

September 25, 2015



To Our Teamster Members/Kroger Associates:

We want to provide you an update on our plan to secure your pension. Recall, the Company and Teamsters recommended that we transfer your pension from the Central States Pension Fund to a new fund. The new fund will be called the International Brotherhood of Teamsters (IBT) Consolidated Pension Fund. This approach was ratified by the membership a few months ago.

We recommended this change because the Central States Pension Fund is in severe financial difficulty. According to its own estimates, the Fund will run out of money in about 10 years unless it reduces benefits. The Pension Fund acknowledged that benefit reductions were a possibility in a letter and conference call with participants last April.

The newly established IBT Consolidated Pension Fund would keep the benefits you have earned to date through the Central States Pension Fund intact, regardless of any potential benefit reductions made by the Central States Pension Fund. However, the Central States Pension Fund must agree to transfer your benefits to the new IBT fund in order to achieve our ultimate goal, which is to also include Kroger-related retirees as part of this solution. We have said we want the transfer to occur by June 30, 2016. Kroger has agreed to immediately fund between 50 and 70 percent of the transferred benefits and will fund the remainder over the next three years.

We informed the Central States Pension Fund of our plans when we reached the tentative agreement and right after ratification by the members. We have stressed that our approach is in the best interest of you, Kroger-related retirees and would leave the other participants in the Central States Fund no worse off.

Over the past several months, we have made several requests to meet with representatives of the Pension Fund. The Central States Pension Fund has finally indicated that it will meet with us. We are working on a mutual meeting date in October.

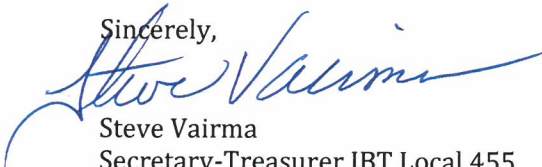
We believe Pension Fund representatives have a fiduciary responsibility to understand the agreement negotiated by the IBT and Kroger and consider it carefully. Once explained, we believe it will be evident to the Pension Fund representatives that our approach is in the best interest of all participants in the Pension Fund as it would:

1. Protect the benefits you and other Kroger-related retirees have earned under Central States.
2. Provide a reliable and solid pension benefit for you in the future through the IBT Consolidated Fund.
3. Leave the remaining participants in the Central States Pension Fund no worse off.

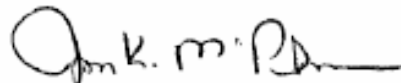
To date, Teamster and Company representatives have met with government officials to share our plans and to align their support. The face-to-face visits included representatives from the Department of Labor, Department of Treasury and the Pension Benefit Guaranty Corp. (PBGC).

Thank you for your patience during this process. We want you to know we are doing everything we can to make this transfer happen to protect your pension benefits now and provide you a solid retirement in the future. We will continue to keep you posted as we have new information. A timeline of our actions and other information can be found on [www.ibtkrogerpension.com](http://www.ibtkrogerpension.com)

Sincerely,



Steve Vairma  
Secretary-Treasurer IBT Local 455  
Western Region International Vice President, IBT  
President Joint Council 3  
Warehouse Division Director IBT



Jon McPherson  
Vice President, Labor Relations  
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