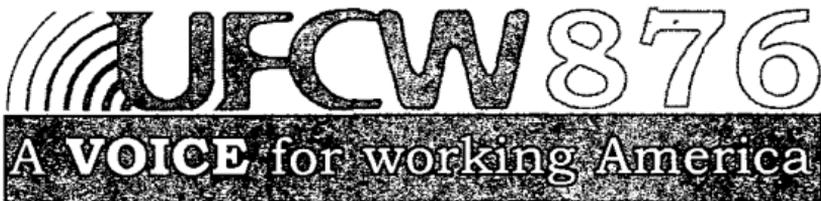


K# 6821



AGREEMENT OF  
UNITED FOOD & COMMERCIAL WORKERS  
UNION LOCAL 876

CHARTERED BY  
UNITED FOOD & COMMERCIAL WORKERS  
INTERNATIONAL UNION  
WITH

THE KROGER COMPANY  
(MEAT DIVISION)

JUNE 10, 2010 THROUGH JUNE 15, 2013



THE KROGER COMPANY - MEAT - 2010 - 2013

Roger Robinson  
President

Rick Blocker  
Secretary-Treasurer

George Misko  
Recorder



United Food & Commercial Workers International Union Local 876

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Dear Member:

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

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

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

In Solidarity,

A handwritten signature in cursive script, appearing to read "Roger Robinson".

Roger Robinson  
President

RR:rg  
UFCW/876

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## AGREEMENT

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

Effective January 1, 1997, the Employer, and Union's agreement to merge in principle the UFCW. Local 876-1 M-Meat Division (Eastern Agreement) and UFCW. Local 876-2 M Meat Division (Western Agreement) contained hereinafter referenced as "Eastern" and "Western" to clarify appropriate distinctions applicable to each bargaining unit.

### ARTICLE 1 - INTENT AND PURPOSE

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

### ARTICLE 2 - COVERAGE

2.1 The Employer recognizes the Union as the sole and exclusive collective bargaining agent for all employees who are engaged in receiving, cutting, grinding, slicing, curing, display-

ing, preparing, processing, sealing, wrapping, bagging, pricing and prefabricating and selling of all meat products; sausage, poultry, rabbits, fish and seafood products, canned hams, bacon, pork loins and picnics, whether such products are fresh, frozen, chilled, cooked, cured, smoked or barbecued, including those employees operating equipment used in wrapping, cubing, tenderizing of such meat products and who perform their duties in all areas where such products are prepared, displayed and offered for retail sale in service or self-service cases located in retail markets that are presently owned, leased, acquired, operated or supervised by the Employer, in the State of Michigan, during the period of this Agreement and not covered by any other contract with Local No. 876 - Meat Division of the United Food and Commercial Workers.

2.2 **Discrimination Clause** - The Employer agrees that it shall not segregate or discriminate against any employee or applicant because of race, sex, age, color, creed, national origin, handicap, sexual orientation, or because of membership in the Union.

2.3 In accordance with the Settlement Agreement dated 3/5/2001, on a non-precedential basis, the Parties agree to the usage of the Case Ready Products so long as:

- a) no current Meat Division employee shall experience a reduction in hours or layoff due to the usage of such Case Ready products; and
- b) the number of full-time Meat Division positions shall not be reduced from the current level identified in Section 1-C of the Settlement Agreement due to the usage of such Case Ready Products: and

- c) the number of part-time Meat Division positions shall not be reduced from the current level identified in Section 1-C of the Settlement Agreement due to the usage of such Case Ready Products.

The Union preserves its claims and rights (including the right to grieve) should any of the three (3) conditions above not be satisfied. That Settlement was made on a non-precedential basis and the Union and the Company each preserve their claims and defenses.

### **ARTICLE 3 - UNION SHOP AND DUES**

3.1 The Union shall be the sole representative and bargaining agent of all employees covered by this Agreement in collective bargaining with the Employer.

3.2 It shall be a continuing condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the execution date of this Agreement shall remain members in good standing and those who are not members on the execution date of the Agreement shall, on the 31st day following the execution of this Agreement become and remain members in good standing in the Union.

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

3.4 The Employer shall furnish to each new employee, an application card for membership in the Union, in a form supplied

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

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

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

3.7 **Check-Off** - The Employer agrees to deduct weekly Union dues, initiation fees and International Dues, if any, from the wages of each of its employees, present and future as the same shall be due, provided each such employee executes written authorization therefore in a form authorized by law, and such authorization is turned over to the Employer. The Employer agrees to remit such dues, initiation fees, and International Dues, if any, as deducted to the Union.

3.8 The Union shall, on or before the fifteenth (15<sup>th</sup>) of each month, furnish to the Employer a list of member-employees and the amounts due therefore, including dues owing for the succeeding month.

The Employer shall, on or before the twenty-fifth (25<sup>th</sup>) day of same month, deduct and remit such dues, as authorized to the Union.

3.9 At the time of such remission of checked-off sums, the Employer shall also furnish the Union a list of all persons hired within the previous thirty (30) days and furnish name and address.

3.10 The Employer shall also furnish from time to time, upon the Union's request, and within two (2) weeks of such request, a seniority list of all employees covered by this Agreement.

3.11 The Employer agrees to submit to the Union a monthly seniority list of all meat department employees, indicating date of hire, full-time and part-time status, store locations, classification, and rate of pay. The Employer shall also provide a current energy clause transfer request list on a monthly basis.

3.12 The phrases "members in good standing in the Union", "members", "membership in the Union", "member of the Union in good standing", "member-employees," and "Union members" as used in this Article include persons who are members of the Union and persons who elect and maintain non-member status. Persons who elect non-member status shall be required to pay, as a condition of continued employment, initiation fees and weekly union fees in an amount not to exceed the full amount of initiation fees and weekly union dues.

3.13 **Check-Off Political Contributions:** The Employer agrees to honor and transmit to the Local Union contribution deductions to the UFCW Active Ballot Club from employees who are Union members and who sign deduction authorization cards.

The deductions shall be in the amounts specified on the political contribution authorization and deducted weekly.

#### **ARTICLE 4 - MANAGEMENT RIGHTS**

4.1 The management of the business and the direction of the working forces, including the right to plan and direct store operations, hire, suspend or discharge for proper cause, transfer or relieve employees from duty because of lack of work or other legitimate reasons, the right to study or introduce new or improved production methods or facilities, and the right to establish and maintain rules and regulations covering the employees in 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 regard for the rights of the employees, and subject to the provisions of this contract, and provided further, that it will not be used for the purpose of discrimination against any employee. The Union shall be advised regarding changes in store hours.

4.2 Full-time employees shall be given one (1) week notice in writing or one (1) week's pay in lieu of notice in the event of layoff.

4.3 All reprimands, suspensions, discharges shall be given in writing to the employee within three (3) days of the verbal notification. A copy shall also be given to the Union.

#### **ARTICLE 5 - GRIEVANCE PROCEDURE**

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

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

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

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

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

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

**STEP 2** If the grievance is not satisfactorily adjusted in Step 1, the grievance shall be reduced to writing and signed by the employee or employees involved with concurrence of a Union representative, or signed by a Union representative in his behalf, presented to the Employer, and discussed with reasonable

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

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

**STEP 4** If the grievance is not satisfactorily adjusted in Step 3, either party may with reasonable promptness, in writing, request arbitration and the other party shall be obliged to proceed with arbitration, in the manner hereinafter provided. If the parties cannot agree upon an impartial arbitrator within five (5) working days of the request for arbitration, the party requesting arbitration may with reasonable promptness, thereafter file a demand for arbitration with the Federal Mediation and Conciliation Service in accordance with the then applicable rules and regulations of the Service. The expenses of the arbitrator, excepting the parties' own expenses, shall be borne equally between the Employer and the Union.

The arbitrator shall have the authority and jurisdiction to determine the propriety of the interpretation and/or application of the Agreement respecting the grievance in question, but he shall not have the power to alter or modify the terms of the Agreement.

With respect to arbitration involving discharge or discipline of employees, the arbitrator shall determine if the discharge or discipline was for just cause; he shall review the penalty imposed and if he shall determine the Employer's action to be improper, inappropriate and/or unduly severe, he may vacate or modify it accordingly.

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

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

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

5.6 It is the intention of the contracting parties that, with the exception of those individual grievance privileges expressly

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

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

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

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

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

5.10 **Polygraph** - No applicant or employee shall be required to submit to a polygraph.

## **ARTICLE 6 - NO STRIKE, NO LOCKOUT**

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

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

6.3 Any employee who engages in an unauthorized strike, walkout, slowdown or work stoppage, shall be subject to immediate discipline on the part of the Employer up to and including discharge.

## **ARTICLE 7 - OTHER AGREEMENTS**

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

7.2 The Employer agrees not to enter into any other agreements with any other labor organization during the life of this Agreement with respect to employees covered by this Agreement.

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

## ARTICLE 8 - OTHER WORK

8.1 To preserve bargaining unit work, the Employer agrees that no supervisor, store manager, co-manager or any other person not covered by this Agreement shall perform any work customarily performed by employees covered by this Agreement, except that they shall be permitted to assist on resets, occasional and unscheduled clean up or facing of shelves or end caps, customer requests, holiday promotions, opening of new or remodeled stores, seasonal and specialty displays during the months of November and December and four weeks preceding Easter, and emergencies not attributed to the Employer, and train employees in connection with this activity.

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

8.3 In the event of a violation of the above section, the first violation shall be a written warning. A second or subsequent violation, the Employer agrees, as liquidated damages, to pay two times (2x) the top rate of the classification affected at time of violation, for all such time worked, but in no event shall the penalty be less than two (2) hours at the top rate of pay of the classification affected. Such double time (2x) damages shall be added to the pay of the most senior employee working less than forty (40) hours in the workweek in which the violation occurs and shall thereafter be rotated amongst such employees by seniority, working less than forty (40) hours that week. If such pay places the most senior employee over forty (40) hours that week, such pay in excess of forty (40) hours shall be paid to the next most senior employee working less than forty (40) hours, etc.

8.4 Employees shall perform any work which the manager of the store or supervisor 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 or demotion in accordance with the provisions of this Agreement, he has been regularly assigned to a lower rated job.

## **ARTICLE 9 - MAINTENANCE OF STANDARDS**

9.1 The Employer agrees that all conditions of employment relating to wages, hours of work, overtime differentials and general working conditions, shall be maintained at not less than the highest minimum standards unless otherwise changed by signing of this Agreement, and the conditions of employment shall be improved wherever specific provisions for improvement are made elsewhere in this Agreement.

9.2 No employee is to receive a reduction in wages as a result of the signing of this Agreement.

## **ARTICLE 10 - SCHEDULES AND WORKING CONDITIONS**

10.1 For the purpose of establishing eligibility for full-time benefits set forth in this Agreement, a full-time person is one who is hired as such or a part-time employee who averages thirty-six (36) hours or more per week excluding the hours of work on Sundays and holidays (including the hours of work on Sundays and holidays for employees hired after May 1, 1988 (Eastern) and March 17, 1988 (Western) for twelve (12) consecutive calendar weeks. For employees qualifying after June 17, 1992 (Eastern) and June 22, 1992 (Western), a full-time person is one who averages thirty-six (36) or more hours per week for twelve (12) consecutive calendar weeks or is awarded a job-bid.

Once an employee has qualified as a full-time employee, he/she shall be removed from full-time status only if they:

- A. Are discharged for just cause.
- B. Voluntarily resign in writing.
- C. Request in writing a reduction to part-time.
- D. Are laid-off for more than one (1) year.
- E. Are on a bona fide leave of absence exceeding one (1) year, or a Workers' Compensation leave exceeding two (2) years.
- F. Averages less than thirty (30) hours per week for twelve (12) consecutive weeks; for employees awarded full-time after June 17, 1992 (Eastern) and June 22, 1992 (Western), averages less than thirty-four (34) hours per week for twelve (12) consecutive weeks.

Time off work due to illness or lay-off shall not be computed as a basis for a change in status from full-time to part-time.

10.2 Seniority shall revert to the first day worked of the twelve (12) week qualifying period for the purposes of determining seniority and vacation eligibility. No other full-time benefits are payable during the twelve (12) week qualifying period. A part-time employee who averages thirty-six (36) hours or more per week excluding the hours of work on Sundays and holidays (including the hours of work on Sundays and holidays for employees hired after May 1, 1988 (Eastern) and March 17, 1988 (Western) for twelve (12) consecutive weeks shall be classified as full-time with his seniority for job security dated back to the beginning of the twelve (12) week period. A part-time employee hired or promoted to full-time after June 17, 1992 (Eastern) and June 22, 1992 (Western), who averages thirty-six (36) hours or more per week for twelve (12) consecutive weeks or is awarded a job-bid shall be classified as full-time with his/her seniority for

job security dated back to the beginning of the twelve (12) week period.

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

10.3 **Pay for all Time** - The hours of each employee shall be scheduled by the Employer in conformity with the Agreement mentioned herein. Employees shall be paid for all time spent in the service of the Employer. Every week, each employee shall punch the time clock and record all hours worked on a time sheet. No employee shall be permitted to record hours worked for any other employee. For failing to follow this procedure, the employee shall be disciplined up to and including discharge.

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

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

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

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

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

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

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

10.4 The basic workweek for full-time employees shall be forty (40) hours to be worked in five (5) eight (8) hour days, not necessarily consecutive. During a holiday week, the basic workweek for employees hired prior to May 2, 1988 (Eastern) and March 18, 1988 (Western) shall be thirty-two (32) hours to be worked in four (4) eight (8) hour days. Four (4) ten (10) hour shifts may be permitted by mutual agreement between the Employer and all full-time employees on said shift. This may be canceled any time by the Employer, the Union, or the employees. Daily overtime will apply after ten (10) hours for employees who are working four (4) ten (10) hour shifts. This will be applied on a store by store basis.

The basic workweek shall be Monday through Saturday (Sunday through Saturday for employees hired after May 1, 1988 (Eastern) and March 17, 1988 (Western) inclusive. Work schedules shall be posted in the stores by Thursday, 6:00 p.m. for the following week. All employees listed on the schedule for work shall be guaranteed work or pay provided they report and work as scheduled. Any employee required to work over their scheduled time any day shall not be required to take time off later in the workweek. Changes in the schedule may be made weekly. Employees shall be guaranteed work

or pay for the number of hours so posted. This guarantee shall be inapplicable in the event of fire, flood, or Acts of God.

**Scheduling Errors** - In the event an error in scheduling is made, an employee shall have until 12:00 (noon) on Saturday to report the error in writing to store management. Otherwise, the schedule as posted shall stand for that week.

10.5 A minimum of one (1) Meat Department Head per store. Meat Department Heads shall reserve the option to be reinstated in their previous classification, with the exception of misconduct.

10.6 The Employer shall recognize the wishes of senior employees' choice for the available days off and weekly work schedules by seniority based on classifications and ability within the store in which they work. Once the choice is made, neither the Employer nor employee will arbitrarily change the schedule. The Employer has the right to adjust the schedule weekly to fit the needs of the business.

10.7 No full-time employees, except night crews, shall be required to work more than two (2) nights after 7:00 p.m., in any workweek, except as necessary, to enable work for the employee's basic workweek. Saturday night work shall be uniformly rotated among all employees. There shall be no split shift schedule for employees.

10.8 The Employer shall schedule such employees in the inverse (the word "inverse" used in this Agreement shall mean starting with the least senior) order of seniority to work nights in accordance with the needs of the store. No employee because of his seniority shall force another full-time employee to work a third (3<sup>rd</sup>) or more nights. The Union has the right to review work schedules. Where they feel this provision has been abused,

they shall have the right to consult with the Employer. There will be no reduction in an employee's job classification without prior consultation with the Union.

10.9 **Lunch Period** - All employees shall be guaranteed thirty (30) minutes for lunch to be scheduled as near as possible to the middle of the workday. Employees shall not be scheduled for more than one (1) lunch period within an eight (8) hour shift. In the event an employee is required to work overtime in excess of one and one-half (1½) hours, he may receive a second lunch period not to exceed thirty (30) minutes.

10.10 **Rest Periods** - All employees shall be allowed a fifteen (15) minute rest period in each half (½) shift on Company time. These rest periods should come as near as possible in the middle of each shift, but may be staggered. These rest periods are in place of, not in addition to, rest periods as permitted in the past.

10.11 **Uniforms and Tools** - All uniforms and tools deemed necessary shall be furnished by the Company and shall be laundered and maintained at the Company's expense. Where drip dry uniforms are provided, the employee shall be responsible to maintain and launder.

10.12 **Call-in Pay** - All employees, except those working before and after school hours on weekdays, who are instructed to report for work shall be guaranteed at least four (4) hours pay. Should a full-time employee be called to work on his or her scheduled day off, such employee shall receive time and one-half (1½) for that day and shall not work less than four (4) hours. Said employee shall be permitted to work the balance of the week as scheduled. Part-time employees who are called to work in any week will be guaranteed a minimum of twelve (12) hours work, provided they

are available to work. It is understood that this does not apply to an employee called in for the replacement of another employee; to an employee whose available hours are beyond the Employer's control; or to an employee called in to work when fewer than twelve (12) available hours remain in the week.

## **ARTICLE 11 - JOB INJURY**

11.1 Employees injured on the job and unable to complete his/her day's work shall be paid for all hours scheduled for that day plus an additional one (1) day of scheduled lost time the week the injury occurred, providing a doctor certifies an inability to return to work.

11.2 **Post-Accident Employee Drug and Alcohol Testing Policy:** Employer reserves the right for drug testing on accidents that require medical attention. Positive drug testing will result in disciplinary action up to and including discharge. Refusal to take a drug test that is requested by management will be considered insubordination and appropriate disciplinary action will take place.

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

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

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

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

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

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

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

## **ARTICLE 12- LEAVES OF ABSENCE**

(Seniority shall accrue during all leaves)

12.1 **Jury Duty Leave and Pay** - If an employee is required to serve on a jury, he shall be paid the difference between his pay for scheduled time lost for such jury service and his guaranteed rate of pay hereunder, for a period not to exceed thirty (30) calendar days, provided that any such employee, if excused from jury service for one (1) full day or more shall be obligated to report for regular work on the first available day so excused and for subsequent full days so excused. In unusual cases, the employer will make a reasonable effort to accommodate employees with scheduling problems.

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

12.3 Employees may be granted a personal leave of absence of thirty (30) days, upon the Employers permission, and shall be granted a leave of absence for his or her certified illness (including but not limited to pregnancy, miscarriage, childbirth and recovery there from), not exceeding one (1) year. Seniority shall accrue during such personal and illness leave. Leaves of absence in excess of the foregoing periods may be granted by the Employer, but retention and/or accrual of seniority in such event shall require agreement by the Union and the Employer. Employees desiring a leave of absence other than for illness or injury must do so in writing. Employees returning from illness, injury and/or approved leaves of absence shall notify the manager by Wednesday 12:00 (noon) of his/her availability for work the following week.

Employees may be required to be examined by a doctor designated by the Employer regarding questions of illness, at the Employers expense. In the event there are conflicting medical opinions, an impartial qualified medical opinion shall be binding on all parties.

When an employee returns from an extended leave of absence after October 1 of the calendar year and has vacation time still due and not scheduled, the Employer shall have the option to pay the employee in lieu of the time off or to permit the time off to be taken during the first quarter of the subsequent calendar year.

12.4 **Military Service** - Any employee who enlists or is inducted into military service shall be returned to his job and retain his seniority under the provisions of the Federal Selective Service Training Act of 1940, as amended.

12.5 **Union Employment** - The Employer shall grant a leave of absence without loss of seniority for a period not to exceed one (1) year for any employee selected by the Union for the purpose of Union employment within the local covered by this Agreement.

### **ARTICLE 13 - OVERTIME - PREMIUM PAY**

13.1 All work in excess of eight (8) hours in any one (1) day, forty (40) hours in any one (1) week, and/or five (5) days in any one (1) week, including holiday weeks for employees hired after May 1, 1988 (Eastern) and March 17, 1988 (Western), thirty-two (32) hours and/or four (4) days during a holiday week for employees hired prior to May 2, 1988 (Eastern) and March 18, 1988 (Western), shall be paid at the rate of time and one-half (1½) the straight-time hourly rate. Sufficient notice shall be given when overtime is necessary.

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

Employees hired after June 5, 2004 qualify only for daily and weekly overtime.

13.2 All employees shall receive thirty cents (30¢) per hour additional compensation for time worked between 11:00 p.m. and 6:00 a.m.

When the majority of the week's work is between 11:00 p.m. and 6:00 a.m., the additional compensation shall be paid for the entire workweek.

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

13.3 The employee relieving a department head for one (1) week or more shall receive the rate of the particular department head he is relieving, but not less than thirty cents (30¢) per hour over his classified rate.

13.4 Employees promoted to department heads shall receive the next highest rate in the new classification after not more than thirty (30) days training period.

13.5 The Employer shall post all hours paid for on pay check stubs.

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

## **ARTICLE 14 - VACATION AND VACATION PAY**

14.1 All employees shall annually receive vacations with pay in the manner hereinafter provided:

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

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

Earned vacation may be split into weekly units by mutual agreement between the Employer and the employee.

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

All employees shall be permitted to take vacations of their choice consecutively by seniority any time during the year based on individual store seniority, subject to the personnel needs of the Employer.

At the time employees indicate their preference for vacation dates, those employees who have more earned vacation than two (2) weeks coming during that year, may opt, by mutual agreement with the Employer, to work and be paid for his or her vacation for a number of weeks due in excess of two (2). If this election is made by the employee and is agreeable with the Employer, the pay due

for the vacation time not taken will be given to the employee with the first (1st) vacation check received. If the Employer must limit the number of week's vacation to be paid in lieu of time off, the more senior employees will be given preference.

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

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

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

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

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

Time off work, ninety-one (91) through one hundred eighty (180) days, vacation pay shall be reduced by one-quarter ( $\frac{1}{4}$ ).

Time off work, one hundred eighty-one (181) days through two hundred seventy (270) days, vacation pay shall be reduced by one-half ( $\frac{1}{2}$ ).

Time off work in excess of two hundred seventy (270) days makes the employee ineligible for any vacation pay.

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

14.6 Employees who qualify for vacation, as hereinabove provided, shall be entitled to their vacations at a time of their choice, subject to personnel needs of the Employer, subject to store seniority preferential in the event of conflict of employee choice.

The Employer shall on January 1<sup>st</sup> post a vacation request schedule. Employees shall, on or before February 1<sup>st</sup> designate desired vacation weeks. The Employer shall on or before March 1<sup>st</sup>, notify in writing denials. The Employer shall, on or before April 1<sup>st</sup>, approve the vacation schedule. Once approved, the vacation schedule may not be changed except by mutual consent by the employee and the Employer.

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

## **ARTICLE 15 - SUNDAY AND HOLIDAY PAY**

15.1 The following shall be considered as holidays:

New Year's Day	Fourth of July
Thanksgiving	Memorial Day
Labor Day	Christmas Day
Supplemental Days (see Sec. 15.3)	
Steward Holiday (see Sec. 15.9)	

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

Employees hired after May 1, 1988 (Eastern) and March 17, 1988 (Western) shall receive paid holidays per the following schedule:

After thirty (30) days	Christmas
After one (1) year	Labor Day
After two (2) years	Memorial Day and Thanksgiving
After three (3) years	New Years and July 4 <sup>th</sup>

for a total of six (6) national holidays after three (3) years of service.

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

Employees hired after 5/1/88 (Eastern) and 3/17/88 (Western), with three (3) years of service and having qualified for holiday pay for all holidays in accordance with the Collective Bargaining Agreement, will receive pay at time and one half for all hours worked on the fifth day during a holiday week.

Employees hired after 5/1/88 (Eastern) and 3/17/88 (Western), with less than three (3) years of service and not having qualified for holiday pay for all holidays, will receive pay at straight time for hours worked on a fifth day during a holiday week.

15.3 **Supplemental Days** - Employees hired prior to May 2, 1988 (Eastern) and March 18, 1988 (Western) shall receive eight (8) supplemental days off with pay.

Employees hired after May 1, 1988 (Eastern) and March 17, 1988 (Western) shall receive five (5) supplemental days off with pay.

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

Employees shall notify the Store Manager at least three (3) weeks in advance of his intention to use his supplemental days off for

a mini-vacation. The Employer will notify the employee at least one (1) week in advance of approval/or denial. In the event of a conflict of employee choice, seniority shall prevail.

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

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

Employees qualifying for supplemental days between December 10th and December 31st shall be able to schedule and take those days during the first quarter of the New Year.

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

Employees hired after June 5, 2004 qualify for six holidays and five supplemental days as follows:

After thirty (30) days of service	Christmas
After one (1) year of service	Add Labor Day
	Add one Supplemental Day

After two (2) years of service	Add Memorial Day Add one Supplemental Day
After three (3) years of service	Add Thanksgiving Add one Supplemental Day
After four (4) years of service	Add New Years Day and July 4 <sup>th</sup> Add two Supplemental Days

Employees hired after June 18, 2010 qualify for six holidays and five supplemental days as follows:

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

An employee who separates or is separated from the Employer's service, voluntarily or involuntarily (including but not limited to separation occasioned by voluntary or involuntary termination of the Employer's business), except when such employee is duly discharged for dishonesty, shall on separation, be paid for unused supplemental days on a pro-rata basis when requested in writing to the Company.

15.4 **Sunday and Holiday Work and Pay** - Sunday and holiday work shall be defined as work performed from 12:01 a.m. on Sundays and/or holidays to midnight Sunday and/or holidays.

Work performed on Sundays and holidays shall be paid at time and one-half (1½) the employee's rate of pay. Holiday pay as provided shall be in addition to time paid for holiday work.

For employees hired after May 1, 1988 (Eastern) and March 17, 1988 (Western), work performed on Sundays and holidays will be paid at the employee's regular straight-time rate of pay. After two (2) years of service, a one dollar (\$1.00) per hour premium will be paid for hours worked on Sunday in addition to their straight-time rate. After four (4) years of service, a two dollar (\$2.00) per hour premium will be paid for hours worked on Sunday in addition to their straight-time rate.

For employees hired prior to May 2, 1988 (Eastern) and March 18, 1988 (Western), the Employer can require employees to work in the inverse order of seniority within ones classification and demonstrated skill and ability to meet staffing requirements.

There shall be a member of the bargaining unit on duty all hours the store is opened for business on Sundays and holidays between the hours of 9:00 a.m. and 5:00 p.m.

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

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

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

15.8 The steward designated as per Article 5, Section 5.1 shall be allowed one (1) day off per calendar year with pay. This benefit shall not exceed one (1) day off per store, per calendar year.

## **ARTICLE 16 - HEALTH AND WELFARE**

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

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

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

Part-time employees shall only qualify for single coverage. Employee contributions will be made by weekly payroll deductions on a Section 125 pre-tax basis.

16.3 **Working Spouse Fee:** Each qualifying full-time employee electing to provide health insurance coverage to his or her spouse - if the spouse has access to health insurance through their employer (other than another contributing employ-

er) and chooses not to take that health insurance, the employee will pay a \$100 pre-tax monthly fee for the spouse's coverage.

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

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

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

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

16.6 **Fund Reserves:** Employer contribution rate action 7/1/12 shall be subject to two general criteria. First, that a minimum target reserve level be maintained at least equal to 4.5 months of total assets as of 6/30/13. Second, that projected fund income from Employer and employee contributions must be at least equal to projected fund total expenses in the one year period ending 6/30/13. The fund consultant shall prepare a report for Trustee review and action prior to 7/1/12, taking into account known investment gains/losses prior to the rate action, but excluding estimates of investment gains/losses thereafter through 6/30/13. If the consultant report indicates that up to one (1) month Employer and associate contribution holiday is possible within the criteria guidelines noted above, the Trustees will consider such action as part of its rate review for 7/1/12. Such holiday shall be taken in January 2013 if financial conditions at that time permit. Any trustee dispute/deadlock regarding 7/1/12 rate action shall be referred to final and binding expedited arbitration.

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

16.8 The Employer is responsible for reporting the appropriate qualifying status for each employee to the Health Fund Office on a contribution report each month. The Employer

accepts that failure to submit timely and correct contribution reports and contribution payments may result in interest, liquidated damages and cost assessments pursuant to the Health Fund's delinquency collection rules and/or applicable law. The Employer consents to the audit of its payroll records by persons designated by the Health Fund's Trustees for the purpose of verifying the correctness of the Employer's contribution payments in accordance with uniform audit policies adopted by the Trustees. Any underpayments disclosed by such an audit shall be processed as delinquent contributions pursuant to the Health Fund's delinquency collection procedures. Contributions must be reported and paid each month, without regard to any prior overpayments. Prior overpayments and mistaken contributions can be claimed by the Employer pursuant to the rules adopted by the Health Fund's Trustees for refund of mistaken contributions.

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

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

1. Full-time employees who have completed nine (9)

months of service shall have a contribution made in the ninth (9<sup>th</sup>) month to provide the newly bargained plan of benefits on an employee only basis on the first (1<sup>st</sup>) of the tenth (10<sup>th</sup>) month provided the employee also make the necessary corresponding employee contribution and enrolls for such coverage.

2. Full-time employees who have completed twelve (12) months of service shall have a contribution made in the twelfth (12<sup>th</sup>) month to provide the newly bargained plan of benefits on a family basis on the first (1<sup>st</sup>) of the thirteenth (13<sup>th</sup>) month, provided the employee also makes the necessary corresponding employee contribution for dependent coverage and enrolls such dependents.

3. A full-time employee is one who is hired as such or who averages thirty-six (36) hours or more during their basic workweek, as defined in Article 10, for twelve (12) consecutive weeks.

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

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

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

6/17/92 (Eastern) and after 6/22/92 (Western) who averages less than thirty-four (34) hours for twelve (12) consecutive weeks.

16.10 The Employer shall continue contributions for any of said employees for up to six (6) months during absence from work due to an approved Workers Compensation Leave and for up to three (3) months for a proven illness.

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

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

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

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

1. Leave of absence (not covered by FMLA).

2. Voluntary quit.
3. Termination for cause.
4. Layoff except that a contribution shall be paid for the one (1) month immediately following the layoff.

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

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

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

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

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

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

## **ARTICLE 17 - PENSION PLAN**

17.1 Eligible employees on the payroll May 1, 1988 (Eastern) and March 17, 1988 (Western) receive pension benefit credit from two (2) pension plans: The Kroger Co. IRS approved plan for Local 876 - Meat Division members (formerly Local #539)

(Kroger Plan) and the UFCW International Union - Industry Pension Fund. The provisions of these two (2) plans are available at either The Kroger Co. or Local 876 offices, or at the National Plan office in Chicago, Illinois.

17.2 The parties to this Agreement acknowledge and agree to the Letter of Understanding dated August 31, 2010, which details the bargaining history, contributions, and benefit accruals for the various groups of employees covered by this Agreement prior to the effective date of this Agreement. Nothing herein is intended to increase or reduce the benefit level accrued by members of this bargaining unit, which is currently provided by the Kroger Plan, nor shall such expand or extend coverage of such plan to employees not currently covered. The Employer agrees to maintain appropriate funding to support such current benefit accruals and comply with all IRS rules and other regulations governing a Single Employer Pension Plan. Effective with June 18, 2010 hours worked, the Employer shall make the following adjustments to current contributions made to the UFCW International Union-Industry Pension Fund:

- 1) For employees currently earning a contribution of \$67.57 per month, the contribution shall be increased to \$76.07.
- 2) For employees currently earning a contribution of \$73.00 per month, the contribution shall be increased to \$87.30.
- 3) For employees currently earning a contribution of \$149.14 per month, the contribution shall be increased to \$178.75 per month.
- 4) For employees previously employed with Farmer Jack and were hired before October 24, 1988, the contribution shall be increased to \$178.75 per month.

- 5) For employees previously employed with Farmer Jack and were hired after October 24, 1988, the contribution shall be increased to \$107.53.

## ARTICLE 18 - SENIORITY

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

18.2 The Employer shall maintain and furnish the Union upon request a seniority list of all employees covered by this Agreement as follows:

- A. Department Heads by classification.
- B. Full-time employees by classification.
- C. Part-time employees by classification.

18.3 Part-time employees shall not accumulate seniority over full-time employees. Part-time employees shall be given preference for full-time employment over applicants with no previous service with the Employer. Part-time employees shall be scheduled for available hours by department in each store, in accordance with seniority, job classification and demonstrated skill and ability to perform the work and shall be scheduled for no less than twelve (12) hours per week. Such employees who claim available hours can only claim up to thirty-two (32) hours per week Monday through Saturday (Sunday through Saturday for employees hired after May 1, 1988 (Eastern) and March 17, 1988 (Western)). In no event can part-time employees be scheduled or claim hours so that their total hours worked exceed thirty-two

(32) hours, Monday through Saturday (Sunday through Saturday for employees hired after May 1, 1988 (Eastern) and March 17, 1988 (Western), unless by mutual agreement by the Employer and the employee, and in accordance with store seniority. Full-time employees suffering a reduction of hours or transfer shall have the option to accept a lay-off.

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

18.4 Full-time employees suffering a reduction of hours or laid-off shall have a right to displace a less senior employee of the same job classification. If there is no junior full-time employee in the same job classification, then such full-time employee shall have the right to displace a part-time employee in the same job classification that will give them the maximum hours of work. The Employer agrees to assign employees to a store within a reasonable distance from home (twenty-five (25) miles).

18.5 Within each seniority list, seniority shall be applied in the following precedence, except in the event of a store closing without a replacement store, a layoff, promotion, or transfer, when seniority shall apply by local union jurisdiction.

- A. Store
- B. Zone Manager Territory
- C. Effective 1/1/97, the Company and the Union agree to merge in principle the UFCW. Local 539-1 and UFCW Local 539-2 bargaining agreements for the purpose of seniority in the event of a store(s) closing or full-time lay-off. If the bid notice posted either in Local 876 or 876 Dundee,

Milan and Monroe goes unfilled by members in that particular area then it shall be posted in the opposing areas before hiring someone outside the bargaining unit. Employees accepting a job bid outside of their current seniority area shall retain their seniority and go to the current applicable wages and benefits of the new seniority area.

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

18.6 When a full-time employee is involuntarily reduced to part-time, their full-time date shall be frozen for seniority purposes.

When a full-time employee voluntarily reduces himself to part-time, his part-time seniority is dated from the original date of hire.

18.7 **Department Heads** - In case of demotion from department head, the employees seniority will be determined by his entire length of service.

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

- A. Quit.
- B. Justifiable discharge.
- C. For the purpose of determining eligibility for recall only, a layoff of more than one (1) year will extinguish seniority. For benefit purposes, such employee, if recalled, will enjoy benefit seniority determined by combining his accrued

service prior to layoff with the service he accrued following the date of his recall.

- D. Failure to return to work in accordance with the terms of the leave of absence.
- E. Failure to return to work after a lay-off within one (1) week after receipt of notice (by registered letter) from the Employer.

## 18.9

### **Promotions -**

- A. Senior part-time employees shall have the right to be promoted to full-time over new hires.
- B. Meat Processing Clerk is a full-time position, and subject Article 18.9 Section D. Any full-time Meat Processing Clerk involuntarily reduced to a part-time meat clerk position as of a result of a reduction in hours shall have first preference for future Meat Processing Clerk positions.
- C. The most senior employee shall be promoted provided he/she has the demonstrated skill and ability to perform the job.
- D. Temporary vacancies of up to twelve (12) weeks duration (unless extended by mutual agreement) created by vacations, leaves of absence and short term illness that cannot be filled through the scheduling language will be, if filled, by management selection and those temporary vacancies will not be posted. Job openings for Department Heads and Meat Processing Clerks shall be posted in the stores

for a period of three (3) days. The employee selected shall be promoted on a ninety (90) day trial basis during which time the employee may be reduced to his former status for justifiable reasons. An employee who may be reduced to his former status for justifiable reasons shall be disqualified from re-bidding for the same department head job classification for one (1) year. The employee shall receive the classified department rate of pay during the trial period. The vacancy created by the promotion shall not be permanently filled until the original trial period is completed, after which the vacant job shall be posted. The temporary appointee shall receive the classified rate of pay. Any employee who wins a job bid and declines to accept the position shall be disqualified from bidding for any position for a period of one (1) year.

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

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

Any employee who wins a job bid and voluntarily or involuntarily is reduced within ninety (90) days shall be returned to the store from which they came and shall be disqualified from bidding for a position for a period of one (1) year.

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

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

18.10 No Union Steward shall be transferred without consent of the Steward and the Union, except in the event of a store closing.

18.11 When the transfer of an employee to a different store becomes necessary for justifiable reasons, such transfer shall be made in the inverse order of seniority, or on a voluntary basis. The Employer shall assign employees to a store where such transfer shall require the lesser travel time from his home.

18.12 The Employer agrees to give at least three (3) days notice to an employee who is to be transferred permanently. If the employee feels that the transfer is discriminatory or creates a hardship, he shall have the right to request a review, subject to Article V of this Agreement.

18.13 Emergency transfers are permitted. These transfers, however, shall be only of two (2) week duration, except for a prolonged illness, which might necessitate a longer period of time, or new store openings. The employee shall have the right to question said transfer under Article 5 of this Agreement.

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

## **ARTICLE 19 - UNION COOPERATION**

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

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

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

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

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

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

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

## **ARTICLE 20 - CHANGE OF OWNERSHIP, LAY-OFF AND SEVERANCE PAY**

20.1 In the event of a change of ownership, the Employer shall pay off all obligations regarding accumulated wages, pro-rata of earned vacation.

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

All employees shall be permitted to work out their one (1) week separation notice. Should the Company separate the employee before the effective separation date, such employee shall receive their scheduled lost time up to forty (40) hours.

In the event the Employer sells or closes a store and employees are terminated as a result thereof, employees with three (3) years of full-time service or frozen full-time service shall be paid three (3) weeks of severance pay and one (1) additional week of severance pay for each additional year of full-time service or frozen full-time service up to a maximum of six (6) weeks of severance pay.

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

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

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

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

Severance pay will equate the average number of hours worked in the twelve (12) weeks preceding separation, not to exceed forty (40) hours straight-time pay.

Any employee who is terminated and who is eligible for and accepts severance pay forfeits all seniority and recall rights. An employee who does not accept severance pay shall retain his recall rights for a period of twelve (12) months, and if still not recalled by the Employer, shall then receive his severance pay and has no further recall rights.

If a store is sold and the successor Employer offers employment to an employee who is otherwise eligible for severance pay under the terms of this Article and the new job is comparable, then no provisions of this Article shall apply.

All monies due employees shall be paid in a lump sum within two (2) weeks after separation.

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 other Act of God, then this Article shall not apply.

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

## **ARTICLE 21 - JOB DESCRIPTION**

21.1 **Meat Department Head** - A Meat Department Head will be selected to be responsible for the efficient operation of the meat department in each store. A Seafood Department Head shall be selected to be responsible for the efficient operation of the Fresh Seafood Department in stores where such a department exists.

21.2 All employees working in the Meat and Seafood Departments will perform work as assigned. However, no employee on the payroll as of May 1, 1988 (Eastern) and March 17, 1988 (Western) covered by this Agreement will be reduced in hours as a direct result of the application of this first sentence in new Article 21.3.

Employees on the payroll May 1, 1988 (present employees) in the Wrapper/Clerk and Seafood classifications, who now may perform all the duties previously limited to the Journeyman classification, shall, prior to such assignment, be given proper and appropriate training in those duties for which they possess the necessary physical capabilities (as an example, the inability to unload trucks). If such employee(s) after completion of the training process demonstrates that he/she does not possess the skill and ability to satisfactorily perform certain duties, the employee will not be required to perform those duties, nor will that person be barred from Sunday rotation.

It is not the intent of the Employer to force a present (on the payroll May 1, 1988) Wrapper/Clerk who has stated fear of using the saw to undertake the training on the saw, nor will that person be barred from Sunday rotation.

21.3 Where Meat and Seafood Department employees are covered by this Agreement, their seniority shall be applied by department.

21.4 **Meat Processing Clerk** shall be knowledgeable in all areas of the Meat Department.

## **ARTICLE 22 - PREPAID LEGAL SERVICES PLAN**

22.1 The Employer shall contribute two cents (\$.02) per hour on all hours worked by all members of the bargaining unit, except employees with less than one (1) year of service.

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

## **ARTICLE 23 - ECONOMIC RELIEF**

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

The Employer may seek economic relief to keep store(s) open or in operations outside the counties of Wayne, Oakland, Macomb, Livingston, Washtenaw and Monroe. The Union shall present the terms of the economic relief to the membership in the affected

store unit(s) and/or operation for their vote. The Company and Union agree that the terms of the Economic Relief Package will not be less than those of the 539-2 wage and working conditions agreement.

## **ARTICLE 24 - WESTERN MEAT EXCEPTIONS**

Upon the 1997 merger of the Eastern Meat and Western Meat Agreements, the following language as it applies from the Western Meat Agreement will remain in effect for the Western Michigan Stores, as both parties have been unable to reach agreement.

At any time, upon mutual agreement, the parties may include or exclude this language for all stores governed by this agreement.

**Coverage 2.B** - For the purpose of this Agreement, the Meat Department is defined as the area occupied by the refrigerated meat storage rooms, the meat preparation room, and the refrigerated service and/or self-service meat display cases where fresh, smoked, cooked, and frozen meats, poultry, fish and seafood are offered for retail sales. Where certain products covered under this clause are presently being handled outside of the Meat Department, the Employer may continue to handle such products in accordance with the present practice.

**Other Work 8.2 A** -Written warnings shall be processed by an official of the Union and shall not be processed by an employee. Penalty language relative to bargaining unit work will not apply in a bona fide emergencies and circumstances beyond the control of the Employer.

**Schedules and Working Conditions 10.4A** - After a schedule is posted, it will not be changed unless due to an emergency

and if for emergency reasons, it becomes necessary to work an employee beyond his scheduled time or on his scheduled day off, he shall also be permitted to work the balance of his week as scheduled. Schedules shall be changed the week in advance when such changes are made necessary by holidays, etc. The provisions of this paragraph apply only to full-time employees and not to part-time employees. Sufficient notice shall be given when overtime is necessary.

**Overtime - Premium Pay 13.2A** - There shall be no pyramiding of premium pay and hours paid for at premium pay will be set aside and not used in the computation of other premium pay or in the computation of overtime.

**Union Cooperation 19.4A** - In the event the Employer contemplates the introduction of any major technological changes affecting bargaining unit work, advance notice of such changes shall be given to the Union. The Employer will meet with the Union to discuss the implementation of such changes.

**Management Trainees** - It is understood and agreed that the Employer has the right to management trainees and that such management trainees have the right to perform work in the Meat Department. However, it is further agreed that such trainees shall not displace employees doing bargaining unit work.

## **ARTICLE 25 – EXPIRATION**

25.1 This Agreement shall be effective the 10<sup>th</sup> day of June, 2010, and shall continue in full force and effect to and including June 15, 2013, and thereafter from year to year unless either party serves notice in writing upon the other party at least sixty (60) days prior to June 15, 2013, that such party desires to cancel

or terminate such Agreement. It is agreed, however, that where no such cancellation or termination notice is served and the parties desire to continue said Agreement, but desire also to negotiate any changes or revisions in this contract, each party may serve upon the other a notice at least sixty (60) days prior to June 15, 2013, advising that such party desires that they revise or change designated provisions of such Agreement. The respective parties shall be permitted all lawful economic recourse to support their request for such revisions if the parties fail to agree thereon.

Signed this 8<sup>th</sup> day of November 2010.

FOR THE UNION: UNITED FOOD AND COMMERCIAL  
WORKERS UNION LOCAL 876

Roger Robinson

Rick Blocker

Date 11/8/10

FOR THE EMPLOYER: THE KROGER COMPANY

Henry B. Taylor

Lanell Ohlinger

Date 11/8/10

**APPENDIX "A" - EASTERN MICHIGAN**

**ALL ASSOCIATES AT TOP RATE AS OF 6/10/12 WILL RECEIVE A \$0.25 INCREASE.**

<b><u>Meat Manager:</u></b>	<b><u>6/28/09</u></b>
Start	\$17.86
6 months	\$17.97
1 year	\$20.31

<b><u>Meat Manager (hired on or after 6/18/10):</u></b>	<b><u>6/18/10</u></b>
Start	\$16.50
6 months	\$17.00
1 year	\$17.50

<b><u>Seafood Manager</u></b>	<b><u>6/28/09</u></b>
Start	\$14.75
6 months	\$15.25
1 year	\$17.79

<b><u>Seafood Manager (hired on or after 6/18/10):</u></b>	<b><u>6/18/10</u></b>
Start	\$13.50
6 months	\$14.00
1 year	\$14.50

<b><u>Wrapper/Clerk:</u></b>	<b><u>6/28/09</u></b>
	\$17.38

<b><u>Journeyman:</u></b>	<b><u>6/28/09</u></b>
	\$19.90

<b><u>Meat Processor:</u></b>	<b><u>6/28/09</u></b>
Start	\$ 8.90
6 months	\$ 9.40
12 months	\$ 9.90
18 months	\$10.40
24 months	\$11.10
30 months	\$11.60
36 months	\$12.10
42 months	\$12.85
48 months	\$13.40
54 months	\$14.25
60 months	\$17.23

*\*An employee promoted to a Meat Processing Clerk shall advance immediately to the next wage rate above their current rate and progress forward from that point as specified.*

<b><u>Meat Processor (hired on or after 6/18/10):</u></b>	<b><u>6/18/10</u></b>
Start	\$ 7.90
6 months	\$ 8.40
12 months	\$ 8.90
18 months	\$ 9.40
24 months	\$ 9.90
36 months	\$10.60
48 months	\$11.20
60 months	\$12.50
72 months	\$14.00

**Meat/Seafood Clerks (hired prior 6/5/04):**

	<b><u>6/28/09</u></b>
Start	\$ 7.40
6 months	\$ 7.45
12 months	\$ 7.50
18 months	\$ 7.70
24 months	\$ 8.05
30 months	\$ 9.20
36 months	\$ 9.95
42 months	\$10.35
48 months	\$11.57
54 months	\$12.37
60 months	\$15.13

**Meat/Seafood Clerks (hired after 6/5/04):**

	<b><u>6/28/09</u></b>
Start	\$ 7.40
6 months	\$ 7.45
12 months	\$ 7.50
18 months	\$ 7.70
36 months	\$ 8.50
48 months	\$ 9.50
60 months	\$11.00
72 months	\$14.22

**Meat/Seafood Clerks (hired on or after 6/18/10):**

	<b><u>6/18/10</u></b>
Start	\$ 7.40
12 months	\$ 7.50
24 months	\$ 7.70
36 months	\$ 8.50
48 months	\$ 9.50
*60 months	\$10.50
72 months	\$12.00

**\*indicates top rates for part-time employees**

**APPENDIX "B" - WESTERN MICHIGAN/  
JACKSON & HILLSDALE**

**ALL ASSOCIATES AT TOP RATE AS OF 6/10/12 WILL  
RECEIVE A \$0.25 INCREASE.**

<b><u>Meat Manager:</u></b>	<b><u>6/28/09</u></b>
Start	\$15.77
6 months	\$16.27
12 months	\$18.86

<b><u>Meat Manager (hired on or after 6/18/10):</u></b>	<b><u>6/18/10</u></b>
Start	\$15.50
6 months	\$16.00
1 year	\$17.50

<b><u>Seafood Manger:</u></b>	<b><u>6/28/09</u></b>
Start	\$14.10
6 months	\$14.35
12 months	\$16.58

<b><u>Seafood Manager (hired on or after 6/18/10):</u></b>	<b><u>6/18/10</u></b>
Start	\$13.50
6 months	\$14.00
1 year	\$14.50

**Wrapper/Clerk (Western hired prior to 3/18/88); and  
(Jackson/Hillsdale hired prior to 5/1/88):**

**6/28/09**  
**\$15.62**

**Journeyman:****6/28/09**

\$17.60

**Meat Processing Clerk:****6/28/09**

Start	\$ 7.90
6 months	\$ 8.40
12 months	\$ 8.90
18 months	\$ 9.40
24 months	\$ 9.90
30 months	\$10.60
36 months	\$11.20
42 months	\$11.70
48 months	\$11.90
54 months	\$12.85
60 months	\$15.48

**Meat Processor (hired on or after 6/18/10):****6/18/10**

Start	\$ 7.90
6 months	\$ 8.40
12 months	\$ 8.90
18 months	\$ 9.40
24 months	\$ 9.90
36 months	\$10.60
48 months	\$11.20
60 months	\$12.50
72 months	\$14.00

*\*An employee promoted to a Meat Processing Clerk shall advance immediately to the next wage rate above their current rate and progress forward from that point as specified.*

**Meat and Seafood Employee (Western hired after 3/17/88);  
and (Jackson and Hillsdale hired on or after 5/1/88):**

	<u>6/28/09</u>
60 months	\$14.11

**Meat Clerks (hired after 6/5/04):**

	<u>6/28/09</u>
Start	\$ 7.40
6 months	\$ 7.45
12 months	\$ 7.50
24 months	\$ 7.70
36 months	\$ 8.50
48 months	\$ 9.50
60 months	\$11.00
72 months	\$13.25

**Meat/Seafood Clerks (hired on or after 6/18/10):**

	<u>6/18/10</u>
Start	\$ 7.40
12 months	\$ 7.50
24 months	\$ 7.70
36 months	\$ 8.50
48 months	\$ 9.50
*60 months	\$10.50
72 months	\$12.00

**\*indicates top rates for part-time employees**

APPENDIX "C" - STORES 277, 600, 635, 795

**ALL ASSOCIATES AT TOP RATE AS OF 6/10/12 WILL RECEIVE A \$0.25 INCREASE.**

<b><u>Meat Manager:</u></b>	<b><u>6/28/09</u></b>
Start	\$16.82
6 months	\$16.93
12 months	\$19.22

<b><u>Meat Manager (hired on or after 6/18/10):</u></b>	<b><u>6/18/10</u></b>
Start	\$16.50
6 months	\$17.00
1 year	\$17.50

<b><u>Seafood Manager:</u></b>	<b><u>6/28/09</u></b>
Start	\$14.10
6 months	\$14.29
12 months	\$16.78

<b><u>Seafood Manager (hired on or after 6/18/10):</u></b>	<b><u>6/18/10</u></b>
Start	\$13.50
6 months	\$14.00
1 year	\$14.50

<b><u>Wrapper/Clerk (hired prior to 5/1/88):</u></b>	<b><u>6/28/09</u></b>
	\$16.12

<b><u>Journeyman:</u></b>	<b><u>6/28/09</u></b>
	\$18.81

**Meat Processing Clerk:**

	<b><u>6/28/09</u></b>
Start	\$ 7.90
6 months	\$ 8.40
12 months	\$ 8.90
18 months	\$ 9.40
24 months	\$ 9.90
30 months	\$ 10.60
36 months	\$ 11.20
42 months	\$ 11.70
48 months	\$ 11.90
54 months	\$ 13.00
60 months	\$ 15.97

*\*An employee promoted to a Meat Processing Clerk shall advance immediately to the next wage rate above their current rate and progress forward from that point as specified.*

**Meat Processor (hired on or after 6/18/10):**

	<b><u>6/18/10</u></b>
Start	\$ 7.90
6 months	\$ 8.40
12 months	\$ 8.90
18 months	\$ 9.40
24 months	\$ 9.90
36 months	\$ 10.60
48 months	\$ 11.20
60 months	\$ 12.50
72 months	\$ 14.00

**Meat and Seafood Employees (hired on or after 5/1/88):**

	<b><u>6/28/09</u></b>
60 months	\$14.82

**Meat Clerks (hired after 6/5/04):**

	<b><u>6/28/09</u></b>
Start	\$ 7.40
6 months	\$ 7.45
12 months	\$ 7.50
24 months	\$ 7.70
36 months	\$ 8.50
48 months	\$ 9.50
60 months	\$11.00
72 months	\$13.92

**Meat/Seafood Clerks (hired on or after 6/18/10):**

	<b><u>6/18/10</u></b>
Start	\$ 7.40
12 months	\$ 7.50
24 months	\$ 7.70
36 months	\$ 8.50
48 months	\$ 9.50
*60 months	\$10.50
72 months	\$12.00

**\*indicates top rates for part-time employees**

## **LETTER OF UNDERSTANDING - FARMER JACK ACQUISITION**

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

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

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

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

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

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

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

FOR THE UNION: UNITED FOOD AND COMMERCIAL  
WORKERS UNION LOCAL 876

Roger Robinson

Date 11/8/10

FOR THE EMPLOYER: THE KROGER COMPANY

Henry B. Taylor

Date 11/8/10

## IMPORTANT PHONE NUMBERS

### LOCAL 876 OFFICES

- BUSINESS REPRESENTATIVES
  - DUES DEPARTMENT
  - ORGANIZING DEPARTMENT
  - PROFESSIONAL BEAUTY TRADES
  - RETIREMENT CENTER & FINANCIAL ADVISEMENT
- 1-800-321-6406

### MICHIGAN HEALTH & WELFARE FUNDS

(248) 585-9610

(800) 322-8190

### INDUSTRY PENSION FUND & SAUSAGE MAKERS PENSION

(800) 531-2385

### PRE-PAID LEGAL

(800) 826-0101

## UNITED FOOD & COMMERCIAL

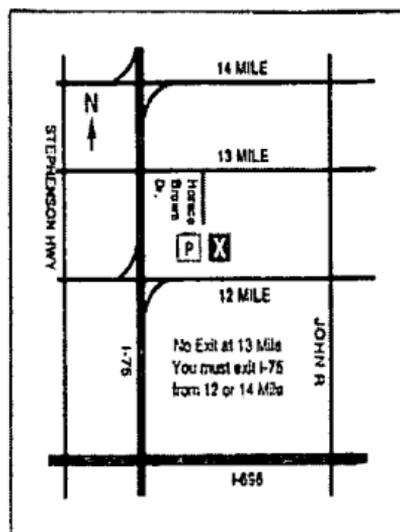
### WORKERS LOCAL 876

876 HORACE BROWN DRIVE

MADISON HEIGHTS, MICHIGAN 48071

1-800-321-6406

WWW.UFCW876.ORG



**UNITED FOOD & COMMERCIAL WORKERS LOCAL 87**

**876 HORACE BROWN DRIVE**

**MADISON HEIGHTS, MICHIGAN 48071**

**1-800-321-6406**

**WWW.UFCW876.ORG**