



Hero Bonus

Talking Points for Leaders



- As the COVID-19 virus continues to create uncertainty and worry across the country, you have stepped up to show the true meaning of hero. Despite the troubling times, you've worked to continue serving our customers while upholding Our Purpose to Feed the Human Spirit.
- The company has been listening. After announcing the recent Appreciation Pay bonus for hourly, frontline associates, we realized we wanted to do more to acknowledge your hard work to date as well as the work still ahead of us.
- Effective March 29 and continuing through the next three weeks, our hourly associates in retail stores, manufacturing plants, distribution centers, central fills, pharmacies and call centers, including hourly associates who are eligible for an annual incentive, will receive a Hero Bonus.
- This bonus will be based on your hours worked from March 29 to April 18 and will equate to a \$2 per hour premium above your standard base rate of pay for straight time. The premium will be applied in appropriate fashion to any overtime hours worked too – paid, for example, at a time-and-a-half rate or a double rate if applicable. The bonus will be paid in three weekly installments beginning on April 10.
- The Hero Bonus premium will be included in your normal paycheck (e.g. paper check, direct deposit, global cash card, etc.) and will be taxed as regular pay. Because it is included in your normal paycheck, your standard deductions and withholdings, including taxes, benefit premiums, etc., will apply.
- We hope this Hero Bonus reinforces our gratitude not only for our existing associates, but also to those joining our family of companies each day.
- Beyond this “thank you,” from the company, please let me extend my own thanks to each of you for all you're doing each and every day. This is hard, but I also see the positive impact you are having on our customers and our communities. You are true heroes.
- I also want to encourage you to keep visiting FEED.Kroger.com to stay informed of the latest safety measures the company is taking and benefits that are available to support you during these challenging times. We're all here to help, and we will get through this together.
- If you have questions, contact me or your local HR representative.

March 31, 2020

Hero Bonus Premium Guidelines

The following guidelines will be applied to determine eligibility and administration of the Hero Bonus premium for hourly associates.

1. Applicable to hourly front-line associates working in retail stores, manufacturing plants, distribution centers, central fills, pharmacies, and call centers.
2. Eligible hourly associates will receive an additional two dollars (\$2.00) per straight time hours worked. The premium will be applied in appropriate fashion to any overtime hours worked too – paid, for example, at a time-and-a-half rate or a double rate if applicable during the pay periods of March 29 – April 4, April 5 - 11 and April 12 –18) and will be paid by the following dates: April 10, April 17 and April 24.
3. This Bonus premium will be paid out on the same check as an associate's regular paycheck.
4. Will be taxed as regular earnings.
5. No additional deductions will be taken other than their regular weekly payroll deductions and withholding.
6. Paid in the same way each associate is paid today (if I get a paper check for regular payroll, or if I get direct deposit for my regular payroll, I'll get this Hero Bonus Premium included on a separate line).

Kroger - COVID-19 Policy/Protocols:

Following discussions with Michael Palmer, Human Resources for Kroger, the Company will be following the below protocols as it relates to COVID-19:

- I just spoke to Michael Palmer from Kroger about the COVID-19 situation.
- He told me that Kroger has agreed to put up the plexi-glass nationally and that they are moving on that right now.
- Kroger is going to give all full time a \$300 bonus and all part time a \$150 bonus. He said that the full time group may include part time that are working full time hours.
- I asked for that in writing and he said that he couldn't b/c things are changing so rapidly that Kroger decided to stay fluid on this situation.
- I asked about the relaxing of the absentee policy, hourly bonuses, etc., and he said at this time Kroger is following the CDC guidelines of paying workers two weeks pay but only if they test positive for the virus.
- I asked for any changes in policy or procedures be shared with us and he said that he would send that to me as he gets it.
- MP said that their HR people are overwhelmed at the time and apologized if Amanda has not been keeping Kevin up to speed.
- Kroger is opening their stores from 7a to 8a for 60 year olds and older only so that these individuals will be protected from the general public.

Update:3-23-2020

Following discussions with Michael Palmer, Human Resources for Kroger, the Company will be following the below protocols as it relates to COVID-19:

- Kroger is preparing a document to send to the locals outlining the "appreciation bonus" that Kroger is giving out soon. MP said that the top eyes of the company are reviewing before sending it out.
- Applications for employment are up 40% so Kroger is not looking for any outside assistance in hiring.
- The plexi-glass will be installed in the next 7 to 10 days, the Columbus market, which we are considered part of, has over 100 locations where they are putting up this plexi-glass.
- Kroger is granting personal leaves for anyone with 30 days or more for anyone who asks for it. Only paying the first two weeks of pay for those who test positive for COVID-19, otherwise members will have to use their benefits as they are.
- MP stated that Jon McPhearson is having high level discussion with Milton and more info will be coming out from those discussions.

-All employees have been instructed to follow the CDC guidelines in all instances. I told him about the issue in Moundsville with the clerk list worker who was not following those protocols. MP said all of this will be put in writing to the locals in the coming days.

Update: 4-1-2020:

- Kroger has agreed to provide our members with \$2/hour "hero bonus premium pay" in effect from March 29 - April 18.

-This bonus will be reevaluated on April 18 based on sales.

- In addition, the company has agreed to provide a \$3/hour overtime bonus for hours worked over 8 hours in a day or over 40 hours in a week.

- All workers will receive this bonus regardless of hire date.

-This premium pay will be listed as a separate line item on your paycheck and will be taxed as normal wages.

-Kroger has also agreed to several health and safety improvements and policy changes at your worksite.

-The company has ordered 1,000 infrared thermometers and 7,000 forehead thermometers.

-The goal is to eventually have infrared thermometers in every store.

-If a member has a temperature of 100.4 or higher, they will be sent home, and will need to go to their doctor for testing.

-If they test positive, they will be paid. If they do not test positive, they will receive short term disability. Please note that stewards will need to be involved to ensure testing is not done in front of customers.

-The company has assured us that 300,000 masks are on the way to the stores and another 7 million masks have been ordered and will arrive on April 11.

-Masks will first go to areas with higher positives cases and outbreaks.

-The company has ordered 50,000 boxes of gloves, which will be sent to the stores.

-Finally, Kroger is looking at adding additional plexiglass for cashiers and additional signage for customers in order to emphasize the need to practice social distancing and to urge customers not to touch the plexiglass panels.



Wendell Young IV
UFCW 1776KS
President

To All Kroger Members,

I am pleased to provide an update on our discussions with Kroger regarding the company's COVID-19 response:

Kroger has agreed to provide our members with \$2/hour "hero bonus premium pay" in effect from March 29 - April 18. This bonus will be reevaluated on April 18 based on sales. In addition, the company has agreed to provide a \$3/hour overtime bonus for hours worked over 8 hours in a day or over 40 hours in a week. All workers will receive this bonus regardless of hire date. This premium pay will be listed as a separate line item on your paycheck and will be taxed as normal wages.

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The company has ordered 1,000 infrared thermometers and 7,000 forehead thermometers. The goal is to eventually have infrared thermometers in every store. If a member has a temperature of 100.4 or higher, they will be sent home, and will need to go to their doctor for testing. If they test positive, they will be paid. If they do not test positive, they will receive short term disability. Please note that stewards will need to be involved to ensure testing is not done in front of costumers.

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Finally, Kroger is looking at adding additional plexiglass for cashiers and additional signage for customers in order to emphasize the need to practice social distancing and to urge customers not to touch the plexiglass panels.

Please feel free to contact your Union Representative with any questions by calling our Toll-free number at 866.329.1776.



Thank you,
Wendell W Young IV
President,
UFCW Local 1776 Keystone State



Attention all Kroger Associates:

We appreciate all that you are doing to support the customer during this time of need.

The UFCW and Kroger have partnered to ensure all associates are offered additional hours including straight time and overtime.

Please reach out to your management team if there are additional hours you'd like to work.

Thank you for all that you do!

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- I asked for any changes in policy or procedures be shared with us and he said that he would send that to me as he gets it.
- MP said that their HR people are overwhelmed at the time and apologized if Amanda has not been keeping Kevin up to speed.
- Kroger is opening their stores from 7a to 8a for 60 year olds and older only so that these individuals will be protected from the general public.
- MP said the company has a national call each day at 10a with Jon McPhearson and the 160 HR people that they have and will share what is going on daily with me. As soon as I get anything in writing from Kroger I will share it as soon as I get it.

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- MP stated that Jon McPhearson is having high level discussion with Milton and more info will be coming out from those discussions.
- All employees have been instructed to follow the CDC guidelines in all instances. I told him about the issue in Moundsville with the click list worker who was not following those protocols. MP said all of this will be put in writing to the locals in the coming days.

The Company stated they are committed to continuing dialogue as any matter(s) arise and the environment/circumstances change.