



a VOICE for working America

Contract Agreement

Between

United Food and Commercial Workers Union,

Local 1996

and

The Kroger Co.

Savannah, Georgia

Front-End, Grocery, Produce, Meat, Seafood, Deli, Drug/GM

May 15, 2005

through

September 12, 2009

AGREEMENT

INDEX

	PAGE
Article 1. Intent and Purpose	3
Article 2. Coverage	3
Article 3. Check-Off	3
Article 4. Management Rights	4
Article 5. Dispute Procedure	4
Article 6. No Strike, No Lockout	5
Article 7. Leave of Absence	5
Article 8. Jury Duty	6
Article 9. Other Work	6
Article 10. Separability	7
Article 11. Working Conditions	7
Article 12. Seniority	9
Article 13. Vacations	11
Article 14. Sunday and Holidays	12
Article 15. Separation Pay	13
Article 16. Non-Discrimination	13
Article 17. Union Cooperation	13
Article 18. Injury on the Job	14
Article 19. Health and Welfare	14
Article 20. Pension	17
Article 21. Technological Change	19
Article 22. Expiration	20
Appendix "A" Application of Seniority	21
Schedule "A" Wages	23

TERM: May 15, 2005 – September 12, 2009

AGREEMENT

This Agreement has been entered into by and between The Kroger Co., Atlanta, Georgia, hereinafter designated as the Employer, and the United Food and Commercial Workers Union, Local 1996, Atlanta, Georgia, chartered by the United Food and Commercial Workers International Union, hereinafter designated as the Union.

ARTICLE 1 INTENT AND PURPOSE

1.01 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.

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

ARTICLE 2 COVERAGE

2.01 The Union shall be the sole and exclusive bargaining agent for all workers in the following classifications: Courtesy Clerks, part-time clerks, full-time clerks, pharmacy technicians, department heads, Grocery, Produce, Deli /Bakery, Meat, Seafood, Drug G/M, Fuel and Starbucks departments of the stores of the Employer in the following counties: Bryan, Chatham, Effingham, Liberty, and Ware County. Excluding all store management, management trainees, professional pharmacy employees, and security in the Front-end,

It is understood that should the Company open or acquire Kroger stores within Local 1996's territorial jurisdiction that UFCW Local 1996 shall be the sole and exclusive bargaining agent for the employees in those stores.

ARTICLE 3 CHECK-OFF

3.01 The duration of the present contract or any renewal thereof, the Employer agrees to deduct service fees in an amount equivalent to dues, and initiation fees on a weekly basis and remit to the Local once each month in an amount as Local 1996 shall determine and provide for its members generally from the pay of each employee who has signed a properly approved Authorization Card. The Union shall officially, in writing, notify the Employer of the amount to be deducted, and if there is any change, notice of the change will be given to the Employer in writing.

3.02 It is understood that service fees equivalent to initiation fees shall be deducted from the next two (2) weeks pay of the employee so authorizing the deduction, and thereafter service fees in an amount equivalent to union dues shall be deducted from the employees' pay each week, provided only that the total amount to be deducted in any one week shall not exceed four (4) weeks dues.

3.03 If the law is changed to permit a "Union Shop" the following shop condition shall become effective when it is legal:

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

3.04 In the interest of promoting cooperative relations, the Store Manager will introduce each new employee to a Union Shop Steward within one (1) week after the new employee reports for work. At this meeting, which shall take place during working hours, a Shop Steward shall give the new employee a copy of the Bargaining Agreement with the Union and shall explain its operation. A Shop Steward may answer any questions that a new employee ask, may request the new employee to join the Union and may make arrangements for the new employee to become a member.

3.05 The Employer will make deductions weekly from employees who have signed an Active Ballot Club check-off card and the money collected will be forwarded to the President of UFCW Local 1996 at the conclusion of each operating quarter.

3.06 The Union Card/Decal should be displayed in a prominent location in the front of the store and the meat department in all stores covered by this Agreement (size and location to be mutually agreed upon by the Employer and the Union).

3.07 The Employer will make available a bulletin board or an appropriate space for the Union to post notices or bulletins concerning administrative affairs of the Union.

ARTICLE 4 MANAGEMENT RIGHTS

4.01 The management of the business and the direction of the working forces, including the right to plan, direct and control store operations, hire, suspend or discharge for proper cause, transfer or relieve employees from duty because of lack of work or for other legitimate reasons, the right to study or introduce new or improved production methods or facilities, and the right to establish and maintain reasonable rules and regulations covering the operation of the store, a violation of which shall be among the causes for discharge, are vested in the Employer, provided, however, that this right shall be exercised with due regard for the rights of the employees and provided further, that it will not be used for the purpose of discrimination against any employee.

ARTICLE 5 DISPUTE PROCEDURE

5.01 The Union shall have the right to designate Shop Stewards in each store. The Shop Stewards so designated shall not exceed six (6) per store, three (3) to act as Stewards and three (3) to act as alternate Stewards.

5.02 Should any differences, disputes or complaints arise over the interpretation or application of the contents of this Agreement there shall be an earnest effort on the part of both parties to settle such in a prompt and timely manner through the Steps outlined below.

Step 1. By conference between the aggrieved employee, the Shop Steward and/or the Union Representative and the Store Manager within seven (7) days of the submission or the presentation of the grievance to the Employer.

Step 2. By conference between the Shop Steward and/or Union Representative and the Zone Manager and/or Zone Operations Coordinator within fifteen (15) days of initial contact with the Zone Manager from Step 1.

Step 3. By conference between an official or officials of the Union and/or the Divisional President or a representative of the Employer so delegated by a Divisional President or both within fifteen (15) days of initial contact by the Union and/or Employer from Step 2.

Step 4. In the event that the last step fails to settle the complaint satisfactorily, either party if it desires to arbitrate the complaint, shall refer it to the Board of Arbitration within thirty (30) days after Step 3 is completed.

5.03 Grievances must be taken up promptly, and no grievance will be considered or discussed which is presented later than thirty (30) calendar days after such has happened.

5.04 It is agreed that Steps 1 and 2 of this dispute procedure may be waived if mutually agreeable to the Employer and the Union.

5.05 It is the intent of both parties that grievances shall be handled promptly within the time limit specified in each step of the grievance procedure. However, time limits may be extended in any step of the grievance procedure by mutual consent.

5.06 After all steps of the grievance procedure, except arbitration, have been exhausted, the Union shall have the right to determine if an employee's grievance is qualified to be submitted to arbitration by the Union, and such determination shall be binding on the employee and the Union.

5.07 The Union and the Employer shall select one (1) person who will act as their representative to select an arbitrator and jointly request the Director of the American Arbitration Association to furnish the parties a panel of seven (7) arbitrators from which the arbitrator shall be chosen. The arbitrator shall be chosen by the alternate striking of names. By mutual agreement between the parties, if the panel offered by the American Arbitration Association is unacceptable to both parties, a second panel of seven (7) names may be jointly requested. The expenses of the arbitrator shall be paid for jointly. The arbitrator shall have no authority to amend, modify, or in any way alter the terms of this Agreement. The Employer nor the Union shall not refuse more than two dates that have been offered for hearing dates by the arbitrator unless mutually agreed to by the Employer and the Union in writing.

5.08 The Employer may at any time discharge any worker for proper cause. The Union may file a written complaint within five (5) days with the Employer, asserting that the discharge was improper. Such complaint must be taken up promptly, and if the Employer and the Union fail to agree within ten (10) days, the Union, if it desires to arbitrate the discharge, shall refer it

to the Board of Arbitration within ten (10) days after such disagreement. Should the Board determine that it was an unfair discharge, the Employer shall reinstate the employee in accordance with the findings of the Board. The Union will be given written notification of any discharge within three (3) working days after discharge.

5.09 Any employee who is interrogated concerning a matter of discipline is entitled to representation by the Union at that interrogation. If the meeting is a scheduled meeting, a steward or Union Representative may be requested by the employee.

5.10 No employee will be required to take a polygraph examination.

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

When requested to do so, the Employer shall make such records available at a reasonable time to an authorized representative of the Union for examination.

5.12 The Fair Labor Standards Act as amended, requires among other things, that all time worked by employees be accurately recorded and that employees receive compensation for all time worked in excess of 40 (forty) hours in any work week at time and one-half (1 ½) their regular hourly rate of pay. The parties recognize and agree that strict compliance with this Act is in the best interest of the Employer, the Union and the employees. Therefore, the Employer will not request, suffer or permit any employee to work off the clock and the Union agrees to cooperate with and to assist the Employer in assuring strict compliance with this important Federal legislation.

So that discipline will be applied consistently and uniformly, the following steps will be taken to discipline employees who violate the "Fair Labor Standards Act" as stated herein.

First offense - written warning
Second offense - one week disciplinary suspension - without pay
Third offense – discharge

5.13 An employee who is absent from work for three (3) consecutive working days without notifying the Store Manager will be considered to have voluntarily quit.

5.14 All constructive advice notices issued for an infraction of company rules or records of discipline, shall be stricken and become null and void nine (9) months from their date of issuance, provided the employee has not received another notice for the same type of infraction within that nine (9) month period.

5.15 Upon request, the Store Manager or person in charge will grant to any accredited Union representative the right to communicate with the employees of the store.

ARTICLE 6 NO STRIKE, NO LOCKOUT

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

6.02 The Union further agrees that its members will not refuse to cross a legal Labor picket line until such line is officially authorized by the Local Union, and further, that in the event the Local Union does recognize such established legal labor picket line, it shall notify the Employer forty-eight (48) hours in advance of such action.

ARTICLE 7 LEAVE OF ABSENCE

7.01 Union Business: The Employer shall grant the necessary time off without discrimination or loss of seniority rights and without pay to any employee designated by the Union to attend a labor convention or serve in any capacity on other official Union business, provided the Employer is given at least one (1) week's notice in writing specifying the length of time off, but in no case shall the length of time off exceed one (1) year.

7.02 Sickness or Injury: A leave of absence because of sickness or injury, not to exceed ninety (90) days, will be granted to an employee upon written request supported by medical evidence. Extensions will be granted up to ninety (90) days at a time for a cumulative total of one (1) year, if requested and granted in writing supported by proper medical evidence prior to each expiration. The above leave may be extended one (1) additional year by mutual agreement between the Union and the Employer.

7.03 Military Leave: Employees in military service under the provisions of federal law, shall be returned to their job in accordance with such law.

7.04 Funeral Leave: Up to three (3) days leave with pay shall be granted for time necessarily lost from work in the event of a death in the immediate family of an employee, provided that the employee attends the funeral. In no case, however, will the employee receive more than their basic weekly wage pay. By immediate family is meant parent, step-parent, brother, sister, wife, husband, child, stepchild, mother-in-law, father-in-law, grandparents, grandchildren, or any other relative residing with the employee.

7.05 Personal Leave of Absence: A leave of absence up to thirty (30) days shall be granted to an employee who has had one (1) year of continuous service for reasonable personal reasons but not for the purpose of engaging in gainful employment elsewhere. Any such employee desiring a leave of absence shall secure written permission from the Employer with a copy to the Union, the length of absence to be agreed upon by the Employer and employee. The length of absence shall be commensurate with the need. The above leave may be extended thirty (30) additional days by mutual agreement between the Union and the Employer.

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

7.07 Family and Medical Leave Act: A leave of absence of up to twelve (12) weeks (unpaid) shall be granted to an employee who has had one (1) year of continuous service and who has worked at least 1250 hours in the twelve (12) months prior to the request, pursuant to the basic provisions of the Family and Medical Leave Act. Any such employee desiring a leave of absence may be required to provide advance leave notice and medical certification prior to the leave of absence being granted, subject to the provisions of the Act. The length of the absence shall be commensurate with the need.

ARTICLE 8 ABSENCE DUE TO JURY DUTY

8.01 Full-time employees who serve on jury duty shall be paid for time necessarily lost from work provided they make every reasonable effort to be available for work within their regular work schedule when not occupied with jury duty. Employees who assume this responsibility of citizenship by serving in such capacity will receive their pay in addition to any jury or witness fees awarded them.

8.02 In the event an employee is subpoenaed by the Employer to appear in court on behalf of the Employer, or assist in any legal proceedings on behalf of the Employer, the employee will be compensated for any parking fees and the time involved at the employee's regular rate of pay, straight-time or premium as set forth in this Agreement.

ARTICLE 9 OTHER WORK

9.01 Employees shall perform any work which the Manager of the store or Zone Manager may direct with the understanding that when employees are assigned to a job with a lesser rate, they will be entitled to their regular rate of pay, unless due to a decrease of work, they have regularly been assigned to a lower-rated job and desire to retain such job rather than accept a layoff.

9.02 Any employee who is assigned to relieve a Department Head, (Front-End, Grocery, Produce, Deli, Meat, Drug/GM and Grandfathered Seafood Manager), who is absent from the store for three (3) full scheduled days or more in a calendar week, shall receive the contract rate of pay in effect for the department involved for such time spent on relief. However, in no case, shall relief pay be paid for more than five days in a week, except in case of extenuating circumstances.

In addition, an employee will be assigned to relieve a Department Head who is absent from the store for five (5) consecutive work days of a one (1) week vacation that span across two calendar weeks, and such employee shall qualify for relief pay for the five days of vacation.

Relief pay shall not be paid for employees performing Manager on Duty (MOD) assignments, unless such employee is assigned for the entire week.

9.03 If an employee is required to work in another department temporarily, the hours worked in that department will be counted as hours worked for the purpose of contributions to the employee's respective Pension Fund as described in Article 20.

9.04 Full-time employees within a store may transfer from night work to the day shift or from day shift to night work when vacancies occur on the basis of seniority. Employees will be given a two (2) week trial and training period. If at the end of such time employees are not qualified, they shall be returned to their previously held position. Employees may exercise their rights under this clause not more frequently than once every six (6) months.

ARTICLE 10 SEPARABILITY

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

ARTICLE 11 WORKING CONDITIONS

11.01 The hours for each employee shall be scheduled by the Employer. A work schedule shall be posted by noon Friday for the succeeding week. Employees may be added as necessary. The schedule for full-time employees will not be otherwise changed unless such change is necessitated by an emergency such as fire, flood, windstorm, or other acts of nature, but in such cases, full-time employees schedules will not be changed to the extent they do not work the full work schedule of forty (40) hours provided enough hours remain in the workweek. For the purpose of this provision, daily overtime and night premium will be waived to allow the employee to make up lost hours, should they desire to make up lost hours.

The schedule for part-time employees may be changed provided the employee involved is notified of the change not later than the day before such change is to take effect except that such notice will be waived in case of sickness or emergency.

Schedules will be posted in designated areas of the store by work location, classification and seniority order. The schedule shall be posted in ink or other permanent type print and shall show the last name and initial of the employee, the employee's starting and quitting times and the scheduled day off. Copies of this weekly schedule will be maintained in the store for a minimum of thirty (30) days.

11.02 A full-time employee shall be defined as an employee who works forty (40) hours per week. A part-time employee shall be defined as an employee who works less than forty (40) hours per week.

An employee who was hired for full-time work and is normally scheduled forty (40) hours per week, shall be considered to be a full-time employee. Any other employee who is normally scheduled forty (40) hours per week for eight (8) consecutive weeks shall also be considered to be a full-time employee.

An employee who is hired for part-time work, and is scheduled and works less than forty (40) hours per week, shall be considered to be a part-time employee. Any other employee who is scheduled and works less than forty (40) hours per week for eight (8) consecutive weeks shall also be considered to be a part-time employee.

11.03 The workweek shall consist of not more than forty (40) hours to be worked in five (5) days or less, Sunday through Saturday. Employees will be paid time and one-half (1½) for hours worked over forty (40) in a holiday week.

Part-time employees will be scheduled for a minimum of twelve (12) hours per week Sunday through Saturday.

11.04 The workweek shall consist of not more than forty (40) hours to be worked in five (5) days or less. This does not apply to part-time claiming of available hours. Part-time employees will be called in for additional hours in seniority order.

11.05 All work in excess of nine (9) hours per day shall be paid for at time and one-half (1-1/2).

11.06 The Employer may schedule night stockers four (4) ten (10) hour shifts, not necessarily consecutive, without incurring daily overtime, provided it is agreeable with the Union and the majority of the employees involved.

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

11.08 There shall be no split shift schedules.

11.09 Full-time employees required to work outside of their schedule shall not be required to take time off from their schedule that week in order to avoid overtime.

11.10 Employees working four (4) hours per day up to seven (7) hours per day shall receive one (1) uninterrupted fifteen (15) minute rest period per day. Employees working seven (7) hours or more per day shall receive two (2) uninterrupted fifteen (15) minute rest periods per day. Rest periods will be scheduled in accordance with the needs of the business but no earlier than one (1) hour after reporting time. Employees who work ten (10) or more hours in a workday shall receive a third uninterrupted fifteen (15) minute rest period.

11.11 Employees shall be allowed one (1) hour without pay for lunch. No employee shall be required to work more than five (5) hours without a lunch period. By mutual agreement between an employee and store management, a lunch period of thirty (30) minutes duration may be observed. The lunch period will be granted as close to the middle of the shift as possible.

11.12 Any uniforms deemed necessary by the Employer for its employees shall be furnished and laundered by the Employer. However, where Dacron or similar type uniforms are furnished to employees, such uniforms shall be laundered by the employee.

11.13 Any employee who is instructed to report for work shall be guaranteed at least four (4) hours work, except that part-time employees working after school in stores that close before 8:00 p.m. will be guaranteed two (2) hours work.

11.14 If an employee is transferred from one store to another, he shall be given twenty-four (24) hours advance notice of such transfer, except in case of emergency.

11.15 In case of a temporary transfer, at the request of the Employer, involving more than ten (10) additional miles of travel per day, the employee will be reimbursed for the additional miles traveled at the applicable Division cents per mile.

11.16 Employees will be compensated at their regular contractual rate of pay for any store meetings where their attendance is required by the Employer.

11.17 Employees must be allowed to take up to two (2) hours off work unpaid, unless they have two (2) hours of free (non-work) time while the polls are open for the purpose of voting in Local, State, and National elections. To be eligible, employees must give the Employer reasonable notice of their need for the time off. The Employer may specify which hours employees may be absent.

11.18 All work and services connected with or incidental to the handling or selling of merchandise shall be performed only by employees of the bargaining unit. However, the Employer may utilize direct store delivery vendors on products which are available to the trade. This Agreement shall not be construed as restricting sales representatives from inspecting any and all merchandise of their respective company for spoilage or replacement, nor shall it apply to new or remodeled stores or to initial special displays unless such special displays have a tendency to become too constant or too often. There shall be no expansion of the present practice which might tend to erode bargaining unit employment during the life of this Agreement. If the Employer violates this section, using non-bargaining unit people, the most senior part-time clerk shall be paid equal to the full-time top rate clerk rate of pay based on hire date for time spent by the non-bargaining unit person performing bargaining unit work.

11.19 Courtesy Clerk shall be defined as an employee who sorts, bags, and packages sold merchandise; assists customers with carry-out service, takes care of salvage and returnable containers; returns shopping carts to the store; fills bag racks; and performs general housekeeping duties such as mopping, sweeping, dusting, cleaning as may be required, returns rejected merchandise to shelf or case, checks prices against shelf or case prices, secures change from office, hangs signs and store decorations.

When openings occur for part-time clerks, Courtesy Clerks shall be offered such openings in seniority order. Courtesy Clerks' service shall not be considered in determining their rate of pay upon promotion to part-time or full-time clerk.

It is agreed that a violation of this section in any of the stores employing Courtesy Clerks shall result in the following remedy in the particular store where the violation occurs:

- 1) The Union shall inform the Employer in writing in the first instance.
- 2) An employee performing duties in violation of this section shall be paid the part-time clerk's rate effective upon the date a complaint is filed in the second instance.
- 3) Courtesy Clerks shall be discontinued in the particular store in the third instance.

It is understood that for purposes of this paragraph, each store shall be considered separately.

11.20 Full-time schedules (other than night stock employees) with hours after 6:30 p.m. will be rotated among available employees as far as it is practical to do so.

11.21 There will be no pyramiding of premium pay. Any hours paid for at premium pay will not be used in computing overtime. Where an employee is being paid overtime at time and one-half (1-1/2) rate, night premiums shall not apply.

11.22 Employees shall have a minimum of ten (10) hours off between the ending of their schedule and the starting of their schedule. Any employee who works during the ten (10) hour period shall be paid at the time and one-half (1-1/2) rate.

ARTICLE 12. SENIORITY

12.01 In layoffs, recalls, or permanent reduction of hours, seniority shall apply. There shall be one seniority list for full-time employees and a separate seniority list for part-time employees and a separate seniority list for courtesy clerks. Full-time seniority shall be defined as the date the employee was last classified full-time. Part-time seniority shall be defined as the length of last continuous employment. (Excluding time spent as courtesy clerk). Full-time employees shall have seniority over all part-time employees. Seniority for layoffs for Full-time and Part-time employees shall be administered in accordance with the provisions of Appendix "A" attached.

12.02 In the matter of permanent transfers, ability and seniority shall be the controlling factor.

12.03 In the matter of promotions within the bargaining unit, seniority will be the controlling factor as long as the employee has the ability to perform the work. A full-time employee who desires consideration for a department head, assistant, or lead position shall notify Human Resources, their Store Manager, Zone Manager and the Union in writing. When a vacancy occurs, the Employer will review any requests on file, along with any other candidates, and a decision will be made based upon ability, seniority, and consistent with the needs of the business. Requests will be valid for six (6) months from date received by the above referenced individuals.

12.04 Permanent vacancies for the positions of Department Manager: Front-End, Grocery, Produce, Deli, Meat and Drug/GM will be posted in each store in the areas covered by the bargaining agreement for a minimum of seven (7) days prior to the appointment, subject to the provisions of the above paragraph. Such notice shall be of a uniform size and shall be posted in a prominent location to be seen by all employees.

12.05 In the event employees engage in an authorized work stoppage, employees will be called back by seniority within their classification as needed in their store on termination of the authorized work stoppage.

12.06 Seniority shall be considered broken if an employee is justly discharged by the Employer, if the employee is promoted to a position outside the bargaining unit, if the employee voluntarily quits, if the employee has been laid off continuously for a period of more than six (6) months, or if the employee is called back to work after a lay-off and does not report for work within one (1) week. This should not apply to employees who are temporarily assigned to relieve employees outside the bargaining unit for vacation purposes or emergencies not to exceed five (5) weeks at any one time.

12.07 During the first forty-five (45) days all employees shall be on a trial basis. The Employer may discharge any new employee during said trial period for any reason whatsoever and there shall be no right of appeal to the grievance and arbitration procedure by either the employee or the Union. However after forty-five (45) days of employment the employee's seniority date shall revert back to the employee's date of hire.

12.08 Part-time employees will be given preference for full-time jobs if qualified. Employees interested in such full-time jobs will notify Human Resources, the Store Manager, and Union in writing. Part-time employees will be given first consideration for promotion to full-time when a vacancy exists; however, this shall not preclude an employee in another department from requesting a transfer for such vacancy or a vacancy that might become available. When openings occur for part-time clerks, Courtesy Clerks shall be offered such openings in seniority order. The Courtesy Clerk's service shall not be considered in determining the employee's rate of pay upon promotion to part-time or full-time clerk. Store Clerks, Fuel Center and Starbucks clerks interested in transferring into or out of the Fuel Center or Starbucks, shall notify Human Resources, the Store Manager and the Union in writing.

12.09 Each week the Employer will give the Union a listing of newly hired and active employees. This listing shall include names, social security numbers, home addresses, store numbers and seniority dates and shall be given to the Union in the form of a computerized tape or disk in the format that matches the Union's computer.

12.10 The Union Shop Stewards (excluding the alternate Shop Stewards), not to exceed three (3), shall be the last employees in their classification in the store to be transferred or laid off. The Employer must receive written notification of the stewards appointment prior to granting above.

12.11 Part-time employees will be allowed to claim daily schedules Sunday through Saturday within the store in the employee's classification based on seniority in order to provide up to forty (40) straight-time hours per week, excluding overtime hours.

The senior part-time employee will be assigned the schedule with the most straight-time hours for their respective department, provided the employee has the ability and is available to do the work. All other part-time schedules in their respective department will be assigned based on seniority, availability, and ability to perform the work.

One or more senior part-time employees may claim hours from a junior employee so as to eliminate that junior employee from the schedule entirely. However, schedules may not be claimed from a part-time employee so as to leave the employee with less than the twelve (12) hour guarantee, unless that employee is totally removed from the schedule.

Part-time employees must claim hours within the area of their job assignment, and must be available and able to perform the work. Night premium hours shall not be excluded for the purpose of claiming hours. Hours in newly remodeled stores and new stores will not be available for claiming until the store is classified. Job assignments where possible and where the employee is available to perform the work, may be combined on a given day. The Employer will not hire employees for twelve (12) hour schedules for the purpose of circumventing the available hour clause.

Employees claiming available hours must do so by noon Saturday following the posting of the work schedule.

12.12 The Union Representative will inform the Store Manager and Human Resources of any violations pertaining to scheduling of hours on a seniority basis, and a decision will be rendered within one week.

First Violation

The Store Manager will correct such violation in the following manner:

Assign the hours to the most senior part-time employee who is available and qualified to perform the work. Should the hours have already been worked by a less senior employee, the most senior employee who is available and qualified shall be paid for said hours that the junior employee worked that the senior employee could have worked.

Second Violation

Should hours be assigned to a less senior employee, the more senior employee who is available and qualified to perform the work shall be paid at two (2) times their regular rate of pay for all hours the junior employee worked that the senior employee could have worked.

Third Violation

Should hours be assigned to a less senior employee, the most senior employee who is available and qualified to perform the work shall be paid at three (3) times their regular rate of pay for all hours assigned to the less senior employee that the senior employee could have worked.

Senior employees or the union representative shall be able to claim all or portion of less senior employee's schedules on a daily basis up to and including forty (40) hours.

Claims for payment as outlined above shall not be valid after thirty (30) days.

If after the third (3rd) violation, it is determined that the schedule is being deliberately manipulated to prevent senior part-time employees from claiming hours, the two (2) most senior part-time employees in the store shall be reclassified to full-time.

12.13 When employees object to night stock work, the night stock work shall be assigned by seniority within their store beginning with the least senior full-time stock clerk.

12.14 An employee who desires a transfer to another location may request such a transfer in writing to Human Resources with a copy to Store Management and the Local Union. When a vacancy occurs, the Employer will review any request on file for that location by seniority, and a decision will be made based on the employees seniority, ability, and consistent with the needs of the business. Requests for transfer shall be valid for a period of six (6) months from the date received in Human Resources. Front-End, Grocery, Produce, Deli, Meat, and Drug/GM Managers may request a transfer as provided above. However, in the case of such request, a decision will be made based upon the experience and ability to perform the work as determined by the Employer.

12.15 If an employee transfers from one bargaining agreement to another, the employee will be covered under the terms and conditions of the bargaining agreement for the area they transferred into.

**ARTICLE 13
VACATION**

13.01 For employees hired on or before April 11, 1989, the following vacation schedule will apply:

1 year service - 1 week vacation
4 years service - 2 weeks vacation
7 years service - 3 weeks vacation
15 years service - 4 weeks vacation
Effective 1/1/09 - 20 years service - 5 weeks vacation

For employees hired after April 11, 1989, the following vacation schedule will apply:

1 year service - 1 week vacation
4 years service - 2 weeks vacation
10 years service - 3 weeks vacation
17 years service - 4 weeks vacation

13.02 A part-time employee shall be granted a part-time vacation under the same general provisions as provided above for full-time employees, except the part-time vacation will be figured on the number of hours in the vacation qualifying year divided by fifty-two (52).

The qualifying date for all vacation purposes of any part-time employee who subsequently, and without a break in employment, qualifies as a full-time employee (by Employer definition) shall be the date from which the employee's service has been counted for part-time vacation purposes, rather than the date qualified as a full-time employee.

13.03 In case a granted holiday falls during a vacation, the employee shall be given an additional day or pay in lieu thereof.

13.04 Employees will be paid their straight-time earnings for their basic workweek.

13.05 Vacation pay will be paid in advance.

13.06 Flexible Vacation: A full-time employee who is eligible for three (3) weeks or more of vacation shall be eligible to take one (1) week in days providing such employee has given seven (7) days advance notice or is mutually agreeable by the Employer.

13.07 ELIGIBILITY

1. An employee will become eligible for vacation upon the first anniversary of employment, provided the employee has completed one (1) year of continuous service as of that date.
2. Additional weeks shall be earned on the anniversary date based upon years of service.
3. Upon completion of the service requirements, vacation will be credited January 1st of each year.
4. Employees who qualify for one (1) week of vacation as of January 1st and are due to complete the service necessary for an additional week or weeks of vacation later in the year, may take the first week early or wait and take it all together.
5. Vacations must be scheduled in the calendar year except that where necessary, vacations that fall due in November or December may be carried over to January of the next year. No employee shall be given pay in lieu of vacation.
6. Vacations shall be permitted 52 weeks of the year. Choice of vacation dates will be granted on the basis of seniority, except the Employer reserves the right to grant vacations to employees when their absence will least affect the operation. Vacation schedule for employees shall be posted in each store not later than March 15th of each year. Once an employee's vacation has been scheduled, it will not be changed except by mutual agreement. A copy of the vacation schedule will be posted in the department in ink.
7. Employees who have not taken vacation which they have earned by reason of their service leaves (regardless of whether they give notice), go into military service or are separated for any reason other than confessed or proven dishonesty, shall receive vacation pay at the time of leaving.
8. Leaves totaling 90 days or less in any calendar year shall not affect vacation earned in that year; leaves totaling more than 90 days but not over 180 days shall reduce vacation and vacation pay by one-fourth (1/4); leaves

totaling more than 180 days but not over 270 days shall reduce vacation and vacation pay by one-half (1/2); leaves totaling more than 270 days shall disqualify for vacation. This shall not apply in case of compensable (on the job) injury.

Article 14 Sundays and Holidays

14.01 For employees hired prior to October 30, 2005: The following shall be recognized as holidays: New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day or on days legally celebrated in lieu thereof. Full-time employees who work their scheduled day immediately preceding a holiday and their scheduled day immediately following a holiday shall receive eight (8) hours pay in addition to the hours worked. Employees who are absent on their scheduled day immediately preceding a holiday or a scheduled day immediately following a holiday shall not be paid holiday pay unless absence is due to proven illness or the absence is excused by the Employer, in which case the employee shall received holiday pay provided he worked any part of the holiday week.

14.02 Employees hired on or before April 11, 1989 will be eligible for three (3) personal holidays to be taken as days off in addition to the five (5) national holidays named in paragraph 1.

Holiday pay for part-time employees shall be figured on the average hours worked for the four (4) consecutive weeks immediately preceding the holiday week on the following basis:

AVERAGE HOURS WORKED	HOLIDAY PAY
Less than 32 hours	4 hours
32 hours and over	8 hours

The personal holidays shall be celebrated on days that are mutually agreeable between the employee and the Store Manager. However, a personal holiday shall be granted no later than thirty (30) days after the employee's request.

14.03 Employees hired after April 11, 1989 will become eligible for the five (5) basic holidays named in paragraph 14.01 of this Article as of their first anniversary date. These employees will not be eligible for any other holidays listed in the Agreement, except as noted in paragraph 14.05.

14.04 Employees hired on or after October 30, 2005 will become eligible for three (3) basic holidays, Independence Day, Thanksgiving Day and Christmas Day, and two (2) additional floating holidays as of their first anniversary date.

The floating holidays shall be celebrated on days that are mutually agreeable between the employee and the Store Manager. However, a floating holiday shall be granted no later than thirty (30) days after the employee's request.

These employees will not be eligible for any other holidays listed in the Agreement, except as noted in paragraph 14.05.

14.05 Employees hired after April 11, 1989 will become eligible after two (2) years service for a personal holiday to be observed on a mutually agreed upon day.

Effective after four (4) years service, each employee will be eligible for a second personal holiday to be observed on a mutually agreed upon day.

Holiday pay for part-time employees shall be figured on the average hours worked for the four (4) consecutive weeks immediately preceding the holiday week on the following basis:

AVERAGE HOURS WORKED	HOLIDAY PAY
Less than 32 hours	4 hours
32 hours and over	8 hours

The personal holidays shall be celebrated on days that are mutually agreeable between the employee and the Store Manager. However, a personal holiday shall be granted no later than thirty (30) days after the employee's request.

14.06 Employees hired prior to July 14, 1985 shall be paid at time and one-half (1-1/2) for time worked on Sunday and holidays.

14.07 Employees hired on or after July 14, 1985 and on or before April 11, 1989 will receive Sunday and holiday pay as follows:

1. Part-time employees will receive fifty cents (\$.50) an hour in addition to their regular straight-time rate of pay.
2. Full-time employees will receive one dollar (\$1.00) an hour in addition to their regular straight-time rate of pay.

14.08 Employees hired after April 11, 1989, will be compensated at straight-time for hours worked on Sundays and holidays.

14.09 Work performed after 7:00 p.m. on Christmas Eve will be paid for at double (2x) the employee's straight-time hourly rate.

14.10 There shall be no work performed on Christmas Day. Scheduled work to be performed on Thanksgiving or Easter Sunday will be offered to senior employees by classification. In the event there are not enough volunteers, employees will be required to work in inverse seniority order. An employee shall not be required to work prior to 6:00 a.m. the day following Christmas Day. Any employee who works prior to 6:00 a.m. the day following Christmas Day will be paid for at time and one-half (1 1/2X) the employee's straight time hourly rate.

ARTICLE 15 SEPARATION PAY

15.01 Full-time employees with more than six (6) months full-time service who are discharged for incompetence or are permanently separated due to discontinuance of the job, store closing, or reduction in force shall be given one (1) week's notice or one (1) week's pay in lieu of notice. Employees separated during the week for any of these reasons are entitled to pay through the day they were told of their dismissal, plus pay for one (1) additional week which, at the option of the Employer, may either be worked out or paid in lieu of notice.

15.02 In the event the Employer closes or sells a store and employees are terminated as a result thereof, full-time employees who have completed two (2) years service shall receive severance pay equal to one (1) week's pay for each year of continuous full-time service, commencing with a third year, but not to exceed four (4) weeks pay at their regular rate. No benefits shall accrue under the terms of this Article if the employee refuses a transfer within a twenty-five (25) mile radius.

15.03 Employees who are terminated and who are eligible for and accept severance pay, forfeit all seniority and recall rights. Employees who do not accept severance pay shall retain their recall rights for a period of six (6) months, and if still not recalled by the Employer, shall then receive their severance pay and have no further recall rights.

15.04 In the event Savannah stores are sold or permanently closed, the Union and the Company will meet to establish guidelines for possible transfers to other locations in the Atlanta Marketing Area if there are any such positions available.

ARTICLE 16 NON-DISCRIMINATION

16.01 The Employer and the Union agree that there shall be no discrimination against any employee due to Union activities, including being a Shop Steward, or affiliation or because of race, religion, color, creed, national origin, sex, sexual orientation, age, disability, or veteran's status in accordance with existing law. Where the word "he" appears in this Agreement, the parties agree that it applies to both "male and female" employees.

ARTICLE 17 UNION COOPERATION

17.01 The Union agrees to uphold the rules and regulations of the Employer in regard to punctual and steady attendance, proper and sufficient notification in case of necessary absence, conduct on the job, and all other reasonable rules and regulations established by the Employer. Any new rules and regulations or methods shall be discussed with the Union before installation.

17.02 The Union, while not responsible, agrees to cooperate with the Employer in its responsibility 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.

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

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

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

ARTICLE 18 INJURY ON THE JOB

18.01 When an employee is injured on the job, there shall be no deduction from the employee's pay for hours scheduled for the day on which the injury occurred and reported for medical care. When such employees return to work following an injury, and are certified as ready and able to perform all regular duties, but require medical treatment as a result of the same injury, the Employer shall adjust their work schedules without penalty to the employees, to provide both the time for medical care and the number of hours for which such employees are regularly scheduled.

18.02 An employee who is injured on the job may be granted additional ninety (90) day extensions not to exceed three (3) years.

18.03 The Employer will maintain a vigorous safety culture at each location, and will allocate the resources necessary to assure a safe work environment. In keeping with this commitment, the Employer agrees to comply with all Federal, State, and Local laws and regulations regarding a safe working environment. The Employer agrees to promptly investigate all hazards, unsafe conditions, and accidents brought to its attention and to promptly remedy all hazards and unsafe conditions its investigation reveals.

18.04 The Employer will provide employees training to perform their jobs safely. The Employer will not ask or allow any employee to work or operate any equipment until the employee has received all relevant training. The Employer will provide stores with the appropriate supplies and equipment needed for employees to perform their jobs safely.

18.05 Only employees authorized and trained by Management are allowed to stop a shoplifter. Non-authorized employees who suspect someone of shoplifting are to notify a member of Management. No employee may pursue a fleeing suspect.

ARTICLE 19 HEALTH AND WELFARE

19.01 For all employees hired prior to October 30, 2005:

1. The term "eligible employee" shall mean any employee except Courtesy Clerks, Fuel Clerks, and Starbucks clerks who has been employed for a period of six (6) months and during said period has averaged thirty-two (32) hours for twelve (12) consecutive weeks (384 hours) immediately preceding the first of any month.

2. In the case of part-time employees, the term "eligible employee" shall mean any employee, except Courtesy Clerks, Fuel Clerks, and Starbucks clerks who has been employed for a period of six (6) consecutive months and during said period has averaged twelve (12) hours for twelve (12) consecutive weeks (144 hours) immediately preceding the first of any month.

3. In the case of part-time employees identified as Meat, the term "eligible employee" shall mean any employee, except Courtesy Clerks, who has been employed for a period of six (6) consecutive months and during said period has averaged twelve (12) hours for eight (8) consecutive weeks (96 hours) immediately preceding the first of any month.

Health and Welfare benefits become effective on the first day of the second calendar month immediately following the six (6) month period and such date shall hereinafter be referred to as the employee's eligibility date.

Effective for employees hired on or after October 30, 2005 and effective 1/1/06 for Lead Fuel and Lead Starbucks clerks the following will apply (Note For Lead Fuel and Lead Starbucks clerks, all time served prior to this date shall count toward eligibility):

1. In the case of full-time employees, the term "eligible employee" shall mean any employee except Courtesy Clerks, Fuel Clerks, and Starbucks clerks who has been employed for a period of six (6) consecutive months and during said period has averaged thirty-five (35) hours for twelve (12) consecutive weeks (420 hours) immediately preceding the first of any month.

2. In the case of part-time employees, the term "eligible employee" shall mean any employee, except Courtesy Clerks, Fuel Clerks, and Starbucks clerks who has been employed for a period of six (6) consecutive months and during said period has averaged twelve (12) hours for twelve (12) consecutive weeks (144 hours) immediately preceding the first of any month.

Health and Welfare benefits become effective on the first day of the second calendar month immediately following the six (6) month period and such date shall hereinafter be referred to as the employee's eligibility date.

After completion of the six (6) month period, employees will be covered by Plan E for a period of thirty-six (36) months.

3. After completion of thirty-six (36) months of contributions in Plan E, the employee will be covered in Plan A/B and shall be eligible for Full-time benefits based on an average of thirty-two (32) hours per week or Part-time benefits based on an average of twelve (12) hours per week.

19.02 General Eligibility:

1. Courtesy Clerks, Fuel Clerks and Starbucks Clerks (except Leads) will be excluded from coverage.
2. Coverage and contributions will be full-time or part-time determined by average hours.

19.03 Contributions to the Trust Fund shall be discontinued as of the first of the month immediately following:

1. A layoff or leave of absence of ninety (90) calendar days or more, other than Family and Medical Leave, except as otherwise provided below.

For the purpose of this section an eligible employee who is on an approved personal leave of absence of two (2) weeks or less or on military leave of absence of two (2) weeks or less shall be credited with the hours he would normally have worked in such week or weeks.

2. The employee's ceasing to be an eligible employee due to failure to work the average numbers of hours as designated in paragraphs 19.01.

19.04 Contributions to the Trust Fund shall be continued under the following conditions:

1. In case of illness or non-compensable injury, while on an approved leave of absence, up to six (6) months of contributions following the month in which the illness or injury occurred. In case of compensable injury, up to twelve (12) months of contributions will be made.

2. The Employer agrees to pay the contributions to the Trust Fund for eligible employees on an approved Family and Medical Leave of absence, not to exceed twelve (12) weeks pursuant to the provisions of the Family and Medical Leave Act.

3. The Employer agrees to pay the contributions to the Trust Fund for eligible employees for one (1) month following termination of employment. This obligation shall not be required when employees are discharged for dishonesty, drinking, or drunkenness on the job or resigns to go into business for themselves.

Employee contributions that have been discontinued as provided above will be resumed on the first day of the month following a return to work on the Employer's active payroll after illness or injury.

Employees shall become eligible for benefits in accordance with the "Rules of Eligibility" as adopted by the Trustees or may be amended from time to time by the Trustees. Such rules are in the Plan Document.

19.05 Employer Contributions:

The Employer will contribute the following monthly contribution rates to the Atlanta Health and Welfare Fund. The Employer will remit contributions by the 20th of each month for that month. Contributions will be made for newly eligible employees the month following the completion of the six (6) months of consecutive service provided they have met the average hours requirement.

On an annual basis, there will be a participant enrollment procedure and an annual dependent and eligibility audit, including retirees, conducted by the Fund Administrator.

The Employer may, upon reasonable notice and at its expense, audit the Fund's enrollment and eligibility data records on an annual basis.

Employer Contributions

The Employer will contribute the following to the Atlanta Health and Welfare Fund.

Plans	3/01/06
Full-time A/B	\$521.20
Full-time E	\$229.75
Part-time	\$123.00

Plan changes to be effective no later than 3/1/06.

Effective 1/1/07, 1/1/08, and 1/1/09, the Employer contribution may be increased or decreased up to a maximum of eight percent (8%) on the above dates. The Trustees of the Health and Welfare Fund in conjunction with the Plan Consultant will determine the necessity for such increases or decreases to meet the reserve requirements and this shall be documented in writing. If the maximum of eight percent (8%) is not needed 1/1/07 or 1/1/08, the remaining percentage may be rolled over into 2008 or 2009.

The Employer will make monthly contributions on behalf of employees who have waived coverage.

An employee who waives coverage will be ineligible to re-enroll until the next annual enrollment period, unless there is a qualifying life event in accordance with Trust rules and applicable law. Employees who waive coverage will not be eligible for health benefits, including medical, pharmacy, dental, and vision, through the Trust Fund.

Effective March 1, 2006, if a spouse is eligible for health care from his/her non-Kroger employer and does not elect this coverage, a \$100 per month fee will be charged to the employee. An employee will not be charged if the spouse is not eligible. If the employee's spouse elects available coverage from another employer sponsored medical plan, the Atlanta H&W Fund coordination of benefits apply.

Employee Contributions

Plan	PPO – Eff. 1/1/08	PPO– Eff. 1/1/09	Kaiser–Eff.1/1/08	Kaiser–Eff. 1/1/09
	Employees hired and eligible on or after October 30, 2005	Current Employees hired prior to October 30, 2005	Employees hired and eligible on or after October 30, 2005	Current Employees hired prior to October 30, 2005
PT Employee Only	\$ 2.50 per week	\$ 2.50 per week	\$ 1.50 per week	\$ 1.50 per week
Employee Only	\$ 5.00 per week	\$ 5.00 per week	\$ 3.00 per week	\$ 3.00 per week
Employee/Child(ren)	\$10.00 per week	\$10.00 per week	\$ 5.00 per week	\$ 5.00 per week
Employee/Spouse	\$10.00 per week	\$10.00 per week	\$ 5.00 per week	\$ 5.00 per week
Employee/Family	\$12.50 per week	\$12.50 per week	\$ 6.25 per week	\$ 6.25 per week

The Employer shall collect the employee contributions and spousal fees via payroll deduction on a pre-tax basis and remit contributions to the Fund.

Retirees: Effective January 1, 2006, the Fund will provide a maximum of \$225.00 and effective January 1, 2009, a maximum of \$250.00 subsidy for the pre-Medicare retirement plan of benefits respectively.

The parties agree that should a reduction in health and welfare benefits become necessary during the term of any existing collective bargaining agreement with Local 1996, that both parties will reopen discussions for the purpose of Health and Welfare, Article 19 or applicable articles dealing with Health and Welfare benefits under other collective bargaining agreements between Local 1996 and the Atlanta Marketing Area. Both parties further agree that Article 6, No Strike – No Lockout or articles containing No Strike – No Lockout in other collective bargaining agreements between Local 1996 and the Atlanta Marketing Area will not prohibit the members from exercising their right to strike the employer over applicable articles dealing with Health and Welfare should no agreement be reached. However, if the Company contributes in the amount of the shortfall and maintains benefits, then it is agreed that it is not necessary for the parties to meet.

Legal Fund: Effective July 2005, the Employer shall contribute for each eligible employee seven dollars (\$7.00) per month to the United Food and Commercial Workers Union and Employers Legal Assistance Fund, which Fund is a jointly administered Employer and Union Trust Fund, as provided in the Trust agreement. Effective February 2009, the Employer shall contribute for each eligible employee eight dollars (\$8.00) per month. Effective 1/1/06, Fuel and Starbucks clerks will become eligible to qualify for coverage under the Legal Fund. (Note: For Fuel and Starbucks clerks, all time served prior to this date will count toward eligibility.)

In the event the legal plan's reserves exceed eight (8) months, contributions will be suspended until the Trustee's deem additional monies are necessary (goal of 6 months reserves).

The parties agree that should the Plan be terminated, the assets of the Plan will be transferred to the Health Care Plan if allowed by law subject to approval of the Board of Trustees.

19.06 The Employer agrees to change the contribution rates during the life of the agreement as per the contribution rates negotiated in the Atlanta agreement.

ARTICLE 20 PENSION

United Food and Commercial Workers Union and Employers Pension Fund, the Atlanta Fund for - Front-End, Grocery, Produce, and effective January 1, 2006 for Drug/GM, Deli, Pharmacy Technicians, 600 series employees, Fuel and Starbucks employees: (Note: For Fuel and Starbucks clerks, all time served prior to this date will count toward eligibility.)

20.01 The Employer agrees to make a contribution to the jointly administered Trust Fund (the United Food and Commercial Workers Unions and Employers Pension Fund, the Atlanta Pension Fund) for each paid hour up to and including forty (40) hours per week for all employees in the bargaining unit in accordance with paragraph 20.02. Contributions will commence on behalf of an employee after the employee has completed twelve (12) months of continuous service. Paid hours shall include paid hours of vacation, holidays and hours of leave paid for by the Employer. Such contribution shall be made not later than the twentieth (20th) day of each month for the preceding calendar month.

20.02 The Board of Trustees of the UFCW Unions and Employers Pension Fund, The Atlanta Pension Fund, have taken actions necessary to avoid triggering an ERISA minimum funding deficiency.

Therefore, the Union and the Employer (the "parties") now agree that:

The Trustees have adopted the currently pending extension of amortization basis under 412(e), subject to approval by the IRS, and have made benefit changes consisting of a 30% reduction in the pension multiplier for future service (based on the current \$52 accrual rate) or actuarial equivalent (impact on the credit balance is the same fifteen (15) years as determined by the plan actuary) of that reduction on March 2, 2004. The Parties then agree to change the rate from thirty-five (\$.35) cents to forty-five (\$.45) cents per hour for eligible hours effective July 1, 2004, to be paid August 2004.

In the event that the currently pending extension of amortization basis under 412 (e) is not approved by the IRS, or the changes above are not sufficient to avoid projecting an ERISA minimum funding deficiency during the next fifteen (15) years, and the Trustees adopt a 50% reduction in the pension multiplier for future service (based on the current fifty-two \$52 accrual rate) or actuarial equivalent of that reduction, the Parties agree that the contribution rate will increase from thirty-five cents (\$.35) to fifty-five cents (\$.55) per hour.

In the event that at some future valuation the ratio of plan assets (measured at market value) to the plan's actuarial liabilities as of the same date exceeds 100%, and there is no projected minimum funding deficiency after the benefit increase based on the current plan assumptions for the next fifteen (15) years, and the Trustees restore benefits in whole or in part to the extent that the funding ratio after restoration continues to exceed 100%, the Parties then agree that the contribution rate will be restored to the original thirty-five cents (\$.35) per hour contribution rate.

20.03 Contributions shall be made to a jointly administered Employer-Union Trust Fund which shall be administered by an equal number of trustees representing the Employer and an equal number of trustees representing the Union.

The Pension Trust Fund shall be established pursuant to a Pension Trust Agreement and Pension Plan to be hereinafter entered into by the parties hereto for the sole purpose of providing pensions for eligible employees as defined in such Pension Plan.

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

UFCW International Union – Industry Pension Fund for Meat and Seafood employees:

20.06 The Employer shall pay eighty-four dollars and fifty cents (\$84.50) per month for employees who have completed twelve (12) full months of employment and work an average of twenty-eight (28) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

Effective January 1, 2006, the Employer shall pay one hundred two dollars and thirty-four cents (\$102.34) per month for employees who have completed twelve (12) full months of employment and work an average of twenty-eight (28) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

Effective January 1, 2006, the Employer shall pay thirty dollars and seven cents (\$30.07) per month for part-time employees who have completed twelve (12) full months of employment and who have worked at least eight hundred and seventy (870) hours or more in a calendar year.

For employees hired after January 1, 2006, the Employer shall pay ninety-four dollars and sixty-two cents (\$94.62) per month for employees who have completed twelve (12) full months of employment and work an average of twenty-eight (28) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.

For employees hired after January 1, 2006, the Employer shall pay twenty-seven dollars and ninety-four cents (\$27.94) per month for part-time employees who have completed twelve (12) full months of employment and who have worked at least eight hundred and seventy (870) hours or more in a calendar year.

The increase in contribution rate will be designated as Supplemental Pension Contributions (SPC) and will be credited to the Kroger/Local 1996 Bargaining Unit reserve. Supplemental Pension Contributions will not be used in the determination of the Unit Benefit Value (UBV). The SPC reserves will be used in the calculation of the future Appropriate Unit Contribution Rate (AUCR) for the Kroger/Local 1996 Bargaining Unit.

The first contributions under this section shall be due and payable by the tenth (10th) day of the month following initial liability.

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

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

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

20.10 Contributions for new employees will not be paid until the first of the month following twelve (12) months of employment.

20.11 In case of compensable injuries, the Employer will make contributions for three (3) months including the month in which the injury occurred.

**ARTICLE 21
TECHNOLOGICAL CHANGE**

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

1. Where installations of such equipment will materially affect bargaining unit work, the Union will be pre-notified by the Employer sixty (60) days prior to installation.
2. The Employer has the right to install such equipment.
3. Any training or necessary retraining will be furnished expense free by the Employer to affected employees.
4. Where full-time employees would be displaced by such installation, the Employer will make every effort to affect a transfer.
5. If a full-time employee is not retrained or transferred and would be displaced as a direct result of major technological change, as defined above, then the employee would qualify for separation pay if:
 - a. The employee (except Courtesy Clerks) had two (2) or more years of full-time service.
 - b. Does not refuse a transfer within a twenty-five (25) mile radius.
 - c. Does not refuse to be retrained.
 - d. Such action does not occur more than six (6) months from date of installation.
 - e. Does not voluntarily terminate employment.
6. Severance pay would be paid at the rate of one (1) week's pay for each year of full-time service in excess of two (2) years not to exceed eight (8) weeks.
7. Severance pay would equate the average number of hours worked the four (4) weeks preceding displacement, not to exceed forty (40) hours straight-time pay.
8. To the extent the Employer installs U-Scans in its stores, the Employer agrees that such operations shall not cause any employee (hired prior to May 6, 2001) to be laid off, and for these employees, paragraphs 5, 6, and 7 shall be null and void.

**ARTICLE 22
EXPIRATION**

22.01 This agreement shall continue in effect from May 15, 2005 through September 12, 2009, and shall automatically be renewed from year to year thereafter unless either party serves notice in writing to the other party sixty (60) days prior to the expiration date or prior to any anniversary date thereafter of a desire for termination of or for changes in this Agreement.

IN WITNESS WHEREOF the said parties have caused duplicate copies to be executed by their duly authorized officers this 26th Day of Oct, 2006

FOR THE UNION:

Steve Horn
Dean Holdrege
[Signature]

FOR THE EMPLOYER:

[Signature]
[Signature]
[Signature]

**APPENDIX "A"
APPLICATION OF SENIORITY**

For seniority purposes, the following classifications shall be established.

<p><u>Grocery</u> Grocery Manager Assistant Grocery Manager Clerks – Includes: Grocery, Dairy, Frozen, Receiving</p>	<p><u>Meat/Seafood</u> Meat Department Manager Assistant Meat Manager Lead Seafood Clerks – Includes: Meat and Seafood</p>
<p><u>Front-End</u> Front-End Manager Assistant Front-End Manager Cashiers Courtesy Clerks/Baggers</p>	<p><u>Drug/GM</u> Drug/GM Manager Asst. Drug/GM Manager Drug/GM Clerks Pharmacy Technician</p>
<p><u>Produce</u> Produce Manager Assistant Produce Manager Clerks – Includes: Produce, Nutrition and Floral</p>	<p>Lead File Maintenance Clerk Note: In the event of a reduction or closing, this position is covered under the department from which the employee originated.</p>
<p><u>Deli/Bakery</u> Deli Manager Bakery Manager Assistant Deli Manager Clerks: - Includes: Deli, Bakery, and Cake Decorator.</p>	<p>Lead Wine Steward Note: In the event of a reduction or closing, this position is covered under the department from which the employee originated.</p>
<p><u>Fuel Center</u> Lead Fuel clerk Fuel clerk</p>	<p><u>Starbucks</u> Lead Starbucks clerk Starbucks clerk</p>

1. For purposes of layoffs or permanent reduction of hours in Sav-on and 600 series stores, or store closings for Sav-on stores only (excluding Waycross), employees shall have the right to exercise their seniority in accordance with Article 12 within their classification as outlined below. The Employer shall have the right to exercise final judgment after giving due regard to seniority and the ability to perform the work.

The following procedures shall apply:

The employee affected may displace the least senior employee within their classification on the following basis: (1) store, (2) city, (3) county, and (4) the Savannah contract area.

In case of permanent reductions due to store closings, Front-End, Grocery, Produce, Deli, Bakery, Meat, and Drug/GM Managers shall be given the option of displacing either the least senior employee within their classification or the least senior employee in their respective department classification as outlined above. (For this provision only, Assistant Department Manager positions and clerk positions will be classified together on the same seniority list.)

In case of permanent reductions due to store closings, Assistant Front-End, Assistant Grocery, Assistant Produce, Assistant Deli, Assistant Meat, and Assistant Drug/GM Managers, Lead Seafood, Lead File Maintenance, Lead Wine, Lead Fuel and Lead Starbucks shall be given the option of displacing either the least senior employee within their classification or the least senior employee in their respective department as outlined above. (Note: Once options are exhausted within the Fuel Department, employees will displace the least senior employee in the Front-End and Starbucks employees will displace the least senior employee in the Deli department. In addition, Lead File Maintenance and Lead Wine Stewards will displace the least senior employee in the department from which they originated once their options are exhausted. If such employees were hired directly into the position, then the Company and the Union will discuss.)

A full-time employee may choose the option as outlined above or elect to be reclassified to part-time within their store. Any employee who has the option to displace a full-time employee, but chooses to elect part-time will be considered to be a voluntary reduction and shall have part-time seniority based upon employment date. Part-time employees will be laid off on the same basis as full-time employees.

Prior to the Employer implementing any layoff of employees, the Human Resources Manager or designee will meet with the President of the Union or designee for the purpose of explaining which employees will be affected and what options those employees may have under the contract. After that meeting, layoff notices and options available to employees will be reduced to writing and provided to the employees and the union.

It is understood by the parties that since the contract may provide certain choices as to new assignments, it is recognized that the entire process cannot be completed until all affected employees exercise their choices per the contract. The parties agree that period will not exceed one (1) week (or a longer period if mutually agreed upon by the parties) after notice is given to the employee. During that period the Union and the Employer will insure that the employees affected will indicate their preferences in a timely manner.

2. In the event of a store closing in a 600 series store, the Employer will place affected employees, where openings exist, in a store of the Employer's choice, except in the event of a Waycross store closing in which case the Employer will offer interested employees a transfer to a Savannah bargaining unit store. In the event an employee is not interested in such a transfer, they will be eligible for separation pay as outlined in this Agreement.

3. In the event of a layoff, permanent reduction of hours, or a store closing, an employee can request a transfer to the Atlanta Contract area. If a transfer is granted, the employee shall be given a new seniority date in accordance with the Atlanta contract.

Schedule "A" Wages

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

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

3. Effective January 29, 2006, February 4, 2007, February 3, 2008, and February 1, 2009 of the collective bargaining agreement: Front-End, Grocery, Produce, Deli, Meat and Drug/GM Managers, as well as Assistant Grocery Managers will be classified based on average sales minus fuel sales for the prior full thirteen (13) Kroger periods. A new list of Front-End, Grocery, Produce, Deli, Meat and Drug/GM Managers as well as Assistant Grocery Managers rates will be established based on the reclassification if changes are involved.

Upon reclassification, Department Heads will be grandfathered under the existing Store volumes for the year 2006, only if the new volumes would otherwise cause a reduction in pay.

4. On new store or stores which may be remodeled, Front-End, Grocery, Produce, Deli, Meat and Drug/GM Managers as well as Assistant Grocery Managers shall be paid their previous rate for fourteen (14) weeks. At the end of fourteen (14) weeks, the store will be reclassified based on the average weekly total sales minus fuel sales for the twelve (12) weeks immediately following the first two (2) weeks after opening or remodeling and Front-End, Grocery, Produce, Deli, Meat and Drug/GM Managers as well as Assistant Grocery Managers rates will then be adjusted to the new classification with retroactive adjustment to the opening of the store.

5. For clerks or Starbucks clerks, previous proven comparable experience with a nationally recognized supermarket chain or comparable experience, (or for Fuel clerks with a recognized fuel center station, convenience store or comparable experience), within three (3) years of the person's date of employment shall be the basis for determination of employee's rate of pay. It is understood that in determining the person's rate of pay, any previous proven comparable experience within the last three (3) year period will qualify the person for total credit of their previous proven comparable experience. Persons with part-time experience will be given six (6) months credit for each one (1) full year of part-time experience.

Previous experience must be shown on the application for employment, otherwise the employee forfeits any claim under this provision.

6. **Night Premium:** Effective for all employees the Sunday following October 30, 2005, a night premium of fifty cents (\$.50) will be paid for all hours worked between 10:00 p.m. and 7:00 a.m. Sunday through Saturday. This is separate from and in addition to the employee's basic rate.

Further the fifty cent (\$.50) night premium, for hours worked between 10:00 p.m. and 7:00 a.m. Sunday through Saturday, will be increased to sixty cents (\$.60) effective the first Sunday in January 2006 and sixty-five cents (\$.65) effective the first Sunday in January 2009. Employees hired prior to October 30, 2005 will be paid in accordance with the table below.

<u>For All Employees</u>			Effective:	5/6/2001	1/1/2006	1/4/2009
10:00 pm – 7:00 am	Sunday - Saturday	N/A		.50	.60	.65

7. **Lead and assistant positions: (Store volumes noted exclude Fuel sales effective 1/1/06)**

Assistant Department Heads (Stores \$250,000 and over excluding fuel sales) Receive fifty cents (\$.50) per hour above their personal rate.

- Assistant Front-End
- Assistant Produce
- Assistant Meat
- Assistant Deli/Bakery
- Assistant Drug/GM

Assistant Grocery Manager – Separate Scale by store volume

8. **Lead Clerks** Receive forty cents (\$.40) per hour above their personal rate.

Lead Dairy
Lead Frozen
Lead Floral
Lead Grocery Receiving
Lead Nutrition
Lead Cake Decorator
Lead Seafood
Lead File Maintenance
Lead Fuel
Lead Starbucks
Lead Wine Steward— effective October 30, 2005, where appointed

Lead Bakery Manager – Separate scale (not volume rated)

9. **Lead Wine Stewards**

Effective October 30, 2005, when the Employer determines a need for or replacement of a Wine Steward in a store, the Employer will review all requests on file, along with any other qualified candidates, and the decision will be made based upon ability, seniority, and the needs of the business.

The Wine Steward will be required to manage the wine area of the store, including ordering product and managing wine inventories. The Wine steward must be knowledgeable in wine products, communicate with customers, and sell products.

The Union and the Employer will mutually agree on any rate of pay above the existing full-time scale.

10. **Fuel Clerks**

A separate department and employee classification will be established for "Fuel Center Clerks". It is understood that all terms and conditions of employment of this Agreement shall apply unless specified below.

Effective 1/1/06 fuel clerks will become eligible to qualify for coverage under the Legal Fund and all time served prior to this date will be counted toward eligibility requirements.

As discussed, a Fuel Center clerk's responsibilities will be to perform all tasks associated with the operation of the Fuel Center as directed by store management.

It is understood that health and welfare benefits shall not apply except in the case of the designated Lead Fuel Center Clerk. Further, it is the intent of the Employer that Lead Fuel Clerks shall be Full-time employees.

A Fuel Center clerk after nine months (9) of service, shall be given preference by ability, and availability, should an opening occur for a part-time store employee and shall further be given preference in the same way for full-time store positions after they have been offered to the part-time store employees. Seniority shall be the controlling factor. In the event a transfer out of the Fuel Center is granted, all time worked with Kroger shall be applied toward eligibility for Health and Welfare benefits.

Employees hired prior to October 30, 2005, will continue to qualify for their first personal holiday after one (1) year of service and effective upon October 30, 2005 will earn a second personal holiday after four (4) years of service.

It is understood that Courtesy Clerks shall not perform the work of Fuel Center Clerks.

It is agreed that should the Employer expand the current square footage of Fuel Centers to the degree that it materially affects bargaining unit work, the parties will meet to discuss the situation.

11. **Starbucks Clerks**

A separate department and employee classification will be established for "Starbucks Specialty Clerks". It is understood that all terms and conditions of employment of this Agreement shall apply unless specified below.

A Starbucks' clerk responsibilities will be to perform all tasks associated with the operation of the Starbucks Coffee Shop as directed by store management and the Deli Department. Deli Department employees who have been trained in accordance

with the Starbucks guidelines will be allowed to perform work in the department as needed to ensure the efficient operation of the department.

It is understood that health and welfare benefits shall not apply, except in the case of the designated Lead Starbucks Specialty Clerk. Further, it is the intent of the Employer that Lead Starbucks Clerks shall be Full-time employees.

Effective 1/1/06 Starbucks will become eligible to qualify for coverage under the Legal Fund and all time served prior to this date will be counted toward eligibility requirements.

Transfers out of the Starbucks Coffee Shop will not be considered until the associate has completed one (1) year of service within the Starbucks Coffee Shop. In the event a transfer out of the Starbucks Coffee Shop is granted, all time worked with Kroger shall be applied toward eligibility for Health and Welfare benefits.

In the event of the closing of a Starbucks Department, the Employer and the Union will meet to establish guidelines for possible transfers to other departments or locations if there are any such positions available.

12. Manager On Duty

Relief of a member of Store Management by a member of the bargaining unit shall be on a voluntary basis. Any employee interested shall put a letter in writing to the Store Manager with a copy to the Union, Zone Manager, and Human Resources. The employee shall be required to have completed a Manager on Duty (MOD) training program. Effective January 29, 2006, the employee so designated by management shall receive a premium of fifty cents (\$.50) per hour for hours scheduled and worked in this capacity between 7am and 11pm. Article 11.24 shall not apply. It is understood management's absence from the store during lunches, breaks, or for periods of less than three (3) hours shall not constitute MOD assignments. However, the three (3) hour limitation shall not apply for an employee assigned an evening MOD shift, (prior to 11:00 pm). It is also understood that any employee designated as an MOD cannot discipline any other employee for any reason.

13. Special Assignments

The Employer will provide employees the opportunity during the months of December and June to express their interest in special assignment work in writing to their Zone Manager, Human Resources department, and the Union. Interest requests will be retained for six (6) months. The Employer will consider such requests when selecting individuals with the required ability, skills, and seniority.

If the Employee selected is assigned to a special assignment position for a period of less than six (6) months, the employee's job assignment and seniority will be maintained within the store. If the assignment is for more than six (6) months, the job assignment within the store will be filled and upon completion of such assignment, the Employer and the Union will, meet as needed, to discuss options for placement of the affected employee, with the intention not to negatively impact the employee. The Employer will provide the Union with a list quarterly of employees assigned to a special assignment position, including job assignment, rates of pay, and hours worked. It is also understood that any employee working on a special assignment cannot discipline any other employee for any reason.

14. Training Seminar

Effective 1/1/06: The Employer agrees to pay up to two (2) stewards or an employee appointed by the Union per store, two (2) days of pay at the employee's base wage rate, not to exceed eight (8) hours per day, one time per calendar year.

15. Schedule "B" Employee Incentive Plan: Eliminate Incentive Plan for all employees effective 2nd Half 2005 and delete all contract references.

Savannah

**Grocery Manager, Produce Manager, Front End Manager Drug/GM Manager, Deli-Bakery Manager
(Except store 602, 613)**

	2/26/2006	8/27/2006	2/25/2007	8/26/2007	2/24/2008	8/24/2008	2/22/2009
Level 1 = \$0 - \$249,999	\$13.70	\$13.90	\$14.10	\$14.30	\$14.50	\$14.80	\$15.10
Level 2 = \$250,000 - \$309,999	\$14.20	\$14.40	\$14.60	\$14.80	\$15.00	\$15.30	\$15.60
Level 3 = \$310,000 - \$374,999	\$14.90	\$15.10	\$15.30	\$15.50	\$15.70	\$16.00	\$16.30
Level 4 = \$375,000 - \$474,999	\$15.20	\$15.40	\$15.60	\$15.80	\$16.00	\$16.30	\$16.60
Level 5 = \$475,000 and Over	\$15.45	\$15.65	\$15.85	\$16.05	\$16.25	\$16.55	\$16.85

**Meat Manager
(Except store 602, 613)**

	2/26/2006	8/27/2006	2/25/2007	8/26/2007	2/24/2008	8/24/2008	2/22/2009
Level 1 = \$0 - \$249,999	\$14.10	\$14.30	\$14.50	\$14.70	\$14.90	\$15.20	\$15.50
Level 2 = \$250,000 - \$309,999	\$14.60	\$14.80	\$15.00	\$15.20	\$15.40	\$15.70	\$16.00
Level 3 = \$310,000 - \$374,999	\$15.10	\$15.30	\$15.50	\$15.70	\$15.90	\$16.20	\$16.50
Level 4 = \$375,000 - \$474,999	\$15.20	\$15.40	\$15.60	\$15.80	\$16.00	\$16.30	\$16.60
Level 5 = \$475,000 - Over	\$15.45	\$15.65	\$15.85	\$16.05	\$16.25	\$16.55	\$16.85

**Grocery Manager, Produce Manager, Front End Manager Drug/GM Manager, Deli-Bakery Manager and Meat Manager
(Stores 602, 613)**

	2/26/2006	8/27/2006	2/25/2007	8/26/2007	2/24/2008	8/24/2008	2/22/2009
Level 1 = \$0 - \$149,999	\$12.60	\$12.80	\$13.00	\$13.20	\$13.40	\$13.70	\$14.00
Level 2 = \$150,000 - \$249,999	\$12.85	\$13.05	\$13.25	\$13.45	\$13.65	\$13.95	\$14.25
Level 3 = \$250,000 - and Over	\$13.10	\$13.30	\$13.50	\$13.70	\$13.90	\$14.20	\$14.50

**Assitant Grocery Manager
(Except store 602, 613)**

	2/26/2006	8/27/2006	2/25/2007	8/26/2007	2/24/2008	8/24/2008	2/22/2009
Level 1 = \$0 - \$249,999	N/A						
Level 2 = \$250,000 - \$309,999	\$10.15	\$10.30	\$10.45	\$10.65	\$10.85	\$11.15	\$11.45
Level 3 = \$310,000 - \$374,999	\$10.65	\$10.80	\$10.95	\$11.15	\$11.35	\$11.65	\$11.95
Level 4 = \$375,000 - \$474,999	\$11.15	\$11.30	\$11.45	\$11.65	\$11.85	\$12.15	\$12.45
Level 5 = \$475,000 - Over	\$11.40	\$11.55	\$11.70	\$11.90	\$12.10	\$12.40	\$12.70

Bakery Manager

Where seperated from Deli Department

	2/26/2006	8/27/2006	2/25/2007	8/26/2007	2/24/2008	8/24/2008	2/22/2009
	\$11.95	\$12.10	\$12.25	\$12.45	\$12.65	\$12.95	\$13.25

All Lead Clerks Premium 40 cents

Full Time Clerks

Hired after 3/22/93 and all employees at 602,613

	2/26/2006	8/27/2006	2/25/2007	8/26/2007	2/24/2008	8/24/2008	2/22/2009
Start	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75
After 6 months	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
After 12 months	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25
After 18 months	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50
After 24 months	\$6.80	\$6.80	\$6.80	\$6.80	\$6.80	\$6.80	\$6.80
After 30 months	\$7.05	\$7.05	\$7.05	\$7.05	\$7.05	\$7.05	\$7.05
After 36 months	\$7.35	\$7.35	\$7.35	\$7.35	\$7.35	\$7.35	\$7.35
After 42 months	\$7.60	\$7.60	\$7.60	\$7.60	\$7.60	\$7.60	\$7.60
After 48 months	\$7.90	\$7.90	\$7.90	\$7.90	\$7.90	\$7.90	\$7.90
After 54 months	\$8.15	\$8.15	\$8.15	\$8.15	\$8.15	\$8.15	\$8.15
After 60 months	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50
After 66 months	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00
After 72 months	\$9.65	\$9.80	\$9.95	\$10.15	\$10.35	\$10.65	\$10.95

Part-Time Clerks (All)

	2/26/2006	8/27/2006	2/25/2007	8/26/2007	2/24/2008	8/24/2008	2/22/2009
Start	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
After 6 months	\$5.60	\$5.60	\$5.60	\$5.60	\$5.60	\$5.60	\$5.60
After 12 months	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75
After 18 months	\$5.85	\$5.85	\$5.85	\$5.85	\$5.85	\$5.85	\$5.85
After 24 months	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
After 30 months	\$6.15	\$6.15	\$6.15	\$6.15	\$6.15	\$6.15	\$6.15
After 36 months	\$6.30	\$6.30	\$6.30	\$6.30	\$6.30	\$6.30	\$6.30
After 42 months	\$6.45	\$6.45	\$6.45	\$6.45	\$6.45	\$6.45	\$6.45
After 48 months	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60
After 54 months	\$6.75	\$6.75	\$6.75	\$6.75	\$6.75	\$6.75	\$6.75
After 60 months	\$6.95	\$6.95	\$6.95	\$6.95	\$6.95	\$6.95	\$6.95
After 66 months	\$7.15	\$7.15	\$7.15	\$7.15	\$7.15	\$7.15	\$7.15
After 72 months	\$7.50	\$7.60	\$7.70	\$7.85	\$8.00	\$8.20	\$8.40

Grocery, Produce, Meat and Front End (Except stores 602,613)**Hired Prior to 3/22/1993**

	2/26/2006	8/27/2006	2/25/2007	8/26/2007	2/24/2008	8/24/2008	2/22/2009
After 54 months	\$11.05	\$11.20	\$11.35	\$11.55	\$11.75	\$12.05	\$12.35

Drug/Gm & Deli Bakery (Except stores 602,613)**Hired Prior to 3/22/1993**

	2/26/2006	8/27/2006	2/25/2007	8/26/2007	2/24/2008	8/24/2008	2/22/2009
After 54 months	\$10.40	\$10.55	\$10.70	\$10.90	\$11.10	\$11.40	\$11.70

Courtesy Clerks

Start	\$5.15
After 6 months	\$5.25
After 12 months	\$5.40
After 24 months	\$5.65
After 36 months	\$5.75

Fuel Clerks FT

	10/30/2005	8/27/2006	8/26/2007	8/24/2008	2/22/2009
Start	\$6.00	\$6.00	\$6.25	\$6.50	\$6.50
After 6 months	\$6.25	\$6.25	\$6.50	\$6.75	\$6.75
After 12 months	\$6.50	\$6.50	\$6.75	\$7.00	\$7.00
After 18 months	\$6.75	\$6.75	\$7.00	\$7.25	\$7.25
After 24 months	\$7.00	\$7.00	\$7.25	\$7.50	\$7.50
After 30 months	\$7.25	\$7.25	\$7.50	\$7.75	\$7.75
After 36 months	\$7.50	\$7.50	\$7.75	\$8.00	\$8.00
After 42 months	\$7.75	\$7.75	\$8.00	\$8.25	\$8.50
After 48 months	\$8.00	\$8.25	\$8.50	\$8.75	\$9.00

Fuel Clerks PT

	10/30/2005	8/27/2006	8/26/2007	8/24/2008	2/22/2009
Start	\$6.00	\$6.00	\$6.25	\$6.50	\$6.50
After 9 months	\$6.25	\$6.25	\$6.50	\$6.75	\$6.75
After 18 months	\$6.50	\$6.50	\$6.75	\$7.00	\$7.00
After 27 months	\$6.75	\$6.75	\$7.00	\$7.25	\$7.25
After 36 months	\$7.00	\$7.00	\$7.25	\$7.50	\$7.50
After 45 months	\$7.25	\$7.25	\$7.50	\$7.75	\$7.75
After 54 months	\$7.50	\$7.50	\$7.75	\$8.00	\$8.50
After 63 months	\$7.75	\$7.75	\$8.00	\$8.25	\$8.50

October 20, 2005

Mr. Steve Lomax
President
UFCW Local 1996
3302 McGinnis Ferry Rd.
Suwanee, Ga. 30024

Dear Mr. Lomax

During contract negotiations between The Kroger Co. and UFCW Local 1996 relative to the agreement between the parties which is effective from May 15, 2005 through May 16, 2009 the parties agree the following would be covered by this letter:

1. The employees listed below would be converted from an annual salary to an hourly rate. We also agree that these employees would be allowed to work up to 45 hours per week and that time worked on Sundays and holidays would be paid at straight time.

These employees' rates were calculated in prior negotiations and they will either remain on their personal rate with the appropriate F.T. Clerk increases or be put on the appropriate contract rate, whichever is greater.

Employee list:

Homer West, Susan Graves, Dwayne Higgins, Bobby Sapp and Jay Parkman or any other employee not known to us at this time

2. In the event of minimum wage changes, we will discuss the impact of the change, if any.

3. Grandfathered Positions

The following positions are considered to be grandfathered positions and all references have been removed from the bargaining agreement.

Lead Cheese
Lead Cosmetician
Lead Video
Drug/GM Receiving Clerks
Receiving Clerks
Journeyman Meat Cutters
Fish/Seafood Department Managers

Employees in these grandfathered positions will continue to receive the rates of pay outlined in the bargaining agreement and/or premiums as long as the employee remains in the position.

4. Front-End Manager, Produce Manager, and Grocery Manager will either remain on their personal rate with the appropriate F.T. clerk increases or be put on the appropriate contract rate, whichever is greater.

5. In the event of a change in the hours of a major competitor or a new competitor opens in the market, the Union and the Employer will meet and discuss the Christmas Eve closing time. Any change in the current practice will be mutually agreed upon.

6. The Employer agrees to notify the Local Union President's Office, via email, of the dates, times, and locations of pre-planned new hire orientations when they are scheduled for new stores and K-tech centers to provide an opportunity for a Union representative to speak to new associates.

7. Department Head Brackets excluding 600 series stores effective 2005:

Under \$250,000
\$250,000-\$375,000
\$375,000-over

8. Effective 10/30/05, associates will be given credit for time spent in their current bracket for purposes of determining their next progression increase date.

9. Effective 10/30/05, all eligible Department Heads, Top rate Full-time and Top rate Part-time associates received a lump sum bonus of \$1500, \$1200, and \$600 respectively. Eligible Fuel associates received an amount equal to fifty percent (50%) of the above bonuses.

10. In the event of a minimum wage changes, we will discuss the impact of the change, if any.

For 600 Series stores:

WORKING CONDITIONS

A current full-time employee in a 600 series store who has averaged thirty-two (32) hours per week or more shall be considered a full-time employee under the terms of this agreement until such time that such employee loses their full-time status, at which point they shall need to requalify at the forty (40) hour per week provision.

In 600 series stores, employees who desire to work six (6) days in a workweek, will be allowed to, provided it is mutually agreed to by the Employer and employee.

The night shift will be paid at fifty cents (\$.50) per hour for hours worked between 9:00 P.M. and 6:00 A.M. in the 600 series stores for employees who were previously receiving fifty cents (\$.50) prior to March 22, 1993. Employees who work more than four (4) hours on this shift will receive the shift differential for all hours worked on that workday.

When a Department Head is relieved for five (5) days in a workweek, the employee who performs the relief work will be paid at the rate of the employee he relieved. In 600 series stores, if the store sales are under \$225,000, then the store will use an employee that has been in a previously similar or like position or use no one.

SENIORITY

For the purpose of this Agreement, the following departments are established:

- Front-End Department
- Deli/Bakery Manager
- Produce Department
- Grocery Department
- Meat Department

It is the intent of the Company and the Union that the previously referred to "M&M" employees should not suffer any loss of wages through the signing of this Agreement.

Effective March 22, 1993, it is the intent of the Company and the Union to merge the previously referred to M&M Company, into what is presently known as the Savannah bargaining unit. The M&M employees will hereafter become part of the Kroger Savannah group and shall hereafter enjoy all rights, privileges, and benefits as noted in this Agreement.

VACATIONS

Employees in the 600 series stores hired prior to January 1, 1993 will be entitled to vacation according to the schedule below:

- 1 year service - 1 week vacation
- 4 years service - 2 weeks vacation
- 8 years service - 3 weeks vacation
- 15 years service - 4 weeks vacation

Full-time 600 series store employees who are eligible for four (4) weeks of vacation prior to 1/1/93 will be grandfathered and will continue to receive four (4) weeks of vacation. Employees who are within two (2) years of receiving their third week or fourth week of vacation, effective March 22 1993, shall receive their vacation accordingly upon reaching either eligibility for the third or fourth week. Effective 1/1/93, all other full-time 600 series store employees will be eligible for vacations as outlined below, except no full-time employee will suffer a reduction in the number of weeks of vacation they received in 1992

Employees in the 600 series stores hired after January 1, 1993 will be entitled to vacation according to the schedule below:

- 1 year service - 1 week vacation
- 4 years service - 2 weeks vacation
- 10 years service - 3 weeks vacation
- 17 years service - 4 weeks vacation

PENSION

Employees working in 600 series stores will continue to receive pension coverage pursuant to the Kroger Retirement Benefit Plan through December 31, 2005. Effective January 1, 2006, employees working in 600 series stores will receive pension coverage pursuant to the Union and Employers Pension Fund.

HOLIDAYS AND SUNDAY WORK

It is also understood that employees in the 600 series stores who were eligible for Sunday and holiday premium prior to March 22, 1993, will continue to receive such pay as follows.

Employees will receive six paid holidays during the year which are:

New Year's Day, Independence Day, Labor Day, Thanksgiving, Christmas, Birthday

Full-time employees must be employed thirty (30) days and work the last scheduled day before and the first scheduled day after the holiday.

Part-time employees who work eight (8) weeks prior to the holiday and average at least twenty (20) hours per week will receive four (4) hours holiday pay at their straight-time hourly rate, provided they work as scheduled during the holiday week.

If a holiday falls during a vacation week, employees will be given an extra day off with pay.

All time worked by full and part-time employees on a paid holiday will be paid at the rate of time and one-half excluding birthdays which can be substituted by mutual agreement with management.

Personal days with pay may be taken when an employee is ill or for any other reason, except to extend vacation or paid holidays. Full-time employees with 24 months or more of service will receive two personal days with pay. Full-time employees with 12 months of service will receive one personal day with pay.

Employees hired prior to 11/4/90 who work on a Sunday and are full-time employees will be compensated at the rate of one and one-half (1-1/2) times their regular hourly rate of pay. Employees hired after 11/4/90 will receive straight-time pay for Sunday hours.

Employees hired after March 22, 1993, will become eligible for the five (5) basic holidays named in Article 11, as of their first anniversary date. These employees will not be eligible for any other holidays listed in this Agreement.

For employees covered by this provision, the following shall apply:

Effective after two (2) years service, each employee will be eligible for a personal holiday to be observed on a mutually agreed upon day.

Effective after four (4) years service, each employee will be eligible for a second personal holiday to be observed on a mutually agreed upon day.

WAGES

Employees in 600 series stores on F.T. or P.T. clerk wage scale will stay at their current rate and on next increase date will move to the next highest rate on the appropriate wage scale.

Employees in 600 series stores on wage scale other than F.T. Clerk, P.T. Clerk, or Department Manager will be red-circled. If employee is at a rate lower than appropriate top clerk rate, they will follow the provisions of the paragraph above. If employee is at a rate higher than appropriate top clerk rate, they will receive the increases of the F.T. top rate or P.T. top rate, whichever is applicable.

Letter of Understanding

1. In any new store where a majority of the workforce has transferred from the bargaining unit covered by this Agreement, Kroger will recognize Local 1996 and the appropriate Agreement will apply to the new store's workforce.
2. In any other store where some of the work force, but less than a majority, has transferred and/or been assigned from the bargaining unit covered by this Agreement, Local 1996 shall have "access" to the new store. "Access" means that Local 1996 representatives may enter the store and meet with employees about membership in the union, but employees are not to be solicited in such ways as to interfere with their work. Local 1996 representatives may also meet with non-working employees in non-sales floor areas. Upon presentation to Kroger of proof that Local 1996 represents an uncoerced majority of the employees in the new store, Kroger will recognize Local 1996 as the bargaining representative and the appropriate agreement will apply to the new store's workforce.
3. The Atlanta Division has no current plans to open new stores within the jurisdiction of Local 1996 without transferring and/or assigning some employees from existing Kroger stores. In the event Kroger were to do so during the term of the Savannah Agreement, Kroger agrees to notify Local 1996 in advance of such opening and, should Local 1996 request, representatives of the Atlanta Division and Local 1996 will discuss "access" terms for any such stores. If the parties are unable to reach an agreement regarding access, or if the Atlanta Division declines to provide access, Local 1996 may file a grievance and seek the ruling of an expedited arbitration pursuant to Article 5 of this Agreement. Upon presentation to Kroger of proof that Local 1996 represents an uncoerced majority of the employees in the new store, Kroger will recognize Local 1996 as the bargaining representative and the appropriate agreement will apply to the new store's workforce.
4. The Atlanta Division (and its managers) and UFCW Local 1996 (and its agents) in stores covered by this agreement, agree to treat each other with mutual business respect. When the agents of Local 1996 are in the store they will respect the Company's need to service customers, and the Company will respect the needs of the agents to service their members. Neither party will engage in negative discussion about each other, and Kroger will not tell employees it opposes or supports the union. Kroger and its managers will not coerce and will not interfere with the rights of its employees to choose to join a union or to sign union authorization cards. Local 1996 and its agents will not coerce and will not interfere with the rights of Kroger employees to choose not to join a union.