50	\$12.50
24 – 30 Months	\$13.00		\$13.00	\$13.00	\$13.00
30 Months & Thereafter	\$14.90		\$15.10	\$15.30	\$15.65

Hours or Time in Service will be counted toward the next progression.

1. GENERAL CLERKS

There shall not be any limitation or restriction on either the nature or the amount of bargaining unit work that may be performed by employees that are employed in the "General Clerk" classification of employment except that such employees shall not be assigned the duties and responsibilities of a department head.

Employees that are employed in the "General Clerk" classification will neither be scheduled nor employed more than thirty-two (32) hours in a workweek except in the case of emergencies beyond the Employer's control, including but not limited to employee absences, temporary increases in business, etc., in which a store does not have sufficient qualified employees available to perform the work.

2. OVER-RATIO

Effective January 4, 1987, the Employer will implement the hours' ratio in Article 7, Seniority. No employee will be promoted to full-time until all stores have achieved a proper ratio and the Employer shall have the right to transfer employees by seniority to achieve ratio balance. Any employee who chooses not to transfer a reasonable distance to maintain a forty (40) hour schedule or refuses a full-time job, such employee will be reclassified to the proper rate of pay (General Clerk, Prepared Food Clerk, Non-Food Clerk) with the next immediate schedule.

Over-ratio employees will retain their average of hours (which may fluctuate over a four (4) week period), which they worked during the calendar year 1986, unless such employee is replacing an employee on a leave of absence. Such assurance shall not apply if such employees are displaced due to store closings, fire, flood, loss of sales due to the opening of a major competitor, etc., beyond the control of the Employer.

Hours added to the store because of increased sales, resignation of another employee, etc., will be assigned to the General Clerk classification at the discretion of management until the ratio of hours has been achieved.

SCHEDULE “B” WAGES (Nacogdoches 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>Current</u>	<u>New Progressions</u>	<u>Effective 7/3/2011</u>	<u>Effective 7/1/2012</u>	<u>Effective 1/6/2013</u>
General Clerks					
Step 1	\$ 7.35	Start	\$ 7.35	\$ 7.35	\$ 7.35
Step 2	\$ 7.45	9 Months	\$ 7.50	\$ 7.50	\$ 7.50
Step 3	\$ 7.55	18 Months	\$ 7.60	\$ 7.60	\$ 7.65
Step 4	\$ 7.65	27 Months	\$ 7.70	\$ 7.80	\$ 7.85
Step 5	\$ 7.75	33 Months	\$ 7.85	\$ 7.95	\$ 8.05
Step 6	\$ 7.85	39 Months	\$ 8.00	\$ 8.15	\$ 8.35
Step 7	\$ 7.95	45 Months	\$ 8.15	\$ 8.35	\$ 8.55
Step 8	\$ 8.15	51 Months	\$ 8.35	\$ 8.55	\$ 8.75
Step 9	\$ 8.35	57 Months	\$ 8.55	\$ 8.75	\$ 9.00
Step 10	\$ 8.80	63 Months & Thereafter	\$ 9.15	\$ 9.55	\$10.10
Clerks (Full-time)					
0 – 6 Months	\$ 7.50	0 – 6 Months	\$ 7.50	\$ 7.50	\$ 7.50
6 – 12 Months	\$ 7.75	6 – 12 Months	\$ 7.75	\$ 7.75	\$ 7.75
12 – 18 Months	\$ 7.95	12 – 18 Months	\$ 7.95	\$ 7.95	\$ 7.95
18 – 24 Months	\$ 8.25	18 – 24 Months	\$ 8.25	\$ 8.25	\$ 8.25
24 – 30 Months	\$ 8.55	24 – 30 Months	\$ 8.55	\$ 8.55	\$ 8.55
30 – 36 Months	\$ 9.25	30 – 36 Months	\$ 9.25	\$ 9.25	\$ 9.25
36 – 42 Months	\$10.00	36 – 42 Months	\$10.00	\$10.00	\$10.00
42 Months & Thereafter	\$10.75	42 – 48 Months	\$11.45	\$10.85	\$11.00
		48 Months & Thereafter		\$12.15	\$13.00
Red Circled F.T. Clerks					
In classification prior to 4/2/00	\$13.35		\$13.55	\$13.75	\$14.10
Checker/Courtesy Booth Operator (Full-time)					
0 – 6 Months	\$ 7.50	0 – 6 Months	\$ 7.50	\$ 7.50	\$ 7.50
6 – 12 Months	\$ 7.75	6 – 12 Months	\$ 7.75	\$ 7.75	\$ 7.75
12 – 18 Months	\$ 7.95	12 – 18 Months	\$ 7.95	\$ 7.95	\$ 7.95
18 – 24 Months	\$ 8.25	18 – 24 Months	\$ 8.25	\$ 8.25	\$ 8.25
24 – 30 Months	\$ 8.55	24 – 30 Months	\$ 8.55	\$ 8.55	\$ 8.55
30 – 36 Months	\$ 9.25	30 – 36 Months	\$ 9.25	\$ 9.25	\$ 9.25
36 – 42 Months	\$10.00	36 – 42 Months	\$10.00	\$10.00	\$10.00
42 Months & Thereafter	\$10.75	42 – 48 Months	\$11.45	\$10.85	\$11.00
		48 Months & Thereafter		\$12.15	\$13.00
Red Circled F.T. Clerks					
In classification after 4/2/00	\$12.85		\$13.05	\$13.25	\$13.60
Department Heads					
	\$15.45	<u>Sales Volume 1</u>	\$15.95	\$16.20	\$16.55
		Under \$500k w/o Rx Fuel			
		<u>Sales Volume 2</u>	\$16.45	\$16.70	\$17.05
		\$500k - \$750k w/o Rx Fuel			
		<u>Sales Volume 3</u>	\$16.95	\$17.20	\$17.55
		Over \$750k w/o Rx Fuel			
Courtesy Clerks					
	\$7.25		\$7.25	\$7.25	\$7.25

Hours or Time in Service will be counted toward the next progression.

Ratification Lump-Sum Bonus:

Effective the second Sunday following the 2010 ratification (9/30/10), all employees who are at the top rate of their classification or above and who have been continuously employed from April 4, 2010, to the date of ratification shall receive a Ratification lump-sum bonus equal to \$1000 for Department Heads and Convenience Store Manager, \$750 for a FT (Non-Food /Prep Foods, Clerks, Red Circled, Head Checkers, Over-Rate Employees, Overnight Grocery Stockers, Fuel Clerks, and Certified Pharmacy Tech F.T.) and \$450 for a PT (General Clerks and Certified Pharmacy Tech P.T.) employees, \$100 for Courtesy Clerks with 1 year of service at Ratification.

Full-time and Part-time Wage Progression Rates

Effective July 3, 2011, the Non-Food / Prep Foods, Clerks FT, Overnight Grocery Stockers, General Clerks PT, Fuel Clerks and Certified RX PT wage progressions shall be revised as follows: Employees shall be moved to rates in the new wage structure as the arrows indicate attached. See Schedule “A” and “B” wage pages attached for top rate increase.

September 30, 2010

Mr. William H. Hopkins
President
UFCW Local #455
121 Northpoint Dr.
Houston, Texas 77060

Dear Mr. Hopkins,

This Letter of Agreement should be attached to and become part of the Agreement between UFCW Local #455 and The Kroger Co. Houston, Texas titled Houston Clerks, effective upon ratification through April 6, 2013.

The Employer agrees to meet once per quarter to discuss and resolve issues surrounding the Collective Bargaining Agreement.

The above captioned meeting will be between the Manager of Human Resources and the Vice President of Operations for The Kroger Co. Houston Marketing Area and the President of the UFCW, Local #455. The parties may include other representatives as deemed necessary.

Sincerely,

Paul Glenn
Human Resources Manager

September 30, 2011

Mr. William H. Hopkins
President
UFCW Local #455
121 Northpoint Dr.
Houston, TX 77060

Dear Mr. Hopkins,

The following Agreements should be attached to and become part of the Agreement between Local No. 455, United Food and Commercial Workers and The Kroger Company, Houston, TX, effective April 4, 2010 through April 6, 2013.

Non-Food Work

This Agreement will confirm discussions which took place during our 1981 contract negotiations regarding the identification of Non-Food work in our stores. The concern of the Union at the time stemmed around an arbitration case between a Denver Company and the Denver Local of the UFCW which took place as a result of that company making wholesale transfers of items to their Non-Food departments.

As stated in those negotiations, it is not the intention of The Kroger Company to take the position of the Denver Company. We do not plan to declare everything non-edible as non-food for the purpose of classifying work. At the same time, as we have discussed, merchandising decisions from time to time dictate the greatest sales potential can be achieved on a particular product by changing location and merchandising responsibility from food to non-food or vice-versa. Therefore, we must maintain flexibility for some movement to achieve what is best for the Company, our employees, and members of the bargaining unit, that of maximizing sales achievement. Nothing contained in either the above agreement or this letter shall be construed or interpreted as limiting or impairing such flexibility.

I hope the above clarifications of intent will settle any concerns you may have.

San Antonio Jurisdiction

This Agreement will confirm the intent of the parties regarding the San Antonio Contract as it relates to the jurisdiction.

The intent of the parties is:

1. The parties agree that Local #455 will retain jurisdiction coverage of the San Antonio Contract.

2. Company and Union agree to bargain a new contract if a new store is opened in one of the jurisdiction counties.

Nacogdoches and Angelina Coverage

This Agreement will confirm the intent of the parties regarding coverage of Nacogdoches and Angelina Counties by UFCW Local #455, Houston, TX.

The intent of the parties is:

1. The Employers present location, Store #990 & Store #566, Nacogdoches, TX, will continue to be covered by the Agreement between the parties known as the Houston Clerk Agreement.
2. Future stores of the Employer in the above named counties would be covered by the Agreement between the parties known as the Out-state Clerk Agreement.

Electronic Dues

This agreement will confirm our discussion which took place during our 1993 Contract negotiations regarding Section 3.01 and Section 3.02.

The parties agreed that a computer program would be developed and implemented within ninety (90) days from the date of ratification. The new program would electronically make deductions in accordance with the above stated sections of the Collective Bargaining Agreement.

Preferred Schedules

The following agreement should be added as a further explanation of Section 7.03 (a):

The Company agrees to give a limited number of the most senior employees (employees with greater than 10 years service) reasonable preference of the choice of schedules, consistent with the needs of the business, thus allowing the most senior employee to work preferred shifts.

Sincerely,

Paul Glenn
Human Resources Manager

**Letter of Agreement
Between Kroger Texas L.P.
And UFCW Local 455**

During the course of negotiations the parties discussed a number of issues that involve the treatment of employees. After thorough discussions the parties agree to the following principles:

All employees in the Division deserve to be treated with professionalism, courtesy and respect.

The policies of the Company and the Division should be administered and applied uniformly and consistently.

Counseling and constructive advice for employees should be administered in the appropriate setting with professionalism, courtesy, respect and with union representation where applicable.

When employees have personal situations that are true emergencies, those situations should be handled with sensitivity.

In the event of store temperatures dropping to abnormally cold levels, employee needs will be considered. Employees in those situations may request and be allowed to wear warm clothing that is in keeping with the professional and neat appearance desired for our customers.

FOR THE UNION:

FOR THE EMPLOYER:

**Letter of Agreement
Between Kroger Texas L.P.
And UFCW Local 455**

The parties agree to meet once per quarter to continue discussions brought forth in bargaining regarding the Kroger Texas Occupational Injury and Disease Benefit Plan. Prior to any updating of the Plan, the Employer will give the Union the opportunity to submit recommendations for consideration.

The meetings will be co-chaired by the Manger of Operations for the Southwest Division and the President of UFCW Local 455 and/or his designate. It is understood that the parties may include other representatives as deemed necessary.

FOR THE UNION:

FOR THE EMPLOYER:

**Letter of Agreement
Between Kroger Texas L.P.
And UFCW Local 455**

In accordance with Article 17.2 A, the Employer agrees that in the last year (2013) of the Collective Bargaining Agreement should the up to \$2.98 per hour Employer contribution be insufficient to meet the 1.5 months above the IBNR reserves, the Employer would make an additional contribution available to meet the minimum 1.5 months above IBNR reserves. The amount of money available is a maximum of up to 1.4 million dollars for the funding group.

This letter of commitment will expire on the last date of the agreement.

FOR THE UNION:

FOR THE EMPLOYER:

**Letter of Understanding
Between Kroger Texas L.P.
And UFCW Local 455**

Fuel Clerks who complete twelve months of continuous service are eligible for Pension Contributions per Article 18 of the contract. Effective January 1, 2008, Article 17 shall apply to Lead Fuel Center Clerks who meet the eligibility requirements.

FOR THE UNION:

FOR THE EMPLOYER:
