Collective Bargaining Agreement

By and Between

The Kroger Company

and

UFCW Local 951

(Saginaw County)

Effective: August 6, 2005

Expires: August 7, 2010
# Table of Contents

<table>
<thead>
<tr>
<th>Article</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreement</td>
<td>3</td>
</tr>
<tr>
<td>Article 1: Intent and Purpose</td>
<td>3</td>
</tr>
<tr>
<td>Article 2: Coverage</td>
<td>3</td>
</tr>
<tr>
<td>Article 3: Union Membership and Dues Check-off</td>
<td>3</td>
</tr>
<tr>
<td>Article 4: Management Rights</td>
<td>5</td>
</tr>
<tr>
<td>Article 5: Dispute Procedure</td>
<td>5</td>
</tr>
<tr>
<td>Article 6: No Strike, No Lockout</td>
<td>8</td>
</tr>
<tr>
<td>Article 7: Work in Classifications</td>
<td>8</td>
</tr>
<tr>
<td>Article 8: Seniority</td>
<td>8</td>
</tr>
<tr>
<td>Article 9: Work Schedules</td>
<td>9</td>
</tr>
<tr>
<td>Article 10: Layoff</td>
<td>11</td>
</tr>
<tr>
<td>Article 11: Recall</td>
<td>11</td>
</tr>
<tr>
<td>Article 12: Overtime</td>
<td>12</td>
</tr>
<tr>
<td>Article 13: Rest Periods</td>
<td>12</td>
</tr>
<tr>
<td>Article 14: Wages</td>
<td>12</td>
</tr>
<tr>
<td>Article 15: Holidays/ Holiday Pay</td>
<td>15</td>
</tr>
<tr>
<td>Article 16: Vacation / Paid Days Off</td>
<td>15</td>
</tr>
<tr>
<td>Article 17: Health and Welfare</td>
<td>17</td>
</tr>
<tr>
<td>Article 18: Pension</td>
<td>18</td>
</tr>
<tr>
<td>Article 19: Other Benefits</td>
<td>18</td>
</tr>
<tr>
<td>Article 20: Union Cooperation</td>
<td>19</td>
</tr>
<tr>
<td>Article 21: General</td>
<td>20</td>
</tr>
<tr>
<td>Article 22: Uniforms and Tools</td>
<td>20</td>
</tr>
<tr>
<td>Article 23: Other Agreements</td>
<td>20</td>
</tr>
<tr>
<td>Article 24: Separability/Assignment</td>
<td>21</td>
</tr>
<tr>
<td>Article 25: Expiration</td>
<td>21</td>
</tr>
<tr>
<td>Letter of Understanding: Vacations</td>
<td>22</td>
</tr>
<tr>
<td>Letter of Understanding: Fuel Clerk</td>
<td>23</td>
</tr>
</tbody>
</table>
Agreement

This New Market Agreement entered into this fifteenth day of August, 2005, between the Kroger Company herein designated as the “Employer” and the United Food and Commercial Workers Union Local 951, chartered by the United Food and Commercial Workers Union, herein after designated as the “Union”.

Article 1
Intent and Purpose

Both parties are desirous of preventing strikes and lockouts, maintaining a uniform wage scale, working conditions and hours of employees of the Employer and facilitating peaceful adjustments of all grievances, which may arise from time to time between the Employer and employees.

Article 2
Coverage

The Employer recognizes the Union, Local 951 (Saginaw County) as the sole and exclusive bargaining agents of all employees, as described in the Letter of Understanding dated September 3, 1999. Those employees covered include, all full-time and part-time employees of the company, excluding Store Managers, Co-Managers, Management Trainees, Management Interns, Pharmacists, Pharmacy Technicians, Confidential Employees, Guards, Field Supervisors, and Customer Service Managers.

Article 3
Union Membership and Dues Check-off

A. The Union is recognized as the sole representative and bargaining agent for all employees covered by this Agreement in collective bargaining with the Employer. It shall be a continuing condition of employment that all employees of the Employer covered by this Agreement shall remain members in good standing and those who are not members on the execution date of this Agreement shall, following thirty (30) days of active employment become and remain members in good standing in the Union.

It shall also be a continuing condition of employment that all employees covered by this Agreement and hired on or after the date of execution shall, following thirty (30) days of active employment, become and remain members in good standing in the Union.

B. To be a member in good standing as required by this section, an employee must tender to the Union the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership. Any employee who is required to be a member of the Union by this section and who fails to render such uniform dues
and initiation fees shall not be retained as an employee in the bargaining unit so long as the Union has provided written notice to the Company and the employee of such failure, and such failure is not cured by the employee within seven (7) days of such notice. The Employer reserves the right to secure new employees from any source whatsoever.

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

D. Those employees who maintain non-member status or change their status to non-member status and are covered by the terms of this Agreement shall be required to pay, as a condition of employment, an initial service fee, then a monthly (or otherwise) service fee to the local Union for the purpose of aiding the Union in defraying the cost in connection with the Union’s obligation and responsibilities as the exclusive bargaining agent of the bargaining unit.

E. The Employer agrees, for the term of this Agreement, to deduct Union dues and/or service fees from the wages of the employees who individually certify in writing authorization for such deduction in a form authorized by law. The Employer agrees, in the case of new Union members, to deduct the Union initiation fee, and in the case of non-members, an initial service fee from the wages of any new non-member Union employee who certifies in writing authorization for such a deduction in a form authorized by law.

F. The Employer agrees to deduct weekly Union dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union and/or service fees from the wages of each employee, present and future, as the same shall be due, provided each such employee executes written authorization thereof, in a form authorized by law, and such authorization is turned over to the Employer. The Employer agrees to remit such dues and initiation fees as deducted to the Union.

G. The Employer agrees to honor and transmit to the Local Union contribution deductions for the UFCW Local 951 International Active Ballot Club and the UFCW Local 951 Foundation from employees who are Union members and who sign deduction authorization forms/cards.

The deductions shall be in the amount specified on the Political or Foundation authorization forms/cards and deducted weekly and remitted as required by the Local Union.

**Article 4**
Management Rights

A. The Management of the business and the direction of the working forces, including the right to plan, direct and control operations, hire, suspend or discharge for just cause, transfer or relieve employees from duty because of lack of work, or for other legitimate reasons, the right to study or introduce new or improved production methods or facilities and the right to establish and maintain rules and regulations covering the operations of the stores, a violation of which shall be among the causes for discharge, are vested with 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.

B. Supervisors, merchandising representatives or professional employees are permitted to instruct, supervise, advise and check operations within the store, however, they are not permitted to be scheduled or to do production work or services which is the work of the bargaining unit except during a reset or the opening of a new or remodeled store or in cases of emergency. Use of vendor stocking and case-ready product is among the rights reserved to the company. The above shall be subject to and not in conflict with the existing Agreement.

C. The parties agree to the usage of Case Ready Products so long as no current employees experience a reduction in hours or layoff due to the usage of such Case Ready Products.

Article 5
Dispute Procedure

A. The Union shall have the right to designate or elect one (1) Steward and one (1) Alternate Steward for each store. The Steward shall be allowed one (1) day off per calendar year with pay.

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

Step 1:

By conference during scheduled working hours between the Union’s Steward and/or the Business Representative and/or the aggrieved employee, or any of them and the Manager of the store.
**Step 2:**

If the grievance is not satisfactorily adjusted at Step 1, by conference conducted with reasonable promptness between the Union’s Business Representative and the Zone Manager, (or his or her representative) or the Employer.

**Step 3:**

In the event of failure to adjust the complaint in Step 2, the Union Local Business Agent and an official of the Union shall discuss it with a representative of the Human Resources Department within thirty (30) days.

**Step 4:**

If the grievance is not satisfactorily adjusted in Step 3; either Party may with reasonable promptness in writing, request arbitration and the other Party shall be obligated to proceed with arbitration in the manner herein provided.

UFCW Local 951 shall have the exclusive right to determine whether or not the employee’s grievance shall be submitted to arbitration by the Union.

When arbitration has been requested, the Parties may agree to use alternative dispute procedures, in order to resolve grievance(s) pertaining to individual matters.

The Parties shall promptly attempt to agree on an impartial arbitrator. If they cannot agree within five (5) working days of the request for the arbitration, the Party requesting the arbitration may with reasonable promptness file a demand for arbitration with the American Arbitration Association, in accordance with the then applicable rules and regulations of the Association. The expenses of the arbitrator, excepting the Parties’ own expenses, shall be borne equally by the Union and the Employer.

C. The arbitrator shall have the authority and jurisdiction to determine the propriety of the interpretation and/or application of the Agreement respecting the grievance in question, but shall not have the power to alter or modify the terms of the Agreement. With respect to arbitration involving discharge or discipline of employees, the arbitrator shall determine if the discharge or discipline was for just cause; and shall review the penalty imposed and if the arbitrator determines the Employer’s action to be improper, inappropriate and/or unduly severe, the arbitrator may vacate it or modify it accordingly.

The arbitrator shall have the authority and jurisdiction in cases involving discharge, discipline or other matters, if the arbitrator so determines, to order the payment of back wages and compensation for an employee, which the employee would otherwise have received and/or enter such other and/or further award as may be appropriate.
D. Grievances must be taken up promptly and no other grievance shall be considered or discussed which is presented later than ten (10) calendar days after such has happened with the exception of wage claims which are limited to thirty (30) calendar days and are defined as follows:

1. Overdue wage progression increases
2. Incorrect wage rates
3. Computer error
4. Error in the mathematical calculation of wages or wage rates or failure to pay for holidays, paid days off, vacations, etc.

In the case of a grievance contesting a discharge, the time limit shall be seven (7) days.

E. No employee shall be discharged or disciplined except for just cause. Grievances relating to the discharge or discipline of an employee shall be presented and processed in accordance with the grievance procedures set forth above, including the use of alternative dispute procedures. Any agreement reached between the Union and the Employer under the grievance procedure by the authorized representatives, which in the cases of the Union shall be subject to the approval by its Chief Executive Officer (President) and any decision of the arbitrator under Step 4, shall be binding upon the Employer and the Union, and the employee or employees involved.

F. It is the intention of the contracting Parties that, with the exception of those individual grievance privileges expressly set forth in this Agreement, in the redress of alleged violations of this Agreement by the Employer, the Union shall be the sole representatives of the interests of the employees or groups of employees within the bargaining unit. Subject to the individual rights expressly set forth in the grievance procedure of this Agreement, only the Union shall have the right under arbitration procedures or in any judicial or adjudicatory forum to assert and press against the Employer claimed violation of this Agreement.

G. The Employer, including all Supervisors, shall grant to any accredited Union Representative access to the store for the purpose of administering this Agreement which may include but is not limited to: checking rates of pay, work schedules and time cards, etc.

H. Lengthy discussions between employees and Representatives of the Union, including the Steward, or among themselves, shall not take place during working hours.
Article 6
No Strike, No Lockout

There shall be no strike, lockout, stoppage of work or picketing during the life of this Agreement. The Union is prohibited from authorization or support of a picket line established by another labor organization as well as any like activity which interferes with the Company’s normal operations.

Article 7
Work in Classifications

Employees shall perform any work which the Manager of the Store or Zone Manager may direct with the understanding that when an employee is assigned to a job with a lesser rate, the employee will be entitled to his regular rate of pay, unless due to a decrease of work, the employee has regularly been assigned to a lower rated job and desires to retain such job rather than accept a layoff. Employees assigned to open the store or lock and secure the store shall receive up to six (6) hours of training from the Company for this duty.

Article 8
Seniority

A. A complete seniority list of full-time and part-time employees by classification and status shall be furnished to the Union. Employees will be on probation for the first sixty (60) days of active employment. Probationary employees may be terminated by the company for any reason, and such action shall not be subject to the grievance procedure.

B. Seniority shall mean the length of continuous service with the Employer and upon completion of the probationary period be dated from the first day actually worked and shall be by classification and status unless specifically provided otherwise herein. Seniority shall be applied according to the terms of this Agreement.

C. When two (2) or more employees are hired on the same date, and start at the same time (if records are available), their seniority standing will be determined by alphabetical order of the employee’s last name at date of hire.

D. An employee’s seniority shall be broken if the employee quits, if the employee is discharged for cause, if the employee fails to report to work for three (3) consecutive work days without notifying the Employer, or if an employee is laid off continuously for six (6) or more months, or their length of seniority, whichever is less.

E. A regular employee’s seniority shall be broken if the employee fails to report to work within five (5) working days after being notified to report to work, after a layoff, unless extended by mutual agreement.
F. Where there are open full-time jobs, seniority will be given consideration in the promotions, but will not necessarily be the determining factor. Job openings for Department Heads shall be posted in stores for a period of three (3) days. Employees selected for Department Head positions based on demonstrated skill and ability shall be on a ninety (90) day trial period. If for justifiable reason, the employer feels and employee cannot perform the job at a satisfactory level during this ninety (90) day period, the employee will be returned to his original position.

Employees may indicate their desire to move to an open full-time position by notifying the Store Manager in writing. The Employer may grant a request for transfer or promotion from an employee in one store to an opening in another store.

G. For the purposes of this article, a full-time employee is one who is hired as such, or a part-time employee who averages thirty-eight (38) hours or more per week, including the hours of work on Sundays, holidays and all compensable absence pay, for sixteen (16) consecutive calendar weeks. The first (1st) day worked of the sixteen (16) week qualifying period, shall be used to determine the seniority date and Health and Welfare eligibility only. No other full-time benefits are payable during the sixteen (16) week qualifying period.

A part-time employee is an employee who regularly works less than thirty-two (32) hours per week. A full-time employee involuntarily reduced to part-time shall continue to be classified and treated as full-time until he has averaged less than thirty-two (32) hours per week, including the hours of work on Sundays, holidays and all compensable absence pay, for sixteen (16) consecutive calendar weeks.

H. Previous service in the employment of Kessel Food Markets will be used for the following purposes:

1. Scheduling
2. Paid Days Off, Qualification and Selection

I. When the transfer of an employee to a different store becomes necessary for justifiable reasons, the transfer will not be applied in an arbitrary, capricious or discriminatory manner, nor shall it be utilized as a device for creating hardship to the employee in order to provoke his resignation.

Article 9
Work Schedules

A. In constructing the weekly work schedules, the Employer will first determine the needs of the department based upon the requirements of the business. Once that determination is made the following procedure will be utilized:
1. The Employer will construct weekly work schedules by department and classification, full-time and part-time, such that the basic weekly full-time schedule for full-time employees will be forty (40) hours per week, Sunday through Saturday, scheduled in five (5) days, not necessarily consecutive. When scheduling part-time employees, hours will be distributed such that senior part-time employees’ weekly scheduled hours shall exceed or equal the weekly hours of junior part-time employees. Seniority will be recognized when constructing the weekly work schedules.

2. Should the Employer need additional staffing, on a temporary basis the Employer may use employees from other units within a thirty (30) mile radius, provided that, employees’ schedules in that unit that need additional staffing have been maximized, and all hours available have been offered.

3. An employee’s scheduling limitations may affect the Employer’s ability to maximize the employee’s schedule.

4. No trading of scheduled hours among employees without the approval of the Store Manager is permitted. Schedules shall be posted by 12:00 p.m. (noon) Friday, for the following week.

5. Scheduling Errors - In the event an error in scheduling is made, an employee shall have until noon on Saturday to report the error. Otherwise, the schedule as posted shall stand for that week.

6. Fully available part-time employees will be scheduled by department in line of seniority, no less than twenty-four (24) hours, and no more than thirty (30) hours per week, unless otherwise agreed by the employee and the Employer. An employee may limit their availability twice per calendar year. All other part time employees who limit their availability will be scheduled a minimum of twelve (12) hours.

7. All employees who are instructed to report for work shall be guaranteed at least four (4) hours pay.

8. Schedules can be claimed on a weekly basis only, provided the employee has the skills and ability to perform the job. There will be no daily claiming of hours. For the purpose of this Article there will be no claiming of weekly schedules for employees assigned by the Store Manager to Lead Clerk positions.

9. The employee relieving a Department Head for one (1) week or more shall receive the rate of pay of the particular Department Head he or she is relieving.
Article 10
Layoff

Management may layoff employees for the lack of work or other reasons that require a reduction of the workforce. The reason for the reduction of the workforce and the number of employees to be laid off is to be determined solely by Management. Layoff shall be made in inverse order of seniority by classification and status.

When an employee is notified of a layoff, the employee may exercise layoff option within the workweek following notification.

The employee options are:

1) Accept a layoff.

2) Bump a less senior person within their classification.

3) Bump a less senior person in the next lower classification.

4) In the event of a store closing or layoff that exceeds two (2) weeks or more, full-time employees may exercise their seniority to transfer. Part-time employees may request transfers to other units by notifying Store Management in writing.

In the event a Lead Clerk is reduced, the employee shall have the right to use seniority to displace a Clerk-Cashier.

Article 11
Recall

A. The employee will have recall rights back to their job for a period of six (6) months or the length of their seniority, whichever is less. If the employee is not recalled within this time period, the employee’s seniority shall be broken. Employees will be recalled in line of seniority and classification.

B. Employees recalled will be required to report to work as outlined in the seniority section above. Any changes or extensions must be mutually agreed upon by the employee and Management.

C. An employee transferred from one (1) classification in the bargaining unit to another shall retain past seniority and continue to accumulate seniority in the new department.
Article 12
Overtime

A. All employees are to receive one and one half (1 1/2) times the regular hourly rate for all hours worked over forty (40) hours in any one (1) basic work week. There will be no changing of schedules to avoid the payment of overtime.

B. Employees who are scheduled to work ten (10) hour days as part of their basic workweek will receive one and one-half (1 1/2) times the regular hourly rate for all hours worked over forty (40) hours in any one (1) week.

C. There is to be no pyramiding of overtime.

D. In any week in which a paid holiday falls, hours for which an employee receives compensation as holiday pay will be counted as time worked for the purposes of computing overtime over forty (40) hours in that work week. For the purposes of computing overtime, a work day shall be defined as the consecutive hours worked commencing with the beginning of the employee’s scheduled work day.

E. When overtime work is available, the Employer will offer such work in line of seniority in the department by classification to employees at work. In the event the senior employees do not want the overtime work, the Employer will require employees at work, using inverse order of seniority by classification, to remain and work.

F. Employees will not force the existence of any time and one-half (1 1/2) hours.

G. No employee will be required to work a split shift.

Article 13
Rest Periods

All Employees are entitled to a fifteen (15) minute rest period for each four (4) hours worked. Employees working seven (7) hours or more shall receive two (2) fifteen (15) minute rest periods. An unpaid thirty (30) minute lunch break will be given if more than six (6) hours are scheduled. In the event the shift extends beyond eight (8) hours, the employee and management will arrange additional breaks.

Article 14
Wages

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(* indicates top rates for part-time employees)

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<td>42 Months</td>
<td>$11.75</td>
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### Fuel Center Clerk

<table>
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<tr>
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<td>Start</td>
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<td>$8.60</td>
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Current employees above the top contractual wage rate will be identified and red circled. Future wage increases to those identified will be given in accordance with the top rate increase.

Lead Clerk premium of one dollar ($1.00) above the employee's regular hourly rate will be paid for the Frozen, Dairy, Drug GM, File Maintenance and Assistant Customer Service Manager (ACSM) Lead Clerks.

Employees who work between the hours of 10:00 p.m. and 6:00 a.m. shall be paid a night shift premium of fifty cents ($.50) above the employee's current hourly rate of pay. When the majority of the weeks work is between 10:00 p.m. and 6:00 a.m. the additional compensation shall be paid for the entire workweek.

An adjustment to an employee's starting rate may be made based upon previous experience, as determined by the Employer.
Article 15
Holidays/ Holiday Pay

All employees who have completed their probationary period will be eligible to receive straight time pay for the six (6) major holidays based on the following schedule. Employees must work the scheduled day before and the scheduled day after the holiday, including the holiday if scheduled, to qualify for holiday pay. Full-time employees shall receive eight (8) hours straight-time pay. Part-time employees shall receive four (4) hours straight-time pay.

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

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

Article 16
Vacation / Paid Days Off

Eligible employees shall receive straight time for paid days off, Full-time (eight (8) hours per day) Part-time (four (4) hours per day). Paid days off not scheduled by December 5th of each calendar year will not be granted. Unused paid days will not carry over from year to year. Consideration for paid days off will be given to the wishes of the employees according to their seniority, within Department and Classification provided that such wishes can be carried out in accordance with the efficient operations of the business. Once paid days off have been approved by management, no employee may use seniority rights to displace the employee from the scheduled paid day(s) off.

Vacation Schedule

Current Employees – Full-time

1 year of continuous service......................... 1 week vacation
3 years of continuous service....................... 2 weeks vacation
8 years of continuous service....................... 3 weeks vacation
15 years of continuous service...................... 4 weeks vacation

Current Employees – Part-time

1 year of continuous service......................... 1 week vacation
3 years of continuous service....................... 2 weeks vacation
8 years of continuous service....................... 3 weeks vacation
Personal / Sick Days

Current Employees – Full-time

1 year of continuous service.............................. 2 paid days
3 years of continuous service.......................... 3 paid days
8 years of continuous service........................... 5 paid days
15 years of continuous service.......................... 6 paid days

Current Employees – Part-time

1 year of continuous service.............................. 2 paid days
3 years of continuous service.......................... 3 paid days
8 years of continuous service........................... 5 paid days
15 years of continuous service.......................... 6 paid days

All Employees Hired After August 6, 2005
Vacation Schedule

1 year of continuous service.............................. 1 week vacation
3 years of continuous service.......................... 2 weeks vacation
8 years of continuous service........................... 3 weeks vacation

All Employees Hired After August 6, 2005
Personal / Sick Days

1 year of continuous service.............................. 1 paid day
3 years of continuous service.......................... 2 paid days
8 years of continuous service........................... 3 paid days

Continue current "red-circle" practice regarding vacation and personal/sick days.

The Employer and the Union agree that full-time employees (see Letter of Understanding) who will reach twenty (20) years of service as of December 31, 2005 will receive a 5th week of vacation effective January 1, 2006.

Vacation pay for all full-time employees shall be two percent (2%) of the prior year’s earnings to a maximum of forty (40) hours at the current straight-time hourly rate.

Vacation pay for all part-time employees shall be two percent (2%) of the prior year’s earnings to a maximum of thirty-six (36) hours at the current straight-time hourly rate.

The Employer reserves the right to "Blackout" certain dates which will not be available for vacation scheduling. These "Blackout" time periods will be noted on the schedules sent out when vacation requests are solicited.
Health and Welfare

Health benefits will be provided through a Company-sponsored medical plan(s) that include medical, dental, and prescription coverage as well as plan options and weekly employee contributions based on the same terms as the Company’s Management Plan.

Full-time employees, excluding Courtesy Clerks, will be eligible after one (1) year of full-time Clerk-Cashier service. Part-time employees, excluding Courtesy Clerks, will be eligible after three (3) years of Clerk-Cashier service.

Health plans and weekly contribution levels are subject to annual review and renewal by the Employer.

**Life Insurance:**

The Employer will provide for basic life insurance for employees, excluding Courtesy Clerks.

**Full-time** employees following one (1) year of full-time clerk-cashier service will be eligible for $7,500 of basic life insurance.

**Part-time** employees following three (3) years of clerk-cashier service will be eligible for $5,000 of basic life insurance.

**Sickness and Accident Insurance:**

The Employer will provide a weekly sickness and accident (S&A) benefit for employees, excluding Courtesy Clerks, provided that necessary documentation in accordance with the Company’s leave of absence policy is provided to the Company.

**Full-time** employees will receive one hundred fifty dollars ($150.00) per week up to twenty-six (26) weeks maximum, annually.

**Part-time** employees will receive up to a maximum of eighty dollars ($80.00) per week based on the average previous four (4) weeks earnings (66 2/3% of average earnings) for thirteen (13) weeks maximum, annually.

Article 18

**Pension**

All eligible employees will participate in The Kroger Retirement Benefit Plan under the same terms as the Company’s management employees participate.

Currently, eligible employees, excluding Courtesy Clerks, begin to participate on January 1 or July 1 after attaining the age of twenty-one (21) and completing one (1)
year of service with Kroger (870 hours if part-time). An employee becomes vested in the Plan after five (5) years of vested service with Kroger. Benefits will be provided in accordance with specific terms and conditions of the Plan and in case of any question regarding the benefit payment of eligibility, the terms and conditions of the plan documents will govern.

The Employer reserves the right to modify The Kroger Retirement Benefit Plan from time to time as recommended. The Union will be notified of any modifications to the Plan.

401(K)

Eligible employees will be able to participate in the Kroger 401(K) Plan.

Benefits will be provided in accordance with specific terms and conditions of the Plan and in case of any question regarding benefit payment or eligibility, the terms and conditions of the plan documents will govern.

Article 19
Other Benefits

Jury Duty:

If an employee is required to serve on jury duty, the employee shall be paid the difference between the employee’s pay for scheduled time lost for such jury services at the employee’s rate of pay in effect at the time of jury duty. If the employee is excused from jury duty for the day, the employee shall report to work if scheduled. All scheduling concerns should be discussed with management.

Personal and Illness Leave:

Employees may be granted a personal leave of absence, for urgent or compelling reasons, not to exceed thirty (30) days, upon the Employer’s permission, and shall be granted a leave of absence for the employee’s certified illness (including but not limited to, pregnancy, miscarriage, childbirth, and recovery from) not exceeding one (1) year.

Employees who are on Worker’s Compensation shall be granted a leave of absence not to exceed two (2) years.

Seniority shall accrue during such personal and illness leaves. Employees desiring a leave of absence other than for illness or injury must do so in writing. Employees returning from illness, injury, and/or approved leave of absence will notify the Manager by Wednesday noon of the employee’s availability for work the following week.
Military Leave:

Leaves of absence shall be granted to employees for the purpose of serving in the Military of the United States. Any employee returning from military service shall be entitled to re-employment in accordance with the provisions of applicable Federal Law.

Union Leave:

The Employer shall grant a leave of absence to employees for the purpose of employment by the Union. Employees granted such leave will retain and accrue seniority for up to one (1) year. Contract benefits will not apply during the leave.

Supervisor Leave:

Employees promoted out of the bargaining unit into a supervisory position shall have their seniority frozen for a period of up to one (1) year.

Bereavement Leave:

Up to three (3) consecutive days leave of absence shall be granted to an employee in the event of a death in the immediate family. Immediate family is deemed to include employee’s parents, step-parent, child, step-child, spouse, brother, sister, current father-in-law, current mother-in-law, or any relative that resides with the employee. Employees will be compensated for any scheduled time lost during the three (3) consecutive day leave period which shall include the day of the funeral. A two (2) day leave will be granted for grandparents, or grandchildren of an employee.

FMLA

Employees who are eligible for a leave of absence pursuant to the Family Medical Leave Act of 1993, as amended, will be granted such leave according to the Act.

Article 20

Union Cooperation

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

B. The Union agrees to cooperate with the Employer in maintaining and improving safe working conditions.

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

E. 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.

Article 21
General

A. Use of male gender contained in this Agreement shall, except as context requires
otherwise, be deemed to include the female gender.

B. The employer shall permit Stewards to post and maintain any notice pertaining to
Union Business in connection with employees covered by this Agreement on a
bulletin board in each unit.

C. The Employer shall display Union Store Cards, which shall be furnished by the
Union. Union Store Cards shall remain the property of the Union and surrendered
upon request.

D. The Employer and the Union shall not discriminate against any employee for
reasons of sex, age, race, religion, creed, color, national origin, marital status,
sexual orientation or Union activity.

E. In the event the Employer contemplates the introduction of major technological
changes affecting bargaining unit work, advance notice will be given to the Union.
The Employer and Union will meet to discuss implementation of such changes prior
to putting them in effect.

Article 22
Uniforms and Tools

The Company agrees to furnish all necessary tools. All uniforms which the Employer
requires the employee to wear shall be furnished by the Employer without charge;
however, they are to be laundered by the employee.

Article 23
Other Agreements

The Employer agrees not to enter into any other Agreement or contract with employees,
individually or collectively, which in any way conflicts with the terms and provisions of
this Agreement.
Article 24
Separability/Assignment

During the term of the Agreement, the Collective Bargaining Agreement will terminate if the Company sells or closes stores covered by the Agreement so that the purchaser need not assume any of the obligations under the Collective Bargaining Agreement. The Company agrees to give at least ninety (90) days notice if feasible, prior to the closing or sale of any store. Local 951 agrees that it will not assign the Collective Bargaining Agreement to any other labor organization without the Company’s prior consent.

Article 25
Expiration

This Agreement shall continue in full force from August 6, 2005, up to and including August 7, 2010, and thereafter from year to year unless written notice of desire to cancel or terminate the Agreement is served by either Party upon the other at least ninety (90) days prior to August 7, 2010.

Where no such cancellation or termination notice is served and the Parties desire to continue the Agreement, but also desire to negotiate any changes or revisions in the Agreement, either Party may serve written notice upon the other at least ninety (90) days prior to August 7, 2010, of any year advising that such Party desires to revise or change designated provisions of the Agreement.

This Agreement shall terminate if the Employer notifies the Union that the acquired store or stores are to be sold or closed. Such notification shall be at least ninety (90) days prior to the sale or closing.

For the Employer
The Kroger Company

Lawrence Hoyt
The Kroger Co.

Date: ____________________

For the Union
The United Food and Commercial Workers Union Local 951

Robert Potter, President
UFCW 951

Date: ____________________
LETTER OF UNDERSTANDING

The Employer and the Union agree that the following full-time employees who will reach 20 years of service as of December 31, 2005 will receive a 5th week of vacation effective January 1, 2006.

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Sandra Bierlein</td>
<td>402</td>
</tr>
<tr>
<td>Gary Clements</td>
<td>401</td>
</tr>
<tr>
<td>Deborah Dennis</td>
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<td>Deborah Dropeck</td>
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<td>Christine Gerard</td>
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<td>Sharon Gerard</td>
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<td>Linda Graves</td>
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<tr>
<td>Cheryl LaFountaine</td>
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<td>John Nowland</td>
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<td>Duane Pruden</td>
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<tr>
<td>Maryann Rich</td>
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</tr>
<tr>
<td>Sherry Rouech</td>
<td>411</td>
</tr>
</tbody>
</table>

For the Employer: Kroger Company
For the Union: UFCW Local 951

____________________________   ______________________________
Date: _________________________ Date: _________________________
LETTER OF UNDERSTANDING
FUEL CENTER CLERK

The following agreement has been reached with regard to establishing the new employee classification of “Fuel Center Clerk.”

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

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

Vacations will be granted per Article 16 of the contract. Supplemental Days will be granted per Article 16 of the contract. National holiday pay will include six (6) national holidays as contained in Article 15 and will be earned and paid per Article 15.

Management may perform any tasks necessary to ensure the efficient operation of this center.

All Fuel Center Clerks, after six (6) months of service, shall be given preference by seniority, together with ability, practicability and availability, should an opening occur for a part-time store employee. Seniority in their new classification shall begin upon their first day of work in their new classification.

Store Clerks interested in transferring to the Fuel Center Clerk classification shall put their interest in writing to the Store Manager with a copy to the Union. Their in-store clerk seniority shall be frozen.

In the event of a Fuel Center closing, Fuel Center Clerks who worked in another area of the store prior to becoming a Fuel Center Clerk will be allowed to return to their previous department with full seniority. Other Fuel Center Clerks hired as such will be allowed other clerk/cashier work within another department of the store, maintaining full seniority.

If the Company substantially expands the square footage of the fuel center concept, they will agree to meet with the Union to discuss and negotiate new and/or additional terms.

Prior experience may be recognized in determining an employee’s rate of pay.

___________________________  ______________________________
Kroger Company                      UFCW 951

___________________________  ______________________________
Date                          Date