

September 17, 2021

### **Last Best and Final Offer (Lake Charles Meat) – Brief Overview**

The Southwest Marketing Area of Kroger Texas L.P. (“Kroger”) has worked diligently to negotiate new agreements with the UFCW Local 455 covering retail stores in Lake Charles, Sulphur, and Alexandria. These negotiations have typically been resolved quickly and have tracked negotiations involving the larger Houston group. It’s now been multiple months and, despite making several comprehensive offers and despite the Company’s willingness to make significant movements, the parties have been unable to reach new agreements.

Our attempts to negotiate a new Lake Charles meat contract today have also been unsuccessful.

The sticking point is health care. It is a critical issue that has stalled negotiations. It is not a new issue. Similar healthcare issues have created deadlocks in multiple UFCW contract negotiations throughout Region 5. As the Union is aware, continuing benefits in the troubled and unreliable South Central Fund has never been an option and Local 455 has consistently opposed any agreements that would include the company-administered healthcare plan proposed by Kroger since at least the summer of 2020. Not surprisingly, Local 455 has maintained that same position during Lake Charles and Shreveport negotiations.

The Union previously stated in that it was open to a Region 5 Fund solution, *i.e.*, keeping benefits through the South Central Fund and possibly moving benefits following the creation of a multi-bargaining unit Region 5 Taft-Hartley Fund. But in several months of negotiations, Local 455 has failed to provide any specific, detailed proposal nor secured all necessary approvals for a Region 5 plan that Kroger could evaluate. More importantly, as Kroger previously explained, the speculative Region 5 idea is no longer an option. As set forth in the Company’s September 1, 2021 communication, the Region 5 discussions ended, involved multiple-bargaining groups, were separate, legally permissive discussions, and were never intended to replace mandatory negotiations in Lake Charles. Kroger also made clear that it is unwilling to consider such non-mandatory topics during our Lake Charles bargaining and that it had determined that “any new Lake Charles and Shreveport agreements must include a company-administered healthcare plan.”

The Company’s position has not changed. With the attached LBFO, Kroger has exhausted its authority for a new Lake Charles meat contract that, from its perspective, must contain the company-administered healthcare plan—the same one already in place for thousands of Houston associates represented by Local 455.

We are hopeful that this LBFO will cause the Union to reconsider, relent, and change its position on the company-administered healthcare plan.

There are two matters following Kroger’s September 1 correspondence that the Company will also briefly address.

September 17, 2021

First, on September 8, in response to Kroger's September 1 communication, the Union sent several ideas that it labeled "healthcare options" for the Lake Charles Agreements. As we explained at the table today, those options were not concrete proposals. They contain no details and are not acceptable for the reasons Kroger already communicated to the Union. This list of general ideas and concepts reflects an eleventh-hour attempt to delay, and Kroger has provided a written response to each.

Second, in a letter dated September 9, Local 455 continued its staunch position that the South Central Fund benefits were working very well, that the company-administered plan was not acceptable to its members, and that the union was firmly against a change in healthcare benefits. The Union did, however, also state that accepting a company-administered plan would be "an uphill battle for us, but not impossible!" Today, Local 455 again refused to make any proposals with a company-administered plan. Nevertheless, Kroger takes these final comments to be a suggestion that there might be some very small hope that the Union will change its position on healthcare and willing to break impasse.

A mere stated willingness to consider the company-administered plan at the eleventh-hour, however, is not a change in position; bargaining parties can't avoid the truth surrounding their firm positions simply by claiming they are open or have flexibility to consider matters. Actual proposals are required to show a change in position.

Kroger has already provided information on the company's proposed healthcare plan and has answered the Union's questions. The Company's proposal on healthcare includes the same plan associates currently have in Houston and that Local 455 has had the opportunity to consider and evaluate since at least August 2020. Nevertheless, the Union requested additional information on September 8 and that was provided earlier today.

If Local 455 is willing to break impasse, and is not just feigning interest or attempting to further delay negotiations, we ask that the Union accept and recommend Kroger's LBFO for ratification by Lake Charles associates or, alternatively, that the Union make a proposal that includes a company-administered plan. In the absence of actual movement through bargaining proposals, there has been no change in the Union's position—one that it has held for more than a year—and the critical healthcare issue will continue to be the roadblock causing impasse and preventing the parties from reaching new contracts.

You will see that Kroger has modified its prior comprehensive offers in ways that would further improve terms for our associates. The attached LBFO for meat associates includes:

September 17, 2021

- Additional wage increases. All associates will receive a wage increase between \$0.40 and \$2.60 per hour, depending on their role and classification.
- Premium increase for Assistant Department Heads,
- Quicker accumulation of personal holidays for associates beginning in 2022 and increased vacation for part-time associates

Time continues to be very important. Kroger has proposed to move associates into the company-administered plan effective January 1, 2022, which would require time for open enrollment and other administrative matters to be completed in advance.

We welcome the opportunity to discuss any questions you have about the LBFO and we look forward to reviewing any contract proposals from the Union that contain a company-administered healthcare plan.

Kroger – Houston, Texas L.P.  
 Last, Best and Final Offer  
 UFCW Local 455  
 Lake Charles and Sulphur Meat Clerks Agreement  
 September 17, 2021

The Company makes the following Last, Best and Final (“Offer”) to UFCW Local No. 455 (“Union”) for a new collective bargaining agreement for Lake Charles and Sulphur Meat Clerks. This Offer is conditioned on a peaceful settlement. The Company reserves the right to add to, delete from, amend, correct, modify, or withdraw this Offer for the bargaining unit prior to its acceptance by the Union, or in the event the union engages in a strike, picketing, boycott, anti-company publicity or other economic action against the employer.

**ARTICLE 5. JOB DESCRIPTION**

*Delete stricken language and add changes in bold*

**A. MEAT DEPARTMENT EMPLOYEES:**

Each shop shall have a Head Meat Cutter and he/she may perform all the duties of, and shall direct the work, movements and operation of the Meat Department employees.

Meat Clerk/Service Clerk will perform all duties in the meat department with exception of the saw.

Any Head Meat Cutter, Journeyman Meat Cutter or Wrapper in this contract at the time of ratification (September 4, 1994) will have protection against wage or hours reduction as long as they are employed except as follows:

- Voluntary resignation
- Retirement
- Discharge
- Significant sales reduction
- Store closing

Any Head Meat Cutter at the time of ratification who is involuntary or voluntarily reduced will become a journeyman meat cutter at the appropriate contract rate.

An employee must be at least eighteen (18) years of age to operate power equipment.

**C1. Where the Employer deems it necessary, Clerks shall be assigned to assist in the Meat department. This will include stocking, cleaning, and sanitation. Clerks will not operate cutting equipment or machinery within the Meat department.**

**Where the Employer deems it necessary, Meat employees shall be assigned to assist in other departments. This will include stocking, customer service, hanging tags, and cleaning and sanitation outside the Meat department. Meat department employees shall not be assigned to Front End duties.<sup>1</sup>**

<sup>1</sup> Nothing in Kroger’s proposed changes to work assignment language seeks to alter, or may be construed to impact, the bargaining unit description or the parties’ rights to contest that associates performing the work are included or excluded from a bargaining unit.

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

~~Meat department employees will not work in the grocery area.~~

- C2. B-1. **ASSISTANT DEPARTMENT HEAD**: The Employer, at its discretion, may appoint an Assistant Department Head. This is not a required position and Management may elect not to assign the position. In the event an employee is assigned as an Assistant Department Head, then such employee shall be paid the top rate of their classification plus a premium of ~~fifty cents (.50)~~ **one-dollar (\$1.00) per hour, effective July 11, 2021.** ~~for Volume 1, sixty five (.65) for Volume 2 and ninety cents (.90) for Volume 3 stores.~~

## **PREVIOUS EXPERIENCE**

- C3. E. ~~Previous proven comparable experience within ten (10) years, not to exceed five (5) years maximum credit, from date of present employment, as show on application for employment shall be the basis for determination of the new employee's rate of pay.~~

~~Claims for rate adjustment based on previous experience not listed on the application for employment must be filed in writing within thirty (30) days from date of employment; otherwise, the employee forfeits any claim under this provision.~~

~~Employees will not receive an experience credit until such previous experience has been proven. In the event that the Employer is unable to verify previous experience within thirty (30) days, the employee and the Union shall be notified in writing. The employee shall have ten (10) days from receipt of such notice in which to file a grievance.~~

**Rates of pay as set forth in Appendix "A" attached hereto shall remain in effect for the life of this Agreement and shall constitute the basis for determination of wages. Based on market conditions and the needs of the business the Employer reserves the right to adjust starting wages at individual store locations not to exceed the 2nd step pay progression.**

**Previous Experience – Experience credit may be granted up to the 2nd step or 3rd step of the wage progression based on experience.**

## **ARTICLE 7. HOLIDAYS**

*Delete stricken language and add changes in bold*

- C4. A. ~~Effective September 22, 2002~~ **January 2, 2022**, employees will receive personal holidays as identified below:

~~Three (3)~~ **Two (2)** years of service – one (1) personal holiday

~~Eight (8)~~ **Five (5)** years of service – two (2) personal holidays

~~Fifteen (15)~~ **Eight (8)** years of service – three (3) personal holidays

~~Twenty (20)~~ **Fifteen (15)** years of service – four (4) personal holidays

**TA'd 7/27/21**

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

**ARTICLE 8. VACATIONS***Delete stricken language and add changes in bold*

- C5.** Part-time employees, who average less than forty (40) hours of work per week during the vacation qualifying year, shall receive a paid pro-rata vacation based on the average weekly hours worked in the vacation qualifying year ~~and the following schedule:~~ **equal to the hours worked in their vacation qualifying year divided by the weeks in a calendar year not to exceed forty (40) hours where necessary.**

<u>Average Hours Worked</u>	<u>Vacation</u>
<del>12–15 hours</del>	12 hours
<del>15–20 hours</del>	15 hours
<del>20–30 hours</del>	20 hours
<del>Over 30 hours</del>	30 hours

**Effective January 2, 2022, Part-time employees shall be entitled to a third (3rd) week of pro-rated vacation after completion of ten (10) years service.** There shall be a maximum of ~~two (2)~~ **three (3)** weeks paid under the above schedule.

- U6:** Section H If an employee dies before receiving a vacation which he/she has earned, their estate shall be paid his/her vacation.

TA'd 7/27/21

**ARTICLE 14. GRIEVANCES AND ARBITRATION***Add changes in bold*

**Section 14.01:** Should any differences, disputes, or complaints arise over the interpretation or application of the contents of this agreement, there shall be an earnest effort on the part of both parties to settle such promptly through the following steps:

- C6. Step 2.** By conference between the Union business representative and/or store steward and the District Manager **or Division designee**. A meeting will be held within twenty (20) days of the first step decision, and a decision and/or position will be given within fifteen (15) days of the second step conference, unless mutually extended by the parties. It is understood that any agreement reached at Step 2 shall be on a non-precedent setting basis.

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

**ARTICLE 17. UNIFORMS***Delete stricken language and add changes in bold*

- C7. Any uniform deemed necessary by the Employer for its employees shall be furnished by the Employer and replaced when needed. The Employer shall provide and shall not charge for the ~~shirts~~ **uniform** required by the company.

TA'd 7/27/21

**ARTICLE 19. HEALTH AND WELFARE***Delete stricken language and add changes in bold*

C8.

## ARTICLE 19. HEALTH AND WELFARE

**Section 19.01:** ~~The Employer shall contribute to the established South Central United Food and Commercial Workers Union and Employers Health and Welfare Trust Fund for all hours paid, not to exceed forty (40) hours per week, after thirty (30) calendar days of employment. Effective April 1, 2016 (March hours) the employer will begin making contributions on part-time fuel clerks. Such contributions shall be used to provide Health and Welfare benefits, for all enrolled Bargaining Unit Employees, and effective January 1, 2017 for Part Time Fuel Clerks, subject to and in strict accordance with the terms of Section 19.02 ("Funding Policy").~~ The Employer shall contribute to the established South Central United Food and Commercial Workers Union and Employers Health and Welfare Trust Fund for all hours paid, not to exceed forty (40) hours per week, after thirty (30) calendar days of employment. Effective April 1, 2016 (March hours) the employer will begin making contributions on part-time fuel clerks. Such contributions shall be used to provide Health and Welfare benefits, for all enrolled Bargaining Unit Employees, and effective January 1, 2017 for Part Time Fuel Clerks, subject to and in strict accordance with the terms of Section 19.02 ("Funding Policy").

**The terms of the prior collective bargaining agreement regarding health and welfare benefits in effect as of April 1, 2020 will remain in effect through December 31, 2021, except as modified herein.**

**Effective on and after January 1, 2022, all health and welfare benefits provided for under this Agreement shall be provided through a single-employer group health plan or plans sponsored by the Employer, referred to hereafter as the "Plan" and as described in further detail below. As a result, the Employer shall not have any obligation to make contributions to any multiemployer health and welfare fund, including but not limited to the South Central United Food and Commercial Workers Union and Employers Health and Welfare Trust Fund, for any hours worked on or after December 31, 2021.**

A. **Contributions to Fund Benefits:**

~~The Employer shall contribute to the Fund in the following amounts provided that the Trustees of the Plan provide benefits and manage the Plan in accordance with their fiduciary responsibility and in accordance with the provisions of this Article:~~

**Effective on and after January 1, 2022, the Employer will provide the health and welfare benefits described below through the Plan, subject to the employee premium cost-sharing and other terms and conditions described below.**

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

<u>Date</u>	<u>Amount</u>
<del>April 1, 2016 (March hours)</del>	<del>\$3.00 per hour</del>

~~Provided the Trustees have enacted modifications to the Plan consistent with the provisions contained at the end of this section (A. contributions to Fund Benefits), the Employer further agrees to the following increases to its contribution rates to the Fund:~~

- ~~1. Effective the first of the month following adoption by the Trustees of a package of plan amendments conforming with the provisions detailed herein, the Employer will make a lump sum payment equal to \$3,500,000, in the aggregate for all bargaining units of the employer covered under the South Central Funding Group effective for the employees of this Agreement. Effective March 1, 2017, provided hours are worked by employees covered by this agreement, the employer will make a second \$3,500,000 lump sum payment in the aggregate for all bargaining units of the employer covered under the South Central Funding Group. In addition, should the fund reserves fall below \$2,000,000 prior to February 28, 2017, the Employer agrees to accelerate one half of the next month's contribution payment to bring the cash flow above \$2,000,000.~~
- ~~2. Effective April 1, 2016 (March hours), the Employer's contribution rate will be increased to \$3.00 per hour.~~
- ~~3. Effective April 1, 2017 (March hours), the Employer's contribution rate will be increased to \$3.05 per hour.~~
- ~~4. Effective April 1, 2019 (March hours), the Employer's contribution rate will be increased to \$3.10 per hour.~~
  - ~~a. In addition to the above rate increases, the Trustees (based on the advice of the Plan Consultants), no later than March 31, 2019, shall determine the Plan's current reserve status and if such reserves are projected to be at 4 months or above as of March 13, 2020, the Employer and the employees will receive contribution holidays in an amount necessary to achieve a reserve level on March 31, 2020 no greater than 4 months of reserves.~~

~~Effective January 1, 2017, the premium for Plan A spouse and family coverage in the Funding Group is increased as follows:~~

Employees hired after September 30, 2010:

	<u>Without Working Spouse</u>	<u>With Working Spouse</u>
Employee Only	\$6.00	
Employee & Spouse	\$6.00 + \$23.08	\$14.00 + \$34.62
Employee & Children	\$12.00	
Employee & Family	\$12.00 + \$23.08	\$20.00 + \$34.62

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

Employees hired on or before September 30, 2010:

	<u>Without Working Spouse</u>	<u>With Working Spouse</u>
Employee Only	\$5.00	
Employee & Spouse	\$5.00 + 23.08	\$10.00 + \$34.62
Employee & Children	\$10.00	
Employee & Family	\$10.00 + \$23.08	\$15.00 + \$34.62

Spouse Contribution = \$100 per month or \$23.08 per week.

Working Spouse = \$150 per month or \$34.62 per week

~~As a condition of receiving the contributions provided above, the Trustees of the Plan will establish a Plan(s) of benefits consistent with the provisions herein, which can be supported by the contributions provided herein. The Bargaining Parties recommend that Trustees of the South Central Fund adopt said plan of benefits. Consistent with this provision, not later than the first of the month following April 16, 2016, to be effective July 1, 2016 or January 1, 2017, the Trustees are directed to make the modifications to the Plan (which can include adjustments to the Plan(s) of benefits, eligibility rules and/or employee co-premium rates) of sufficient amount that when taking into account the contingent contribution increases detailed above will ensure that on April 1, 2020 that the Plan will have a reserve equal to three (3) months reserves and to further ensure that on or after January 1, 2019, the Plan will not drop below two months reserves.~~

~~With respect to the July 1, 2016 or January 1, 2017 modifications contemplated in this provision, the Union Trustees will be allowed to take the laboring oar to make recommendations to the Trustees of the Fund with respect to benefit eligibility, benefit modifications, plan design and/or employee co-premium rates consistent with the objectives of this provision provided that such recommendations may not reduce the rate of employee co-premiums or delay the effective date of their implementation. The Employer Trustees, consistent with their fiduciary duties, shall support the recommendations of the Union trustees.~~

~~If the Union Trustees fail to tender a timely motion no later than 60 days, or Consent Resolution, to enact changes consistent with this provision or the Union Trustees motion to enact changes is inadequate according to the plan's actuarial consultant to achieve the target discussed herein and as a result the Trustees deadlock motions on adjustments necessary to bring the Plan back in to compliance with this provision, then the deadlocked motions shall be submitted for resolution to arbitration in accordance with the trust's deadlock procedures. The arbitrator shall be considered a fiduciary and such arbitrator's authority shall be limited to casting a vote for or against any pending deadlocked motion.~~

**Effective January 1, 2022, employees shall be required to make premium contributions for coverage under the Plan, as follows:**

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

	Plan One
<b>Weekly Contributions - initial amount effective January 1, 2022, incremental increases each January 1 thereafter</b>	Includes medical, Rx, dental and vision
<b>Employee</b>	\$9.00 (2022) / \$10.00 (2023)
<b>Employee + Spouse</b>	\$39.00 (2022) / \$42.00 (2023)
<b>Employee + Child(ren)</b>	\$15.00 (2022) / \$16.00 (2023)
<b>Employee + Spouse + Child(ren)</b>	\$46.00 (2022) / \$49.00 (2023)

	Plan Two
<b>Weekly Contributions - initial amount effective January 1, 2022, incremental increases each January 1 thereafter</b>	Includes medical, Rx, dental and vision
<b>Employee</b>	\$9.00 (2022) / \$10.00 (2023)
<b>Employee + Spouse</b>	\$39.00 (2022) / \$42.00 (2023)
<b>Employee + Child(ren)</b>	\$15.00 (2022) / \$16.00 (2023)
<b>Employee + Spouse + Child(ren)</b>	\$46.00 (2022) / \$49.00 (2023)

On or after January 1, 2022, the Kroger Co will collect the employee contributions.

The Employer will offer coverage under the Plan to eligible employees based on date of hire and other eligibility rules as outlined below and pursuant to the terms and conditions of the plan document for the Plan. Plan One plan of benefits is for employees hired before January 1, 2022. Plan Two plan of benefits is for employees hired on or after January 1, 2022. The attached benefit grid provides additional details on the plan of benefits under the Plan. Any terms and conditions of coverage under the Plan that are not provided for herein will be provided under the plan document for the Plan, and the plan document for the Plan, as amended by the Employer from time to time in its discretion, shall control with respect to terms and conditions of coverage that are not described herein. The Employer has the right to implement and apply changes to the Plan to the employees covered by this Agreement, so long as such changes are applied to all other participants in the Plan and do not conflict with the express terms and conditions of coverage and eligibility that are described in this Agreement and plan document.

### Eligibility

~~The Administrator will, on an annual basis, obtain all data necessary to enroll or re-enroll employees and their dependents as participants eligible for coverage under the Plan. To remain enrolled as a participant eligible for plan coverage, each employee who is currently enrolled, or who initially enrolls during the term of the Collective Bargaining Agreement, must re-enroll prior to the start of each succeeding plan year. Employees must make a positive election to enroll in the Plan. Enrollment is for the entire plan of benefits (except that Life Insurance and AD & D shall be provided to all eligible employees) for the Plan and an employee's failure to make a positive enrollment into the Plan shall result in such employee being ineligible for all benefits of the Plan for the remainder of the calendar year or until there has been a qualifying life event, as defined by the Trustees, whichever occurs first.~~

~~The Employer may, upon reasonable notice and at its own expense, audit the Fund's enrollment data and claims records once each plan year. The Employer may arrange to have the audit conducted by a recognized auditing firm that it shall select.~~

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

~~Independent of the foregoing audits, the Fund will audit its enrollment and claims records at least once each plan year to ensure that no employees of the Employer, or the dependents of such employees, are participating in plan coverage for which they are not eligible.~~

~~Employees shall become eligible for benefits upon meeting the requirements of the Plan.~~

~~All employees must continue to meet all eligibility requirements of the Plan as a condition of continued eligibility.~~

~~The Trustees shall establish a separate accounting of income and expenses for the "Funding group" of the Fund who agree in their Collective Bargaining Agreements to the same provisions as provided herein, unless otherwise approved by the Trustees. Only those Employers who adopt these provisions may share in the pool of income and expenses established herein. The Trustees are expressly prohibited from using the contributions of these employers for the payment of benefits to the employees of other employers.~~

**Effective January 1, 2022, and January 1 thereafter, the Employer will, on an annual basis, obtain all data necessary to enroll or re-enroll employees and their dependents as participants eligible for coverage under the Plan. To remain enrolled as a participant eligible for Plan coverage, each employee who is currently enrolled, or who initially enrolls during the term of the Collective Bargaining Agreement, must re-enroll prior to the start of each succeeding Plan Year, which is the calendar year as of January 1, 2022. Employees must make an affirmative election to enroll in the Plan during each annual open enrollment period. Enrollment is for the entire plan of benefits (except that Life Insurance, AD&D, and short-term disability will be provided to all eligible employees) under the Plan and an employee's failure to affirmatively elect to enroll in the Plan will result in such employee being ineligible for all benefits under the Plan until the next Plan Year or until there has been a qualifying life event, whichever occurs first. The definition of a "qualifying life event" is provided under the Employer's Code Section 125 plan document or the plan document for the Plan.**

**The hour bank will be terminated on December 31, 2021. Any unused hours will be forfeited.**

#### **Plan One Coverage Eligibility – Employees Hired Before January 1, 2022**

**Plan One Coverage Initial Eligibility – On or after January 1, 2022 Using a 52-week measurement period (as outlined in the measurement/stability period description below) or as otherwise required under the Affordable Care Act, employees hired before January 1, 2022, must work an average of twenty five (25) hours a week for employee-only coverage, a minimum of thirty (30) hours a week for employee and dependent child(ren) coverage, and a minimum of thirty six (36) hours a week to become eligible for employee and spouse coverage or spouse and dependent child(ren) coverage.**

**Plan One Coverage Continuing Eligibility – On or after January 1, 2023 Using a 52-week measurement period (as outlined in the measurement/stability period description below or as otherwise required under the Affordable Care Act), employees hired before January 1, 2022 must work an average of twenty seven (27) hours a week for employee-only coverage, a minimum of thirty (30) hours a week for employee and dependent child(ren) coverage, and a minimum of thirty six (36) hours a week to become eligible for employee and spouse or spouse and dependent child(ren) coverage.**

**Plan One eligibility occurs the first (1st) day of the calendar year. In no event can an employee not become initially eligible if hired with the expectation of working 30 hours or more in a week, and such employees will**

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

be eligible on the (1st) day of the month following sixty (60) days of employment.

**Plan Two Eligibility for the Plan – Employees Hired on or After January 1, 2022**

**Plan Two Coverage Initial and Continuing Eligibility – On or after January 1, 2022:** Using a 52-week measurement period (as outlined in the measurement/stability period description below) or as otherwise required under the Affordable Care Act, employees hired on or after January 1, 2022 must work an average of twenty seven (27) hours a week for employee-only coverage, a minimum of thirty (30) hours a week for employee and dependent child(ren) coverage, and a minimum of thirty six (36) hours a week to become eligible for employee and spouse coverage or spouse and dependent child(ren) coverage.

Plan Two eligibility occurs the first (1st) day of the calendar year. In no event can an employee not become initially eligible for Plan Two coverage if hired with the expectation of working 30 hours or more in a week, and such employees will be eligible on the (1st) day of the month following sixty (60) days of employment.

Eligibility shall be continued under the following conditions:

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

The Employer agrees to extend eligibility for qualifying employees on an approved Family and Medical Leave of absence, not to exceed twelve (12) weeks pursuant to the provisions of the Family and Medical Leave Act.

- a) The Employer agrees to extend coverage for eligible employees until the end of the month following cessation of active employment, including but not limited to termination of employment. This obligation shall not be required when employees are discharged for dishonesty, drinking, or drunkenness on the job or resigns to go into business for themselves.
- b) Employees on approved medical, sick or disability-related leave of absence are required to make weekly contributions to maintain eligibility.

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

**Measurement/Stability Period effective January 1, 2022**

Average hours for Plan One and Plan Two coverage eligibility effective on and after January 1, 2022 shall be determined over a twelve (12) month measurement period (measured over 52 or 53 weekly payroll periods, as necessary for compliance with the Affordable Care Act's employer shared responsibility rules) that will result in a twelve (12) month stability period during which time the employee shall be considered an "eligible employee." There shall be a twelve (12) month initial measurement period for new hires who are not reasonably anticipated to work on average at least thirty (30) hours per week, followed by a twelve (12) month initial stability period for such new hires that will end at the beginning of the next standard twelve (12) month stability period. There shall also be a twelve (12) month standard measurement period for all ongoing employees, which shall be the calendar year, followed by a twelve (12) month standard stability period based on employee hours during the standard measurement period. An administrative period may be applied between the end of a measurement period and the start of a stability period as long as the administrative period is in compliance with the Affordable Care Act's employer shared responsibility rules.

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

If a newly-hired employee is reasonably anticipated to work on average at least thirty (30) hours per week, such employee shall be considered a known full-time employee for purposes of health care and shall become eligible for Plan Two coverage on the first day of the month following sixty (60) days of employment and such date shall hereinafter be referred to as the employee's initial eligibility date. Subject to the above requirements, such coverage will remain in effect until such employee reaches the first standard twelve (12) month stability period, at which time coverage will be determined in accordance with the average hour requirements calculated over the previous twelve (12) month standard measurement period. If the Company promotes an employee to a known full-time position, for purposes of health care, prior to the end of an initial or standard measurement period, such employee shall become eligible for Plan Two coverage no later than the earlier of the (1) the 1st day of the month following sixty (60) days from the date of promotion or (2) the first day of the initial or standard stability period and such date shall hereinafter be referred to as the employee's initial eligibility date. Such coverage shall remain in effect until such employee reaches the first standard twelve (12) month stability period, at which time coverage will be determined in accordance with the average hour requirements calculated over the previous twelve (12) month standard measurement period.

In applying the eligibility rules of this provision, if there is a gap between the end of the initial stability period and the start of the standard stability period, the employee shall continue to be eligible for coverage during the gap period based on the employee's eligibility during the initial stability period. In the case of an overlap of the initial stability period and the first standard stability period the employee shall be eligible for the highest level of coverage the employee would qualify for during the overlap period.

#### **Section 19.02: Funding Policy Treatment of Reserves**

~~This Funding Policy shall become activated and of full force and effect on April 1, 2016. The contributions provided for herein are with the parties' understanding and agreement that the Trustees to the South Central Health and Welfare Fund will maintain the Plan in a fully funded and reserved status and will provide benefits in accordance with the provisions of this Article.~~

~~There are two purposes of this Funding Policy:~~

~~\_\_\_\_\_ (A) Fully reserved status of the South Central Health and Welfare Fund~~

~~\_\_\_\_\_ (B) Claims Payment Standards of the South Central Fund.~~

#### **A. Fully Reserved Status**

~~It is agreed that the target for fully reserved status shall be defined as reserves equal to a minimum of three (3.0) months of Health and Welfare expenses. In October of each year, the Fund Consultant will give a projection for the coming plan year as well as a projection of the remaining term of the Agreement.~~

~~The Consultant will provide the current status of the reserves at each quarterly meeting as well as a projection through the end of the current plan year.~~

~~It is understood and agreed that any projection showing reserves below two (2.0) months will cause the financial Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.~~

~~condition to be monitored closely by the Trustees and the Professionals of the plan. A projection showing reserves below two (2.0) months for two consecutive quarters, on or after January 1, 2019, will cause action to be taken by the Trustees to bring the level of reserves back to the desired level of three (3.0) months. Such actions may include a combination of benefit adjustments, eligibility changes and/or employee contribution rate increases.~~

**If the Funding Group reserves in the South Central United Food and Commercial Workers Union and Employers Health and Welfare Trust Fund (the "Fund") as of July 30, 2021 are greater than \$6.8 (six million eight hundred thousand) million dollars, the Employer's contribution rate will be \$0 per hour for compensated hours in September, October, November, and December 2021, instead of the contribution rate otherwise provided herein.**

#### B. ~~Claims Payment Standard~~

~~The Plan Administrator is responsible for payment of claims on a timely basis.~~

~~Payment schedules should comply with any vendor contractual obligations in order to maintain the appropriate discounts provided by the vendor.~~

~~The Plan Administrator will make reports to the Trustees on compliance with these standards. Trustees are responsible for monitoring compliance of these standards and taking corrective action, as appropriate.~~

#### Section 19.03: Cost Control Measures

~~The Trustees are directed to search for and adopt cost control measures that will aid the Fund in managing costs within the contributions provided by the employer and employees herein. The parties agree to develop a Medical Management program that targets high-risk participants with chronic diseases such as diabetes, asthma, and cardiovascular disease. Incentives to drive participation in the program are understood to be a key element to enhance quality health care.~~

~~There is recognition that incentives may take various forms and will likely evolve and change over time base on program experience with a goal of maximizing program effectiveness. The initial focus will be a thorough educational campaign in connection with program roll out. Such education will be reinforced by the Plan, the Union, and the Employer.~~

**The Plan may develop and extend to bargaining unit participants medical and prescription management programs that targets high-risk participants with chronic diseases such as diabetes, asthma, and cardiovascular disease. Incentives to drive participation in the program are understood to be a key element to enhance quality health care.**

#### Section 19.04: National Health Care Reform

The Employer and the Union agree to meet and discuss, at the request of either party, the effects of the Patient Protection and Affordable Care Act (PPACA) and Federal regulations or any other legislation **that may impact the Employer's provision of health and welfare benefits during the term of this Agreement, and to make modifications to this** Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

~~Agreement on this Health and Welfare article and to make modifications as necessary and appropriate~~

**ARTICLE 20. PENSION**

- A. ~~The Employer agrees to continue participation in and contribute to the United Food and Commercial Workers International Union Industry Pension Trust Fund, which Fund has and shall maintain Treasury Department approval. Employer will not be obligated to make any contributions to the Fund which is not deductible for income tax purposes.~~
- B. ~~Effective the month following ratification, the Employer shall pay the monthly contribution as specified in the following table, for employees who have completed twelve (12) full months of employment, and worked an average of twenty-eight (28) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.~~

Kroger Lake Charles/Sulphur	Monthly Contribution Rate Effective September 1, 2016 (August hours)
Employees averaging 28 hours or more per week hired prior to 7/26/07 with 5 Years of Employment or more & first participating prior to 9/1/05	\$ 214.90
Employees averaging 28 hours or more per week hired prior to 7/26/07 with 5 Years of Employment or more & first participating on or after 9/1/05	\$ 159.64
Employees averaging 28 hours or more per week hired on or after 7/26/07 with less than 5 Years of Employment & first participating prior to 9/1/05	\$ 159.64
Employees averaging 28 hours or more per week hired after to 7/26/07 with 5 Years of Employment or more & first participating prior to 9/1/05	\$122.80
Employees averaging 28 hours or more per week hired on or after 7/26/07 with less than 5 Years of Employment & first participating on or after 9/1/05	\$ 92.10
Employees averaging 28 hours or more per week hired on or after 4/13/11	\$ 91.33
Part-time employees age 21 and averaging 72.5 hours per month after qualification of working 870 hours or more annually	\$42.98

- C. ~~Effective September 1, 2016 (August hours), for employees hired prior to July 26, 2007 and participating prior to September 1, 2005, the Employer shall pay two hundred fourteen dollars and ninety cents (\$214.90) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty-eight (28) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.~~
- D. ~~Effective September 1, 2016 (August hours), for employees hired prior to July 26, 2007 and participating on or after September 1, 2005, the Employer shall pay one hundred fifty-nine dollars and sixty-four cents (\$159.64) per month, for employees who have completed twelve (12) full months of employment, and worked~~

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

~~an average of twenty eight (28) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.~~

- ~~E. Effective September 1, 2016 (August hours), for employees hired on or after July 26, 2007 and participating prior to September 1, 2005, the Employer shall pay one hundred fifty nine dollars and sixty four cents (\$159.64) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty eight (28) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.~~
- ~~F. Effective September 1, 2016 (August hours), for employees hired on or after July 26, 2007 and participating on or after September 1, 2005, the Employer shall pay ninety two dollars and ten cents (\$92.10) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty eight (28) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.~~
- ~~G. Effective September 1, 2016 (August hours) employees hire hired on or after July 26, 2007 and participating on or after September 1, 2005, The Employer shall pay one hundred twenty two dollars and eighty cents (\$122.80) per month, for employees who have completed twelve (12) full months of employment, and worked an average of twenty eight (28) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund~~
- ~~H. Effective September 1, 2016 (August hours), for employees hired on or after April 13, 2011, the Employer shall pay ninety one dollars and thirty three cents (\$91.33) per month for employees who have completed twelve (12) full months of employment, and worked an average of twenty eight (28) hours or more per week for the four (4) consecutive weeks immediately preceding the first of the month into the United Food and Commercial Workers Union and Industry Pension Fund.~~
- ~~I. Effective September 1, 2016 (August hours), for part-time employees, the Employer shall pay forty two dollars and ninety eight cents (\$42.98) per month, for part-time employees who have completed twelve (12) full months of employment, attained the age of twenty one (21) and who have worked at least eight hundred and seventy (870) hours or more in a calendar year. Upon qualification, a monthly contribution will be made if the employee averages seventy two and one-half (72.5) hours per month. Each plan year, (July 1st through June 30th), the employee's hours will be reviewed to determine if eight hundred and seventy (870) hours were worked during this time frame. If eight hundred and seventy (870) hours or more were worked, a retroactive contribution will be made for any months in which the employee did not initially receive a contribution in that plan year.~~

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

- ~~J. If prior to April 1, 2017, the National Pension Fund Trustees make the decision to reset the AUCR, and such reset requires a contribution increase to maintain the benefit level in effect on April 2, 2016, and the trustees further determine that such contribution increase must be made prior to the expiration of this agreement, then the employer agrees that the contribution rates in effect may be restored in an amount up to the rates~~

~~Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.~~

in effect April 2, 2016.

- K. ~~Contributions to the Pension Fund shall be discontinued as of the first of the month immediately following:~~
1. ~~A layoff or leave of absence of thirty (30) calendar days or more, except as otherwise provided below;~~
  2. ~~The employee's ceasing to be an eligible employee due to his failure to work an average of twenty-eight (28) hours or more per week for four (4) consecutive calendar weeks (112 hours).~~
- L. ~~Contributions to the Pension Fund discontinued as set forth in Section J above, shall be resumed as of the first of the month following return from layoff or leave of absence.~~
- M. ~~Contributions to the Pension Fund shall be continued under the following conditions:~~
1. ~~In case of a non-work accident, one (1) month's contribution following the month in which the employee incurred the accident.~~
  2. ~~In case of illness, (2) months contribution following the month in which the illness occurs.~~
  3. ~~In case of compensable injury, three (3) months contribution following the month in which the injury occurs.~~
- N. ~~In case of compensable injury, the Employer shall make three (3) monthly contributions including the month in which such compensated injury occurs.~~
- O. ~~The jointly administered Employer-Union Pension Fund shall be administered by an equal number of Trustees representing the Employer and an equal number of Trustees representing the Union. Said Pension Fund shall be used to provide benefit pensions for eligible employees of the Employer as provided in a Pension Plan, the terms and provisions of which are to be agreed upon by the parties hereto. Said Pension Plan shall, among other things, provide that all benefits under the Plan and costs, charges and expenses of administering the Plan and all taxes levied or assessed upon or in respect of said Plan or Trust or any income there from shall be paid out of the Pension Fund.~~
- P. ~~Said Pension Plan and the Trust Agreement establishing the Pension Fund shall be submitted to the United States Treasury Department for the approval and rulings satisfactory to the Employer, that said Plan is qualified under I.R.C. Sec. 401, et. seq., and that no part of such payments shall be included in the regular rate of pay on any employee.~~
- Q. ~~The Pension Plan Trust Agreement shall be attached to and made a part of this Agreement. The Company shall promptly execute any participation agreements required by the Pension Fund.~~
- R. ~~It is understood that the jointly administered Employer-Union Pension Fund referred to in "A" above shall be the United Food & Commercial Workers International Union—Industry Pension Fund.~~

**Kroger Houston, Texas LP. ("Kroger") and Local 455 of the United Food and Commercial Workers International Union entered into a Memorandum of Understanding dated June 30, 2020 (the "Pension MOU"), the terms of which are incorporated herein by reference. The Pension MOU establishes all of the terms and**

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

conditions of employment as they relate to the provision of retirement benefits provided to eligible employees under this CBA. Among other things, the Pension MOU provides that Kroger ceased to have any obligation to contribute to the UFCW International Union - Industry Pension Fund ("National Fund") as of June 30, 2020 and completely withdrew from the National Fund as of that date. Beginning July 1, 2020 retirement benefits for bargaining unit employees covered by this CBA will be provided through the UFCW International Union - Industry Variable Annuity Pension Plan ("VAPP") and Kroger shall be obligated to make contributions to the VAPP in accordance with the terms and conditions of the Pension MOU.

Employees in the bargaining unit covered by this CBA shall participate in the VAPP in accordance with the terms of the Pension MOU and subject to the eligibility, vesting and other requirements and in accordance with the plan of benefits of the VAPP.

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.

#### **ARTICLE 24. EXPIRATION**

*Delete stricken language and add changes in bold*

**C10.** This Agreement shall continue in effect from ~~July 24, 2016~~ **July 26, 2020** through ~~July 25, 2020~~ **July 22, 2023** and shall automatically be renewed from year to year unless either party serves notice in writing to the other party sixty (60) days prior to the expiration date of a desire for termination of or for changes in this Agreement.

#### **SCHEDULE "A" WAGE NOTES**

*Add changes in bold*

**C11. D. Employees that move to the 1st Step of the scale will be subject to a one-year waiting period, starting with the new wage schedule's implementation date of (July 11, 2021).**

**New hires will be placed on the 1st Step of the scale and will be subject to a one-year waiting period, starting with their date of hire. Upon completion of the one-year waiting period, employees will have the ability to progress to the 2nd Step of the scale if they average thirty-two (32+) hours weekly over the 2022 measurement period (October 2021 – September 2022) and thirty-six (36+) hours weekly over the 2023 measurement period (October 2022 – September 2023).**

**Employees at the 2nd Step have the ability to progress to the 3rd step if they average thirty-six (36+) hours weekly over the 2022 measurement period (October 2021 – September 2022) and thirty-eight (38+) hours weekly over the 2023 measurement period (October 2022 – September 2023).**

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

Top-rate employees who fail to average thirty-six (36+) hours weekly over the 2022 measurement period and thirty-eight (38+) hours weekly over the 2023 measurement period will move back to 2nd Step in the pay scale, but have the ability to requalify for the 3rd step if they average thirty-eight (38+) hours weekly in a subsequent year.

Employees who qualify for the 2nd Step of pay will not fall below that Step due to a decrease in hours, but may qualify for the 3rd step if they average thirty-six (36+) hours over the 2022 measurement period and thirty-eight (38+) hours weekly over the 2023 measurement period.

The Company's standard measurement period (generally the first week of October through last week of September) will be used to determine movement between wage steps, which will be effective January 1st of the following year. Please note, associates will first become eligible to move between steps on 1/1/2023, based on the standard measurement period that spans from 10/2021 - 9/2022.

**C12. ARTICLE 6 HOURS**

Section 14.07 All part-time employees scheduled for work by the Employer, shall be scheduled a minimum of four (4) hours of work per day and twenty (20) hours work per week. The twenty (20) hour weekly minimum may be waived by mutual agreement on an individual basis between the employer, employee, and Union representative.

**Modified Union Proposal 3, increased minimum hours**

## LETTERS OF AGREEMENT

Renew LOA #1  
 Add LOA Educational Leave of Absence  
 Add LOA Assistant Department Head Training

**TA'd 7/27/21**

Add LOA Educational Leave of Absence:

### **Side Letter Regarding Educational Leave of Absence Policy**

An employee enrolled as a full-time student at an accredited college/university, technical/vocational training or a specialized training program as a full-time student during each academic cycle may request an educational leave of absence under the following conditions:

- Institution is beyond a reasonable commuting distance to a Kroger store.
- Leave must be requested on an Educational Leave of Absence Form in advance and must be accompanied by a written confirmation of attendance from the institution.
- Leave shall be granted for a period not to exceed the length of the institution's designated sessions, i.e. semester, trimester or quarter.
- Student must report to management no later than fourteen (14) days from the end of the session.
- When school is not in session and the student lives beyond a reasonable commuting distance, the student may request a leave under the same terms and conditions as other educational leaves.

**TA'd 7/27/21**

Lake Charles, Sulphur, and Alexandria Clerks Agreement Last, Best and Final Offer September 17, 2021. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

Add Assistant Department Head Training:

**Side Letter  
Regarding Assistant Department Head Training**

During the course of negotiations, the parties discussed Assistant Department Head training. As a result of these discussions, the Company agrees to conduct two training classes per calendar year. The training classes will be held between February 1st through October 31<sup>st</sup> of each calendar year.

FOR THE COMPANY:

FOR THE UNION:

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**TA'd 7/27/21**

### Lake Charles/Sulphur Meat Clerks

Full-time	Apprentice		Progression		
	Current		7/11/2021	2/6/2022	8/7/2022
0-6	\$ 9.50	1st Step	\$ 11.00	\$ 11.25	\$ 11.50
6-12	\$ 9.85	2nd Step	\$ 13.50	\$ 13.75	\$ 14.00
12-18	\$ 10.20	3rd Step	\$ 15.90	\$ 16.05	\$ 16.45
18-24	\$ 10.55				
24-30	\$ 10.90	Certified Cutter	\$ 17.15	\$ 17.40	\$ 17.70
30-36	\$ 11.25				
36-42	\$ 12.00				
42+	\$ 12.35				
Certified Cutter	\$ 16.75				

Full-time	Service Clerks		Progression		
	Current		7/11/2021	2/6/2022	8/7/2022
0-6	\$ 9.50	1st Step	\$ 11.00	\$ 11.25	\$ 11.50
6-12	\$ 9.85	2nd Step	\$ 13.50	\$ 13.75	\$ 14.00
12-18	\$ 10.20	3rd Step	\$ 15.90	\$ 16.05	\$ 16.45
18-24	\$ 10.55				
24-30	\$ 10.90				
30-36	\$ 11.25				
36-42	\$ 12.00				
42-48	\$ 12.35				
48+	\$ 12.75				
	\$ 15.00				

**Part-time**

(Assigned after 4/3/2004)			Progression		
	Current		7/11/2021	2/6/2022	8/7/2022
0-6	\$ 9.50	1st Step	\$ 11.00	\$ 11.25	\$ 11.50
6-12	\$ 9.85	2nd Step	\$ 13.50	\$ 13.75	\$ 14.00
12-18	\$ 10.20	3rd Step	\$ 15.90	\$ 16.05	\$ 16.45
18-24	\$ 10.55				
24-30	\$ 10.90				
30-36	\$ 11.25				
36+	\$ 12.20				

Part-time			Progression		
	Current		7/11/2021	2/6/2022	8/7/2022
0-6	\$ 9.50	1st Step	\$ 11.00	\$ 11.25	\$ 11.50
6-12	\$ 9.85	2nd Step	\$ 13.50	\$ 13.75	\$ 14.00
12-18	\$ 10.20	3rd Step	\$ 15.90	\$ 16.05	\$ 16.45
18-24	\$ 10.55				
24-30	\$ 10.90				
30-36	\$ 11.25				
36+	\$ 12.20				

	Current	New Tiers	7/11/2021	8/7/2022
Head Meat Cutter	\$ 20.93	<\$750K	\$ 21.93	\$ 22.93
	*w/o fuel/R3	>\$750K	\$ 22.43	\$ 23.43
			7/11/2021	8/7/2022
RC Journeyman Meat Cutter	\$ 18.99		\$ 20.29	\$ 20.69
Red Circle Service Managers	\$ 16.61		\$ 17.41	\$ 17.81
	\$ 15.20		\$ 16.00	\$ 16.40
RC Wrappers	\$ 15.20		\$ 16.00	\$ 16.40

Lake Charles/Sulphur/Alexandria Meat Agreement Last, Best, and Final Offer 9-17-21. The Company reserves the right at any time during the negotiations process and prior to ratification to amend, withdraw, modify, clarify or add to any proposals. There shall be no final agreement on any issues, regardless of procedural tentative agreements, until a full and complete agreement is reached on all issues which are the subject of matter for bargaining and only after that full agreement is ratified by the parties.

**Lake Charles Meat Proposal  
Last Best and Final Offer**

Plan Name	Plan One Hired Before January 1, 2022	
<b>EMPLOYEE ELIGIBILITY - January 1, 2022</b>		
FT Eligibility (ACA definition)	30+ hours per week	
PT Eligibility	<b>25 hours minimum</b>	
Measurement Period / Stability Period	12 months/12 months	
<b>Spouse and Dependent Child(ren)</b>		
<b>Spouse Coverage</b>	36 + hours for spouse	
Dependent Child(ren) Coverage	30 + hours for Dep. Children	
<b>EMPLOYEE ELIGIBILITY - January 1, 2023</b>		
FT Eligibility (ACA definition)	30+ hours per week	
PT Eligibility	<b>27 hours minimum</b>	
Measurement Period / Stability Period	12 months/12 months	
<b>Spouse and Dependent Child(ren)</b>		
<b>Spouse Coverage</b>	36 + hours for spouse	
Dependent Child(ren) Coverage	30 + hours for Dep. Children	
<b>MEDICAL PLAN DESIGN</b>		
Plan Type	<b>PPO</b>	
	<b>In Network</b>	<b>Out Of Network</b>
Preventive Coverage	100%	Not Covered
<b>Co-Insurance</b>	<b>In Network</b>	<b>Out Of Network</b>
Predominant Co-Insurance (Plan share) January 1, 2022	80%	50%
Predominant Co-Insurance (Associate share) January 1, 2022	20%	50%
Annual Deductible: Single / Family January 1, 2022	\$550 / \$1,100	\$1,100 / \$2,200
Annual Deductible: Single / Family January 1, 2023	\$650 / \$1,300	\$1,300 / \$2,600
Out of Pocket Max: Single/Family (ACA OOPM annually)	\$8,150 / \$16,300	\$16,300 / \$32,600
Annual Maximum Benefit	Unlimited	Unlimited
Lifetime Maximum Benefit	Unlimited	Unlimited
<b>POINT OF SERVICE FEES</b>	<b>In Network</b>	<b>Out Of Network</b>
Primary Care Office Visit Copay (per visit)	\$35.00	50% after deductible
Specialist Office Visit Copay (per visit)	20% + \$35 copayment	50% after deductible
Urgent Care Copay (per visit)	\$75.00	50% after deductible
TLC /Other Retail Convenience Clinic	\$15.00	50% after deductible
Emergency Room (per Visit)	\$300 Copay + Co-insurance	
Coordination of Benefits	Standard	
Live Health Online	Yes	
Employee Assistance Program	EAP through Magellan	
Target Price for high tech imaging	Yes	
Total Health Total You	Yes	
Mobile Health Consumer	Yes	
Steerage to Centers of Excellence (COE)	Yes	
<b>Pharmacy/Prescription Drugs</b>	<b>Rx Plan</b>	
<b>Retail</b>		
Retail Days Supply	30 Day Supply	
	<b>Minimum</b>	<b>Maximum</b>
Retail Generic Copay	Greater of \$10 or 10%	\$40.00
Retail Brand Formulary Copay	Greater of \$20 or 20%	\$70.00
Retail Brand Non Formulary Copay	Greater of \$35 or 30%	\$125.00
Specialty Bio-Similar Copay	8%	\$100.00
Specialty Brand Formulary Copay	15%	\$250.00
Specialty Non Formulary Copay	25%	\$400.00
<b>Mail</b>		
Mail-Order Days Supply	90 Day Supply	
Mail-Order Generic Copay	Greater of \$25 or 10%	\$80.00
Mail-Order Brand Formulary Copay	Greater of \$50 or 30%	\$140.00
Mail-Order Brand Non Formulary Copay	Greater of \$75 or 30%	\$250.00
Mail-Order Specialty Copay	N/A	N/A
<b>Pharmacy Program Options</b>	Company Proposa	
90 Day Retail Program(Adhere 90)	Yes	LBFC
Step Therapy	Yes	9/17/21

Reference Based Pricing (Target Pricing)	Yes	
Compound Program	Yes	
Mandatory KPP Specialty Drug Program	Yes	
Quantity Limits	Yes	
Prior Authorizations	Yes	
<b>Plan One</b>		
<b>Weekly Contributions - initial amount effective January 1, 2022, incremental increases each January 1 thereafter</b>	Includes medical, Rx, dental and vision	
<b>Employee</b>	\$9.00 (2022) / \$10.00 (2023)	
<b>Employee + Spouse</b>	\$39.00 (2022) / \$42.00 (2023)	
<b>Employee + Child(ren)</b>	\$15.00 (2022) / \$16.00 (2023)	
<b>Employee + Spouse + Child(ren)</b>	\$46.00 (2022) / \$49.00 (2023)	
<b>Dental Benefit</b>	<b>Plan One</b>	
Annual Deductible	\$100	
Preventive Coinsurance	100%	
Basic Coinsurance	80%	
Major Coinsurance	60%	
Annual Maximum Benefit	\$2,000	
Orthodontia Coverage	Children + Adults	
Orthodontia Deductible	\$50.00	
Orthodontia Coinsurance	50%	
Orthodontia Lifetime Maximum Benefit	\$1,500	
<b>Vision Benefit</b>		
Network	In Network	Out of Network
Exams (every 12 months)	\$10 copay	\$50
Frames (every 24 months)	\$150 allowance	\$70
Lenses (every 12 months)	\$15 copay	\$75
Contact Lenses (In Lieu of Lenses)		
Elective Disposable Lenses	\$150 allowance	\$105
Non-Elective Contacts		
<b>Income Replacement Plans</b>	<b>100% Employer Paid</b>	
<b>Basic Life and AD&amp;D (tied to medical eligibility)</b>		
<b>Co. Paid Life Insurance/AD&amp;D</b>	Plan A	
Full Time Life Insurance (Equal amount for AD&D)	\$25,000	
Part Time Life Insurance (Equal amount for AD&D)	\$15,000	
Spouse Life Insurance	\$5,000	
Dependent Life Insurance	\$2,500	
<b>Short Term Disability/Sick Pay (tied to medical eligibility)</b>		
FT Elimination Period / Injury - Illness / Benefit Duration	7 days injury/ 7 days illness/ 26 weeks	
FT Maximum Benefit a Week	60% to \$300 weekly maximum	
PT Elimination Period / Injury - Illness / Benefit Duration	7 days injury/ 7 days illness/ 26 weeks	
Part Time Max Benefit	60% to \$200 weekly maximum	
Administrator - internal or vendor	MetLife	

Plan Name	Plan Two Hired On or After January 1, 2022	
<b>EMPLOYEE ELIGIBILITY - January 1, 2022</b>		
FT Eligibility	30+ hours per week	
PT Eligibility	27 hours minimum	
Measurement Period / Stability Period	12 months/12 months	
<b>Spouse and Dependent Child(ren)</b>		
Spouse Coverage	36 + hours for spouse	
Dependent Child(ren) Coverage	30 + hours for Dep. Children	
<b>MEDICAL PLAN DESIGN</b>		
Plan Type	<b>PPO</b>	
	In Network	Out Of Network
Preventive Coverage	100%	Not Covered
Predominant Co-Insurance (Plan share)	70%	50%
Predominant Co-Insurance (Associate share)	30%	50%
Annual Deductible: Single / Family April 1, 2021	\$1,000 / \$2,000	\$2,000 / \$4,000
Out of Pocket Max: Single/Family (ACA OOPM annually)	\$8,150 / \$16,300	\$16,300 / \$32,600
Annual Maximum Benefit	Unlimited	Unlimited
Lifetime Maximum Benefit	Unlimited	Unlimited
<b>POINT OF SERVICE FEES</b>		
Primary Care Office Visit Copay (per visit)	\$35.00	50% after deductible
Specialist Office Visit Copay (per visit)	30% + \$35 copayment	50% after deductible
Urgent Care Copay (per visit)	\$75.00	50% after deductible
TLC /Other Retail Convenience Clinic	\$15.00	50% after deductible
Emergency Room (per Visit)	\$300 Copay + Co-insurance	
Coordination of benefits	Standard	
Live Health Online	Yes	
Employee Assistance Program	EAP provided by Magellan	
Target Price for high tech imaging	Yes	
Total Health Total You	Yes	
Mobile Health Consumer	Yes	
Steerage to Centers of Excellence (CEO)	Yes	
<b>Pharmacy/Prescription Drugs</b>	<b>RX Plan</b>	
<b>Retail</b>		
Retail Days Supply	30 Day Supply	
	<b>Minimum</b>	<b>Maximum</b>
Retail Generic Copay	Greater of \$10 or 10%	\$40.00
Retail Brand Formulary Copay	Greater of \$20 or 20%	\$70.00
Retail Brand Non Formulary Copay	Greater of \$35 or 30%	\$125.00
Specialty Bio-Similar Copay	8%	\$100.00
Specialty Brand Formulary Copay	15%	\$250.00
Specialty Non Formulary Copay	25%	\$400.00
<b>Mail</b>		
Mail-Order Days Supply	90 Day Supply	
Mail-Order Generic Copay	Greater of \$25 or 10%	\$80.00
Mail-Order Brand Formulary Copay	Greater of \$50 or 30%	\$140.00
Mail-Order Brand Non Formulary Copay	Greater of \$75 or 30%	\$250.00
Mail-Order Specialty Copay	N/A	N/A
<b>Pharmacy Program Options</b>		
90 Day Retail Program(Adhere 90)	Yes	
Step Therapy	Yes	
Reference Based Pricing (Target Pricing)	Yes	
Compound Program	Yes	
Mandatory Kroger Specialty Pharmacy	Yes	
Quantity Limits	Yes	
Prior Authorizations	Yes	
	<b>Plan Two</b>	
<b>Weekly Contributions - initial amount effective January 1, 2022, incremental increases each January 1 thereafter</b>	Includes medical, Rx, dental and vision	
<b>Employee</b>	\$9.00 (2022) / \$10.00 (2023)	Company Proposal LBFC
<b>Employee + Spouse</b>	\$39.00 (2022) / \$42.00 (2023)	9/17/21
<b>Employee + Child(ren)</b>	\$15.00 (2022) / \$16.00 (2023)	

<b>Employee + Spouse + Child(ren)</b>	\$46.00 (2022) / \$49.00 (2023)	
<b>Dental Benefit</b>	<b>Plan Two</b>	
Annual Deductible	\$100	
Preventive Coinsurance	100%	
Basic Coinsurance	80%	
Major Coinsurance	60%	
Annual Maximum Benefit	\$2,000	
Orthodontia Coverage	Children + Adults	
Orthodontia Deductible	\$50.00	
Orthodontia Coinsurance	50%	
Orthodontia Lifetime Maximum Benefit	\$1,500	
<b>Vision Benefit</b>		
Network	In Network	Out of Network
Exams (every 12 months)	\$10 copay	\$50
Frames (every 24 months)	\$150 allowance	\$70
Lenses (every 12 months)	\$15 copay	\$75
Contact Lenses (In Lieu of Lenses)	\$150 allowance	\$105
Elective Disposable Lenses		
Non-Elective Contacts		
<b>Income Replacement Plans</b>	<b>100% Employer Paid</b>	
<b>Basic Life and AD&amp;D</b> (auto-enrolled and tied to medical eligibility)		
<b>Co. Paid Life Insurance/AD&amp;D</b>		
Full Time Life Insurance (Equal amount for AD&D)	\$25,000	
Part Time Life Insurance (Equal amount for AD&D)	\$15,000	
Spouse Life Insurance	\$5,000	
Dependent Life Insurance	\$2,500	
<b>Short Term Disability/Sick Pay</b> (tied to medical eligibility)		
FT Elimination Period / Injury - Illness / Benefit Duration	7 days injury/ 7 days illness/ 26 weeks	
FT Maximum Benefit a Week	60% to \$300 weekly maximum	
PT Elimination Period / Injury - Illness / Benefit Duration	7 days injury/ 7 days illness/ 26 weeks	
Part Time Max Benefit	60% to \$200 weekly maximum	
Administrator - internal or vendor	MetLife	