

**Kroger Limited Partnership I Mid-Atlantic Marketing Area
Best Offer for Settlement
To UFCW Union Local 400
West Virginia Charleston Area Stores
October 22, 2020**

Attached is Kroger Limited Partnership I Mid-Atlantic Marketing Area's ("Kroger's") "Comprehensive Best Offer to Settle." This further-enhanced offer for a successor agreement to the Charleston, West Virginia Area Stores Agreement is part of our best foot forward approach. It must be accepted by the Union in writing, must be fully recommended to the members, and must be ratified on a first vote on or before Wednesday, November 6, 2020 at 5:00 p.m. (EST)

As part of its good faith efforts to secure a new contract with Local 400 for its West Virginia Area retail grocery stores, Kroger has put significant contract improvements on the table—including more than \$20 million in wage increases for our associates. Kroger has done so in connection with its efforts to avoid the multiple uncertainties that come with an unsettled, open agreement.

Despite our best efforts and Kroger's willingness to provide substantial increases and improvements for associates, the parties have been unable to reach a new deal.

Kroger's "Comprehensive Best Offer to Settle" is part of those ongoing efforts to incentivize and secure a new contract promptly, one that will remove the uncertainties and related costs associated with having an open agreement with just seventy-two (72) hours' notice. We prefer to use available resources toward securing a new agreement that directly benefits our associates versus utilizing our resources to prepare fully for a potential work stoppage and to assess what the labor uncertainty may mean for our customers, suppliers, associates, and market share. Kroger, however, cannot delay indefinitely or sit idly by in the face of uncertainty that puts its business interests at risk.

Kroger wants to resolve the successor agreement promptly. Accordingly, the Company is not only willing to continue with prior incentives and offered terms, but also to include additional changes and improvements included in our Comprehensive Best Offer.

These terms must be accepted and ratified by November 6, 2020. If not, Kroger will need to reconsider and adjust its positions, as appropriate, to account for the business uncertainties that have been generated by the parties' continued failure to reach a deal.

The incentives offered do not necessarily account for all of the uncertainties and potential concerns identified above and, as with all of its contract proposals, Kroger reserves the right to modify, add, delete, change, or alter this part or any other proposals when, in the Company's judgment, such modifications are appropriate or warranted. Indeed, as we have agreed, either side may choose to revisit issues or proposals during our negotiations until the parties have reached a final agreement.

The Company remains available to meet and negotiate with the Union at any time between now and November 6, 2020. We hope the Union will accept Kroger's Comprehensive Best Offer and promptly schedule a ratification vote.

Current contract with the following changes:

1. U-1: ARTICLE 3 – SHOP CONDITION – TA

Section 3.1a During the first sixty (60) days of employment, a new employee shall be on a trial basis and may be discharged at the discretion of the Employer.

~~The probationary period may be extended for an additional thirty (30) days for any employee upon agreement between the Union and the Employer.~~

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2. U-3: ARTICLE 5 – DISPUTE PROCEDURE - TA

Section 5.2 Should any differences, disputes, or complaints arise over the interpretation 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 when practical.

Step 1. By conference between the aggrieved employee, the shop steward and the manager of the store.

Step 2. If the grievance is not settled in Step 1, proceed to Step 2 with a conference between an official of the Union and/or grievant and the **designated official for the Employer** ~~District Manager or their designee~~ within fourteen (14) working calendar days. The basic issue will be reduced to writing for the District Manager. A reply to the appropriate party will be given within three calendar (3) days after the above conference is held.

Step 3. If the grievance is not settled in Step 2, proceed to Step 3 with a conference between an official or officials of the Union and the **designated official for the Employer** ~~Division Vice President, a representative of the Division Vice President, or both~~ within fourteen (14) working calendar days.

A reply will be given to the appropriate party within ~~three (3)~~ **five (5)** calendar days after the above conference is held.

Within ten (10) calendar days of the date of the notice to arbitrate, the **charging parties** shall request from the Director of Federal Mediation and Conciliation Service a panel of fifteen (15) arbitrators from which an arbitrator shall be chosen by the alternate striking of names. The decision of the arbitrator shall be final and binding upon all parties. The expenses of the arbitrator shall be shared equally by the Union and the Employer. The arbitrator will render his decision within sixty (60) days of the hearing.

Section 5.8

It is agreed by the Employer that all such grievances, when referred to the ~~Division Vice President~~ **designated official for the Employer**, shall be recognized in writing and the disposition of same shall also be made to the Union in writing.

3. COMPANY- 4: ARTICLE 7 – WORKING CONDITONS

Section 7.4 - TA

Part-time employees, excluding Courtesy Clerks, shall be scheduled and work a minimum of fifteen (15) hours in a week unless the employee absents himself from work ~~or is called in to work or is agreed to in writing between the employee and Employer with a copy sent to the Union. on Friday or Saturday and fifteen (15) hours is not available or the employee is called in to replace another employee who is absent. The purpose of Friday and Saturday call-ins is to meet unexpected needs of the business.~~ Employees will be scheduled or if called in to work, a minimum of **five (5) hours per shift. If the employee chooses to return to the fifteen (15) hour minimum, they may do so by expressing their intent in writing to store management with a copy to the Union.**

2. UNION -2: ARTICLE 7 - WORKING CONDITIONS

Section 7.7 - TA

For employees hired on or after **October 21, 1989** ~~October 9, 1994~~, the following holiday provisions shall apply:

- a) after one (1) year of continuous service, the employee shall be granted three (3) personal holidays
- b) beginning with the third year of continuous service, the employee shall receive four (4) personal holidays
- c) beginning with the fourth year of continuous service, the employee shall receive five (5) personal holidays
- d) personal holidays will be scheduled by seniority and with the approval of Store Management
- e) personal holidays must be taken by November 1st each year or the employee will receive pay in lieu of time off
- f) national holidays as enumerated in Section 7.7 and the personal holiday identified in Section 7.9 shall not apply for employees hired on or after **October 21, 1989** ~~October 9, 1994~~.

Section 7.13 - TA

The Employer agrees to furnish all linens and laundry, and to stand the expense of sharpening tools. The Employer will furnish three (3) uniforms to full-time and part-time regular employees, and two (2) uniforms to part-time employees who choose them. The Employer will replace these uniforms as the needs may arise. ~~Where daeron or similar type uniforms are furnished, such uniforms will be laundered by the employee.~~

One heavy parka with hood will be furnished in each store where employees work in walk-in freezer. ~~Two (2) pairs of rubber boots will be furnished in stores where the meat department uses high pressure water cleaning system.~~ **Outerwear** One (1) or two (2) raincoats will be furnished to stores for employees who are required to perform outside duties. Where meat

department employees are required to work in the meat cooler on blocking, cutting, grinding, and boning, proper clothing will be provided.

In extremely cold or wet weather, employees working ~~on parcel pick-up~~ **outside** will be rotated **at least** every sixty (60) minutes.

Section 7.20 - TA

Any full-time employee who works more than two (2) nights in any one (1) week past ~~6:30~~ **7:00** p.m. shall be paid overtime at the rate of time and one-half (1&1/2) his straight-time hourly rate for all hours worked past ~~6:30~~ **7:00** p.m. on nights other than the first two (2) nights so worked. This will apply only to the nights when the store is open for business. This paragraph will not apply to night stocking employees during hours worked. Night stocking hours are defined as ~~10:00~~ p.m. to ~~6:00~~ a.m.

A night premium of one dollar (\$1.00) per hour shall be paid for work performed between ~~10:00~~ p.m. and ~~7:00~~ a.m. to employees scheduled or called in as part of a night stock crew. When a night stock clerk is scheduled to work fifty percent (50%) or more of the scheduled shift between ~~10:00~~ p.m. and ~~6:00~~ a.m., the employee will receive the night premium for the entire shift.

The Company shall pay the negotiated night premium on all qualifying hours, to include those hours paid at time and one-half. It is understood that the night premium will not be used in the calculation of overtime pay.

Employees other than night stock crew employees who work on a shift between ~~10:00~~ p.m. and ~~6:00~~ a.m. will receive a premium of one dollar (\$1.00) per hour for all hours worked between ~~10:00~~ p.m. and ~~6:00~~ a.m. When a clerk is scheduled to work fifty percent (50%) or more of the scheduled shift between ~~10:00~~ p.m. and ~~6:00~~ a.m., the employee will receive the night premium for the entire shift.

A full-time employee may waive the time and one-half (1&1/2) premium pay for working more than two (2) nights (or three (3) nights as stated below) per week, only if it is agreeable with the employee, the Employer and the Union, provided further that the employee signify these intentions in writing to both the Employer and the Union.

Employees who become full-time after October 8, 1984 who work more than three (3) nights per week past ~~6:30~~ **7:00** p.m. shall be paid overtime at the rate of time and one-half (1&1/2) his straight-time hourly rate for all hours worked past ~~6:30~~ **7:00** p.m. on nights other than the first three (3) nights so worked. This will apply only to the nights when the store is open for business. This paragraph will not apply to night stocking employees during hours worked.

Section 7.27 - TA

In case an employee would lose time from his schedule for a particular week due to an emergency caused by a riot or ~~Act of God~~ **natural disaster**, any arrangement worked out between the Union and the Employer to make up all or part of such lost time shall be valid

under this Agreement. When work is offered to an employee under such agreement, he may accept such work or reject it and lose the time. However, in case of a riot, where a store must be closed and the police order the employees to vacate the store, any employee who has not completed his schedule for that day will be paid for the balance of his schedule for that day.

Section 7.30 - TA

A shop steward shall not be assigned to night stocking except in case of emergency or when no other qualified clerk is available for the job **or in the event the associate expresses interest in the position.**

Section 7.32 - TA

An employee will be assigned to relieve an employee in a classified job, when vacant, ~~except Sunday~~, for three (3) full days, or more in any one (1) week and shall receive the rate of pay for the job relieved during the time of relief. The Employer will qualify a replacement in advance. If for any reason, such qualified replacement is unavailable at the time needed for relief, any dispute over qualification of another employee will be resolved by the ~~District Manager~~ **Company** and Union representative. When more than one (1) employee performs the relief, the senior employee will be paid for all relief hours he/she works, and the junior employee will be paid for the remaining hours up to a maximum of forty (40) hours relief pay for the week. It is the intent that no more than five (5) days of relief will be paid in the week, ~~Monday-Sunday~~ through Saturday when two (2) or more employees conduct the relief. An employee who relieves a department head or classified job for five (5) days or more will receive the higher rate for all hours worked that week. In the event no employee is assigned to do the relief work, the senior employee will be paid the rate for the period of the vacancy.

Section 7.33

~~Proven and comparable retail experience will be granted for new hire employees in determining starting hourly rates of pay. Previous experience must be stated at the time of employment and shown on the application for employment, otherwise the employee forfeits any claim under this provision. Maximum allowable non-Kroger experience credit will be five years. Employees shall receive all previous Kroger experience worked if there is less than a three year break in service.~~

~~Claims of proven comparable retail experience pay rate adjustments must be filed in writing within ninety (90) days from date of employment, otherwise the employee forfeits any claim under this provision. Claims of proven comparable ability pay rate adjustments will be addressed between the Company and the Union.~~

~~When an employee departs this bargaining unit and then later returns, the Employer will use the employee's most recent continuous employment date with Kroger, for determining rates of pay and benefits.~~

4. COMPANY 5: ARTICLE 8 – SENIORITY

Section 8.3 - TA

The Employer shall maintain seniority lists and shall furnish the Union copies of such lists, in electronic format, each ~~six (6) months~~ period. As the result of elimination of seniority area lines, employees that have lost seniority due to the crossing of UFCW Local #400 seniority lines and do not have a break in service with UFCW Local #400, will be given back their original hire date seniority.

Section 8.7 - TA

At the end of each Kroger four (4) week period, a senior part-time employee may request a transfer to another store in the bargaining unit, provided a younger employee in his classification in such store has been working more hours during the four (4) week period. Such request must be made by Wednesday of the week following the four (4) week period, with the transfer effective the following week. An employee requesting such a transfer must be available to work the hours being worked by the ~~younger~~ **less senior** employee. The ~~younger~~ **less senior** employee may in turn replace any part-time employee in the bargaining unit on the same basis or change places with the transferring employee.

Section 8.8 - TA

In case a full-time employee is involuntarily reduced, he shall be entitled to claim up to any eight (8) hour shift of a younger **less senior** employee, full-time or part-time in his store. In case a full-time employee would be laid off or reduced below forty (40) hours for more than one (1) week, he shall have the right to displace a less senior full-time employee in his classification in the bargaining unit. The full-time employee who is thus displaced shall have the right to displace a less senior full-time employee in his classification on the same basis. This will be limited to three (3) bumps. The Union and the Company agree to discuss the possible transfer of effected full-time employees to fill full-time jobs in accordance with the needs of the business in an effort to maintain the employee's full-time status. Effected full-time employees will have the option to bump or transfer.

Section 8.9 - TA

When the Employer contemplates major changes in working conditions which will result in large scale layoffs or ~~large-scale~~ **large-scale** reductions in hours, the Employer agrees to discuss such changes with the Union before putting such changes into effect.

Section 8.10 - TA

Before any voluntary or involuntary reduction of a person holding a department head job or a classified job can take place, the Company will meet with a Union representative in an effort to assist in helping the department head or classified person to maintain their present position. Every reasonable method of helping such person shall be effectuated, including further training. However, any clerk in a back-up, classified or department head position who voluntarily gives up or is removed from that position will not be permitted to ~~bid~~ **sign for a classified position** ~~on the position they vacated~~ for twelve (12) months, **unless a shorter period is mutually agreed to by the parties Union and Employer in writing**. They will also not be able to laterally **sign for a job opening notice bid** ~~to~~ in another department for

twelve (12) months, unless a shorter period is mutually agreed to by the ~~parties~~ **Union and Employer** in writing. After twelve (12) months they will be able to ~~laterally bid into a different job sign for open job postings.~~

Section 8.13 – TA

When an opening for a Head Meat Cutter, Customer Service ~~Manager~~ **Department Head**, Head Deli Clerk, Head Produce Clerk, Head Grocery Clerk, Head Non-Foods Clerk, Head Dairy Clerk, Head Frozen Food Clerk, and Head Night Stock Clerk Position occurs a job opening notice for that Department Head **or Manager** position will be posted in every store within the bargaining unit **and filled in accordance with Section 8.1.** ~~The back-up in that department, who signed the job opening notice, will be awarded the position in accordance with Section 8.1. If no back-up in that department accepts the position, the position will be filled by the clerk who has their request filed in accordance with Section 8.1~~ **If Back-ups with one (1), or more, years in their current role fail to sign the job opening notice for the Department Head position in his home store when it becomes vacant, they will be removed from the Back-up position. If the Back-up has less than one (1) year in their current Back-up position the employee may choose to sign the job opening notice. Should a Back-up with less than one (1) year in their current role choose not to sign the job opening notice, they will not be removed from their current position.** ~~The back-up list will be kept current and sent to the Union office once each period in electronic format. When an opening for a back-up Head Meat Cutter, Customer Service Department Head, Head Produce Clerk, Head Grocery Clerk, Head Non-Foods Clerk, Head Deli Clerk, Head Dairy Clerk, and Head Frozen Food Clerk occurs, a job opening notice for the back-up department head position will be posted in every store within the bargaining unit. These positions will be filled in accordance with Section 8.1. by employees that have signed the appropriate department letter. Department heads displaced as a result of a store closing will be placed on the back-up list for future promotions, by seniority to Department Head positions. Those employees who are awarded these back up positions, will be required to work in the department for which they are performing back-up responsibility, if not already assigned to that department.~~

~~If a back-up fails to bid the department head position in his home store when it becomes vacant, they will be removed from the back-up position.~~

Section 8.14 - TA

It is understood that signing a job opening notice, ~~and/or a job bid~~, is acknowledgment by the employee that if awarded the position, the employee must accept the position.

5. COMPANY 6: ARTICLE 9 – VACATIONS - TA

Section 9.4

Employees with three (3) weeks of vacation may elect to take one (1) week (five (5) days), one day at a time (up to three (3) days in a week). Employees with four (4) or more weeks of vacation may elect to take two (2) weeks ten (10) days, one day at a time (up to three (3) days in a week).

1. The intent must be declared when vacations are selected.
2. The employee must give the Store Manager two (2) ~~weeks notice~~ **weeks' notice.**

3. The day selected must be agreeable to the Store Manager.
4. In a week when a Department Head exercises this option, no more than five (5) days relief will be paid to replace that Department Head.

Night premium pay will be included in the vacation pay for regular night stocking crew employees. Employees must be regular night stocking crew employees at year's end to be eligible. - TA

6. UNION 7: ARTICLE 12 – LEAVE OF ABSENCE - TA

Section 12.2 Leaves of absence because of sickness or injury not to exceed ninety (90) days shall be granted to an employee upon request supported by a physician statement certifying that the employee is unable to work. ~~Effective November 7, 2011, e~~Extensions will be granted up to ninety (90) days at a time for a cumulative total of twelve (12) months, except Worker's Compensation, if requested and granted in writing supported by proper medical evidence prior to each expiration, but sick leaves may be extended for one (1) additional ninety (90) day period if

7. COMPANY 7: ARTICLE 12 – LEAVE OF ABSENCE - TA

Section 12.6

Employees selected for training in the management training program:

1. Will not work more than forty (~~45~~0) hours per week in the store and will punch the clock.
2. Internal candidates who were bargaining unit members will continue to pay dues while in the training program.
3. ~~—Will remain in training program no longer than six (6) months.~~ **Will be permitted to return to the bargaining unit within six (6) months after entrance into the training program.**

~~If a back-up fails to bid the department head position in his home store when it becomes vacant, they will be removed from the back-up position.~~

8. ARTICLE 13 – HEALTH AND WELFARE

See Attachment "A"

9. COMPANY 9: ARTICLE 16 – MISCELLANEOUS - TA

Section 16.5

~~Employees are required to sign their time sheets each week.~~

Section 16.10 - TA

The Employer agrees to encourage participation and include at least one (1) union steward on the Store Safety team.

10. COMPANY 10: ARTICLE 17 – STORE CLOSING - TA

Section 17.5

No benefits shall accrue under the terms of this Article unless the Employer makes a business decision to close or sell the stores. This Article is not applicable if store closings are caused by ~~Aets of God~~ a **natural disaster**. The Employer agrees to provide a reasonable notice of store closings, but in no case less than sixty (60) days notification of said closing.

11. COMPANY 11: ARTICLE 19 – EXPIRATION

Section 19.1

This Agreement shall continue in effect from **August 30, 2020 to February 24, 2024** ~~October 8, 2017 to August 29, 2020~~, 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 of a desire for termination or for changes in this Agreement.

Section 19.2

This contract represents the entire Agreement between the Employer and the Union. All verbal agreements or any other understanding, written or verbal, which is not contained in this contract or attached here to, shall be null and void.

IN WITNESS WHEREOF the said parties have caused duplicate copies hereof to be executed by their duly authorized officers this _____ day of _____, ~~2018~~**2020**.

12. SCHEDULE “A” – WAGES

See Attachment “B”

13. COMPANY 12: MISCELLANEOUS NOTE – SCHEDULE “A” - TA

5. ~~Effective 1/1/95, add a new classification in selected meat departments, titled "Meat Cutter Clerk". The Employer will agree to meet with the Union to discuss which stores have a need for this in the future. Additional stores may be added to this classification in the future. Job opening notices will be sent to all stores in the seniority area to fill these full time jobs by the senior person who signs the bid. The classified position of Meat Cutter Clerk will receive a premium of one dollar (\$1.00) per hour over their regular hourly rate of pay after satisfactory completion of the training program. , the rate of pay for this classification shall be the appropriate full time rate, based upon length of service, plus one dollar (\$1.00) per hour premium.~~

14. COMPANY 13: SCHEDULE “B” FUEL CENTER AGREEMENT - TA

Delete and remove fuel center clerk classification.

15. COMPANY 14: SCHEDULE “C” – PHARMACY TECHNICIAN LETTER – TA

1. Per Miscellaneous Note - Schedule "A", 15. of the collective bargaining agreement, Kroger in consultation with the Union may change the starting or top rate steps of the wage scale at a location(s).
- ~~2. Due to staffing problems with regards to Pharmacy Technicians, temporary starting wage rates will be implemented effective March 3, 2019.~~
- ~~3. Effective March 3, 2019, the applicable language in Schedule "C" Pharmacy Technicians Letter will change to read as attached.~~
- ~~4. All existing Pharmacy Technicians who are currently below this wage rate will be increased to the new minimum and have their date of next increase (DNI) reset.~~
5. ~~Effective March 3, 2019, and in~~ **In** accordance with Miscellaneous Note - Schedule "A" 14., the employer will appoint a lead Pharmacy Technician clerk. This position will receive a premium of ~~fifty cents (\$.50) per hour~~ in addition to their regular rate of pay, **as provided for in "Appendix B", Wages.**
- ~~6. This letter will be in effect until the expiration of the Collective Bargaining Agreement which expires on August 29, 2020.~~

~~Pharmacy Technicians' wages will begin at the rate of ten dollars (\$10.00) per hour.~~
Additional wages per hour worked for individuals assigned as a Pharmacy Technician in training as well as national Board Certified Pharmacy Technicians.

- Pharmacy Technicians required to complete all of the Orientation modules, no more than thirty (30) days from date of hire, as well as register with the West Virginia Board of Pharmacy as a Technician Trainee.
- Pharmacy Technician in training who passes both the Kroger Mid-Atlantic Intermediate Quiz on ACT online, as well as the Kroger Mid-Atlantic Advance Quiz on ACT online, will receive an additional one dollar and twenty-five cents (\$1.25) per hour (additional one dollar and twenty-five cents per hour over personal rate). (Requires completion of both the Intermediate Quiz and Advance Quiz within one hundred and eighty (180) days of hire in order to progress towards West Virginia state law regarding PTCB certification.)
- Upon ratification, for those Pharmacy Technicians in training who have passed the Kroger Mid-Atlantic Intermediate Quiz but not the Kroger Mid-Atlantic Advance Quiz on ACT online, they will receive an additional seventy-five cents (\$0.75) per hour (additional seventy-five cents per hour over personal rate) when the Advance Quiz is complete. (Requires completion of Advanced Quiz within one hundred and eighty (180) days of hire in order to progress towards West Virginia state law regarding PTCB certification.)
- National Board Certified Pharmacy Technician (PTCB) - \$1.00/hr. (additional one dollar per hour over personal rate). (Requires Successful Completion of PTCB within 365 days of hire in order to be compliant with WV state law regarding PTCB certification.) Pharmacy

Technicians are encouraged to take the exam within 210 days from hire date due to the mandatory sixty (60) day waiting period for failed attempts. No extensions will be given beyond the three hundred sixty-five (365) days due to West Virginia state law regarding PTCB certification.

- Maximum total amount additional per hour over personal rate for National Board Certified Pharmacy Technician is \$2.25/hr. (two dollars and twenty-five cents per hour)
- ~~Effective March 3, 2019, and in accordance with Miscellaneous Note – Schedule "A" 14., the employer will appoint a lead Pharmacy Technician clerk. This position will receive a premium of fifty cents (\$.50) per hour in addition to their regular rate of pay.~~

~~Also, with respect to Section 7.33 of the Labor Agreement, experience credit for National Board Certified Pharmacy Technicians will be extended for employment in Board Certified Pharmacy's other than "nationally or regionally recognized chain food stores", or for employment within the medical field at the discretion of the Employer.~~

Should a Pharmacy Technician in training or national Certified Pharmacy Technician voluntarily or involuntarily no longer conduct pharmacy work, then their rate of pay will be changed to the appropriate clerk scale progression rate.

16. SCHEDULE F – LETTER OF UNDERSTANDING PICKUP - TA

Whereas, the parties referenced above being signatories to Collective Bargaining Agreements (CBAs) currently in force recognize that no language exists in said agreements relative to a new retail approach called ‘~~ClickList~~’ **‘Pickup’**, **and;**

Whereas, the parties desire to work together to bring the concept to the Mid-Atlantic Division Stores in such a manner consistent with a good labor-management working relationship, **and;**

Whereas, the parties are empowered between contract negotiation periods to enter into such agreements or understandings that are for the mutual need and benefit of the parties.

Therefore be it RESOLVED, that this document shall serve to enact ~~an trial~~ arrangement in stores represented by UFCW Local 400 in accordance with the following terms:

This Letter of Understanding (LOU) summarizes the key elements associated with the establishment of new retail format known as ‘~~ClickList~~’ **‘Pickup’** and specifically how the ~~trial~~ program will be integrated into the business format within current retail stores. These elements will be in place until such time as the Company discusses new or modified elements with the appropriate Union representatives or the Company elects to discontinue any or all of the same. The summary of the key elements are as follows:

- Current store associates will have the opportunity to apply for available ~~ClickList~~ **‘Pickup’** positions along with other external applicants for the required positions. The current positions include **Pickup** ~~Clerk Order Selector, Customer Attendant,~~ and Leads. The number of positions in any classification will be at the discretion of management based on

order volume and workload, which may vary by store and location.

- Internal applicants for the available positions ~~of Order Selector and Customer Attendant~~ will be considered based upon a review of the applicant's work history/records, relevant aptitudes required for the position, a review of a written application, and an interview by management. Internal candidates will be considered along with external applicants. The candidate(s) will be selected based upon the overall qualifications for the position(s) as defined by the job description for the position.
- The associate(s) selected for the available positions will be assigned to the ~~ClickList~~ **'Pickup'** business format based upon the work schedule as determined by management. It is understood that associates selected for the ~~ClickList~~ **'Pickup'** business format may be utilized for other store work with his/her primary assignment being ~~ClickList~~ **'Pickup'**.
- During this ~~trial period agreement~~, and until otherwise agreed by the parties, associates selected for the ~~ClickList~~ **'Pickup'** business format in the following positions will be compensated the following rates of pay:
 - ~~Order Selector Clerk~~ **Pickup Clerk**..... Clerk Rate
 - ~~Order Attendant Clerk~~..... ~~Clerk Rate~~
 - ~~Order Selector/Attendant~~**Pickup** Lead... \$.50/hour premium for all hours over clerk rate.
- The associate(s) selected for the available positions will be periodically reviewed based upon his/her performance to the required duties, responsibilities and accountabilities, and other criteria as required in the appropriate job description. If it is determined that an associate is not meeting the overall performance expectations for the position, then the associate will be provided feedback regarding areas to be corrected and/or improved. Continued identified issues regarding performance will result in the associate being disqualified from the position. It is understood that behaviors associated with significant misconduct will continue to result in discipline, up to and including termination of employment with the company.
- Benefits, such as paid time off, health care coverage and retirement benefits will be the same as contained in the current Collective Bargaining Agreement.

Micro Pickup Departments

- Promote one (1) Pickup Lead to Micro Pickup Departments under the Charleston, WV CBA that have averaged over twelve (12) orders per day for previous twelve (12) weeks.
- It is understood that if a Micro Pickup Department averages twelve (12) or less orders per day for a rolling twelve (12) weeks, the Pickup Lead role will be removed. The

daily average will be assessed each quarter to determine if the Pickup Department continues to meet the requirements stated above.

The items contained in this LOU have been agreed to by the parties:

AGREED to this _____ day of May, 2016 _____ 2020 by the authorized representatives of the Employer and Union as signatures executed hereto as follows:

17. SIDE LETTERS

See Attachment "C"

18. UNION 10: MISCELLANEOUS NOTES – SCHEDULE "A" - TA

15. Kroger in consultation with the Union may change the starting or top rate steps of the wage scale at a location(s), provided:

- a) All current employees at the location who are below the new rate are increased to the new rate with no reset of their DNI.
 - i. If the minimum wage is raised above starting step, employees will receive the increase with no reset of their DNI.
- b) All current employees at the location who are below such new top rate will be permitted to progress to the new stated top rate.
- e) ~~Experience credit step placement will be applied based upon the starting step in the store for which they are hired.~~
- d) In the event the starting step or top rate is decreased, no employee currently on the payroll or step may be harmed.
- e) The Company will notify the Union of the new starting rate and employees from other stores will be considered for available openings if they apply for transfer.

Department Head	
Weekly Store Sales (No Fuel)	Hourly
\$700,001+	\$1.00
\$500,001 - \$700,000	\$0.50
Department Head Classifications	
Customer Service	
Customer Service Back-Up*	
Dairy	
Deli	
Frozen Food	
Grocery	
Head Meat Cutter	
Night Stock	
Non-Foods	
Produce	
*Customer Service Back-Up is a classified back-up position with it's own payrate. They will be eligible for the same premiums (based on sales volume) as the department heads.	

Lead Clerk A	
No Sales Requirement	Hourly
	\$0.75
Weekly Store Sales (No Fuel)	Hourly
\$700,001+	\$0.95
\$500,001 - \$700,000	\$0.85
Under \$500,000	\$0.75
Lead Clerk A Classification	
File Maintenance Lead	
Starbucks Lead	
Note: Current leads and any future promotions to the lead position shall be placed no lower than Level 3 on the new wage schedule.	

Meat Cutter	
No Sales Requirement	Hourly
Current	\$1.00

Night Premium	
Night Work	Hourly
Current	\$1.00 \$1.25
Paid on all hours worked between 11:00 10:00 PM and 7:00 6:00 AM. If 50% or more of shift is scheduled in between 11:00 10:00 PM and 7:00 6:00 AM, premium will be paid on the entire shift.	

Pharmacy (Rx) Technician Premium	
Tech Level	Hourly
Tech 1 (No Premium)	\$0.00
Tech 2 (Passed ACT Quizzes, No PTCB)	\$1.25
Tech 3 (Has PTCB, Not Passed ACT Quizzes)	\$1.00
Tech 4 (Passed ACT Quizzes, Has PTCB)	\$2.25

Department Back-up	
No Sales Requirement	Hourly
	\$0.75
Weekly Store Sales (No Fuel)	Hourly
\$700,001+	\$1.50
\$500,001 - \$700,000	\$1.00
Under \$500,000	\$0.75
Department Back-up Classifications	
Dairy	
Deli	
Frozen Food	
Grocery	
Meat Cutter	
Non-Foods	
Produce	
Note: Current back-ups and any future promotions to the back-up position shall be placed no lower than Level 4 on the new wage schedule.	

Lead Clerk B	
No Sales Requirement	Hourly
	\$0.50
Weekly Store Sales (No Fuel)	Hourly
\$700,001+	\$0.90
\$500,001 - \$700,000	\$0.70
Under \$500,000	\$0.50
Lead Clerk Classifications	
DSD Lead	
Pick-Up Lead	
Floral Lead	
Fuel Lead	
Liquor Lead*	
Nutrition Lead	
Pharmacy (Rx) Lead	
Seafood Lead	
*Lead Liquor position will be appointed for select locations at the Employer's discretion.	
Note: Current leads and any future promotions to the lead position shall be placed no lower than Level 3 on the new wage schedule.	

Ratification Bonus	
Associate Groups	Sun. Post Ratification
Department Head	\$375 Lump Sum
Back-ups & Leads	\$325 Lump Sum
Full Time - Top Rate	\$275 Lump Sum
Part Time - Top Rate	\$200 Lump Sum
*Full Time and Part Time Clerks must be at the top rate of their scale at the time of ratification in order to qualify for the ratification bonus.	

Schedule "A" Wages

Head Meat Cutter		Current Contract	New CBA			
		2/2/2020	Progression	11/1/2020	2/6/2022	2/5/2023
Payrate		\$19.27	Payrate	\$19.62	\$19.97	\$20.32
Department Heads		Current Contract	New CBA			
Customer Service, Deli, Grocery, Non-Foods, Produce		2/2/2020	Progression	11/1/2020	2/6/2022	2/5/2023
Payrate		\$18.58	Payrate	\$18.93	\$19.28	\$19.63
Head Dairy Clerk		Current Contract	New CBA			
		2/2/2020	Progression	11/1/2020	2/6/2022	2/5/2023
Payrate		\$17.85	Payrate	\$18.20	\$18.55	\$18.90
Head Night Stock & Head Frozen Food		Current Contract	New CBA			
		2/2/2020	Progression	11/1/2020	2/6/2022	2/5/2023
Payrate		\$17.50	Payrate	\$17.85	\$18.20	\$18.55
Customer Service Asst. Department Head		Current Contract	New CBA			
		2/2/2020	Progression	11/1/2020	2/6/2022	2/5/2023
Payrate		\$17.10	Payrate	\$17.45	\$17.80	\$18.15
Red Circled Clerks		Current Contract	New CBA			
		2/2/2020	Progression	11/1/2020	2/6/2022	2/5/2023
	Journeyman (Classified as of 8/19/1987)	\$17.35	Payrate	N/A	N/A	N/A
	Apprentice Meat Cutter (Classified as of 8/19/1987)	\$16.32	Payrate	N/A	N/A	N/A
	FT Clerks @ \$15.25 as of 10/15/2014	\$16.75	Payrate	\$725 LS	\$725 LS	\$725 LS
	PT Clerks @ \$11.15 as of 10/15/2014	\$12.35	Payrate	\$375 LS	\$375 LS	\$375 LS

Full Time Clerks

	Current Contract
	2/2/2020
Start	\$8.75
After 6 Months	\$8.80
After 12 Months	\$8.85
After 18 months	\$8.90
After 24 months	\$8.95
After 30 months	\$9.00
After 36 months	\$9.05
After 42 Months	\$9.10
After 48 Months	\$9.75
After 54 Months	\$10.50
After 60 Months	\$11.00
After 66 Months	\$11.25
After 72 Months	\$15.26

	New CBA		
Progression	11/1/2020	2/6/2022	2/5/2023
Level 1	\$10.00	\$10.50	\$11.00
Level 2	\$11.35	\$11.75	\$12.20
Level 3	\$12.70	\$13.00	\$13.40
Level 4	\$14.30	\$14.65	\$15.00
Red Circled	\$15.56	\$15.86	\$16.16

Wage Rules: Effective 11/1/2020

***All employees under \$9.75 will move to \$10.00 (Level 1)**

***All employees between \$9.75 and \$10.50 will move to \$11.35 (Level 2)**

***All employees at \$11.00 will move to \$12.70 (Level 3)**

***All employees at \$11.25 will be red circled and move to \$15.56 at ratification, then receive \$0.30 increases in year 2 and year 3.**

***All employees at a rate of \$15.26 at the time of ratification will be red circled and will receive \$0.30 increases in year 1, year 2 and year 3.**

***Once an employee transitions to one of the four levels on the new pay scale, they shall be eligible for all applicable increases scheduled for that level for the remainder of the CBA. Associates will not progress to another level unless promoted to full time, a lead or a back-up. All new hires will be placed at level 1.**

On 2/6/2022:

All FT associates on level 1 would move to level 2

Any part time associate at level 1 who gets promoted to FT would move to level 2

So on this date, the floor for FT associates would move to level 2, and level 1 would only have PT associates in it

On 2/5/2023:

All FT associates on level 2 would move to level 3

Any part time associate at level 1 or level 2 who gets promoted to FT would move to level 3

So on this date, the floor for FT associates would move to level 3, and level 1 and level 2 would only have PT associates in it

Part Time Clerks

	Current Contract	
	2/2/2020	
Start	\$8.75	
After 6 Months	\$8.80	
After 12 Months	\$8.85	
After 18 months	\$8.90	
After 24 months	\$8.95	
After 30 months	\$9.00	
After 36 months	\$9.05	
After 42 Months	\$9.10	
After 48 Months	\$9.15	
After 54 Months	\$9.20	
After 60 Months	\$9.25	
After 66 Months	\$9.30	
After 72 Months	\$9.35	
After 84 Months	\$9.40	
After 96 Months	\$12.00	

	New CBA		
Progression	11/1/2020	2/6/2022	2/5/2023
Level 1	\$10.00	\$10.50	\$11.00
Level 2	\$11.35	\$11.75	\$12.20
Red Circled	\$375 LS	\$375 LS	\$12.20

Wage Rules: Effective 11/1/2020

- *All employees under \$9.35 will move to \$10.00 (Level 1)
- *All employees between \$9.35 and \$9.40 will move to \$11.35 (Level 2)
- *All employees with a rate of \$12.00 or higher will be red circled and will receive a lump sum of \$375 in year 1 and year 2 and will move to Level 2 in year 3.
- *Once an employee transitions to one of the four levels on the new pay scale, they shall be eligible for all applicable increases scheduled for that level for the remainder of the CBA. Associates will not progress to another level unless promoted to full time, a lead or a back-up. All new hires will be placed at level 1.

Courtesy Clerks

	Current Contract	
	2/2/2020	
Payrate	\$8.75	

Progression	11/1/2020	2/6/2022	2/5/2023
Payrate	\$9.25	\$9.50	\$9.75

Full Time Clerks (Morgantown Only)

	Current Contract
	2/2/2020
Start	\$8.75
After 6 Months	\$8.80
After 12 Months	\$9.76
After 18 months	\$10.36
After 24 months	\$10.86
After 30 months	\$11.06
After 36 months	\$15.26

	New CBA		
Progression	11/1/2020	2/6/2022	2/5/2023
Level 1	\$10.00	\$10.50	\$11.00
Level 2	\$11.35	\$11.75	\$12.20
Level 3	\$12.70	\$13.00	\$13.40
Level 4	\$14.30	\$14.65	\$15.00
Red Circled	\$15.56	\$15.86	\$16.16

Wage Rules: Effective 11/1/2020

- *All employees under \$9.76 will move to \$10.00 (Level 1)
- *All employees between \$9.76 and \$10.36 will move to \$11.35 (Level 2)
- *All employees at \$10.86 will move to \$12.70 (Level 3)
- *All employees at \$11.06 will be red circled and move to \$15.56 at ratification, then receive \$0.30 increases in year 2 and year 3.
- *All employees at a rate of \$15.26 at the time of ratification will be red circled and will receive \$0.30 increases in year 1, year 2 and year 3.
- *Once an employee transitions to one of the four levels on the new pay scale, they shall be eligible for all applicable increases scheduled for that level for the remainder of the CBA. Associates will not progress to another level unless promoted to full time, a lead or a back-up. All new hires will be placed at level 1.

On 2/6/2022:

All FT associates on level 1 would move to level 2
 Any part time associate at level 1 who gets promoted to FT would move to level 2
 So on this date, the floor for FT associates would move to level 2, and level 1 would only have PT associates in it

On 2/5/2023:

All FT associates on level 2 would move to level 3
 Any part time associate at level 1 or level 2 who gets promoted to FT would move to level 3
 So on this date, the floor for FT associates would move to level 3, and level 1 and level 2 would only have PT associates in it

Part Time Clerks (Morgantown Only)

	Current Contract
	2/2/2020
Start	\$8.75
After 6 Months	\$8.75
After 12 Months	\$8.80
After 18 months	\$8.85
After 24 months	\$8.90
After 30 months	\$8.95
After 36 months	\$9.00
After 42 Months	\$12.00

	New CBA		
Progression	11/1/2020	2/6/2022	2/5/2023
Level 1	\$10.00	\$10.50	\$11.00
Level 2	\$11.35	\$11.75	\$12.20
Red Circled	\$375 LS	\$375 LS	\$12.20

Wage Rules: Effective 11/1/2020

- *All employees under \$8.95 will move to \$10.00 (Level 1)
- *All employees between \$8.95 and \$9.00 will move to \$11.35 (Level 2)
- *All employees with a rate of \$12.00 or higher will be red circled and will receive a lump sum of \$375 in year 1 and year 2 and will move to Level 2 in year 3.
- *Once an employee transitions to one of the four levels on the new pay scale, they shall be eligible for all applicable increases scheduled for that level for the remainder of the CBA. Associates will not progress to another level unless promoted to full time, a lead or a back-up. All new hires will be placed at level 1.

Full Time Rx Techs

	Current Contract 2/2/2020
Start	\$10.00
After 6 Months	\$10.50
After 12 Months	\$11.00
After 18 months	\$11.25
After 24 months	\$15.26

	New CBA		
Progression	11/1/2020	2/6/2022	2/5/2023
Level 1	\$10.00	\$10.50	\$11.00
Level 2	\$11.35	\$11.75	\$12.20
Level 3	\$12.70	\$13.00	\$13.40
Level 4	\$14.30	\$14.65	\$15.00
Red Circled	\$15.56	\$15.86	\$16.16

Wage Rules: Effective 11/1/2020

***All employees under \$11.00 will move to \$11.35 (Level 2)**

***All employees at \$11.00 will move to \$12.70 (Level 3)**

***All employees at \$11.25 will be red circled and move to \$15.56 at ratification, then receive \$0.30 increases in year 2 and year 3.**

***All employees at a rate of \$15.26 at the time of ratification will be red circled and will receive \$0.30 increases in year 1, year 2 and year 3.**

***Once an employee transitions to one of the four levels on the new pay scale, they shall be eligible for all applicable increases scheduled for that level for the remainder of the CBA. Associates will not progress to another level unless promoted to full time, a lead or a back-up. All new hires will be placed at level 1.**

On 2/6/2022:

All FT associates on level 1 would move to level 2

Any part time associate at level 1 who gets promoted to FT would move to level 2

So on this date, the floor for FT associates would move to level 2, and level 1 would only have PT associates in it

On 2/5/2023:

All FT associates on level 2 would move to level 3

Any part time associate at level 1 or level 2 who gets promoted to FT would move to level 3

So on this date, the floor for FT associates would move to level 3, and level 1 and level 2 would only have PT associates in it

Part Time Rx Techs

Current Contract	
2/2/2020	
Start	\$10.00
After 12 Months	\$12.00

New CBA			
Progression	11/1/2020	2/6/2022	2/5/2023
Level 1	\$10.00	\$10.50	\$11.00
Level 2	\$11.35	\$11.75	\$12.20
Red Circled	\$375 LS	\$375 LS	\$12.20

Wage Rules: Effective 11/1/2020

- *All employees at \$10.00 will move to \$11.35 (Level 2)
- *All employees with a rate of \$12.00 or higher will be red circled and will receive a lump sum of \$375 in year 1 and year 2 and will move to Level 2 in year 3.
- *Once an employee transitions to one of the four levels on the new pay scale, they shall be eligible for all applicable increases scheduled for that level for the remainder of the CBA. Associates will not progress to another level unless promoted to full time, a lead or a back-up. All new hires will be placed at level 1.

Company Best Healthcare Offer
October 22, 2020

This document represents an offer for a modification of terms regarding healthcare in the negotiations for a successor agreement to the Kroger Charleston Stores Agreement by and between Mid-Atlantic Division of Kroger Limited Partnership I (“Kroger”) and the United Food and Commercial Workers Local 400 (Union).

Article 13 Health and Welfare:

Section 1.

- The following information summarizes a proposal to modify the healthcare benefits for Kroger employees represented by UFCW Local 400 under the Kroger Mid-Atlantic Division Charleston, WV Area Stores CBA.
- Article 13 and Attachment 1 of the “Kroger Mid-Atlantic Charleston, WV Area Stores” will be modified to encompass these changes following ratification

Section 2. Employee Contributions:

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 full contribution made by the Employer to the Fund.

WEEKLY CONTRIBUTION	With Physical	Without Physical	With Physical	Without Physical	With Physical	Without Physical
Employee Only	\$8.00	\$17.00	\$7.00	\$16.00	\$6.00	\$15.00
Employee + Spouse	\$20.00	\$38.00	\$16.00	\$34.00	\$14.00	\$32.00
Employee + Children	\$18.00	\$27.00	\$14.00	\$23.00	\$12.00	\$21.00
Family	\$22.00	\$40.00	\$18.00	\$36.00	\$16.00	\$34.00
Working Spouse Fee (Weekly)	\$40.00		\$40.00		\$40.00	
WEEKLY CONTRIBUTION: 1/1/2022	Plan 1		Plan 500		Plan 1000	
Employee Only	<u>\$9.00</u>	<u>\$18.00</u>	<u>\$8.00</u>	<u>\$17.00</u>	<u>\$7.00</u>	<u>\$16.00</u>
Employee + Spouse	<u>\$22.00</u>	<u>\$40.00</u>	<u>\$18.00</u>	<u>\$36.00</u>	<u>\$16.00</u>	<u>\$34.00</u>
Employee + Children	<u>\$19.00</u>	<u>\$28.00</u>	<u>\$15.00</u>	<u>\$24.00</u>	<u>\$13.00</u>	<u>\$22.00</u>
Family	<u>\$24.00</u>	<u>\$42.00</u>	<u>\$20.00</u>	<u>\$38.00</u>	<u>\$18.00</u>	<u>\$36.00</u>
Spouse Surcharge*	\$200/mo		\$200/mo		\$200/mo	
WEEKLY CONTRIBUTION: 1/1/2023	Plan 1		Plan 500		Plan 1000	
Employee Only	<u>\$11.00</u>	<u>\$20.00</u>	<u>\$10.00</u>	<u>\$19.00</u>	<u>\$9.00</u>	<u>\$18.00</u>
Employee + Spouse	<u>\$25.00</u>	<u>\$43.00</u>	<u>\$21.00</u>	<u>\$39.00</u>	<u>\$19.00</u>	<u>\$37.00</u>
Employee + Children	<u>\$21.00</u>	<u>\$30.00</u>	<u>\$17.00</u>	<u>\$26.00</u>	<u>\$15.00</u>	<u>\$24.00</u>
Family	<u>\$27.00</u>	<u>\$45.00</u>	<u>\$23.00</u>	<u>\$41.00</u>	<u>\$21.00</u>	<u>\$39.00</u>
Spouse Surcharge*	<u>\$200/mo</u>		<u>\$200/mo</u>		<u>\$200/mo</u>	

*Spouse surcharge may be waived for associate hired before ratification if they provide that they do not have access to any other employer sponsored health care plans.

Language for Spouse Surcharge:

Spousal Coverage and Spouse Surcharge – Effective 1/1/2022, Employees averaging at least thirty-six (36) hours or more per week will be eligible to cover spouses. Qualifying full-time employees hired prior to ratification(insert date) electing to provide Health Plan coverage to a spouse waive their spouse surcharge of \$200 per month (deducted weekly) if they can provide proof that the spouse has no other access to employer sponsored health insurance (spouse employees who are also a part of the bargaining unit will still qualify for the discount). The discount, where applicable, is subject to appropriate proof of marriage.

Section 3. Eligibility:

All employees covered by the CBA will qualify for 2022 benefits coverage in accordance with the eligibility requirements outlined below. Fuel clerks and courtesy clerks would qualify with the same eligibility rules as regular clerks. Eligibility will be determined by years of service and hours worked, not status.

Employee Category	Plan 1	Plan 500	Plan 1000
ALL ASSOCIATES	Effective 1/1/2022: Eligible first of the month following <u>8 years</u> of service. Must average 28 hours per week over 12 months for employee only coverage, 30 hours per week for employee + child(ren) coverage, 36+ hours for employee + spouse or Employee + family coverage	Effective 1/1/2022: Eligible first of the month following <u>5 years</u> of service. Must average 28 hours per week over 12 months for employee only coverage, 30 hours per week for employee + child(ren) coverage, 36+ hours for employee + spouse or Employee + family coverage	Effective 1/1/2022: Eligible first of the month following <u>1 year</u> of service. Must average 28 hours per week over 12 months for employee only coverage, 30 hours per week for employee + child(ren) coverage, 36+ hours for employee + spouse or Employee + family coverage

Note: New hires expected to work 30+ hours per week through their first year of service will be eligible for Employee only, Employee Spouse, Employee Child(ren) and Employee + Family coverage in Plan 1000 on the first of the month following 60 days of service. Voluntary reduction in hours prior to the completion of the first measurement period will discontinue eligibility.

Section 4. Administration:

The claims for participants covered by this CBA will be adjudicated by the carriers selected by the board of trustees. Specifically, ASO arrangements will be adopted for all applicable benefits provided by the health and welfare fund, effective no later than **January 1, 2022**.

Moving forward, Trustees will determine the best option to utilize TPA services.

Section 5. Benefits:

Core Medical Benefits

All benefit vendors will be consolidated by 12/31/2021 provided the consolidation is favorable.

Effective 1/1/2022 the West Virginia group will adopt the following **Pharmacy & Vision changes:**

Plan	Plan 1		Plan 500		Plan 1000	
Rx Plan (KPP)	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Eligibility Requirement	Tied to Medical (KPP Benefit)		Tied to Medical (KPP Benefit)		Tied to Medical (KPP Benefit)	
Days Supply - Retail	30		30		30	
Generic	Greater of \$10 or 10% Max: \$60	Not Covered	Greater of \$10 or 10% Max: \$60	Not Covered	Greater of \$10 or 10% Max: \$60	Not Covered
Preferred Brand	Greater of \$20 or 15% Max: \$80	Not Covered	Greater of \$20 or 15% Max: \$80	Not Covered	Greater of \$20 or 15% Max: \$80	Not Covered
Non - Preferred Brand	Greater of \$40 or 30% Max: \$100	Not Covered	Greater of \$40 or 30% Max: \$100	Not Covered	Greater of \$40 or 30% Max: \$100	Not Covered
Specialty Generic	Greater of \$15 or 10% Max: \$90	Not Covered	Greater of \$15 or 10% Max: \$90	Not Covered	Greater of \$15 or 10% Max: \$90	Not Covered
Specialty Formulary	Greater of \$25 or 15% Max: \$150	Not Covered	Greater of \$25 or 15% Max: \$150	Not Covered	Greater of \$25 or 15% Max: \$150	Not Covered
Specialty Non - Formulary	Greater of \$60 or 30% Max: \$180	Not Covered	Greater of \$60 or 30% Max: \$180	Not Covered	Greater of \$60 or 30% Max: \$180	Not Covered
Days Supply - Mail Order Only	90		90		90	
Generic	Greater of \$20 or 10% Max: \$120	Not Covered	Greater of \$20 or 10% Max: \$120	Not Covered	Greater of \$20 or 10% Max: \$120	Not Covered
Preferred Brand	Greater of \$40 or 15% Max: \$160	Not Covered	Greater of \$40 or 15% Max: \$160	Not Covered	Greater of \$40 or 15% Max: \$160	Not Covered
Non - Preferred Brand	Greater of \$80 or 30% Max: \$200	Not Covered	Greater of \$80 or 30% Max: \$200	Not Covered	Greater of \$80 or 30% Max: \$200	Not Covered

Plan	Plan 1		Plan 500		Plan 1000	
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
VISION PLAN						
Eligibility Requirement	Tied to Medical		Tied to Medical		Tied to Medical	
Spouse / Dependent Care	Yes		Yes		Yes	
Exams (Every 12 Months)	\$10 Copay	Up to \$46 Allowance	\$10 Copay	Up to \$46 Allowance	\$10 Copay	Up to \$46 Allowance
Frames (Every 24 Months)	\$120 Allowance	Up to \$45 Allowance	\$120 Allowance	Up to \$45 Allowance	\$120 Allowance	Up to \$45 Allowance
Lenses (Every 12 Months)	Covered 100%	Up to \$125 Allowance	Covered 100%	Up to \$125 Allowance	Covered 100%	Up to \$125 Allowance
Contact Lenses (Every 12 Months)						
-- Medically Necessary	Covered 100%	Up to \$210 Allowance	Covered 100%	Up to \$210 Allowance	Covered 100%	Up to \$210 Allowance
-- Not Medically Necessary	\$120 Allowance	Up to \$105 Allowance	\$120 Allowance	Up to \$105 Allowance	\$120 Allowance	Up to \$105 Allowance
Children Under 19	Lenses covered 100%. \$120 allowance for frames, then fund pays 80% coins	\$125 allowance for lenses. \$45 allowance for frames.	Lenses covered 100%. \$120 allowance for frames, then fund pays 80% coins	\$125 allowance for lenses. \$45 allowance for frames.	Lenses covered 100%. \$120 allowance for frames, then fund pays 80% coins	\$125 allowance for lenses. \$45 allowance for frames.

Section 6. Funding (Proposed Method and Language)

Employer Contributions/Funding - The Employer shall continue a “Pass-Through funding” arrangement upon ratification. This means the Fund will pay claims and cover related expenses, sending a regularly scheduled invoice to Kroger Accounting Services. Kroger will remit payment within five (5) days of receipt, unless there is a documented dispute; in such case, Kroger will remit payment of the undisputed amount timely. The Employer agrees to pay to the Fund its portion of plan costs for its covered participants for the term of this agreement and for any extended period of time beyond the term, if such extension is needed and agreed to by the Employer and Union. If either party cancels the extension, Employer agrees to pay to the Fund the plan costs incurred through the end of the month in which the extension agreement is cancelled. Employer will only pay the plan costs incurred on or before the end of the month in which the extension agreement was cancelled. Or, the parties may agree to modify the plan of benefits in order to continue uninterrupted benefits until such time a new agreement is reached.

In addition to the pass-through funding method for funding benefits and administrative expenses, specific to Kroger Associates, through the Fund above, Kroger agrees to contribute such amounts so that, on an ongoing basis, the Fund Office will maintain a cash reserve of \$500,000 at all times during this Agreement. The reserves shall not be used to pay claims on non-Kroger fund participants. The Fund Office will request that all ASO and benefit carriers modify their administrative procedures to provide the fund with adequate time to invoice Kroger for claims and receive payment from Kroger.

Each year the Fund Consultant will calculate the average claim cost per enrolled per month (PEPM) based on the experience pool. These costs will include dental, vision, medical, life insurance, and sick pay. Beginning in 2021, the annual PEPM cost shall not increase by more than 10% (effective 2023, the ceiling will be 8%). If PEPM claim costs increase by more than 10% (8% in 2023), the Trustees are required to make changes to the Plan for the following year that are equal to the amount that exceeded the 10% (8% in 2023) ceiling. This measurement will be done using the twelve (12) months ending on July 31 each year. This information will be presented to the trustees no later than September 15 so that appropriate steps can become effective on January 1.

For example:

2020 PEPM cost = \$800
2021 PEPM cost = \$891
2021 Max PEPM cost with 10% = \$880

Trustees must reduce Employer cost PEPM by \$11 PEPM. Trustees could increase employee contributions by \$2.54 per week in 2022 or make changes including but not limited to benefits and eligibility.

Employer "penny contributions" shall be made for all qualifying associates on the Employer's active payroll as of the first pay period of each month. Employer "penny contributions" for variable hour employees will be made in accordance with a twelve (12) month measurement and stability period.

At the expiration of this Agreement, the parties may elect to utilize the Maintenance of Reserve funding methodology, then Employer and the UFCW will bargain a contribution rate that will fund the plan of benefits that will be in place for the new agreement and the required reserves equal to IBNR of Employer's claims and administrative expenses. The Fund Consultant will identify the appropriate trend and a contribution rate needed to fund the plan of benefits and the required IBNR of Employer's claims and administrative expenses and Employer shall pay such rate adjusted by the Consultant.

In the event, during the term of this agreement, UFCW and Employer negotiate an alternative method on the funding of reversion, the parties may adopt by mutual agreement.

In order to facilitate the proper functioning of the Fund, and to insure that expenses are being paid for all covered participants in accordance with the provisions of the bargaining agreement, the Employer hereby agrees to the necessary examination of those records, appropriate to the functioning of the Fund and as deemed necessary by a certified public accountant, or by any other qualified party to be mutually agreed to by the trustees.

In addition, the Employer may, upon reasonable notice and at its expense, audit the Fund's enrollment, eligibility data records and expenses for its covered participants on an annual basis.

A separate accounting of Employer income and expenses, in the Fund shall be established and maintained by the Fund Administrator.

The Employer will sponsor and retain liability for the costs of the prescription drug benefit for active employees. Additionally, the Employer will remain responsible for the administration of the prescription drug benefits.

Pension Proposal

The Employer and the Union entered into a Memorandum of Understanding effective July 1, 2020 (the "Pension MOU"), the terms of which are incorporated herein by reference in their entirety. The Pension 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 Agreement. Among other things, the Pension MOU provides that, subject to the terms and conditions contained in the Pension MOU, the Employer will cease to have any obligation to contribute to the UFCW International Union - Industry Pension Fund (the "National Fund") for any periods of employment after June 30, 2020. Beginning July 1, 2020, employees in the bargaining unit covered by this Agreement will participate in, and receive retirement benefits through, the UFCW International Union – Industry Variable Annuity Pension Plan (the "VAPP"), and the Company shall be obligated to contribute to the VAPP, each in accordance with, and subject to, the terms and conditions of the Pension MOU. The employees' participation in the VAPP shall be subject to the eligibility, vesting and other terms and conditions of the VAPP's governing documents and the Pension MOU.

~~The Employer shall pay into a jointly administered Employer Union Fund entitled "the United Food and Commercial Workers Union and Industry and Pension Fund" such amounts as specified below for each hour worked by each employee covered by this Agreement except as provided in Section 12.5. There shall be no contribution required for the first year of service. Hours shall include all hours worked and any holiday or vacation hours for which the employee is paid straight time pay under this Agreement, not to exceed forty (40) hours per week. The first contribution under this section shall be due and payable by the twentieth (20th) day of the month following initial eligibility.~~

~~Effective December 1, 2017 employees hired before December 11, 2003 shall receive a pension contribution in the amount of ninety cents (\$0.90) per hour. It is understood by the Union and the Employer the pension benefit (Unit Benefit Value) for this group of employees will not be increased or decreased during the term of this Agreement.~~

~~Effective December 1, 2017, employees hired between December 11, 2003 and November 8, 2006 shall receive a pension contribution in the amount of thirty and eight tenths cents (\$0.308) per hour.~~

~~Effective December 1, 2017, employees hired on/or after November 8, 2006 when eligible for a pension contribution, such contribution shall be in the amount of twenty five and eight tenths cents (\$0.258) per hour.~~

~~Effective December 1, 2017, Courtesy Clerks and Fuel Center Clerks with one (1) year of continuous service will have a pension contribution in the amount of twenty five and eight tenths cents (\$0.258) per hour worked, not to exceed forty (40) hours per week.~~

~~If during the term of this agreement, the National Pension Fund Trustees make the decision to reset the AUCR, and such reset requires a contribution increase to maintain the benefit level that was in effect on October 8, 2017 and the Trustees further determine that such contribution increase must be made prior to the expiration of this agreement in order to avoid a decrease in benefits, then the Employer agrees that the contribution rates shall be increased in an amount needed to maintain the benefit level in effect October 8, 2017 for the remaining term of the contract which expires August 29, 2020.~~