



Best offer to Settle
June 30, 2024
FOR SUCCESSOR AGREEMENT
Between
Shelbyville Distribution Center D.B.A. Kroger Limited Partnership I
&
Teamsters Local No. 135

As a result of contract negotiations held between May 17, 2024, and June 30, 2024; the Union agreed to present the following settlement as a fully recommended and endorsed settlement, to its membership at a ratification meeting to be held on or before July 14, 2024.

This document represents a full and complete Comprehensive Best Offer of Settlement regarding all outstanding issues in the negotiations for a successor agreement to the Shelbyville Distribution Center. This Comprehensive Best Offer is meant to address all proposals and contract modifications discussed, exchanged, or implied. Any omission or failure to address a proposal of Teamsters Local 135 and Shelbyville Distribution Center should be construed as rejection of such union proposal. This offer includes any and all signed or verbalized tentative agreements executed during the course of these negotiations.

Agreement

This agreement made and entered into this June 30, 2024, by and between Shelbyville Distribution Center D.B.A. Kroger Limited Partnership I, (hereinafter "Kroger", "Employer" or "Company") and Teamsters Local Union 135 (hereinafter "Union") to modify the existing collective bargaining agreements covered by this negotiation. Except as identified below and the attached provisions of the March 8, 2012, through June 30, 2024, agreement shall continue in full force and effect:

The items agreed to are as follows:

Modify the current language as follows:

- Change dates to reflect newly bargained term throughout the Contract.
- Change legal name to reflect; Kroger Limited Partnership I
- Correct punctuation and grammar throughout as appropriate.

Delete ~~stricken~~ language and add changes in **bold**:

This collective bargaining agreement is entered into this June 30, 2024, ~~8th day of March, 2012,~~ **(insert date of ratification)** between ~~Penske~~ **Kroger Limited Partnership I**, Shelbyville (~~"Penske"~~ **"Kroger"** or "Company"), located at 4301 N. 125th West Shelbyville, Indiana, and Teamsters Local Union No. 135, affiliated with the International Brotherhood of Teamsters ("Union").



Combination of Contracts

Teamsters Local 135 proposes to combine the collective bargaining agreements that represents the Union members working in the Lift Truck Operators, Loaders, and Selectors, and **skilled Porters (pallets, skybox, sweeper, scrubber)** positions with the collective bargaining agreement that represents the Union members working in the Checker, and Bus Driver positions resulting in one collective bargaining agreement that covers all current Union positions at the Kroger Distribution Center.

Article 1 - Union Recognition

Section 1 – The Company hereby recognizes the Union as the exclusive collective bargaining representatives of all full-time and ~~VAR~~ **part-time** warehouse and **skilled porter (pallets, skybox, sweeper, scrubber)** employees, **which includes all selectors, lift truck operators, loaders, skilled porters (pallets, skybox, sweeper, scrubber), checkers, and bus drivers** employed by the Company located at its facility located at 4301 N. 125 West in Shelbyville, Indiana. Office clerical employees, dispatchers, dispatchers clerks, maintenance, managerial employees, lead persons, guards and supervisors as defined by the Act are excluded from the bargaining unit.

Article 1 – Union Recognition

To be reference in MOU or side letter and remove Section 2 from the CBA.

Section 2. In the event the Company sells, **leases, transfers, assigns** all or part of its operation, **the Company shall endeavor to give the Union as much notice as practical, but not less than ninety (90) days unless such notification violates the sale agreement, and will provide written notice of the existence of this Agreement not later than the effective date of the transaction of any purchaser, transferee, lessee, or assignee, et al., with a copy of such notice to be sent to the Union not later than the effective date of such transaction together with the name and address of the representative of the other party to the transaction** ~~this collective bargaining agreement shall have no application to the purchaser of that operation. The Company shall have no obligation to condition a sale of all or part of its operation upon recognition by the purchaser or upon adoption of this Agreement by the purchaser.~~

Article 3 – Notification

Section 2 – The Company shall give notice to employees regarding termination, by certified mail to the employees last known address **on record**. If the employee fails to claim the letter within ~~three (3)~~ **five (5) days of its postmark** **from the date the post office made the first attempt to deliver the letter**, the company's obligation to the employee under this agreement ceases. All other notices, including discipline up to and including suspension, will be sent by regular mail. ~~to the union member and to the union hall.~~



New section 3 – **The company will provide the union business agent with a weekly email updating the following information:**

1. **All newly hired employee's names, addresses, hire dates and job titles.**
2. **All names of employees that were terminated, quit, or retired during that week and the date their separation of employment occurred.**
3. **All names of employees that complete their probationary period during that week.**
4. **All names of employees that changed job functions and went from a union position to a non-union position or from a nonunion position to a union position.**

New section 4 – **Upon request by the union,** ~~the Company will send the union an updated job qualifications list not more than twice during the months of February and August of each calendar year.~~

Article 4 – Management rights

Section 2 – The Company has the right to formulate and administrate rules, policies, and procedures. This will include the right to establish, or revise attendance, work, substance abuse, drug and alcohol testing, functional testing, and safety rules by which all employees will abide. The Company has the right to establish or revise a disciplinary policy to address violations of these rules. The Company also has the right to discharge, suspend or otherwise discipline employees for just cause.

Article 4 – Management Rights

Section 4 - The Company also retains the right to establish work schedules for employees, including the determination of the number of actual hours to be worked in any day, week or shift; to determine the number of employees necessary to operate any department, classification, or division of the Company; to determine the management organization for each department; to select who shall be hired or not hired; to utilize parttime and temporary **(excluding temp to hire)** employees; to determine the skill and qualifications necessary for employees; to establish or revise performance standards, including quality standards and to establish and/or modify acceptable performance levels by employees ; to decide where or when training on a particular operation or job is required, how much training is required, and the right to move, retrain and transfer employees; and to establish or modify Job duties and classifications.



Article 4 – Management rights

Section 5 - The company may transfer work between any of its facilities. It may also determine the location of the business, including the establishment of new plants or departments, and may relocate, or close plants or departments. The Company may temporarily transfer, by seniority, any employee who volunteers to do so, to any of its locations to perform work for the Company. ~~However, the Company may not transfer any work performed by the bargaining unit employees covered herein from the facility covered by this agreement to any other locations.~~

Article 4 – Management rights

~~Section 6. The Company has the right to subcontract or contract out work. If the decision to subcontract work would result in the layoff of employees, the Company will meet with the Union and negotiate over the effects of that decision on the workforce.~~

Section 6. This Agreement shall offer continued employment by the Employer for the entire term of this Agreement, assuming such employee is willing and able to perform work offered pursuant to this Agreement. This guarantee applies only to employees as of the date of ratification (as listed in Appendix B).

The Employer agrees that bargaining unit work will normally be performed by the bargaining unit employees. However, in accordance with business requirements, the Employer shall have the right to contract out bargaining unit work and/or use temporary workers when the following factors are present.

- 1. When circumstances beyond the Employer's control, such as but not limited to natural disasters or acts of God (e.g., COVID-19), diminish the bargaining unit workforce's ability to perform work.**
- 2. When the work is of such urgency or duration that it is impractical to add additional employees (e.g., a temporary substantial increase in workload).**
- 3. In other situations where subcontractors and/or temporary workers are necessary for the timely and adequate completion of the work.**

However, in all cases, subcontractors and/or temporary workers will be used to supplement rather than replace the bargaining unit, and under no circumstances shall the use of temporary workers or subcontracting of bargaining unit work result in layoffs or reduced hours for bargaining unit employees.

Article 4 – Management rights

~~Section 8 - The Company's exercise of its management rights may not be grieved or arbitrated unless they violate any other specific provisions of this agreement.~~



Article 5 – Grievance and Arbitration

Section 7 – If the grievance is not resolved as a result of the meeting involving the Company Representative and the Union Business Representative, the Union will have seven (7) days to refer it to the Unions President or his designee and a designated Company representative. These parties will meet as soon as possible and attempt to resolve the grievance. If the matter is unresolved after ~~thirty (30)~~ **ten (10)** days, the Union will have ~~seven additional days~~ **the option** to refer this matter to the next scheduled Teamsters local No.135 Central and Southern Indiana Miscellaneous Contract Joint Grievance Committee (Central and Southern Committee).

Article 5 – Grievance and Arbitration

Section 10 - If any grievance proceeds to arbitration, ~~both the grieving party~~ **Employer and the Union** must submit **to the other party** in writing all known evidence bearing on the grievance at least thirty (30) days prior to the hearing. This includes, but is not limited to, a description of the practice or matter giving rise to the dispute, relevant dates, **disciplinary letters** and all witnesses, along with the specific contract clause that is allegedly being violated. Failure to comply with these requirements will serve as a bar to the introduction of the evidence that was withheld by ~~the grieving~~ **either** party at arbitration. Evidence that is discovered at a later date may be introduced at **the** hearing if the party discovering the evidence gives the other party written notice of its existence at least five days prior to the arbitration.

Article 6 - Probationary Period

Section 2. **The Company will notify Teamsters Local 135 of all newly hired employees. The Company will support membership of the Union and will not act in any way to negatively impact a new employee's decision to join the Union.**

As part of the new hire orientation the Union will be given a maximum of thirty (30) minutes to speak to all newly hired employees on their first day of employment. During the probationary period, the Company shall have the right to discharge or discipline an employee without assigning cause. This action shall not be subject to the grievance and arbitration provisions of this Agreement.

During the probationary period, the Company shall have the right to discharge or discipline an employee without assigning cause. This action shall not be subject to the grievance and arbitration provisions of this Agreement.



Article 7 - Employee Classifications

Section 1. Following completion of the probationary period, employees will be assigned to one of two classifications: regular full-time or ~~VAR (vacation, absence, replacement)~~ employees.

Section 2 - regular full-time employees are those employees who are ~~regularly~~ scheduled to work ~~an average of not less than~~ forty (40) straight time hours per week. **Part-time employees are those employees who are scheduled to work less than forty hours per week. The Company will not employ more than ten (10) part-time employees at any one time unless by mutual agreement.**

Section 3. ~~VAR employees are defined in Article 9.~~

ARTICLE 8 - SENIORITY

New Section 4 – The Employer agrees to grant the necessary and reasonable time off, without discrimination or loss of seniority rights and without pay, to any employee designated by the Union to attend a labor convention or serve in any capacity on other official Union business, provided forty-eight (48) hours written notice is given to the Employer by the Union specifying the length of time off. The Union agrees that, in making its request for time off for Union activities, due consideration shall be given to the number of employees affected in order that there shall be no disruption of the Employer’s operations due to lack of available employees. The Union agrees no more than six (6) stewards will be taken out of service at any one time with less than forty-eight (48) hours notice regardless of the above.

ARTICLE 8 - SENIORITY – Section 2(f)

Delete ~~stricken~~ language and add changes in **bold**:

- (f) Acceptance of a **full-time** non-bargaining unit position for a period of more than ~~sixty (60)~~ thirty (30) days.

Article 9 – VAR Employees

~~Section 1 – VAR employees are non seniority employees.~~

~~Section 2 – VAR employees will be eligible for a vacation as outlined in article 16 of this agreement. VAR employees also be entitled to two (2) personal holidays. Qualifications for these holidays will be controlled by article 17 of this agreement.~~

~~Section 3 – VAR employees will be eligible to participate in the 401(K) plan outlined in article 24. VAR Employees are not eligible to participate in the company health insurance program outlined in article 23.~~

~~Section 4 – VAR employees will receive not less than eighty five percent (85%) of the applicable rate for warehouse employees.~~



~~Section 5 — VAR employees will be offered regular full-time positions before the Company hires from the outside. The seniority date for VAR employees electing regular full-time status will be the day the VAR employee elects to move to full-time status. If the VAR employee has not completed their probationary period Prior to electing regular full-time status, the probationary period must be completed before the employee will be considered a regular, full-time employee.~~

~~Section 6 — VAR employees have no seniority. Therefore, they do not have any right to claim a job that a seniority employee wishes to perform. As a consequence, VAR Employees will be performing selector work unless there is an absence or vacancy that no employees with seniority wish to perform.~~

~~Section 7 — the parties agree that the Company has the right to utilize VAR employees. The use of VAR employees will be limited to fifteen percent (15%) Of the regular full-time employee seniority list. However, the use of a VAR employee to replace a full-time employee who is absent for any reason will not be counted against limitations on the use of VAR employees.~~

Article 10 – Layoff and Recall

Section 1. In instances of layoff and recall, the Company shall first consider **volunteer** employees **by seniority demonstrated skills, ability, and seniority.** VAR and Probationary employees will be laid off prior to regular employees on the seniority list.

Section 4. **The Employer determines it is necessary to reduce the amount of work or the size of the workforce due to a decline in business.**

Article 11 – Hours of work

New Section 4 – All employees will receive a minimum of two (2) fifteen (15) minute paid breaks, within a regular eight (8) hour shift, with additional time added for the time needed to travel to and from the break area. All employees will receive a minimum of three (3) fifteen (15) minute paid breaks, within a regular ten (10) hour shift, with additional time added for the time needed to travel to and from the break area. For any day that the Company has overtime extending an employee's regular shift by up to two (2) hours, all affected employees will receive an additional fifteen (15) minute paid break at the end of their regular shift, prior to working any overtime. Any employee working more than two (2) hours overtime for any reason would be entitled to an additional fifteen (15) minute paid break at the completion of every two (2) hour block of overtime. In addition to the breaks outlined in this section all employees are entitled to a thirty (30) minute unpaid lunch, with additional time added for the time needed to travel to and from the break area after working four (4) hours during any shift.



Article 12 – Overtime

New Section 5 – No employee will be mandated to work on a day off with less than twenty-four (24) hours prior notice except when circumstances beyond the Company's control exist.

New Section 6 – Anytime the Company provides support to another site through the allocation of employees covered by this collective bargaining agreement the Company will make open overtime available to remaining employees in accordance with current practices.

Article 14 – Wages Lift Truck Operators, Loaders, and Selectors

See addendum page

Article 14 – Wages

Section 3 - Second shift and Third shift employees will receive a one dollar (\$1.00) per hour shift differential. All employees will receive one dollar (\$1.00) per hour shift differential for all time worked on Friday, Saturday, and Sunday of each work week. All employees will receive four dollars (\$4.00) per hour shift differential for all time worked outside of the hours of Monday through Friday, 8:00 a.m. to 4:00 p.m.

Article 15 – Incentive plans

Section 1- The Company has the right to establish incentive plans which provide pay in addition to the employees' base hourly rate. ~~The Company retains the sole discretion to reasonably create, modify, redesign, and administer these plans~~ Prior to the creation, modification, or redesign of these plans, the Company agrees to meet with the Union to discuss any contemplated change(s). The Union reserves the right to challenge the fairness and equitableness of any change(s) through the grievance procedure. During the terms of this agreement, the incentive plans will not be eliminated. There will be no changes to the pay structure of the incentive plan, or the time structures that the incentive pay is based on, during the life of this agreement.

Article 15 - Incentive Plans:

New Section 2 - the Company will provide all eligible employees with a daily downtime sheet. The downtime sheet provided will be a triple-carbon copy form, the employee will keep one (1) copy for their records and turn the remaining two (2) copies into the Company. The Company will then notate on one (1) of those copies what downtime was applied to that employee's production for the day and return that copy to the employee, the Company will then keep the remaining copy for their records. The Company will explain to each employee the reason for



any downtime being refused. In the event technology becomes available that automates this process, the Company will meet and discuss with the Union prior to implementation.

Article 15 – Incentive Plans

New Section 3 – The incentive plans are intended to give employees pay in addition to their hourly rate of pay. Employees will have the option of removing one week from a six-week average one time per contractual bid, in order to avoid discipline.

Article 15 – Incentive Plans

New Section 4 – The amount of incentive earned by an employee for work performed will not be reduced for any reason other than the amount of work performed, ex: safety or attendance infractions, working in another function, work rule violations.

Article 16 – Vacation

~~Section 5 - the company may shut down any department in whole or in part for vacation purposes. Employees' bids for vacation will be granted consistent with the company's operational needs.~~

Article 17 - Holidays

~~Section 3 - Employees will be permitted to schedule personal holidays one or more days at a time as operation permits. All requests for the personal holidays for the year must be made in writing at least one week in advance. Personal holidays for the year must be taken in the year awarded and may not be carried forward to the following year.~~

Article 18 – Family and Medical Leave

New Section 2 – The Company will not require employees to use any personal days or any pre-scheduled vacations of up to two weeks to be used concurrently with an employee's FMLA.

Article 21 – Funeral Leave

Section 1 - in the event of the death of an employee's immediate family member, a reasonable period of unpaid leave will be granted to the employee. Immediate family includes the employee's spouse, children, ~~and~~ stepchildren, siblings, parents, stepparents, grandparents, grandchildren, mother-in-law, ~~and~~ father-in-law, **brother-in-law and sister-in-law**.



Article 23 – Health Insurance

Section 1. The Company will continue to make weekly contributions to the Local 135 Health Benefits Fund (C-7) for health insurance coverage, which includes dental and vision coverage. These contributions will be made for each regular full-time employee covered by this Agreement who either works during the week or qualifies for payments under Section 3 of this Article. Total contributions to the Local 135 Health Benefits Fund (C-7) for health insurance coverage will be according to the following schedule:

7/1/2024	\$355.00
7/1/2025	\$362.00
7/1/2026	\$370.00

Section 2. Effective July 1, ~~2014~~**2024**, employees will pay a weekly contribution of ~~four~~ **forty** dollars (\$~~40.00~~) per week for health insurance coverage. This contribution will be increased by four dollars (\$4.00) per week on **February 28, 2027, and** each successive anniversary date ~~thereafter of this Collective Bargaining Agreement.~~

ARTICLE 24 - 401(K) PLAN

~~**Section 1.** During the life of this Agreement, the Company will maintain a 401(k) savings retirement plan. Employees will be eligible to participate in and receive Company contributions on the first January 1 or July 1 that occurs after the employee has completed one (1) year of service with the Company. Details of the plan can be found in Company literature.~~

~~**Section 2.** The Company agrees to match employee contributions into the 401(k) plan on a dollar for dollar basis up to a maximum of forty dollars (\$40.00) per week. The Company will contribute thirty dollars (\$30.00) per week for each qualifying employee who works during the week.~~

Employees of the bargaining unit shall be eligible to become participants in The Kroger Co. 401(k) Retirement Savings Account Plan (the “401(k) Plan” a 401(k) safe harbor qualified retirement plan governed by ERISA, subject to the terms of the 401(k) Plan Document and the 401(k) Plan’s rules and regulations. Employees of the bargaining unit shall participate in the 401(K) Plan on the same basis as other associates who participate in the 401(k) Plan. It is understood that the 401(k) Plan will offer no less than the benefits outlined in the current summary plan description for the term of the contract (see Appendix C). It is understood that the 401(k) Plan sponsor retains the right to make changes to the 401(k) Plan at its discretion. Employees may elect to make voluntary contributions to their retirement account as provided by law. The Employer agrees to deduct such voluntary contribution amounts from employee’s checks, as designated by written authorization, and to remit such amounts to the 401(k) Plan



sponsor. In the event of any conflict or apparent conflict between this provision and the full text of the 401(k) Plan document, the full text of the 401(k) Plan document will control.

The Company will educate newly hired employees on the benefits of the 401 (K) plan during the course of their orientation and will permit them time to enroll.

Article 25 – Safety Training

Section 1 - The company agrees to contribute three cents (\$0.03) per hour to the Indiana Teamsters safety training and educational trust fund, **or another safety, training, or educational related fund that is designated by the local union**, for each hour worked by regular full-time bargaining unit members.

Article 26 - Union Access

New Section 2 – The Company will issue an entry badge to the Business Agent assigned as the Bargaining Unit Representative form IBT Local 135. It is understood that the badge will used in accordance with all Company policies and subject to revocation should any violation(s) occur.

Article 28 – Union Stewards

~~Section 1 – The company recognizes the right of the local union to designate three Union stewards for each shift from the company seniority list. These stewards or alternates will not be granted any special privileges.~~

Section 1 – Recognition of Stewards

The Employer recognizes the right of the Union to designate job stewards and alternates from the Employer's seniority list.

Section 2 – Authority of Stewards

The authority of job stewards and alternates so designated by the Union shall be limited to and shall not exceed the following duties and activities:

- (a) The investigation and presentation of grievances in accordance with the provisions of the Collective Bargaining Agreement.**
- (b) The collection of dues when authorized by appropriate Union action.**
- (c) The transmission of such messages and information which shall originate with and are authorized by the Union or its officers, provided such messages and information:**
 - 1. Have been reduced to writing; or**



2. If not reduced to writing, are of routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer's business.

Section 3 – Rights of Stewards

The job steward involved shall be permitted reasonable time to present and process grievances on the company property without loss of time or pay during his/her regular working hours, provided, however, the job steward involved shall not absent himself/herself from his/her place of work to visit other parts of the plant or warehouse without permission of the foreman or superintendent who will grant any reasonable request, provided it does not interfere with efficient operation.

Article 28 – Union Stewards

New Section 2 – One (1) chief steward and three (3) stewards per shift will be permitted to attend and will be paid for all grievance hearings. All time spent attending grievance hearings will be considered time worked for overtime purposes.

Article 30 – No Strike/No Lockout

Section 1. During the term of this Agreement, there shall be no strike, work stoppage, picketing, honoring of any picket whatsoever, work slowdown, sympathy strike, deliberate withholding of production, boycott (primary or secondary), or any other form of economic pressure directed against the Company or its services on the part of the Union, its members, or any individual covered by this Agreement. The Company shall not lock out any bargaining unit employee during the term of this Agreement.

Section 2. The parties agree only to the following limited exception to Section 1. The parties agree that it shall not be a violation of Section 1 for employees to refuse to cross a primary, lawful picket line at the Employer's premises by another Teamster Local with a primary labor dispute with Kroger Limited Partnership I, provided that the picket line is approved by the Union party to this Agreement and sanctioned by Joint Council No. 69, and that a seventy-two (72) hours written notice is received by the Employer prior to honoring the picket line.

Article 32 - Union Security, Drive, Credit Union and Check-Off

Add new language to Section 1:

Indiana Law prohibits any term or condition of employment that requires employees to maintain membership and/or maintain good standing of the Local Union or to pay dues or fees to a union as a condition of continued employment. In the event Indiana's right to work law is



repealed or overturned in a final Court order; the following language shall be automatically reinstated.

Delete ~~stricken~~ language and add changes in **bold** to first sentence of Section 2:

The Company agrees to deduct each month from the paychecks of ~~all~~ **union** employees who are covered by this Agreement all periodic dues and initiation fees owing to the Union by the employees, provided, however, that an employee shall have signed and submitted a written authorization for such action to the Company, and such written authorization shall conform to and be in accordance with all applicable Federal and State laws.

Add changes in **bold** to Section 3:

The Company agrees to make payroll deductions for **Union** employees who have given written authorization for payroll deductions in the amount of monies as authorized by its **Union** employees for the **Union** employee's individual member account with the Federally Chartered Credit Union, FINANCE CENTER FEDERAL CREDIT UNION,- and will remit said monies deducted as authorized by its employees to the FINANCE CENTER FEDERAL CREDIT UNION, Post Office Box 26501, Indianapolis, Indiana 46-126, within five (5) business days following the close of each calendar month.

Delete ~~stricken~~ language and add changes in **bold** to Section 5:

If after making deductions from the **union** employee's paycheck for Union dues, initiation fees, credit union and/or Local 135 Drive Fund, the Company fails to remit said monies to the Union, within the period of time aforementioned, the Union shall have the right to take whatever legal or economic recourse it deems necessary to facilitate the prompt collection of the monies. The Union will serve written notice on the Company at least seventy-two (72) hours in advance of taking any economic action.

Article 34 – Duration of Agreement

This Agreement will be in full force and effect from ~~March 8, 2012~~ **July 1, 2024** through ~~June 30, 2024~~ **February 27, 2027**, and shall continue in full force and effect from year to year thereafter unless written notice of the desire to terminate or modify this Agreement is served by either party upon the other, at least sixty (60) days prior to the expiration of the contract or any automatic extension of that Agreement.

Letter of understanding

2(A) – Job bids. Consistent with the provisions of Article 4, Section 4, the following bargaining unit positions in the warehouse will be opened for bid to ~~trained and qualified~~ fulltime personnel a minimum of twice per calendar year:



Lift Truck Operator, Selector, Loader, Checker, bus driver and skilled Porters (pallets, skybox, sweeper, scrubber)

Letter of understanding

New Section 2(B) (RED CIRCLED EMPLOYEES) – All employees working in the Checker function prior to the ratification of this agreement will be given the opportunity to bid on the checkers' positions first. The checkers will bid in order of seniority within the group of checkers that were employed prior to the ratification of this agreement. If any Checker vacates their protected bidding position within the checker function for any reason, then the protected bidding status will be vacated as well. If any Checker decides to bid into another function they would go to the bottom of that functions bidding seniority.

Letter of understanding

New Section 2(C) (RED CIRCLED EMPLOYEES) – All employees working in the Bus Driver function prior to the ratification of this agreement will be given the opportunity to bid on the Bus Drivers positions first. The Bus Drivers will bid in order of seniority within the group of Bus Drivers that were employed prior to the ratification of this agreement. If any Bus Driver vacates their protected bidding position within the Bus Driver function for any reason, then the protected bidding status will be vacated as well. If any Bus Driver decides to bid into another function they would go to the bottom of that functions bidding seniority.

Letter of Understanding

New Section 2(D) – Employees working in the functions of Lift Truck Driver, Loader, Selector, or skilled Porters (pallets, skybox, sweeper, scrubber) who decides to bid into the Bus Driver or Checker function will bid after the employees who were working in those functions at the time of ratification.

Letter of Understanding

New Section 2(E) - Twenty-five (25) Lift Truck Operators, fifteen (15) Selectors, and all Loaders will be permitted to bid their equipment during the bid process by seniority. Checkers will also be permitted to bid their hand-held scanners. In the event this bid process has any negative effect(s) on the business, the parties agree to jointly address the root cause(s).

Letter of Understanding

3(A). – Workweek Changes (full week). Consistent with the provisions of article 11, Section 2, the amount of time an employee is scheduled to work is not restricted. The Company shall have the right to schedule employees' additional hours of work or days in line with work requirements. The Company also retains the right to determine the number of actual hours to be worked in any



day, week, or shift. When extra days are scheduled in full week increments open overtime will be made available to employees. In addition, the first ~~three (3)~~ **two (2)** consecutive full weeks of extra days will be scheduled with the employees being scheduled their first day off, regarding the bid schedule. However, the ~~fourth~~ **third (3rd)** consecutive week will result in the employee having the choice of which off day is to be worked according to their seniority within the function. Any hours needed beyond a full team will be considered a partial week in which 3(C) will apply. **A full team is defined as, two (2) Loaders, five (5) Lift Truck Operators and fifteen (15) Selectors.**

Letter of Understanding

4 – Timing of Bids. For each calendar year that this letter of agreement is in effect, one warehouse bid for the bargaining unit positions described in paragraph 2 of this letter of agreement will be held in March and become effective the first full week of April. The next warehouse bid will take place in September and will become effective the first full week in October. The Company will involve a union representative on each shift during the job bidding process. **In the event of an additional job bid, the Company will meet and discuss prior to creating the bid.**

Letter of understanding

5- Vacation. During the September bid, all eligible full-time bargaining unit employees will schedule their vacation(s) **through March 31st** of the following calendar year. Any remaining vacation time may be scheduled **for April 1st through September 30th of that year** during the March bid. ~~Atlas will, at its sole discretion, determine the number of vacations, which can be scheduled per shift. Atlas-Kroger reserves the right to exclude holidays and pre-holiday weeks from the vacation schedule. Thirteen (13) employees per shift, Plus one (1) checker per shift and one (1) bus driver per shift, will be allowed off on vacation or personal day/earned personal time off, every day during any week that is not a holiday or pre-holiday week of any holiday recognized by this agreement. Ten (10) employees per shift, plus one (1) checker per shift and one (1) bus driver per shift, will be allowed off on vacation or personal day/earned personal time off every day of any holiday and pre-holiday weeks of any holiday recognized by this agreement, including the day of the holiday. Six (6) percent of each shift will be allowed off on vacation or personal day/earned personal time off, every day during any week that is not a holiday or pre-holiday week of any holiday recognized by this agreement. Four (4) percent will be allowed off on vacation or personal day/earned personal time off every day of any holiday and pre-holiday weeks of any holiday recognized by this agreement, including the day of the holiday. These numbers will be rounded up to the next whole number of employees. One (1) Bus driver and one (1) Checker will each be subject to a separate bid.~~

Letter of Understanding

6(A) - Vacancies on Shift. With the exception of the bid process outlined in paragraph 4 **(and any other applicable agreement)** of this letter of agreement, ~~Atlas~~ **the Company** will utilize it's sole discretion in filling vacant positions. When ~~Atlas~~ **the Company** deems it necessary to fill a vacancy, ~~Atlas~~ **the Company** will post the position for a minimum of seven (7) days. The position will be



awarded on the basis of seniority. ~~and the employees ability to perform the job. Employees must be certified, qualified, and completed all necessary training before they are eligible to bid.~~ It becomes the responsibility of each employee to check job postings during any time off. Employees have the ability to move between bids a maximum of four **(4)** times only. A signed job bid that is not accepted will count ~~toward~~ **as one (1) of the four (4) moves allowed.** **An employee who moves from one job to another can only move back to their original job one (1) time during each bi-annual bid.**

Letter of Understanding

New Section 6(B) – Vacancies on Shift. The Company must post any Loader, LTO, skilled Porter (pallets, skybox, sweeper, scrubber), Checker, Bus Driver or Selector job that has been vacated by an employee during a bid, if that job was available for employees to bid on during the most recent bi-annual job bid.

Letter of Understanding

7(A) – Adjustment of Personnel. On a daily basis when ~~Atlas~~ **the Company** determines that it is necessary to adjust the personnel within any function, temporary positions will be offered to the most senior qualified individual and continuing in the order of seniority. It is the sole discretion of Management to determine which function is displaced and the duration of time. If the position is not filled through this process, ~~positions will be eliminated and~~ personnel will be ~~shifted~~ displaced starting with the most junior qualified employee and continuing in order of reverse seniority. It will be the sole responsibility of each employee to notify the Company, at the start of each shift, which functions they are making themselves available for. Failure to notify the company, at the beginning of each shift, will relieve the company of any obligation to offer a position to affected employees. On a daily basis, employees will make themselves available for exceptions, pallet picks, ~~eggs~~ **RPK**, picking flowers and ~~RPK~~ **eggs**, when ~~available~~ **applicable**, by contacting a member of management no later than fifteen (15) minutes following the start of their shift. The positions will be awarded ~~based upon the needs of the company and~~ by seniority. Employees who arrive late to work will have fifteen (15) minutes from the time they start getting paid by the Company to notify management of the positions that they are making themselves available for. The Company will then include their seniority in any additional adjustments that need to be made.

Letter of Understanding

7(B) – Adjustment of Personnel (return). When Management determines that displacement is no longer necessary, employees will be returned to their primary function. Employees who have volunteered for displacement will be returned ~~his/her~~ **to their primary bid** job by reverse seniority. Employees who have been mandated will be returned to ~~his/her~~ **their primary bid** job by seniority. Any employee being returned to their ~~primary~~ **bid** function will be offered any



position that a junior employee was displaced into during the time they were working in the position that they are being returned from.

Letter of Understanding

8 – Skill Training. ~~At the~~ **the Company** will provide skill training for qualification according to seniority. The Company will decide which shift training will be conducted on. **Upon completion of any training group in which an employee was skipped due to any reason, the Company will conduct another training group for the employee(s) that may have been skipped. Skill training will be conducted by union trainers.**

Letter of Understanding

9 – Overtime. Those employees working an eight (8) hour schedule will not be required to work more than ~~three (3)~~ **two (2)** hours in addition to the regularly scheduled shift. Those employees working a ten (10) hour schedule will not be required to work **more** than two (2) hours in addition to their regularly scheduled shift. The Company will ~~make a good faith effort to~~ notify employees of the requirement to stay over ~~by the end of the employee's last break~~ **at least one hour prior to the regularly scheduled end of shift for each shifts' early start times.** This notification must include the number of hours required, the shift and function required to work, the date and time of the posting, a member of management's signature, and a union steward signature. **Employees can sign up for daily overtime in any function that they are qualified to perform, up to ninety (90) minutes prior to their shift's earliest start times end of shift. The daily overtime volunteer list will be posted at the same time that the overtime is posted for that shift. All qualified volunteers will be approved before the Company mandates any overtime to be worked. No employee can volunteer for overtime in a job that is not their bid function if the company is mandating overtime in their bid function that would include their seniority date.**

Letter of Understanding

New Section 14 – Vacation Replacement - Qualified Lift Truck operators, Selectors, and Loaders may sign up to work on their scheduled off days for bid Lift Truck Operators, Selectors, and Loaders that are off on a full week's vacation the following week. The Company will award the days by seniority out of the employees that have volunteered and are qualified to do the bid job of the employee on vacation.

Letter of Understanding

New Section 15 – Extra Day Volunteers – In accordance with LOA 3(B), the Company will continue to offer out available extra scheduled days. The Company will post all available days by shift and function in the break room hallway for individuals to sign. The Posting will be hung from Friday through Wednesday of the week prior to the work week that the days will be



scheduled in. Bargaining unit employees will be required to sign up for days they are volunteering to work. The sign-up sheet(s) will be located in the operations center. Employees who sign an extra day sheet and then wish to remove their name must do so prior to the list being pulled down by indicating the removal along with a verification signature from a Union steward. Positions will be awarded according to the letter of agreement. The extra days will be posted on the next week's schedule. Employees will be required to check the posted schedule to verify what extra days, if any, they will be scheduled to work. In the event technology becomes available that automates this process, the Company will meet and discuss with the Union prior to implementation.

Letter of Understanding

The parties agree that Article 8 Section 4 will not prohibit the current Union Business Agent, Robert Doolin, from returning to employment with the Company up to and including December 31, 2025. This is a one-time exception; in all other respects the express language of Article 8.4 will apply.

In an effort to resolve the following Union proposals, the parties agree to meet within 120 days of ratification to reach an agreement on any associated issues. Should the parties fail to reach an agreement, it will be subject to arbitration for a final and binding decision.

U58: Letter of Understanding – 3. – Workweek changes

U61: Letter of Understanding – 3(C) – Workweek changes (Partial week)

U62: Letter of Understanding – 3(D) – Workweek changes (Releasing Employees)

U63: Letter of Understanding – New Section 3(E) – Bus Drivers

U64: Letter of Understanding – New Section 3(F) – Checkers



Appendix A

ATTENDANCE POLICY

Purpose:

To accurately and consistently track each employee's attendance and absence record in order to confer appropriate consequences for satisfactory and/or unsatisfactory attendance.

Absence:

An absence is defined as any time away from work during scheduled working hours, including overtime, except for the specific exceptions below. Consecutive working days of absence related to the same illness (four (4) days maximum on ten (10) hour shifts; five (5) days maximum on eight (8) hour shifts) will be counted as one (1) absence point if a doctor's statement is provided for any two (2) or more consecutive days absent.

Absence Points

Time Absent

0.25 points	Late into work 5 minutes up to 1 hour 59 minutes
0.50 points	Late into work 2 hours up to 3 hours 59 minutes
0.50 points	Leave early up to 3 hours 59 minutes
1.00 points	4 hours or more

Excessive Absenteeism:

The accumulation of five (5) or more absence points (during a rolling 12-month period) under the foregoing policy is considered excessive and will trigger corrective action as follows:

Point Total

Corrective Action Step

5.0	Written Warning
6.0	One-Day Suspension without Pay
7.0	Termination

Corrective action steps will be taken within ten (10) calendar days of the date of absence for which points have been assessed. If point totals fall below a corrective action step which was taken and the point total again exceeds that level that action will be repeated. Probationary employees may be terminated at-will any time during the 90-day probationary period, with or without cause, unless otherwise prohibited by State or Federal statute. As a general guideline, probationary employees that accumulate three (3) points will be terminated. Probationary employees will be pointed for each day absent regardless of doctor's notes.

Call-in Procedure:

All employees are expected to call-in to report their absence at least thirty (30) minutes before the start of the scheduled shift. Failure to make contact with the Manager or Designated Lead Supervisor or failure to leave the required information on the voice recording call in number within



three (3) hours of the shift starting time will be recorded as a no-call. Consequences of no-call no-show (during a rolling six (6) month period) are:

Offense

Corrective Action Step

First NCNS:

Written Warning

Second NCNS:

One-Day Suspension without Pay

Third NCNS:

Termination

Job Abandonment:

Any employee who is absent for three (3) or more consecutive scheduled work days without contacting and speaking with their Immediate Supervisor or Shift Manager or leaving a message on the voice recording call in number, will be considered to have abandoned their job. Job Abandonment will result in Termination of Employment.

Exceptions:

Absences from work for the following reasons will not be assigned absence points if acceptable documentation is provided as noted above.

- Jury Duty
- Workers Comp
- Approved FMLA
- Pre-scheduled court date
- Military Leave
- Personal day
- Leave of Absence
- Bereavement (for spouse, children, step-child, siblings, parent, step-parent, grandparent, grandchild, mother or father-in-law), **brother-in-law and sister-in-law**

Documentation:

Written documents are required to be submitted to the employee's Supervisor on the date of return to work in order for the absence to be classified as an Exception. Documentation submitted later than one (1) working day after return from the absence will not be accepted or excused unless approved by the Human Resources and Operations Managers. Documentation for court dates must be submitted to the company in advance of time absent.

Hours Worked Buy Back Incentive:

An employee who satisfies an incentive requirement below will be entitled to the corresponding reward:

Incentive Reward: Monthly 0.75 Absence Point credit to be used to the extent it reduces that employee's accumulated Absence Point total to zero (0). Absence Point credit incentive will be applied on the first (1st) of the calendar month following the calendar month in which such credit is earned.



Incentive Requirement: Beginning on the first day of each calendar month and continuing through the last day of that calendar month, employee is not issued any Absence Point(s) for unexcused absence from work and reports to work on-time fit for duty as assigned for at least eighty (80) hours as scheduled and remains at work unless released early by the Operations Manager. Approved time on vacation and PTO will count towards meeting this requirement.

Incentive Reward: Two (2) hours of PTO time per calendar month to be used towards accumulating an eight (8) hour PTO day. Two (2) hours of PTO time incentive will be applied on the first (1st) of the calendar month following the calendar month in which such credit is earned. Eight (8) hour PTO days may be scheduled in single day increments once earned. Employee may earn up to a maximum of three (3), eight (8) hour, PTO days, in a rolling twelve (12) calendar month period.

Incentive Requirement: Beginning on the first day of each calendar month and continuing through the last day of that calendar month, employee is not issued any Absence Point(s) for unexcused absence from work and reports to work on-time fit for duty as assigned for all hours scheduled and remains at work unless released early by the Operations Manager. Approved time on vacation and PTO will count towards meeting this requirement.

Last Chance Agreements:

Eligible employees terminated under the company attendance policy will be entitled to two "last chance agreements" during the term of the collective bargaining agreement. The first agreement will be 6 months in duration. The final agreement will be 12 months in duration. To be eligible they must qualify under the following last chance agreement criteria:

- Productivity – No written warnings within the most recent six (6) months of employment;
- Safety – No safety related misconduct resulting in suspension or more than two (2) corrective action warnings within the most recent six (6) months of employment;
- Quality – No final written warnings within the most recent six (6) months of employment;
- Tenure – Employee must be employed for at least nine (9) months to qualify for a "Last Chance" agreement.

Appendix B (List of employees at date of ratification will be include once ratified)

Appendix C (Company will include a QR code to the SPD)



Addendum

Article 14 - Wages

Current	1st Sunday following DOR	6/29/2025	12/28/2025	6/28/2026	12/27/2026
\$ 26.00	\$ 28.00	\$ 28.50	\$ 29.00	\$ 29.50	\$ 30.00
\$ 23.50	\$ 25.50	\$ 26.00	\$ 26.50	\$ 27.00	\$ 27.50
\$ 22.00	\$ 24.00	\$ 24.50	\$ 25.00	\$ 25.50	\$ 26.00
\$ 21.00	\$ 23.00	\$ 23.50	\$ 24.00	\$ 24.50	\$ 25.00
\$ 20.50	\$ 22.50	\$ 23.00	\$ 23.50	\$ 24.00	\$ 24.50

Bus Drivers, Checkers and Skilled Porters					
Steps	1st Sunday following DOR	6/29/2025	12/28/2025	6/28/2026	12/27/2026
85%	\$ 23.80	\$ 24.23	\$ 24.65	\$ 25.08	\$ 25.50
80%	\$ 22.40	\$ 22.80	\$ 23.20	\$ 23.60	\$ 24.00
75%	\$ 21.00	\$ 21.38	\$ 21.75	\$ 22.13	\$ 22.50
70%	\$ 19.60	\$ 19.95	\$ 20.30	\$ 20.65	\$ 21.00

Bus Drivers, Checkers and Skilled Porters	
DOH	70%
After 1 Year	75%
After 2 Years	80%
After 3 years	85%



Please sign in the place provided below indicating the Union's agreement a fully recommended and endorsed.

Signed this 30th day of June 2024

For the Employer:

For the Union:

Micheal Palmer,
Sr. Director Labor Relations

Dustin Roach,
President Teamster Local 135

Wage increases shall be put into effect upon after ratification of this Agreement and receipt of this signed Memorandum of Agreement. Retro payment of wages (if applicable) will be made six (6) to eight (8) weeks after ratification. Should the above settlement be rejected by the membership, The Company's offer will change based on business considerations and the costs associated with continued discussions and the need for further evaluation of the terms and conditions outlined herein.