

UNITED FOOD AND COMMERCIAL WORKERS LOCAL 204

and

KROGER HILTON HEAD, SOUTH CAROLINA STORES

Table of Contents

Article 1.	INTENT AND PURPOSE	2
Article 2.	COVERAGE	2
Article 3.	SHOP CONDITION	2
Article 4.	MANAGEMENT RIGHTS	3
Article 5.	DISPUTE PROCEDURE	3
Article 6.	NO STRIKE - NO LOCKOUT	5
Article 7.	OTHER AGREEMENTS	5
Article 8.	OTHER WORK	5
Article 9.	WAGES	5
Article 10.	WORKING CONDITIONS	6
Article 11.	SENIORITY	9
Article 12.	VACATIONS	11
Article 13.	LEAVE OF ABSENCE	12
Article 14.	ABSENCE DUE TO JURY DUTY	13
Article 15.	GENERAL	13
Article 16.	SEPARABILITY	13
Article 17.	NON-DISCRIMINATION	13
Article 18.	UNION COOPERATION	14
Article 19.	HEALTH AND WELFARE	14
Article 20.	PENSION	18
Article 21.	EXPIRATION	19

SCHEDULE "A" – WAGES

+ Assistant Department Heads

+ Murray's Cheese Shop

+ Department Head Bonus

+ Marketplace Stores

SCHEDULE "B" – VACATION POLICY

APPENDIX "A" – HOLIDAY AND SUNDAY WORK

TERM: March 3, 2019 – March 4, 2023

AGREEMENT

This Agreement has been entered into between The Kroger Co., Hilton Head, South Carolina, hereinafter designated as the Employer, and the United Food and Commercial Workers Local No. 204 chartered by the United Food and Commercial Workers International Union, hereinafter designated as the Union.

ARTICLE 1. INTENT AND PURPOSE

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

ARTICLE 2. COVERAGE

A. The Union shall be the sole and exclusive bargaining agent for employees in the classifications defined in Schedules "A" attached.

B. The rates of pay, wages, hours and other terms and conditions of employment of this Agreement shall apply to all employees of the Employer, as mentioned in attached Schedule "A", at the Employer's Hilton Head, South Carolina store(s), except for and excluding the following:

Unit Manager, Grocery/Drug Manager, Perishable Manager, Customer Service Manager, Co-Managers, any other supervisory employees as defined under the Act, Professional Pharmacy Department employees, Security employees, Demonstrators, all clerical employees not working in the sales and storage area, and Management Trainees.

C. Once each period, the Employer will notify the Union in writing of all employees hired or reinstated in these stores, social security number, employee work number, and job classification.

ARTICLE 3.

SHOP CONDITION

- A. The Employer reserves the right to secure new employees from any source whatsoever. During the sixty (60) days of employment, a new employee shall be on a trial basis and may be discharged at the discretion of the Employer.
- B. If and when an agency shop becomes legal, the parties agree to meet and discuss the same.
- C. The following Shop Condition shall be effective if and when legal under State or Federal Law:
It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the 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 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 hired on or after its effective date shall, on the thirty-first (31st) day following the beginning of such employment, become and remain members in good standing in the Union. For the purpose of this paragraph, the execution date of this Agreement shall be considered its effective date.
- D. The Employer agrees to deduct Union initiation fees as authorized and shall deduct Union dues from the pay each period of employees who are members of the Union and remit such deductions to Local Union 204 each period, provided, however, that the Union presents to the Employer voluntary signed authorization from the employees to cover such deductions. The Employer shall deduct Union dues on a weekly basis and will remit the same on a monthly or period basis.

ARTICLE 4.

MANAGEMENT RIGHTS

The management of the business and the direction of the working forces, including the right to plan, direct and control store operations, hire, suspend or discharge for proper cause, transfer or relieve employees from duty because of lack of work or for other legitimate reasons, the right to study or introduce new or improved production methods or facilities, and the right to establish and maintain rules and regulations covering the operation of the 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 or for the purpose of invalidating any contract provision.

ARTICLE 5.

DISPUTE PROCEDURE

- A. The Union shall have the right to designate four (4) Shop Stewards (two (2) stewards and two (2) alternate stewards) for the store. The Shop Stewards may act for the Union in the collection of dues from Union members and explaining the facts and status of the Union to the employees. The

Union shall notify the Employer of the Shop Stewards selected and any necessary revisions due to changes. The Shop Stewards shall be the last employees to be laid off.

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

- Step 1. By conference between the employee, the Union representative, the Shop Steward, or all of them and the Unit Manager of the store.
- Step 2. By conference between the Union Representative and the District Human Resource Manager. If Step 2 does not settle the dispute within three (3) working days, it may be taken to Step 3.
- Step 3. By conference between the recognized Union Representative and such Management Representative as the Employer may designate.
- Step 4. In the event the last Step fails to settle the complaint, it must be referred to the Board of Arbitration within two (2) weeks if a dispute still exists.

C. The Board of Arbitration shall consist of one (1) person appointed by the Union and one (1) person appointed by the Employer. Said two (2) persons shall, within ten (10) days after disagreement, request the Director of the Federal Mediation and Conciliation Service to furnish a panel of fifteen (15) arbitrators from which the third arbitrator shall be chosen. The third arbitrator shall be chosen by the alternate striking the names. The decision of the majority shall be binding on both parties. The expenses of the third arbitrator shall be paid for jointly.

D. The Employer may, at any time, discharge any worker for proper cause. The Union, if it wishes to contest the discharge, may file a written complaint within seven (7) calendar 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 seventy-two (72) hours, it shall be referred within forty-eight (48) hours to the Board of Arbitration. Should the Board determine that it was an unfair discharge, the Employer shall reinstate the employee in accordance with the findings of the Board.

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

F. The Unit Manager of a store shall grant to any accredited Union official access to the store at any time that the store is open for business for the purpose of satisfying himself that the terms of this Agreement are being complied with. It is understood, however, that the Union official will, upon entering the store, make his presence known to the Unit Manager.

G. Grievances must be taken up promptly, and no grievance will be considered or discussed which is presented later than fifteen (15) calendar days after such has happened. Grievances not settled in Step 2 shall be reduced in writing.

H. There shall be no discrimination against any employee because of Union membership. The Employer further agrees that there shall be no discrimination against any Shop Steward as a result of the performance of his/her responsibilities.

I. In the interest of promoting cooperative relations, a member of management will introduce each new employee in the store to the Union Shop Steward within one (1) week after the new employee reports to work. At this meeting, which shall take place during working hours, the Shop Steward shall give the new employee a copy of the contract and shall explain its operations. The Shop Steward may answer any questions the new employee asks, may request the new employee to join the Union, and may make arrangements for the new employee to become a member.

ARTICLE 6.

NO STRIKE-NO LOCKOUT

During the term hereof, the Union agrees that there shall be no strike or any other interference with or interruption of the normal business conditions of the Employer's business by the Union or its members. The Employer agrees that there shall be no lockout. Nothing contained herein, however, shall compel any employee to walk through a legal labor picket line set up as part of a duly authorized strike and legally called strike against the Employer. It is understood, however, that employees shall complete the work at hand and properly account for money, merchandise and other property in their custody, which belongs to the Employer. In the event a picket line, strike, or work stoppage by any organization other than Local #204 occurs, at least forty-eight (48) hours notice will be given by Local #204 if they honor or sanction said picket line, strike or work stoppage.

ARTICLE 7.

OTHER AGREEMENTS

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 without prior discussion with the Union.

ARTICLE 8.

OTHER WORK

Employees shall perform any work which management may direct with the understanding that when the 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 assigned to a lower rated job and desire to retain such job rather than accept a layoff.

ARTICLE 9.

WAGES

A. Rates of pay and pay schedules as set forth in Wage Schedules "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.

B-1. Previous proven retail or comparable experience 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 up to 36 months will be considered. The Employer reserves the right to consider any additional experience for hard to hire positions.

B-2. Previous experience must be shown on the application for employment, otherwise the employee forfeits any claim under this provision.

B-3. The Employer shall have the right to make the final determination regarding credit given towards rates of pay.

C. On new stores, positions that are volume rated, shall be paid his or her previous rate for fourteen (14) weeks. At the end of the fourteen (14) weeks, the store shall be reclassified based on the average weekly total sales minus fuel for the twelve (12) weeks immediately following the first two (2) weeks after opening, and their rates will be adjusted to the new classification with retroactive adjustment to the opening of the store.

D. Beginning January 31, 2020 and each fiscal year thereafter through the life of this contract all volume rated positions will be classified based on average sales minus fuel for the prior full thirteen (13) periods.

ARTICLE 10.

WORKING CONDITIONS

A. The hours for each employee shall be scheduled by the Employer. A work schedule for the succeeding week for employees who work regularly will be posted by department, and that the employee's name on the schedule will be posted by 3: 00 p.m. on Friday of the current week. Employees will be entitled to the week's schedule of work with the most hours within their department in accordance with their seniority, classification and ability to perform the work required.

B-1. 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.

B-2. An employee who is scheduled and works forty (40) hours per week for twelve (12) consecutive weeks shall be considered to be a full-time employee. Temporary assignments because of vacations and/or absenteeism to a forty (40) hour week shall not be included in this criteria.

B-3. 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 twelve (12) consecutive weeks shall also be considered to be a part-time employee.

C. The workweek shall be considered Sunday through Saturday. The workweek for full-time employees shall be worked in not more than five (5) days.

D. Time and one-half (1 ½) shall be paid on the weekly basis or on a Sunday/Holiday basis, whichever is greater, but in no case on both. No employee shall accept time off as compensation for overtime.

E. No Associate shall be required to work a split shift unless mutually agreed upon.

F. There shall be a break of a minimum of ten (10) hours between shifts, unless mutually agreed upon between the Employee and the Employer. The Union and the Employer will meet to resolve any issues related to this matter.

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

H. A one (1) hour or one-half (1/2) hour lunch period on the employee's own time to be mutually agreed upon between the Employer and employee shall be allowed for lunch in each full workday. This lunch hour shall not be scheduled until an employee has worked three (3) hours, and the employee will not be required to work more than five (5) hours prior to the beginning of the lunch hour. After an employee has worked eight (8) hours, the employee shall be entitled to a supper period of one-half (1/2) hour. The lunch period for night stockers shall be one-half (1/2) hour on the employee's own time.

I-1. The following shall be recognized as holidays: New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day or days legally celebrated in lieu thereof. Full-time employees who have worked sixty (60) days and 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. Full-time employees who are absent on their scheduled day immediately preceding a holiday or their 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 receive holiday pay provided he worked any part of the holiday week.

I-2. A part-time employee who has worked in twelve (12) or more weeks shall be entitled to holiday pay of four (4) hours for the holidays set forth in Article 11, paragraph I-1 above provided he was scheduled for work in the holiday week and worked his scheduled hours in the holiday week. Employees who are absent of their own accord during a holiday week shall be paid only for the hours

actually worked, except where absence is caused by proven illness or is excused by the Employer, in which case the employee shall receive the holiday pay provided he worked any part of the holiday week.

I-3. Employees hired after April 11, 1989, will become eligible for the five (5) basic holidays named in paragraph I-1 of this article 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.

J. The Employer will supply any uniform apron(s) for its associates and the apron(s) shall be laundered by the associate.

K. The Union card shall be displayed in all stores covered by this Agreement.

L. Employees working four (4) hours per day up to seven (7) hours per day shall receive on (1) fifteen (15) minute rest period per day. Employees working seven (7) hours or more per day shall receive two (2) 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.

M. 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 and including discharge.

N. The Employer may utilize any vendor store assistance on products, which are available to the trade without additional cost.

O. It is further understood the Company will have the ability to have third party businesses operate within the store independently upon mutual agreement between the Company and Union.

P. A premium of fifty cents (\$.50) per hour shall be paid for work performed between 12:00 a.m. and 6:00 a.m. on a regularly assigned shift. This is separate from and in addition to the employee's straight-time hourly rate. When an employee is scheduled to work fifty (50%) percent or more of the scheduled work shift between the hours of 12:00a.m. and 6:00a.m. the employee will receive the fifty cents (\$.50) per hour premium for the entire shift.

Q. 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.

R. No employee will be required to take a polygraph.

S. The 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, polished concrete nightly floor maintenance, shelf conditioning, including the removal of product as needed to perform cleaning activities; returns rejected merchandise to shelf or case; checks prices against shelf or case prices; handles and assembles seasonal merchandise including outdoor plants, Christmas trees; secures change from office, hangs signs, shelf tags, store decorations, unloads trucks, bales cardboard, transports merchandise to fuel kiosks (where they are 18 years of age and PIT certified) and refills D.S.D. Merchandise. Courtesy Clerks are not allowed to stock non-D.S.D. merchandise.

When openings occur for part-time clerks, Courtesy Clerks shall be considered for openings based on ability, availability, seniority and interest in the position. Courtesy Clerks' service shall be considered in determining their rate of pay upon promotion to a part-time or full-time clerk. Time spent as a Courtesy Clerk will count toward attaining eligibility for Health and Welfare in the event of a promotion to a clerk.

The Employer agrees that the expansion of courtesy clerk duties shall not cause any employee hired prior to ratification "date" to experience a reduction of hours solely as a result of the implementation of this language.

The Union Representative will inform the Store Manager and Human Resources in writing of any violations of this section pertaining to Courtesy Clerks and shall result in the following remedy in the particular store where the violation occurs:

First Violation

The Union shall inform the Store Manager and Human Resources in writing.

Second Violation

The Union shall inform the Store Manager and Human Resources in writing and the most senior part-time employee shall be paid three (3) times their regular rate of pay for all hours the courtesy clerk worked that the most senior part-time employee could have worked.

Third Violation

The Union shall inform the Store Manager and Human Resources in writing and the most senior part-time employee shall be paid at four (4) times their regular rate of pay for all hours the courtesy clerk worked that the most senior part-time employee could have worked.

Fourth Violation

The Union shall inform the Store Manager and Human Resources in writing upon the fourth violation and the two (2) most senior courtesy clerks shall be reclassified to part-time. Recognition of their Courtesy Clerk service will be used to determine the rate of pay and to determine eligibility for Health and Welfare.

It is understood that for purposes of this language, each store shall be considered separately and that no violation shall be active after 9 months have passed without a recurrence of a violation.

ARTICLE 11.

SENIORITY

A. Unless otherwise provided, seniority shall be defined as the length of continuous service within a classification at a store covered by this Agreement. Classification seniority shall apply for the purpose of layoffs and rehiring in the store. In the event an employee is transferred within the store from one classification to another, his seniority date in the new classification shall be considered by his length of continuous service within the store bargaining unit. In the matter of promotions within the store, the Employer shall have the right to exercise his final judgment, after giving due regard to seniority, and the ability to perform the work. References in this section to "the store" will be interpreted to include all stores within the city for "full-time" employees. Part-time employees within a classification will be given first consideration for promotion to full-time when a vacancy exists in the store, however, this shall not preclude an employee in another classification from requesting a transfer for such vacancy or a vacancy that might become available in his store. Such requests must be made in writing to the Unit Manager. Part-time employees shall not accumulate seniority over full-time employees. Agreed upon seniority lists shall be established and available to the Union at all times.

For the purpose of this Agreement, the following departments within the Food and Non-Food sections are established:

Food Section:	Front-End Department	1) Checkers 2) Courtesy Clerks
	Grocery Department	
	Produce Department	
	Meat Department	
	Seafood Department	

Non-Food Section:	Drug/GM Department, Bakery Department, Deli Department
-------------------	---

However, it is understood that associates can be assigned and scheduled to work in any department provided they have the ability to perform the work

A-1. In the event of permanent reductions of hours or employees who are about to be permanently laid off, they shall have the right to exercise their seniority in accordance to Article 12 within the store. The Employer shall have the right to exercise his final judgment after giving due regard to seniority, and the ability to perform the work.

In layoffs and recalls, seniority shall apply. There shall be one seniority list for full-time employees and a separate seniority list for part-time employees and separate list for Courtesy Clerks. Full-time seniority shall be defined as a date employee was last classified full-time. Part-time seniority

shall be defined as the length of continuous employment. (Excluding time spent as Courtesy Clerk). Full-time employees shall have seniority over all part-time employees.

A-2. An employee who desires a transfer to another location may request such a transfer in writing to the Division's Human Resources Manager with a copy to his Zone Manager and a copy to the Union. When a vacancy occurs within their classification, the Employer will review, and a decision will be made based on seniority, ability, and consistent with the needs of the business.

B. Seniority shall be considered broken if an employee is justly discharged by the Employer, if the employee voluntarily quits, if the employee has been laid off continuously for a period of more than twelve (12) months or if the employee is called back to work after a layoff and does not report for work within one (1) week.

C. Each week, the Employer will give the Union a list of newly hired employees and employment date.

D. The Union Shop Steward (not alternate Shop Steward) shall be the last employee in his classification to be laid off.

E. Permanent vacancies for the position of Front-end Manager, Produce Manager, Deli/Bakery Manager, Drug/GM Manager, Meat Market Manager, and Grocery Manager will be posted in the store, and Savannah area zone, for a minimum of four (4) days prior to the appointment subject to the provisions of Article 12. Such notice shall be of a uniform size and shall be posted in a prominent location to be seen by all employees.

F. It is the intent of the Company and the Union that employees previously covered by the "Kroger Savannah, Georgia" Agreement should not suffer a loss of wages through the signing of this Agreement. It is also understood; in the event an employee transfers from the "Kroger Savannah, Georgia" Agreement they will not suffer a loss of seniority. In the event an employee who was covered by the "Kroger Savannah, Georgia" Agreement transfers to this store bargaining unit, and then transfers back to Savannah, they will not suffer a loss of seniority providing there is no break in service.

ARTICLE 12.

VACATIONS

A. Once a vacation selection has been agreed to and scheduled, it shall be changed only by mutual agreement between the employee and the Employer, except in cases of emergency beyond the control of the Employer.

B. Full-time employees will be entitled to vacation according to the policy of the Employer, a summary of which is attached to this contract in Schedule "C" except that employees with seven (7) or more years of continuous service shall receive three (3) weeks vacation and full-time employees with fifteen (15) or more years of continuous service shall receive four (4) weeks vacation.

C. A part-time employee will be entitled to vacation under the same general rules as for a full-time employee. Part-time vacation will be figured on the number of straight-time hours worked in the vacation-qualifying year divided by fifty-two (52) weeks. The qualifying date for all vacation purposes

of any part-time employee who subsequently, and without a break in his/her employment, qualifies as a full-time employee shall be the date from which his/her service has been counted for part-time vacation purposes rather than the date he/she qualified as a full-time employee. His/her vacation for the year in which he/she is reclassified to full-time shall be figured on average straight-time hours worked during such year. Conversely, when a full-time employee is reclassified to part-time, her/her vacation for the year in which he/she is classified shall be figured on average straight time worked during such year.

D. Effective with employees hired after April 11, 1989, the following vacation schedule will apply:

1 year of service - 1-week vacation

4 years of service - 2 weeks vacation

10 ears of service - 3 weeks vacation

E. Flexible Vacation: Any 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.

ARTICLE 13.

LEAVE OF ABSENCE

A. 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 fourteen (14) days notice in writing specifying the length of time off, but in no case shall the length of time off exceed one (1) year.

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

C-1. Military Leave: Any employee who enlists or inducted into military service shall be returned to his job and retain his seniority under the provisions of the Federal Selective Training Act.

C-2. Employees full-time or part-time who serve in the National Guard or Military Reserve Units, which require annual training shall be granted the necessary leave without, pay to fulfill the annual training requirements of the unit in which they serve. Such employee shall give the Employer two (2) weeks prior notice.

D. 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.

E. Funeral Leave: In case of a death in the immediate family of an employee who has completed the probationary period of forty-five (45) days, the employee will be paid for a reasonable period of absence, depending on the circumstances, but not to exceed three (3) days, provided the employee attends the funeral. In no case will he receive more than his normal week's pay. Employee's family shall mean spouse, parents, child, brother, sister, father-in-law, mother-in-law, grandparents, grandchildren, stepparents, or any relative residing with the employee.

F. Family Medical Leave: The Employer agrees to comply with the provisions of the Family and Medical Leave Act.

G. Educational Leave: An educational leave of absence may be granted to employees for the purpose of attending college or technical/vocational training for a maximum of six (6) months per leave period. Employees while on Educational Leave must be available to work during educational breaks to maintain their seniority. Employees must provide the Employer documentation verifying their attending college or technical/vocational training. No contributions are required during such an approved leave (Pension, Legal, and Health and Welfare). Documentation shall be provided to the Union upon request. Tuition Reimbursement may be available and offered through the Company. Terms and conditions may change, and it may be discontinued at any time at the sole discretion of the Company. Details will be available with your Store Manager

H. 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 by the Employer and the employee. The length of absence shall be commensurate with the need. Failure to comply with this provision shall result in the complete loss of seniority of the employee involved.

I. Time spent on leave of absence will not be counted as time worked for purposes 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.

J. The Employer shall have the right in connection with sickness where a bona fide question exists, to require the employee to obtain a physical examination from an Employer selected physician at the Employer's expense

ARTICLE 14.

ABSENCE DUE TO JURY DUTY

A. A full-time employee who serves on jury duty shall be paid for time necessarily lost from work provided the employee makes every reasonable effort to be available for work within his or her regular work schedule when not occupied with jury duty. The pay should be the difference between each day's jury fee and the employee's regular rate for time lost from work.

B. In the event any 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 the time involved at his regular rate of pay, straight-time or premium as set forth in Article 10 of this Agreement, less any compensation provided by the court.

ARTICLE 15.

GENERAL

A. The Employer shall display in the store and in a prominent place, the Union Store Card and Decal as furnished by the Union and agrees to surrender the same upon demand from the Union.

B. 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 16.

SEPARABILITY

Nothing contained in this Agreement is intended to violate any Federal or State laws, rules or regulations made pursuant thereto. If any part of this Agreement is construed to be in such violation, then that part shall be null and void, and the parties will negotiate to replace said void part with a valid provision.

ARTICLE 17.

NONDISCRIMINATION

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

ARTICLE 18.

UNION COOPERATION

A. 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. A copy of all rules and regulations will be furnished to the Union.

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

C. The Union agrees to cooperate in correcting inefficiencies of a member, 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 19.

HEALTH AND WELFARE

Contributions

The Employer shall collect the employee contributions via payroll deductions on a pre-tax basis and remit contributions to the fund.

It is understood and agreed that any changes to the Health and Welfare provisions negotiated and agreed upon in the collective bargaining agreement between the Atlanta Division of The Kroger Co. for the South Carolina stores, will also be effective for the collective bargaining agreement between covering the Hilton Head stores.

Such changes include, but are not limited to Employer contribution rates, the method for determining changes to the Employer contribution rates, employee co-premium rates, eligibility for benefits and exclusions from eligibility provisions, healthcare plan design and other language related to Health and Welfare including the effective date of such changes and the effects of national healthcare reform.

It is understood that the trustees of the Carolina-Virginia UFCW and Employers Health Benefit Fund will provide a dental and vision plan of benefits to spouses of eligible Full-Time participants effective January 1, 2015 in accordance with the rules and regulations of the plan. Participants who enroll in such coverage will be subject to a co-premium of \$2.00 per week, which will provide dental and vision benefits to the spouse at the same benefit levels at which the employee is eligible.

Effective January 1, 2014 the following terms and provisions will be in effect for Article 19, Health and Welfare under the Carolina-Virginia UFCW & Employers Health Benefit Fund.

A. Participant definitions and level of coverage options

Effective January 1, 2014 the following definitions shall determine eligibility for Health and Welfare benefits.

1. Full-time participants:

Full-time participants shall be defined as those associates, excluding Courtesy Clerks, Fuel Center Clerks, Starbucks Clerks and high school students, who were paid at least thirty-six (36) hours average per week during the twelve (12) month measurement period.

- a. In determining initial eligibility, it is agreed that Full-time participants will be offered coverage effective the first (1st) of the month following sixty (60) days of employment.
- b. Full-time participants shall be eligible to elect employee and dependent children coverage upon their enrollment. Such coverage will have a stability period of twelve (12) months.
- c. After the first twelve months of coverage, future eligibility and coverage options will be determined each year during the annual open enrollment period, based on the 12 full months preceding that open enrollment period. The coverage options available shall be outlined in the Plan.

2. Affordable Care Act (ACA) Participants:

ACA participants shall be defined as those associates, including Courtesy Clerks, Fuel Center Clerks, Starbucks Clerks and high school students who were paid an average of thirty (30) hours per week but less than thirty-six (36) hours average per week during the twelve (12) month measurement period.

- a. In determining initial eligibility, it is agreed that ACA participants will be offered coverage effective as of the first (1st) of the month following sixty (60) days of employment.
- b. ACA participants shall be eligible to elect employee and dependent children coverage upon their enrollment. Such coverage will have a stability period of twelve (12) months.
- c. After the first twelve months of coverage, future eligibility and coverage options will be determined each year during the annual open enrollment period, based on the 12 full months preceding that open enrollment period. The coverage options available shall be outlined in the Plan.

3. Part-time participants:

Part-time participants shall be defined as those associates, excluding Courtesy Clerks, Fuel Center Clerks, Starbucks Clerks and high school students, who were paid an average of twenty (24) hours per week but less than thirty (30) hours average per week during the twelve (12) month measurement period.

- a. In determining initial eligibility, it is agreed that Part-time participants will be offered coverage effective as of the first (1st) of the second (2nd) month following a twelve

(12) month measurement period that begins on the first day of employment in a position covered by this Agreement.

- b. Part-time participants are eligible for employee-only coverage. Such coverage will have a twelve (12) month stability period.
- c. After the first twelve months of coverage, future eligibility and coverage options will be determined each year during the annual open enrollment period based on the 12 full months preceding that open enrollment period. The coverage options available shall be outlined in the Plan.

B. Measurement and Stability Periods:

The parties hereto acknowledge that because of the ACA, the eligibility rules in the Plan documents will need to be revised effective January 1, 2014. The parties agree that the initial eligibility rules shall be a part of the Plan documents. The parties hereby direct the Trustees to amend the Plan documents to the extent necessary to conform to the requirements of the ACA. The parties hereto further agree that the employer shall be responsible for identifying each classification of employees and that the employer shall also be responsible to provide the Plan's administrator with a monthly report including date of hire and paid hour data which shall be sufficient to enable the administrator to determine the class or classes of benefits for which each employee is eligible.

For associates promoted to positions that would result in ACA participation levels and who have been employed for more than one (1) year, the employer will designate such associates as ACA participants and coverage will be offered no later than the first day of the month following sixty (60) days after the promotion.

For associates promoted to positions that would result in ACA participation levels and who have been employed for less than one (1) year, the employer will designate such associates as ACA participants and coverage will be offered no later than the first day of the month following sixty (60) days after the promotion.

Coverage will be continued for those active associates who are on a Protected Leave of Absence, (qualified military, FMLA, medical), in accordance with the Plan and law.

Further, it is understood between the parties that if the Trustees amend the Plan's Rules and Regulations surrounding the handling of promotions and leaves of absence, that promotions and leaves of absence shall be defined within the parameters outlined below so long as these rules conform to the requirements of the ACA; and if they do not, that the Plan's Rules and Regulations will prevail.

C. Benefit Plans:

Effective January 1, 2014, the following two (2) benefit programs will be in effect. Coverage will be offered during enrollment periods as defined by the Plan. The level of coverage offered, (employee and/or dependent children), will be determined based on the participant's eligibility level as described in Article 19, above.

1. Standard Plan (formerly known as Plan 2):

- a. Effective January 1, 2014, Full-time participants as defined in Article 19, above who were hired on or before August 11, 2013 and who have completed 3 years participation in the Basic Plan will be eligible for coverage in the Standard Plan.
- b. Full-time participants as defined in Article 19, above and who were hired after August 11, 2013 and who have completed five (5) years of participation in the Basic Plan will become eligible for coverage in the Standard Plan.
- c. Full-time participants may choose to enroll in the Standard or the Basic plan during their enrollment period.

2. Basic Plan (formerly known as Plan 3):

- a. Effective January 1, 2014 participants paid twenty-four (24) hours or more per week as defined in Article 191, during the twelve (12) month measurement period and who do not meet the qualifications for the Standard plan will become eligible for coverage in the Basic Plan.
- b. Effective with the auto-enrollment requirement under the Affordable Care Act (ACA), eligible participants who fail to actively enroll in coverage during their enrollment period will be enrolled in the Basic at the employee-only level of coverage.

D. Other eligibility provisions:

- 1. Eligibility for dental, vision, and other ancillary benefits are defined by the Plan Documents.
- 2. Effective January 1, 2014, Spouses of participants will no longer be eligible for coverage under the plan.
- 3. It is understood that the trustees of the Carolina-Virginia UFCW and Employers Health Benefit Fund will provide a dental and vision plan of benefits to spouses of eligible Full-Time participants effective January 1, 2015 in accordance with the rules and regulations of the plan. Participants who enroll in such coverage will be subject to a co-premium of \$2.00 per week, which will provide dental and vision benefits to the spouse at the same benefit levels at which the employee is eligible.

E. Employee Contributions:

Employee Contributions will be made weekly by employees who are eligible and enrolled in coverage as follows:

	2016		2017		2018	
	Standard	Basic	Standard	Basic	Standard	Basic
EE Only	\$10	\$5	\$10	\$5	\$12.50	\$7.50
EE + Child(ren)	\$25	\$20	\$25	\$20	\$27.50	\$22.50

	2019		2020	
	Standard	Basic	Standard	Basic
EE Only	\$12.50	\$7.50	\$12.50	\$7.50
EE + Child(ren)	\$27.50	\$22.50	\$27.50	\$22.50

*Effective 1/1/18 employee co-premiums increase \$2.50 per week for each tier of coverage. The employer will collect the employee contribution via payroll deduction on a pre-tax basis. It is understood that the Employer will retain the employee contributions to help offset the amounts paid by the by the Employer to the Fund. It is understood that only those associates who authorize a deduction for the employee contribution will have coverage in accordance with the law.

F. General

1. On an annual basis, there shall be a participant enrollment procedure and an annual dependent and eligibility audit conducted by the Fund Administrator.
2. The Employer may, upon reasonable notice and at its expense, audit the Fund's enrollment and eligibility data on an annual basis.
3. An employee who waives coverage will be ineligible to re-enroll until the next annual enrollment period, unless there is a qualifying 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.
4. The Employer will make contributions on behalf of employees who have waived coverage.

G. Legal Protection Plan Benefit:

The Bargaining Parties agree to direct the Trustees of the Carolina-Virginia UFCW and Employers Health Benefit Fund to add a legal protection plan benefit proposed by the Union in these negotiations, at a cost to the fund of no more than \$5 per employee per month for the life of the Agreement. The parties agree that, in the event the Trustees consider any Health and Welfare benefit reductions during the term of this agreement, the parties will direct the Trustees to eliminate the legal protection plan benefit before any other benefit reductions are taken. The parties further agree that for purposes of calculating the possible additional Employer contribution of up to 8 percent for year 2010, the total cost to the fund in providing the Legal Protection Plan benefit during this Agreement will be credited back to the Fund's financial reserves.

H. Continuation of Contributions

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

1. In case of a non-work accident, six (6) months contribution following the month in which the employee incurred the accident.
2. In case of illness, six (6) months contribution following the month in which the illness occurs.
3. In case of compensable injury, contribution shall be continued until the South Carolina Industrial Commission makes its' determination.
4. 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.

I. Discontinuation of Contributions

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

1. Layoff or leave of absence of ninety (90) calendar days or more, other than Family Medical Leave, except as otherwise provided below.
2. The employee's ceasing to be an eligible employee due to his/her failure to work an average of thirty-eight (38) hours or more per week for twelve (12) consecutive calendar weeks (456 hours), or in the case of a part-time employee, due to his failure to work an average of fifteen (15) hours or more per week for the twelve (12) consecutive calendar weeks (180 hours), immediately preceding the first of any month. For the purpose of this paragraph, an eligible employee who is on an approved leave of absence of two (2) weeks or on military leave of absence two (2) weeks or less shall be credited with hours he would normally have worked on such week or weeks.
3. The Employer will resume the monthly health and welfare contribution the month following the month in which an employee returns to work following an absence due to illness, injury, or any authorized leave of absence provided for in this Agreement, when contributions have been suspended as provided for under paragraph F above, provided that the employee had been qualified for health and welfare contributions at the time the absence commenced.

ARTICLE 20.

PENSION

The Kroger Co. and UFCW Local Union #204 entered into a Memorandum of Understanding dated December 2011 (the "UFCW/Kroger MOU"), the terms of which are incorporated herein by reference (in their entirety). The UFCW/Kroger MOU establishes all of the terms and conditions of employment as they relate to the provision of retirement benefits provided to eligible employees under this CBA and governs (1) Kroger's participation in, and contributions to, the UFCW Consolidated Pension Fund (the "Fund"), and (2) the benefits provided to employees of Kroger working under this CBA. A copy of the UFCW/Kroger MOU is available upon request.

Employees in the bargaining unit covered by this CBA shall participate in the UFCW Consolidated Pension Fund, subject to the eligibility, vesting and other requirements and in accordance with the plan of benefits ("Plan") of the Fund.

Kroger agrees to provide to the Board of Trustees of the Fund or its designee all information needed in connection with the administration of the Fund, including but not limited to all hours worked, paid, or for which employees are entitled to payment, and total compensation, with respect to all bargaining unit employees. In order to ensure that all employees entitled to participate in the Fund are appropriately reflected in the records of the Fund, Kroger further agrees to the examination of its payroll records by the Board of Trustees of the Fund or its designee.


ARTICLE 21.


EXPIRATION

This Agreement shall continue in effect from March 3, 2019, through March 4, 2023, 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 any anniversary date thereafter of a desire of termination of or changes in this Agreement.


IN WITNESS WHEREOF the said parties have caused duplicate copies hereof to be executed by their duly authorize officers this 10th day of October 2019.

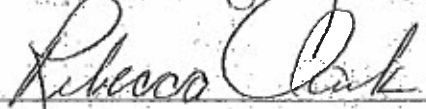
FOR THE UNION:





FOR THE EMPLOYER:





HILTON HEAD

Stores 499, 671 and 703

Department Heads- (Grocery, Produce, Deli, Meat, Front End, Drug/GM)

Total Store Sales (Excluding Fuel)	<u>4/7/2019</u>	<u>3/8/2020</u>	<u>3/7/2021</u>	<u>3/6/2022</u>
\$400,000 - \$600,000	\$20.50	\$20.90	\$21.30	\$21.70
\$600,001 - \$750,000	\$21.20	\$21.60	\$22.00	\$22.40
\$750,001 - \$900,000	\$22.30	\$22.70	\$23.10	\$23.50
\$900,001+	\$23.00	\$23.40	\$23.80	\$24.20

Asst. Dept. Heads (Grocery, Produce, Deli, Meat, Front End, Drug/GM, Lead File Maintenance, Murray's Cheese Master (where appointed), Beer/Wine Lead (where appointed))

Total Store Sales (Excluding Fuel)	<u>4/7/2019</u>	<u>3/8/2020</u>	<u>3/7/2021</u>	<u>3/6/2022</u>
\$400,000 - \$600,000	\$15.45	\$15.70	\$15.95	\$16.20
\$600,001 - \$750,000	\$16.15	\$16.40	\$16.65	\$16.90
\$750,001 - \$900,000	\$17.15	\$17.40	\$17.65	\$17.90
\$900,001+	\$17.95	\$18.20	\$18.45	\$18.70

Leads - Floral, Frozen, Dairy, FT Cake Decorator, Nutrition (where appointed), Seafood, Receiving, Bakery Mgr, Starbucks, Fuel, Grocery Pick-up

Total Store Sales (Excluding Fuel)	<u>4/7/2019</u>	<u>3/8/2020</u>	<u>3/7/2021</u>	<u>3/6/2022</u>
\$400,000 - \$600,000	\$15.05	\$15.30	\$15.55	\$15.80
\$600,001 - \$750,000	\$15.65	\$15.90	\$16.15	\$16.40
\$750,001 - \$900,000	\$16.55	\$16.80	\$17.05	\$17.30
\$900,001+	\$17.45	\$17.70	\$17.95	\$18.20

Chefs

Full Time & Part Time

	<u>4/7/2019</u>	<u>3/8/2020</u>	<u>3/7/2021</u>	<u>3/6/2022</u>
Start	\$14.05	\$14.05	\$14.05	\$14.05
After 12 Months	\$14.35	\$14.35	\$14.35	\$14.35
After 24 Months	\$15.35	\$15.35	\$15.35	\$15.35
After 36 Months	\$15.85	\$15.85	\$15.85	\$15.85
After 48 Months	\$17.75	\$18.00	\$18.25	\$18.50

Front End Customer Service Desk, Front End Accounting Clerk, Administrative Assistant
Premium- 1.00/Per Hour
Training Certification Required
No Sales Requirement

Clerks (Clerk, Cashier, Fuel and includes non-certified Pharmacy Clerk)

Full Time

	<u>4/7/2019</u>	<u>3/8/2020</u>	<u>3/7/2021</u>	<u>3/6/2022</u>
Start	\$10.25	\$10.50	\$10.75	\$11.00
After 6 Months	\$10.60	\$10.85	\$11.10	\$11.35
After 12 Months	\$10.95	\$11.20	\$11.45	\$11.70
After 18 Months	\$11.30	\$11.55	\$11.80	\$12.05
After 24 Months	\$11.65	\$11.90	\$12.15	\$12.40
After 30 Months	\$12.00	\$12.25	\$12.50	\$12.75
After 36 Months	\$12.35	\$12.60	\$12.85	\$13.10
After 42 Months	\$12.70	\$12.95	\$13.20	\$13.45
After 48 Months	\$13.05	\$13.30	\$13.55	\$13.80
After 54 Months	\$13.40	\$13.65	\$13.90	\$14.15
After 60 Months	\$14.10	\$14.40	\$14.70	\$15.00

Clerks (Clerk, Cashier, Fuel and includes non-certified Pharmacy Clerk)

Part Time

	<u>4/7/2019</u>	<u>3/8/2020</u>	<u>3/7/2021</u>	<u>3/6/2022</u>
Start	\$10.25	\$10.50	\$10.75	\$11.00
After 6 Months	\$10.60	\$10.85	\$11.10	\$11.35
After 12 Months	\$10.95	\$11.20	\$11.45	\$11.70
After 18 Months	\$11.30	\$11.55	\$11.80	\$12.05
After 24 Months	\$11.65	\$11.90	\$12.15	\$12.40
After 30 Months	\$12.00	\$12.25	\$12.50	\$12.75
After 36 Months	\$12.35	\$12.60	\$12.85	\$13.10
After 42 Months	\$12.70	\$12.95	\$13.20	\$13.45

Grocery & Drug GM Clerks (Night Stock Only)

Full Time & Part Time

Night Premium- paid on hours worked between 12:00 AM and 6:00 AM (\$0.50/Per Hour)

	<u>4/7/2019</u>	<u>3/8/2020</u>	<u>3/7/2021</u>	<u>3/6/2022</u>
Start	\$11.60	\$11.75	\$12.00	\$12.25
After 6 Months	\$11.90	\$12.15	\$12.45	\$12.70
After 12 Months	\$12.30	\$12.55	\$12.90	\$13.15
After 18 Months	\$12.70	\$12.95	\$13.35	\$13.60
After 24 Months	\$13.10	\$13.35	\$13.80	\$14.05
After 30 Months	\$13.50	\$13.75	\$14.25	\$14.50
After 36 Months	\$13.90	\$14.15	\$14.70	\$14.95
After 42 Months	\$14.30	\$14.55	\$15.15	\$15.40
After 48 Months	\$15.25	\$15.50	\$15.75	\$16.25

Courtesy Clerks

	<u>4/7/2019</u>	<u>3/8/2020</u>	<u>3/7/2021</u>	<u>3/6/2022</u>
Start	\$9.25	\$9.50	\$9.75	\$10.00

Certified Pharmacy Clerks

Full time	<u>4/7/2019</u>	<u>3/8/2020</u>	<u>3/7/2021</u>	<u>3/6/2022</u>
Start	\$12.50	\$12.75	\$13.00	\$13.25
After 6 Months	\$12.85	\$13.05	\$13.30	\$13.55
After 12 Months	\$13.15	\$13.35	\$13.60	\$13.85
After 18 Months	\$13.45	\$13.65	\$13.90	\$14.15
After 24 Months	\$13.75	\$13.95	\$14.20	\$14.45
After 30 Months	\$14.05	\$14.25	\$14.50	\$14.75
After 36 Months	\$14.35	\$14.55	\$14.80	\$15.05
After 42 Months	\$14.65	\$14.85	\$15.10	\$15.35
After 48 Months	\$14.95	\$15.15	\$15.40	\$15.65
After 54 Months	\$15.25	\$15.45	\$15.70	\$15.95
After 60 Months	\$15.55	\$15.75	\$16.00	\$16.25

Certified Pharmacy Clerks

Part Time	<u>4/7/2019</u>	<u>3/8/2020</u>	<u>3/7/2021</u>	<u>3/6/2022</u>
Start	\$12.50	\$12.75	\$13.00	\$13.25
After 6 Months	\$12.85	\$13.05	\$13.30	\$13.55
After 12 Months	\$13.15	\$13.35	\$13.60	\$13.85
After 18 Months	\$13.45	\$13.65	\$13.90	\$14.15
After 24 Months	\$13.75	\$13.95	\$14.20	\$14.45
After 30 Months	\$14.05	\$14.25	\$14.50	\$14.75
After 36 Months	\$14.35	\$14.55	\$14.80	\$15.05
After 42 Months	\$14.65	\$14.85	\$15.10	\$15.35
After 48 Months	\$14.95	\$15.15	\$15.40	\$15.65

Lead Pharmacy Clerk

Premium- 2.00/Per Hour

No Sales Requirement

Must be Full Time status and be a Certified Pharmacy Clerk.

Premium will be paid in addition to the Certified Pharmacy Clerk Scale.

Schedule "A" Wages

Assistant Department Heads

The Employer and Union agree that the Employer will if necessary, appoint more than one Assistant Department Manager in the departments of Produce, Deli, Meat, Grocery, Drug-GM and Front End based upon need. The Employer will consider all potential internal candidates before external candidates. The Employer shall have the right to exercise final judgement, after giving due regard to ability to perform the work and seniority.

Murray's Cheese Shop

Murray's Cheese Shop associates will be considered Deli Department associates and all terms and conditions of employment under the Local 204 Hilton Head agreement shall apply unless specified below. A Murray's Cheese Shop associate's responsibilities will be to perform all tasks associated with the operation of the Murray's Cheese Shop as directed by store management. Murray's Cheese Masters and Murrays Cheese Clerks will be required to successfully complete the Murray's certification training program. Previous proven comparable experience within the food industry or food service will be determined based upon their experience and associates will be placed at the appropriate wage on the wage schedule in accordance with the experience credit language as outlined in the current Local 204 Hilton Head collective bargaining agreement. Once a **Full-time** Murray's Cheese Clerk has completed the Murray's Certification Training their current personal rate will increase to the **42-month rate** and they will continue to progress on the full-time wage schedule specified above. Additionally, once a **Part-time** Murray's Cheese Clerk has completed the Murray's Certification Training their current personal rate will increase to the **24-month rate** and they will continue to progress on the part-time wage schedule specified above. It is agreed that the Employer will determine the need for or replacement of such positions in the store, and will review all requests on file, along with any other qualified candidates, and the selection for such positions will be made based upon ability, seniority, and the needs of the business.

Department Head Bonus

Department Heads will be eligible to receive up to two-thousand dollars (\$2000) bonus for the Kroger fiscal year through the term of this contract. Bonus criteria with objectives, amounts and timelines will be determined and communicated by the Employer. Bonus will be paid to those Department Heads who are actively in the position and who worked during the payout timeframe. Bonus will be prorated based on time served as a Department Head.

Marketplace Stores

It is agreed that the Employer and UFCW 204 will meet to discuss Kroger Marketplace store(s) should the Atlanta Division open any such stores during the term of this contract in the Hilton Head, SC area as defined in the Hilton Head agreement.

Whenever the Employer opens and operates what will be known as a "Marketplace" Store", the following will apply:

Where the Employer deems it necessary, each of the sub-departments (expanded kitchen, home décor/ furniture, soft goods/clothing and expanded toys/baby world) may have one or more Lead positions at the Lead clerk rate.

Where the Employer deems it necessary, a Marketplace store will appoint an additional Scan Coordinator and Receiving Clerk.

When the Employer deems it necessary, it will appoint more than one Assistant Department Manager in any department in the store based upon the needs of the store.

In-Store Hourly Chefs:

In stores with an established chef program, any associate who is classified as an In-Store Hourly Chef will be required to have culinary qualifications and certification from an accredited institution. Associates identified as In-Store Hourly Chefs will be considered a separate classification within the Deli department. Unless otherwise stated, such associates will be covered under the terms and conditions of the current collective bargaining agreement.

Lead Wine Steward:

The Wine Steward will be required to manage the wine area of the store, including ordering product and managing wine inventories and will be considered to be a separate classification within the Standard Grocery Section. The Wine steward must be knowledgeable in wine products, communicate with customers and sell products. Wine Stewards may be required to attend educational events where wine may be served and will be subject to all the guidelines and policies for attendance at such events including but not limited to transportation to and from such events. In addition, Wine Stewards will be required to comply with all Company guidelines and policies surrounding the handling of beer and wine and are not allowed to receive or ask for product from any vendor.

Lead Clerk Positions:

The Employer has the ability to appoint a Lead Nutrition clerk and Wine Steward only in those stores where they deem it necessary.

The Employer has the ability to appoint additional Lead Pickup (Click list) clerks as they deem necessary after giving due regard to seniority and the ability to perform the work.

Market Wages:

The Employer has the ability to raise wage rates in certain stores they deem necessary based upon market conditions upon mutual agreement the Company and the Union.

Hilton Head Summer Hiring Rate:

The Employer may establish a summer wage rate for any Hilton Head store as it deems necessary. The summer wage rate will be established by the employer based upon the area's current market wages. All current and new associates currently less than established summer hiring rate will be paid the rate during the established timeframe. It is understood that this agreement is only for the timeframe as defined by the employer and upon completion of this timeframe all associates will return to their previous contractual wage rate.

SCHEDULE "B"

VACATION POLICY

1. **ELIGIBILITY**

- A. A full-time employee will be eligible for a one-week vacation as of the first anniversary of his/her beginning date of continuous full-time service provided he/she has completed one year of continuous service as of that date.
- B. After qualifying for the first one-week of vacation, a full-time employee who has completed one year of continuous full-time service (but less than four (4) years) prior to January 1 is eligible for one-week of vacation as of January 1.
- C. A full-time employee will become eligible for a second week of vacation as of the fourth anniversary of his/her beginning date of continuous full-time service provided he/she has completed four (4) years of continuous service as of that date.
- D. After qualifying for the first two-week vacation, a full-time employee who has completed four (4) years of continuous full-time service prior to January 1 is eligible for a two-week vacation as of January 1.

2. VACATION PAY

- A. Employees will be paid their straight-time earnings for their basic workweek.
- B. Vacation pay will be paid in advance.

3. GENERAL PROVISIONS

- A. Vacations must be scheduled in the calendar year except that, where necessary, vacations which fall due in the 12th or 13th periods may be carried over to the first period of the next year; no employee shall be given pay in lieu of vacation.
- B. If an employee qualified for a one-week vacation as of January 1 and is due to complete the service necessary for an additional week of vacation later in the year, the employee may take the first week early or wait and take both weeks together.
- C. Choice of vacation dates will be granted on the basis of seniority; except that the Company reserves the right to grant vacations to any employee when their absence will least affect the operation. Employees must choose vacation by March 1; otherwise they forfeit the privilege of choice by seniority.

4. SEPARATIONS

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

5. EFFECT OF ABSENCE LEAVES

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.

6. RETURN FROM MILITARY LEAVE

Vacations for employees with one (1) year or more of continuous service who return to Kroger employment from military leave within ninety (90) days after discharge from the armed services, shall be as follows:

- A. Continuous service as an employee includes time on military leave of absence.
- B. Those who return to Kroger service and thereafter work for ninety (90) days or more before the end of the year are eligible for vacation in that year based on their length of continuous service as defined above.
- C. Those who do not return early enough in the year to be employed ninety (90) days are not eligible for a vacation in that year but are eligible for a vacation in the next calendar year upon completion of ninety (90) days of employment following their return from military leave of absence.

APPENDIX "A"

HOLIDAYS AND SUNDAY WORK

It is the intent of the Company and the Union that through the bargaining Agreement that expired November 14, 1992, the signing of this letter, the previously referred to Sunday work in what was Article 11, B.1 and B.2, and holiday pay as previously described in what was Article 11, H.2., H.3., and H.4., will be grand fathered for employees who were covered by this language. The above referenced Articles state:

Sav-on

B-1. The workweek shall be considered Sunday through Saturday. Time worked on Sunday and holidays shall be paid at time and one-half (1/2) for employees hired prior to July 14, 1985. Employees hired on or after July 14, 1985 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.

All work in excess of forty (40) hours per week shall be paid at time and one half (1 1/2). There will be no pyramiding of premium pay, and any hours paid at premium pay will not be counted in computing overtime.

B-2. Employees hired after April 11, 1989, will be compensated at straight time for hours worked on Sundays and holidays.

H-2. A part-time employee, hired prior to April 11, 1989, with sixty (60) or more days of continuous service who is scheduled to work in a week in which one of the holidays mentioned in Article 11,

paragraph I-1., above the occurs and who reports for work and works as scheduled in such week shall be paid four (4) hours holiday pay for such holiday.

H-3. Three (3) personal holidays will be given to full-time employees hired prior to June 1, 1985, with a year of continuous service at a time mutually agreeable to the employee and the Employer. Employees hired on or after June 1, 1985, who are eligible for personal holidays will follow this schedule:

1 personal holiday after 1 year service

2 personal holidays after 2 years service

3 personal holidays after 3 years service

H-4. Employees hired after April 11, 1989, will become eligible for the five (5) basic holidays named in paragraph I-1. of this Article as of their first anniversary date. These employees will not be eligible for any other holidays listed in the 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.