

LABOR AGREEMENT

between

**The Kroger Texas Limited Partnership,
Dallas Keller Distribution Center
(Kroger)**

and

**UNITED FOOD AND COMMERCIAL WORKERS
LOCAL NO. 540**

**EFFECTIVE
October 14th, 2024 –November 9th, 2029**

Article 1 -- INTENT AND PURPOSE

It is the intent and purpose of the parties to this agreement to promote and improve all industrial and economic relations between the Company and the employees covered by this Agreement and to set forth the basic agreement covering rates of pay, hours of work, and work conditions of employment to be observed. Any reference in this Agreement which refers to gender is intended by the parties to mean either gender.

Article 2—RECOGNITION AND BARGAINING RIGHTS

The Union is recognized as the sole agency for the purpose of collective bargaining for all production employees working in the Kroger Texas LP (Dallas Meat Plant), excluding employees of all other warehouse departments, all meat inspectors, all maintenance employees, office clerical employees, quality assurance clerks, yield clerk, receiving cleric, and accounting clerk, professional and technical employees, guards, watchmen, and all supervisors as defined in the Act, as amended and any other employees covered by subsisting collective agreements.

Article 3 —MANAGEMENT RIGHTS

All management rights, functions, privileges, and authority that were possessed by the Company prior to entering into this Agreement will continue to be possessed by the Company during this Agreement, excepting only such as are specifically relinquished or modified by this Agreement. Such rights shall include but not be limited to:

- a. reprimand, suspend, discharge or otherwise discipline employees for just cause;
- b. hire, promote, retire, demote, transfer, assign, layoff and recall employees to work;
- c. judge the employee's skill, ability, efficiency and qualifications;
- d. determine the starting and quitting times on shifts to be worked;
- e. maintain the efficiency of employees, and regulate the use of equipment and other property of the Employer;
- f. close down or expand the operation or any part thereof and reduce, alter, combine, transfer, or cease any department operation or service;
- g. determine the number, size, location and operation of facilities and divisions, groups and departments thereof;
- h. sub-contract, determine the services to be rendered, bought or sold; provided however, that the Company will not subcontract out work for the sole purpose of reducing the bargaining unit work force;
- i. determine the assignment of work and the size and composition of the work force;
- j. make, change, and enforce rules, policies, and practices not in conflict with the

provisions of this Agreement;

- k. establish quality standards;
- l. introduce technological changes, new improved or modified services, methods, techniques, and equipment, establish new jobs and otherwise generally manage the operation and direct and supervise the work force.

The Company's failure to exercise any rights, prerogative, or function hereby reserved to it, or the Company's exercise of any such right, prerogative, or function in a particular way, shall not be considered a waiver of the Company's right to exercise such right, prerogative, or function or preclude it from exercising the same in some other way not in conflict with the express provision of this Agreement.

The Company and the Union, each having had full opportunity to discuss and bargain over the inclusion of every management right specified in this Article, agree that in any arbitration, administrative or court proceeding, the arbitrator, administrative body or judge shall give full effect and recognition to each management right agreed upon herein.

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. The Company will provide the Union with relevant requested information within a reasonable period of time. Such information request shall not delay implementation of such methods.

Article 4 –AUTHORIZED DUES DEDUCTION

The Company shall deduct for each employee who shall authorize it in writing on an appropriate form submitted by the Union for a period of the Agreement is in effect and so long as such authorization shall remain in force, from the weekly pay of such employee, Union dues or Union representation fees for the current week. Employees who have authorized such deductions and who are not at work in any week shall have their Union dues or representation fees deduction made in the next payroll week worked. Deductions for newly hired employees will be made in the first (1st) payroll week following receipt of the payroll deduction authorization. The initiation fee of the Union shall be deducted by the Company, if due and owing, and authorized as aforesaid, in the same manner as the dues or representation fees. Both initiation fee and the weekly Union dues or representation fees shall be remitted on a monthly basis by the Company to a duly designated officer of Union. The Union shall advise the Company in writing of the name of such officer. This authorization shall take effect as of the date hereof and shall continue in effect for successive one (1) year periods or until the termination of this Agreement.

Upon written request by the employee on a proper form submitted by the Union, the company shall deduct Active Ballot Club (ABC) contributions and remit same promptly to the Union.

The Union shall indemnify and hold the Company harmless from any claims, suits, judgments, attachments, and from any other form of liability as a result of making any deductions in accordance with the foregoing section of this Article.

In the interest of promoting cooperative relations, the Employer agrees to introduce new employees to the Union Steward during working hours and shall give the Union Steward or Business Representative reasonable time to explain the Union Contract, answer questions, and may request the new employee to join the Union.

Article 5 –UNION SECURITY

All present employees who are members of the local Union on the effective date of this agreement or on the date of execution of this Agreement, whichever is later, shall remain members of the Local Union in good standing as a condition of employment. All Present employees who are not members of the Local Union and all employees who are hired hereafter shall become and remain members in good standing of the Local Union as a condition of employment on and after the ninetieth (90th) day following the beginning of their employment or on and after the ninetieth (90th) day following the date of the execution of this Agreement, whichever is later. This provision shall be made and become effective as of such time as it may be made and become effective under the provisions of the National Labor Relations Act, as amended, but not retroactively.

No provision of this Article shall apply while prohibited by State Law. If under applicable State Law additional requirements must be met before any such provisions may become effective, such additional requirements shall first be met.

If any provision of the Article is invalid under State Law, such provision shall be modified to comply with the requirements of State Law or shall be negotiated for the purpose of adequate replacement. If such negotiations shall not result in mutually satisfactory agreement, either party shall be permitted all legal or economic recourse.

To the extent such amendments may become permissible under Federal and/or State Law during the life of this Agreement, all the provisions of this Article for greater Union security that would then be permissible shall apply.

Nothing contained in this Article shall be construed so as to require the Company to violate any applicable law.

A new employee shall work under the provisions of this Agreement but shall be employed only on a Forty-Five (45) worked day trial basis, during which period he may be discharged without further recourse; provided, however, that the Company may not discharge or discipline for the purpose of evading this Agreement or discriminating against Union members. After Forty-Five (45) days, an employee shall be placed on the regular seniority list, or the VAR list with their seniority date being their most recent date of hire.

Article 6 –HOURS OF WORK

The basic work week for all full-time employees on the seniority list with more than thirty (30) days continuous service shall be forty (40) hours to be worked in five (5) eight (8) hour days not necessarily consecutive.

In a regular (non-holiday) work week all full-time employees on the schedule will be scheduled no less than forty (40) hours. Once so scheduled, a full-time employee shall be guaranteed forty (40) hours of work or pay at straight time rates provided he reports to work as scheduled. Such guarantee shall not apply due to circumstances beyond the control of the employer such as: employee infraction of Company rules, lateness, absenteeism, partial or complete shutdown resulting from fire, flood, work stoppage, equipment failure, national emergency, or acts of God.

In a holiday week, the guarantee may be accomplished in four (4) eight (8) hour days.

In holiday week, any holiday pay received by an employee shall not increase the guarantee above.

Any employee who reports for work, without previous notification not to report for work, shall be scheduled a minimum of four (4) hours work or pay in lieu thereof.

All work in excess of eight (8) hours in anyone (1) day or in excess of forty (40) hours in any one (1) week, shall be paid at time and one half (1 1/2). Time and one half (1 ½) shall be paid for work on the sixth (6th) and seventh (7th) day worked in any work week. Overtime shall be figured on a daily or weekly basis, whichever is greater, but not on both. There shall be no pyramiding or overtime. The Employer reserves the right to work employees at straight time rate before time and one-half.

The work week shall begin at 12:01 a.m., on Sunday and shall end at 12:00 midnight on the following Saturday.

When an employee works overtime immediately after the end of his/her scheduled shift, he/she will be allowed to take a fifteen-minute paid rest period after he/she has completed two (2) hours of overtime and shall be entitled to further paid fifteen (15) minute rest periods after completing each two (2) hours of overtime work.

It is mutually agreed and understood that work assignments shall be under the sole direction and control of the Company.

There will be a minimum of eight (8) hours between work shifts unless otherwise mutually agreed upon between the employee and the Company.

In so far as possible, the Company will notify employees the day prior to a change in schedule except to replace absent or late employees.

Employees **will be required to take** a thirty (30) **unpaid** minute lunch period each workday on the employee's own time. **The scheduling of such lunch period shall rest with the employer**

Article 7 –WAGES

New full-time employees will be paid a minimum of **ninety percent (90%) of the full-time rate** during their probationary period.

Wages will go into effect within two (2) weeks from the date of ratification, and on the closest Sunday to each anniversary **date of the contract in subsequent** years:

| | 2024 | 2025 | 2026 | 2027 | 2028 |
|------------------------|----------------|----------------------|----------------------|----------------------|----------------|
| Product Handler | \$24.27 | \$25.02 March | \$26.52 March | \$27.97 March | \$29.47 |
| | | \$25.77 Sept. | \$27.27 Sept | \$28.67 Sept. | |

Article 8 –DISCHARGE AND SUSPENSION

The Company will not discharge or suspend any employee without just cause. Discharge, suspension or any other disciplinary action must be by proper notice **within fourteen (14) days of management knowledge of in the incident(s)** to the employee and the Union affected. Appeal from discharge, suspension or other disciplinary action must be taken within five (5) days by written notice and a decision reached within ten (10) working days from the date of discharge or suspension.

The Company has the right to establish reasonable work rules and regulations, not in conflict with the labor agreement, and to discipline employees for violation of these rules. It is understood, however, such discipline is subject to the just cause provisions of this Agreement.

Violations on the part of an employee of the rules and regulations of the Company, or violations of the rules and regulations provided by municipal, state, or federal law or authority, or any employee's carelessness, shall be considered cause for disciplinary action. However, no warning notice is necessary prior to discharge or suspension for: dishonesty; or being under the influence of alcohol or addiction to the use of drugs such as LSD, marijuana, heroin, cocaine, etc. which may be verified by a sobriety test or drug test (refusal to take a blood alcohol sobriety test or drug test shall establish a presumption of being under such influence); or carrying unauthorized passengers; or participating in an unauthorized work stoppage; or participating in sabotage; or failure to report any accident that the employee is aware of; or carelessness resulting in a reportable accident.

Discharge must be by proper written notice to the employee and the Union. Any employee may request an investigation as to his/her discharge or suspension. Should such investigation prove that an injustice has been done to an employee, the employee shall be reinstated and shall receive full, partial, or no compensations for the period he/she was out of work. A request by an employee for an investigation as to his/her discharge or suspension must be made by written request within five (5) working days from the date of discharge or suspension.

For the first twelve (12) months of operation, warning notices will stay active for twelve months. After that time, written warning notice shall have no effect after six (6) months, or twelve (12) months for safety related offenses, however, this section shall not apply to the employees' "Absentee and Tardiness Policy"

Article 9 –HOLIDAYS

Full-time employees who have completed their probationary period shall be entitled to the following holidays:

| Employees with less than one (1) year of continuous service | Employees with one (1) year of continuous service, but less than three (3) | Employees with three (3) years of continuous service, but less than eight (8) | Employees with eight (8) years or more of continuous service |
|---|--|---|--|
| Thanksgiving | Memorial Day | Memorial Day | Memorial Day |
| New Year's Day | Labor Day | Labor Day | Labor Day |
| Christmas Day | Christmas Day | Christmas Day | Christmas Day |
| | New Year's Day | New Year's Day | New Year's Day |
| | July 4 th | July 4 th | July 4 th |
| | Thanksgiving | Thanksgiving | Thanksgiving |
| | | (2) personal days | (3) personal days |

Holiday Pay

Hours paid for, but not worked in a holiday work week or work week will be counted as worked for the purpose of computing weekly overtime.

Overtime at the rate of one and a half times (1 ½) the employee’s regular hourly rate of pay shall be paid for all hours worked on the employee’s scheduled day off, provided the Employer elects to offer the work to the employee and further provided the employee works the week as scheduled.

The basic work week for all full-time employees on the seniority list with more than thirty (30) days continuous service shall be forty (40) hours to be worked in five (5) eight (8) hour days not necessarily consecutive.

In a regular (non-holiday) work week all full-time employees on the schedule will be scheduled no less than forty (40) hours. Once so scheduled, a full-time employee shall be guaranteed forty (40) hours of work or pay at straight time rates provided he reports to work as scheduled. Such guarantee shall not apply due to circumstances beyond the control of the employer such as: employee infraction of Company rules, lateness, absenteeism, partial or complete shutdown resulting from fire, flood, work stoppage, equipment failure, national emergency, or acts of God.

Any employee who reports for work, without previous notification not to report for work, shall be scheduled a minimum of four (4) hours work or pay in lieu thereof.

All work in excess of eight (8) hours in any one (1) day or in excess of forty (40) hours in any one (1) week,

shall be paid at time and one half (1 1/2). Time and one half (1 1/2) shall be paid for work on the sixth (6th) and seventh (7th) day worked in any work week. Overtime shall be figured on a daily or weekly basis, whichever is greater, but not on both. There shall be no pyramiding or overtime. The Employer reserves the right to work employees at straight time rate before time and one-half.

The work week shall begin at 12:01a.m., on Sunday and shall end at 12:00 midnight on the following Saturday. When an employee works overtime immediately after the end of his/her scheduled shift, he/she will be allowed to take a fifteen-minute paid rest period after he/she has completed two (2) hours of overtime and shall be entitled to further paid 15-minute rest periods after completing each two (2) hours of overtime work.

It is mutually agreed and understood that work assignments shall be under the sole direction and control of the Company.

There will be a minimum of eight (8) hours between work shifts unless otherwise mutually agreed upon between the employee and the Company.

In so far as possible, the Company will notify employees the day prior to a change in schedule except to replace absent or late employees.

Employees shall be allowed a thirty (30) minute lunch period each workday on the employee's own time.

Work performed on a holiday shall be offered by seniority within the shift and department where the work is to be performed, provided that the employee immediately possesses the skills, ability, knowledge, competence and qualifications necessary to perform the work in question. The only exception to this will be the night shift will observe New Year's Eve instead of New Year's Day.

Article 10—LEAVE OF ABSENCE

Seniority employees may be granted a leave of absence for the following reasons: Pregnancy
Sickness Death in the family (Spouse, child, father, mother, brother, sister, grandmother,
grandfather, grandchildren). Military draft or military service reserve duty Union business Family
Medical Leave Act

A leave of absence because of sickness, pregnancy or injury may be granted to any employee not to exceed thirty (30) days upon written request supported by medical evidence. Extensions of thirty (30) days (not to exceed one (1) year total) may be granted upon written request supported by proper medical evidence prior to each extension.

Seniority rights shall not be broken when an employee is on leave of absence. However, if any employee while on a leave of absence accepts any other job or goes into business for himself, he automatically terminates his employment and loses all rights with the Company.

The Company may grant a personal leave of absence for a period not to exceed three (3) consecutive weeks to an employee with six (6) months or more of continuous seniority, but not to accept any other employment.

A military leave of absence will be granted to an employee who is called into service under the Selective Service Act and to employees while on military reserve duty ordered by the President or Governor for annual encampment, cruise, or for National, State, or local emergencies.

The Company agrees that members of the Union shall be given time off without pay in order to take care of local Union business activities such as conventions, negotiations, and in the settlement of grievances. It is further agreed that any member of the local Union employed by the Company who is elected or appointed to a full-time job in the Union shall be granted a leave of absence. Such leave not to exceed one (!) year. There shall be no more than two (2) people on such leave at any one time.

Article 11 -- PROTECTION OF RIGHTS

It shall not be a violation of this Agreement and it shall not be cause for discharge or disciplinary action if any employee or employees refuse to go through or to work behind the picket line authorized by a local Union. However, it is understood the Company shall have seventy-two (72) hours written notice after picketing commences of the Union's intention to authorize such picket line.

Article 12—VACATION

Annually, associates will earn/accrue vacation time based on their years of service during the current year, from January 1 through December 31, by working as an active associate.

| <u>Years of Continuous Service</u> | <u>Vacation Benefits</u> |
|------------------------------------|--------------------------|
| One (1) years | One (1) week |
| Three (3) years | Three (3) weeks |
| Fifteen (15) years | Four (4) weeks |
| Twenty-five (25) years | Five (5) weeks |

Vacation Pay

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

Employees may receive their vacation check in advance upon request but may not cancel vacation after it is issued.

All unused 2021 vacation time will be paid out in January of 2022, moving forward any unused vacation at the end of the calendar year may be paid out by mutual agreement.

Leave of Absence and Impact on Vacation Vesting

For an associate must work at least one scheduled day in a given calendar month to earn/accrue vacation for that month. If there are no days worked in a given calendar month, the associate will not receive the incremental vacation days otherwise awarded for that month. Once vacation is scheduled, it will not be changed unless mutually agreed between the Company and the employee.

Employees shall not be given pay in lieu of vacation unless mutually agreed between the Union, the employee, and the Company.

All employees who have at least 1 week of vacation can use two (2) weeks of vacation in daily increments with the remainder taken in full week increments only.

Choice of vacation dates will be granted on the basis of departmental seniority, except that the Employer reserves right to grant vacations to any employee when their absences will least affect the operation. Ten percent (10%) of the employees within a department may be on vacation in any one (1) week unless the Employer is not able to maintain an efficient operation in which case every reasonable effort will be made to accommodate as many employees as possible.

Notwithstanding the above paragraph, during holiday weeks five percent (5%) of the employees may be on vacation with a minimum of one (1) employee per department. If the holiday falls on a Sunday, Monday, or Tuesday, 5% of the employees by department may be on vacation in the week prior to the holiday and 10% week of the holiday.

Employees are required to provide as much notice as possible and the employee understands that short notice could jeopardize the request. Authorization may be granted on first come first-serve basis unless more than one (1) request is received on the same day, in which case preference will be given to the senior employee. For vacation requests on the following day, first come first serve will be followed and in any event the company reserves the right to refuse any requests.

Separations

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

Vacation in Holiday Weeks

If an employee takes a vacation in a week in which a holiday occurs, he/she shall receive an extra day's vacation to be determined by mutual agreement. Employees may take only one such vacation day in any holiday week and may not combine such days with personal days to take a week off. Employee has the option to take the pay in lieu of the day if the parties are unable to resolve any dispute. The Employer reserves the right to make the final decision.

Article 13—JURY DUTY

The Company agrees to pay the difference between jury pay and full day's pay at straight-time hourly classification rates for each day an employee is required to serve and does serve on any jury, provided his department is scheduled to work on the day(s) actually served on the jury.

Article 14 –FUNERAL LEAVE

In the event of a death in the employee's immediate family (employee's parents, spouse, children, brothers, sisters, grandchildren, grandparents, father/mother/brother/sister-in-law, step-parents, spouse grandparents), the employee shall be entitled to be absent from work for such time as is necessary to make arrangements for and attend funeral. During such absence, the employee shall be compensated at his straight-time hourly classification rate for such regular working time lost not to exceed three (3) days' pay: the day before the funeral, the day of the funeral and the day after the funeral. These days will only be paid if a regular scheduled day is missed. Such absentee compensation shall not include pay lost for overtime, vacation time or premium pay. It shall include pay for a paid holiday. Dishonesty

under this Article shall result in discharge. Up to two (2) days without pay following the funeral may be provided for travel or settlement affairs.

Article 15—UNIFORMS

Any uniforms deemed necessary by the Employer shall be furnished by the Employer.

Article 19—NON-DISCRIMINATION AND INTIMIDATION

The Company and its representatives shall not discriminate against any employee on account of **gender identity, religion, sexual orientation, pregnancy**, race, sex, creed, nationality, age or on account of Union affiliation or on account of any legitimate union activity. The Union, its officers and members shall not discriminate against any employee on account **gender identity, religion, sexual orientation, pregnancy** of race, sex, creed, nationality, age or on account of Union affiliations. Parties will comply with the Americans with Disabilities Act and the Family Medical Leave Act.

Article 17 –EXAMINATIONS

The cost of all examinations required by the Company shall be paid for by the Company.

Article 18—SENIORITY

The length of service from the last date of hire shall determine the seniority of the employee. For the purpose of this Article, seniority will mean plant wide seniority.

An employee will be classified as full-time and have their name placed on the full-time seniority list when they have averaged forty (40) hours per week for twelve (12) consecutive weeks.

A full-time employee may be reclassified as a VAR employee when they have averaged less than forty (40) hours per week for six (6) consecutive weeks, at which time their name will be removed from the full-time seniority list. Such employee will be given the next full-time opening by classification.

A VAR employee has no seniority and has no fringe benefits, with the exception of those detailed in Article 5.

If two (2) or more employees are hired on the same day, their seniority will be determined by management.

Employees will perform work as assigned by management.

Management will schedule part-time employees based on the needs of the business throughout the plant.

When a permanent new job or a permanent job vacancy occurs as determined by the Company, the opening will be posted for bids. On the posting will be shown the job classification in which the vacancy exists and the shift. Such job openings will be posted for seventy-two (72) hours and at the end of that time, the vacancy will be filled within forty-eight (48) hours by the employee

(s) having the most seniority provided such employee has the necessary ability to perform the work. During the bidding period and until the new employee is placed in the job, the Employer will designate the employee (s) to fill the vacancy.

Overtime will be offered by seniority to employees who have previously notified management of their

availability and who normally perform the work. If not enough employees volunteer, the least senior employee must work by inverse seniority order. It is expressly understood the Company will have sufficient employees to meet the needs of the business, and provide advance notice, whenever possible, in notification of all required work.

There shall be separate seniority by classification. There shall be two (2) separate classifications:

1. Product Handler

2. Part-time

Employees will be laid off by seniority in the following order:

VAR employees

Full-time employees by classification

A full-time employee may be reclassified to part-time in lieu of layoff

The seniority rights of an employee will be considered broken, and all rights forfeited when he: Voluntarily leaves the service of the Company

Is duly discharged by the Employer

Fails to return to work within seventy-two (72) hours when recalled from layoff by the Company by certified mail to his last known address.

Has been out of the employ of the Company for twenty four (24) months for re-call rights. Takes a job out of the meat department.

Failure to return from approved medical leave.

An employee shall not acquire seniority rights during a probationary period of sixty **(60) calendar days** of accumulated service within the bargaining unit, or longer period of mutually agreed upon by the Union and the Company and such agreement shall not be unreasonably withheld. Once an employee has successfully completed the probationary period, his/her seniority shall date back to the last day of hiring.

The use of non-Kroger employees will be limited to sixty (60) percent of percent of the regular full-time seniority list in years one and two of this Agreement, forty-five (45) percent of the regular full-time seniority list in years three and four, and thirty (30) percent of the regular full-time seniority list by year five (5) of this Agreement. However, the use of non-Kroger employees to replace a full-time employee who is absent due to a non-contractual approved absence will not be counted against these limitations as expressed herein regarding the limits on the use of non-Kroger employees.

Notwithstanding any other provision to the contrary that may be contained elsewhere in this Agreement, the Company shall have the right to terminate an employee during his/her probationary period for less than just cause.

In March of each year, all Meat Department employees will re-post and eligible employees shall have the right to bid on each position in the Meat Department annually.

Article 19—GRIEVANCE PROCEDURES

It is understood that the Union or any employee has a right to lodge a grievance with respect to any matter arising out of this Agreement or concerning the interpretation, application or alleged violation of this Agreement.

Grievances filed by the Union must be filed within thirty (30) days of the Union becoming aware of the issue giving rise to the grievance and shall commence with Step 3 of the grievance procedure as hereinafter provided for.

Grievances not presented in writing within five (5) days after the event giving rise to such grievance shall be waived by the aggrieved party, If timely and properly filed, the grievance/grievances will be referred to the following steps if necessary:

Step 1.

The aggrieved employee (s) with the steward shall within five (5) working days of the incident discuss the matter with the Supervisor in charge for the purpose of resolving the grievance. The supervisor's answer is due within five (5) working days from receipt of the grievance. If no solution is reached, the Union may submit the grievance to Step 2 within seven (7) calendar days from the date of the Company answer.

Step 2.

The steward/chief steward with or without the aggrieved employee(s) shall discuss the matter with the supervisor for the purpose of resolving the grievance. The Company answer is due within seven (7) working days of the Step 2 meeting. If no solution is reached, the Union may submit the grievance to Step 3 within seven (7) working days from the date of Company answer.

Step 3.

The business Agent/Chief Steward with or without the aggrieved employee(s) shall discuss the matter with the Manger of Labor Relation or his designate for the purpose of resolving the grievance. The Company answer is due within five (5) working days of the Step 3 meeting. If the Union is not satisfied with the Company decision it shall have five (5) working days to appeal the grievances to arbitration with a copy to the Company by registered mail. In the case of termination, the Union may submit the grievance directly to the third (3rd) step of the grievance procedure.

If the parties are unable to agree upon an arbitrator, either party shall submit a written request for a list of seven (7) names from the Federal Mediation and Conciliation Service (FMCS) and alternatively strike names to select an arbitrator. Within (60) calendar days after receipt of the arbitration panel from the FMCS the parties agree to select an arbitrator from the panel or by mutual agreement set an arbitration date.

Any party failing to comply with any of the time schedules above, unless mutually extended, shall forfeit the grievance.

The decision of the arbitration board shall be final and binding on the parties hereto. Any decision rendered

shall be within the scope of this Agreement and not change any of its terms or its conditions. The arbitrators shall, in their decision, specify whether or not the decision is retroactive and the effective date thereof.

The expense of the arbitrator shall be borne equally by the Company and the Union.

Article 20 – MISCELLANEOUS GENERAL PROVISIONS

The Company agrees to electronically provide the Union each month with a seniority list that includes all job rates, layoffs, discharges, recalls, and new employees being hired and their corresponding shifts.

The Company shall provide an enclosed bulletin board in a conspicuous location within the establishment where the Union may post notice of Union recreational and social affairs and notices of Union elections, death and appointments, result of Union elections pertaining to the facility and notices of Union meetings.

No employee shall, as a condition of employment, be required to submit to a lie detector test without the approval of the Union and the affected employee.

As a condition of employment, no employee shall be required to have deducted from his pay or to make any financial donation or contribution to or for any cause not specifically provided for in this Agreement or required by state or federal statutes of law.

The Company recognizes the right of the Union to designate a chief steward and a steward in each department to handle such Union business as from time to time may be delegated to them by the Union so long as their duties do not interfere with their regular work assignments. The Company is to be notified in writing of steward appointments.

The Company agrees not to enter into any agreement or contract with the employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. The Company is entitled to make and enforce any reasonable rules, which do not conflict with the provisions of this Agreement.

Where new types of equipment for which rates of pay are not established by this agreement are put into use, rates governing such operations shall be subject to negotiations between the parties. Such negotiations can be postponed until the Agreement expires. This Agreement contains all agreements between the parties. All past practices are null and void.

The Company reserves the right to implement a Light Duty Program during the term of this Agreement. The purpose of the Program is to gradually integrate injured or sick employees back into the workforce. The Company will discuss such Program with the Union and the Union shall be entitled to make effective recommendations with respect to the design and implementations of such Program. In the event that the Company and the Union are unable to resolve the issue, the Company shall be entitled to implement the Light Duty Program and such program shall not be construed as a violation of this Agreement. No full-time employee will be displaced from his classification for the express purpose of accommodating a disabled worker.

Attached hereto and forming part of this Agreement are the following appendixes:

Appendix "A"

Appendix "B"

Appendix "C"

Classification & Wages

Part-time Employees

Insurance Programs

Article 21—SEPARABILITY AND SAVINGS

If any article or section of this Agreement or any riders thereto should be invalid by operation of law or by a tribunal of competent jurisdiction or if compliance with or enforcement of any Article or section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement and any of its riders, or the application of such article or section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement has been restrained, shall not be effected thereby.

In the event any article or section is held invalid or enforcement of or compliance with which has been restrained as set forth above, the parties affected thereby shall enter into immediate collective bargaining negotiations, upon request of the Union and/or the Company for the purpose of arriving at a mutually satisfactory replacement, either party shall be permitted all legal or economic recourse in support of its demands notwithstanding any provision in this Agreement to the contrary.

Article 22—STRIKE & LOCKOUT/UNION LIABILITY

It is agreed that there will be no strike on the part of the Union or lockouts on the part of the Company pending settlement of a dispute in accordance with the grievance procedure herein established, during the term of this agreement.

It is further agreed that in the case of any slowdown, walk-out, or cessation of work on the part of the employees, the Union shall not be liable for damage resulting from such acts of its members. However, the Union shall undertake every reasonable means to induce such employees to return to their jobs during any period of work stoppage, as described herein. If the Union does not undertake every reasonable means, then the Union shall be liable for such damage. The company shall have the sole and complete right of discipline or discharge and such Union members shall not be entitled to or have recourse to any other provision of this Agreement.

Article 23— PENSIONS

Retirement Plan Benefits

- A. Kroger and various local unions (including Local 540, albeit on behalf of a different bargaining unit) of the United Food and Commercial Workers International Union entered into a Memorandum of Understanding dated June 30, 2020 (the "Pension MOU"). Although the Pension MOU does not by its terms apply to the UFCW Local 540 Dallas-Keller employees in the bargaining unit covered by this CBA (because such employees were employed by Penske Logistics, LLC until January 30, 2021), the substantive terms of the Pension MOU that relate to participation in the UFCW International Union - Industry Variable Annuity Pension Plan ("VAPP")

are incorporated herein with the modifications noted below and, together with the remaining provisions of this Retirement Plan Benefits Article, constitute all of the terms and conditions of employment as they relate to the provision of retirement benefits provided to eligible employees under this CBA. Retirement benefits for bargaining unit employees covered by this CBA will be provided through the VAPP effective as of February 1, 2021, and Kroger shall be obligated to make contributions to the VAPP in accordance with the terms and conditions of the Pension MOU related to participation in the VAPP, with the modifications noted below, and the remaining terms of this Retirement Plan Benefits Article, effective for work on and after February 1, 2021.

B. Effective for work on and after February 1, 2021, employees in the bargaining unit covered by this CBA shall participate in the VAPP in accordance with the terms of participation in the Pension MOU, subject to the following modifications and subject to the eligibility, vesting and other requirements of the plan of benefits of the VAPP:

1. Any provisions of the Pension MOU that relate to Kroger's withdrawal from the United Food & Commercial Workers International Union-Industry Pension Fund (the "National Fund") shall not apply to the bargaining unit covered by this CBA.

2. Section 2.4 of the Pension MOU shall be replaced with the following for the bargaining unit covered by this CBA:

“‘Employee’ means any employee of Kroger on whose behalf contributions are required to be made to the VAPP pursuant to the terms of a collective bargaining agreement between Kroger and UFCW Local 540.”

3. Section 2.7 of the Pension MOU shall be replaced with the following for the bargaining unit covered by this CBA:

“‘Monthly Employer Contribution Rate’ means \$240.51 for work on and after February 1, 2021. Effective July 1, 2023, and July 1, 2025, the Monthly Employer Contribution Rate will increase by the \$2.50 per month per employee increase in the Administrative Expense Charge set forth in Section 2.1. These two \$2.50 increases in the Administrative Expense Charge shall be applied solely to administrative expenses and shall not be considered a Benefit Bearing Contribution. The Monthly Employer Contribution Rate, as determined under this Section 2.7, will remain in effect through June 30, 2028.”

4. Pursuant to the terms of the VAPP’s trust agreement, the VAPP’s transition reserve will apply to the employees covered by this CBA for purposes of supporting benefits for individuals who have grandfathered status as well as being subject to the 80% benefit floor (based on the AUCR and benefit accrual as of June 30, 2020 under the National Fund) for non-grandfathered participants, and Kroger shall not be required to contribute any additional amount to the VAPP’s transition reserve to reflect the addition to the VAPP of the employees covered by this CBA.

5. All terms and conditions in the Pension MOU related to benefits, including but not limited to those provisions related to grandfathered status, recognition of National Fund, reciprocity, and VAPP service for purposes of eligibility, vesting, and benefit options

(including disability) shall apply to the group covered by this CBA, subject to the terms of the VAPP's governing documents.

6. With respect to the bargaining unit covered by this CBA, any reference in the Pension MOU to July 1, 2020, as the date that contributions must begin to be paid to the VAPP shall instead be deemed to be February 1, 2021.
- C. Kroger agrees to contribute to the VAPP on behalf of each full-time employee who has completed forty -five (45) days of service and is covered by this CBA.
- D. Contributions to the VAPP shall be discontinued as of the first of the month immediately following a layoff or leave of absence of thirty (30) calendar days or more, except as otherwise provided below; or termination of employment.
- E. Contributions to the VAPP discontinued as set forth in Section D above, shall be resumed as of the first of the month following the month in which the employee returns from layoff or leave of absence.
- F. Contributions to the VAPP shall be continued under the following conditions:
 1. In case of non-work accident, one (1) month of contribution following the month in which the employee incurred the accident.
 2. In case of illness (pregnancies to be treated as an illness), two (2) months of contribution following the month in which the illness occurs.
 3. In case of compensable injury, three (3) months of contribution following the month in which the injury occurs.
- G. Kroger agrees to provide to the Board of Trustees of the VAPP or its designee all information with respect to all bargaining unit employees that is needed in connection with the administration of the VAPP, including but not limited to all hours or months worked, paid, or for which employees are entitled to payment. In order to ensure that all bargaining unit employees entitled to participate in the VAPP are appropriately reflected in the records of the VAPP, Kroger further agrees to the examination of its payroll records by the Board of Trustees of the VAPP or its designee.
- H. The first contributions to the VAPP shall be due and payable to the VAPP by no earlier than the tenth (10th) day of the month following the month in which the Union ratifies this Retirement Plan Benefits Article. With respect to contributions owed for work performed in months preceding the month in which the Union ratifies this Retirement Plan Benefits Article, Kroger agrees to pay reasonable interest to the VAPP on such contributions, in accordance with any applicable provisions of the VAPP's trust agreement or collections policy or procedure. Kroger shall not, however, be required to pay any additional liquidated damages or other amounts in addition to the owed contributions plus applicable interest for such months, absent the future discovery of a contribution delinquency for such months by the VAPP.
- I. Kroger agrees to be bound by the Agreement and Declaration of Trust of the VAPP, as

subsequently amended and by all subsequent revisions or amendments thereto, and by all policies established from time to time by the VAPP's Board of Trustees.

- J. Nothing in this Agreement shall impact the National Fund's withdrawal liability assessment to Penske nor the settlement of that assessment between the National Fund and Penske, and Kroger shall not be deemed to have assumed, in any way or for any purpose, any of Penske's contribution history to the National Fund.

Article 24—INSURANCE

Ongoing open enrollments will occur in the 4th quarter of each calendar year for benefits effective the following calendar year. Once enrolled, ongoing active employees will remain in elected benefit plans for the full calendar year. Future full time newly hired associates will be eligible for health care, prescription drug, dental, vision and life insurance benefits on the first of the month following 60 days of service. Full time newly hired associates will be automatically enrolled in short term disability benefits on the first day of the month following 60 days of service.

| Group+A2:E30B2AA2:E37 | UFCW Local 540 | | | |
|--|---|----------------------|---|----------------------|
| Benefit Plan Timeframe | Effective Date: 1/1/2025 | | | |
| Plan Type | Plan A | | Plan B | |
| 2025 WEEKLY CONTRIBUTIONS | | | | |
| Employee | \$20.60 | | \$20.60 | |
| Employee + Spouse | \$44.90 | | \$44.90 | |
| Employee + Child(ren) | \$41.73 | | \$41.73 | |
| Employee + Family | \$59.16 | | \$59.16 | |
| Working Spouse Fee (Per Month) | No | | No | |
| 2026 WEEKLY CONTRIBUTIONS | | | | |
| Employee | \$20.60 | | \$10.00 | |
| Employee + Spouse | \$44.90 | | \$21.00 | |
| Employee + Child(ren) | \$41.73 | | \$19.00 | |
| Employee + Family | \$59.16 | | \$31.00 | |
| Working Spouse Fee (Per Month) | No | | No | |
| 2027 WEEKLY CONTRIBUTION | | | | |
| Employee | \$21.00 | | \$10.25 | |
| Employee + Spouse | \$45.50 | | \$21.50 | |
| Employee + Child(ren) | \$42.00 | | \$19.25 | |
| Employee + Family | \$61.00 | | \$32.00 | |
| Working Spouse Fee (Per Month) | No | | No | |
| 2028 WEEKLY CONTRIBUTION | | | | |
| Employee | \$21.25 | | \$10.50 | |
| Employee + Spouse | \$46.00 | | \$22.00 | |
| Employee + Child(ren) | \$42.25 | | \$19.50 | |
| Employee + Family | \$62.00 | | \$33.00 | |
| Working Spouse Fee (Per Month) | No | | No | |
| 2029 WEEKLY CONTRIBUTION | | | | |
| Employee | \$21.50 | | \$10.75 | |
| Employee + Spouse | \$46.50 | | \$22.50 | |
| Employee + Child(ren) | \$42.50 | | \$19.75 | |
| Employee + Family | \$63.00 | | \$34.00 | |
| Working Spouse Fee (Per Month) | \$100.00 | | \$100.00 | |
| MEDICAL PLAN ESSENTIALS | | | | |
| | In Network | Out Of Network | In Network | Out Of Network |
| Preventive Coverage | 100% | not covered | 100% | Not Covered |
| Predominant Co-Insurance (Associate share) | 20% | 50% | 20% | 50% |
| Annual Deductible: Single / Family | \$800 / \$1,600 | \$1,600 / \$3,200 | \$1,750 / \$3,500 | \$3,500 / \$7,000 |
| Medical Out of Pocket Max | \$4,000 / \$8,000 | \$8,000 / \$16,000 | \$5,000 / \$10,000 | \$10,000 / \$20,000 |
| Annual Maximum Benefit | Unlimited | Unlimited | Unlimited | Unlimited |
| Lifetime Maximum Benefit | Unlimited | Unlimited | Unlimited | Unlimited |
| POINT OF SERVICE | | | | |
| | In Network | Out Of Network | In Network | Out Of Network |
| Target Pricing | AIM | | AIM | |
| Primary Care Office Visit Copay (per visit) | \$30 | 50% after Deductible | \$45 | 50% after deductible |
| Specialist Office Visit Copay (per visit) | \$50 | 50% after Deductible | 20% after deductible | 50% after deductible |
| Urgent Care Copay (per visit) | \$75 | 50% after Deductible | \$75 | 50% after deductible |
| TLC /Other Retail Convenience Clinic | \$10 | 50% after Deductible | \$30 | 50% after deductible |
| Emergency Room (per Visit) | Coinsurance after deductible | | \$300 Copay + Co-insurance | |
| Prescription Drugs | | | | |
| | | | | |
| Retail Days Supply | | | | |
| | 30 Day Supply | | 30 Day Supply | |
| | Minimum | Maximum | Minimum | Maximum |
| Retail Generic Copay | Greater of \$10 or 10% | \$60 | Greater of \$10 or 10% | \$60 |
| Retail Brand Formulary Copay | Greater of \$20 or 20% | \$100 | Greater of \$20 or 20% | \$100 |
| Retail Brand Non Formulary | Greater of \$35 or 30% | \$175 | Greater of \$35 or 30% | \$175 |
| Specialty Bio-Similar | 8% | \$100 | 8% | \$100 |
| Specialty Brand Formulary | 15% | \$250 | 15% | \$250 |
| Specialty Non Formulary | 25% | \$400 | 25% | \$400 |
| Mail-Order Days Supply | | | | |
| | 90 Day Supply | | 90 Day Supply | |
| | Minimum | Maximum | Minimum | Maximum |
| Mail-Order Generic Copay | Greater of \$25 or 10% | \$120 | Greater of \$25 or 10% | \$120 |
| Mail-Order Brand Formulary Copay | Greater of \$50 or 30% | \$200 | Greater of \$50 or 30% | \$200 |
| Mail-Order Brand Non Formulary Copay | Greater of \$75 or 30% | \$350 | Greater of \$75 or 30% | \$350 |
| Mail-Order Specialty | N/A | N/A | N/A | N/A |
| Dental | | | | |
| Annual Deductible | \$100 | | \$100 | |
| Preventive Coinsurance | 100% | | 100% | |
| Basic Coinsurance | 80% | | 80% | |
| Major Coinsurance | 60% | | 60% | |
| Annual Maximum Benefit | \$2,000 | | \$2,000 | |
| Orthodontia Coverage | Children + Adults | | Children + Adults | |
| Orthodontia Deductible | \$50.00 | | \$50.00 | |
| Orthodontia Coinsurance | 50% | | 50% | |
| Orthodontia Lifetime Maximum Benefit | \$1,500 | | \$1,500 | |
| Vision | | | | |
| | In Network | Out Of Network | In Network | Out Of Network |
| Exams | \$10 copay; every 12 months | Max* | \$10 copay | Max* |
| Frames | \$150 allowance; every 24 months | \$70 | \$150 allowance | \$70 |
| Lenses | \$15 copay; every 12 months | \$75 | \$15 copay | \$75 |
| Contact Lenses (In Lieu of Lenses) | \$150 allowance | \$105 | \$150 allowance | \$105 |
| *Fee schedule applies to out of network | | | | |
| Income Replacement Plans | | | | |
| Life Insurance | | | | |
| Life Insurance & ADD | \$25,000 | | \$25,000 | |
| Spouse Life Insurance | \$5,000 | | \$5,000 | |
| Dependent Life Insurance | \$2,500 | | \$2,500 | |
| Short Term Disability/Sick Pay | | | | |
| Elimination Period / Injury - Illness / Benefit Duration | 7 days injury/ 7 days illness/ 26 weeks | | 7 days injury/ 7 days illness/ 26 weeks | |
| Maximum Benefit a Week | 66 2/3% \$450 weekly maximum | | 66 2/3% \$450 weekly maximum | |

Article 25—INSPECTION PRIVILEGES

Upon advance notification to the Warehouse Manager, or his designate, any accredited Union official shall be granted access to the Meat Plant for the purpose of satisfying himself that the terms of this Agreement are being complied with, provided there is no interruption of work

Article—26 DRUG USE

The Company is committed to achieving a drug-free work environment and to implementing policies and procedures designed to achieve that objective, such as random drug testing.

The use, possession or sale of illegally controlled substances (drugs) is considered by the Company as a major infraction of Company rules and policies and may subject an employee to immediate discharge.

Article 28—INCENTIVE PLANS

The Company has the right to establish incentive plans which provide pay in addition to the employee's base hourly rate. The Company retains the sole discretion to create, modify, eliminate, redesign, and administer these plans.

Article 29—TERM OF AGREEMENT

This Agreement shall continue in force and effect from the date of ratification up to and including **October 14th, 2024** and for a period of five (5) years thereafter unless either the Company or the Union desires changes in this Agreement at its expiration date; in which event, on or before sixty (60) days prior to the expiration of this Agreement, Or one (1) year renewal date, written notice shall be given by the party proposing changes to the other party to this Agreement.

In the event Kroger closes all, or a portion, of its operation at 5801 Kroger Drive, Keller, Texas, it will meet with the Union for the purpose of bargaining over the effects of such closing on affected Bargaining Unit employees.

The parties to this Agreement, Kroger Warehouse, Keller TX, and the United Food and Commercial Workers, Local 540, hereby agree that within sixty (60) days before the end of the third year of this Agreement, they will meet to discuss issues regarding the terms of this Agreement and all of its terms for two (2) additional years beyond the third year of this Agreement.

Article 30—Joint Labor Management Committee

The Company and the Union agree that a Joint Labor Management Committee shall be established during the life of the Agreement. Individuals from both parties will be designated by each party to the other, for the purpose of the meeting from time to time (but no less than once each quarter), so as to discuss and attempt to resolve work-related issues, concerns, suggestions, ideas, etc. related to the facility and to the work force, all to promote better understanding with each other and to work towards programs of continuous improvements in the service to the employees, customers and to the business in general.

Labor Management meetings shall not be the purpose of initiating or continuing collective bargaining, nor in any way to modify, add to or detract from the provisions of this Agreement, and such meetings shall be exclusive of the grievance and arbitration proceedings in this Agreement, as grievances shall not be considered proper subject at such meetings.

The members from the bargaining unit on any one committee shall be limited in number to no more than two (2).

Employees will be paid for the actual time spent in the Labor Management meetings.

The Union and the Employer's Bargaining Committees agree to fully recommend and support the ratification of this Agreement.

Signed and agreed this day February 14th, 2025:

For Kroger Dallas Keller DC:

Richard Bridwell – Senior Supply Chain Manager

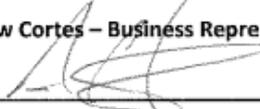
By:  _____

Tre'von Howell –Human Resource Manager

By:  _____

For UFCW Local 540:

Andrew Cortes – Business Representative

By:  _____

Bruce Rowe –Chief Steward

By:  _____

**MEMORANDUM OF UNDERSTANDING BETWEEN THE UNITED FOOD AND COMMERCIAL WORKERS LOCAL
NO. 540 AND THE KROGER CO. ("Kroger")**

October 31st, 2024

1. Vacations

| <u>Years of Continuous Service</u> | <u>Vacation Benefits</u> |
|------------------------------------|--------------------------|
| One (1) years | Two (2) week |
| Three (3) years | Three (3) weeks |
| Fifteen (15) years | Four (4) weeks |
| Twenty-five (25) years | Five (5) weeks |

Bargaining notes:

Discipline

When discipline is issued around errors related to information obtained from a third party, management will make every effort to verify that the information is accurate and that the discipline is proper and just.

Should there be concerns related to the issuance of any such discipline, the company and the union will endeavor to use the Joint Labor Management Committee forum to resolve problems that may arise.

Equipment

The parties engaged in a thorough discussion about the issue of equipment availability and preference. Following the ratification of the new agreement, the Company pledged to the union that non-bargaining unit employees will not be permitted operate any pallet jack manufacture within the last ten (10) years unless extenuating circumstances outside of management control exist.