

KROGER

FOR YOUR BENEFIT:

INCOME SECURITY

WHEN YOU RETIRE

THE KROGER
CONSOLIDATED RETIREMENT BENEFIT PLAN

The Kroger Consolidated Retirement Benefit Plan is an important part of your compensation. Its basic purpose, to help provide you with income security in your retirement years, is a longstanding objective of the Company. The Plan's Retirement Benefit, when added to your Social Security benefits and personal savings, will help build toward financial independence in your retirement years.

The Summary Plan Description describes the major features of the Plan and the Retirement Benefit provided by the Plan. The Summary highlights the Plan, but the actual language in the Plan supersedes this Summary. If there is a discrepancy between this Summary and the Plan, the Plan provisions will govern.

The Company pays the entire cost of the Plan. The Plan was formed by the merger of several other plans formerly maintained by various divisions and subsidiaries of the Company. These plans were:

- The Kroger Retirement Benefit Plan (the "Kroger Plan");
- The Dillon Companies, Inc. Pension Plan (the "Dillon Plan");
- The Fred Meyer, Inc. Cash Balance Retirement Plan (the "Fred Meyer Plan");
- The John C. Groub Co., Retirement Plan (the "Jay C Retirement Plan"); and
- The John C. Groub Co., Inc. Pension Plan (the "Jay C Pension Plan").

These plans are collectively referred to in this Summary as the "Predecessor Plans".

The Plan is maintained in the Company's General Offices in Cincinnati, Ohio.

The intention of this Summary is to inform you of the provisions of the Plan and to answer questions frequently asked about the Plan. The following questions are most often asked:

- Who does the Plan cover?
- What is a year of service?
- When am I vested (entitled to a benefit)?
- How much does the Plan pay?
- When can I receive a benefit?
- How is my benefit paid?
- Is my spouse protected if I die?

If you still have questions after reading the Summary Plan Description, please contact your Human Resources Manager or the Plan Administrator.

THE KROGER CONSOLIDATED RETIREMENT BENEFIT PLAN

Summary Plan Description THE KROGER CONSOLIDATED RETIREMENT BENEFIT PLAN

Summary Plan Description

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THE KROGER CONSOLIDATED RETIREMENT BENEFIT PLAN

Summary Plan Description For Non-Grandfathered Participants

INTRODUCTION

Current Plan

This Summary Plan Description describes the Plan in effect on January 1, 2001. This Summary applies to you only if you are employed by the Company on or after January 1, 2001 and if you are not a Grandfathered Participant. A Grandfathered Participant is a Participant who:

- was employed by the Company on December 31, 2000;
- was a participant on December 31, 2000 in either the Kroger Retirement Benefit Plan, the Dillon Companies, Inc. Pension Plan, or the John C. Groub Co. Retirement Plan;
- had earned at least five years of Participating Service on December 31, 2000; and
- either:
 - (A) was born before July 1, 1961, or
 - (B) as of January 1, 2001, had a combined age (in years and completed months) and Participating Service (in years and completed months) which equaled or exceeded 50 years.

If you are not a Grandfathered Participant, this Summary describes the Retirement Benefit provided by the Plan, including the level and manner of payment of the benefit.

Formal Plan Documents

This Summary does not contain all provisions of the Plan. The Plan is stated in formal plan and trust documents adopted by the Company. If there is any conflict between this Summary and formal Plan documents, the provisions of the formal Plan documents will govern. Upon request to the Plan Administrator, the formal Plan documents will be made available to you for inspection or copies will be provided to you for reasonable copying fees.

Miscellaneous

For your convenience, a Glossary of defined terms used throughout this Summary is provided on page 35. An example of the calculation of your Benefit Account is also included to assist you in understanding the actual calculation of your Retirement Benefit under the Plan begins on page 24.

The Company encourages you to contact your Human Resources Manager or the Plan Administrator with any questions you may have about this Summary or the Plan.

PLAN PARTICIPATION (Who Does the Plan Cover?)

Eligible Employees

The Plan covers Employees who are employed by the Company or a Participating Affiliate. Participating Affiliates of the Plan are listed on the Appendix, attached.

Persons who are represented by a union and whose terms and conditions of employment are covered by a collective bargaining agreement that does not provide for participation in this Plan are not eligible Employees. In addition, leased employees and independent contractors are not eligible Employees.

An Employee who would otherwise be eligible to be a Participant in the Plan is not eligible to participate in the Plan if the Employee is an active participant in, or is eligible to be an active participant in, another defined benefit pension plan maintained or contributed to by the Company or a Participating Affiliate.

If you were covered by the provisions of a Predecessor Plan prior to the merger of the Predecessor Plans to form this Plan on December 31, 2000, you automatically became covered by the Plan on January 1, 2001 (provided you were still employed and otherwise eligible on that date).

Age and Service Requirements

You will become a Participant in the Plan on the first date you:

- are age 21 or older, and
- complete a year of eligibility service. You earn a year of eligibility service if you complete 1000 or more Hours of Service in your first 12 months of employment or in any subsequent Plan Year.

Active Plan Participation

Once you become a Participant, you will begin to earn a benefit under the Plan. You will continue to participate in the Plan as long as you are actively employed and remain an eligible Employee.

Special Situations

For special situations such as employment status changes, transfers and reemployment with the Company, please see *Miscellaneous Benefit Provisions*, on page 17.

SERVICE (What Is a Year of Service?)

Overview

“Participating Service” is used for determining your vested interest under the Plan.

Participating Service

Generally, you begin to earn Participating Service on your date of hire, or age 18, if later. However, if you earn less than 1000 hours of service during your first 12 months of employment, you will not begin to earn Participating Service until the first day of the first Plan Year in which you earn 1000 or more hours of service.

Once you begin to earn Participating Service, you continue to earn one year of Participating Service for each 12-month period of employment.

If you were a Participant in a Predecessor Plan as of December 31, 2000, your Participating Service will not be less than the amount of service credited under the Predecessor Plan as of December 31, 2000.

Break in Service

A “Break in Service” determines when forfeitures of non-vested benefits become final and whether prior Years of Service will be counted after a former employee has been rehired. A Break in Service occurs if you are not employed by the Company for a period of at least 12 consecutive months. If you incur a Break in Service and you are subsequently rehired, any Participating Service you earned prior to your Break in Service will be restored. If you are re-employed by the Company within a 12-month period, your Period of Severance will count as Participating Service.

PLAN VESTING (When Am I Vested?)

Plan Vesting Requirements

You will become vested under the Plan according to the following schedule:

<u>Participating Service</u>	<u>Vested Percentage</u>
Less than one year	0%
One year but less than two years	20%
Two years but less than three years	40%
Three years but less than four years	60%
Four years but less than five years	80%
Five years or more	100%

In addition, you will become Vested if you are employed with the Company or an Affiliate on your Early Retirement Date or your Normal Retirement Date.

Importance of Vesting

Once you become vested, you will be entitled to the vested portion of your Benefit Account under the Plan. See *Your Retirement Benefit*, page 7. This is true even if you leave the Company or an Affiliate before your actual retirement. Also, your Beneficiary will be entitled to a preretirement death benefit if you die prior to the date your Retirement Benefit begins. See *Preretirement Death Benefit*, page 16.

Termination Prior To Vesting

If you terminate employment with the Company or an Affiliate prior to becoming fully vested under the Plan, your service and non-vested benefit under the Plan will be forfeited. Your prior service and benefit under the Plan may be reinstated if you are rehired. For information, please see *Miscellaneous Benefit Provisions, Reemployment*, page 17 and *Termination Prior to Vesting*, page 17.

Forfeiture of Vested Benefits

Under certain circumstances, your vested benefit, or a portion of it, may be forfeited, lost, limited or reduced. See *Forfeiture or Loss of Vested Benefits*, page 23.

PLAN BENEFIT FORMULAS (How Much Does the Plan Pay?)

Overview

Your Benefit Account under the plan is based on the sum of:

- your Predecessor Plan Transition Account if you were a participant in a Predecessor Plan as of December 31, 2000 and continued your employment with the Company; and
- your Pay Credit Account

The resulting amount is called your “Accrued Benefit” under the Plan and generally increases over the time you participate in the Plan. Your Accrued Benefit is formally determined at the time of your retirement or termination of employment with the Company or a Participating Affiliate.

Plan Benefit

Your Benefit Account is the amount used to determine your Accrued Benefit. Your Benefit Account is equal to the sum of your Pay Credit Account and your Predecessor Plan Transition Account (provided you were a participant in a Predecessor Plan).

Your Pay Credit Account is the sum of:

- Your opening Pay Credit Account. For your first year of participation, your opening Pay Credit Account balance is zero. Thereafter, your opening Pay Credit Account balance is equal to your closing Pay Credit Account balance from the immediately preceding Plan Year.
- A pay credit equal to 5% of your Annual Earnings, as defined in the Glossary, (earned while you are a Participant in the Plan) during the Plan Year.
- An interest credit equal to the average annual rate of interest on 30-year Treasury Securities in effect for the month of December (average annual rate during the month of November) which precedes the first day of the Plan Year multiplied by your opening Pay Credit Account balance. However, if your Annuity Starting Date occurs during the Plan Year, your interest credit will be multiplied by a fraction, the numerator will be the number of completed calendar days preceding your annuity starting date during the Plan Year, the denominator being the number of days in that calendar year (365 or 366 if a leap year).

Your Predecessor Plan Transition Account balance is the Actuarial Equivalent of your Predecessor Plan Benefit determined as of December 31, 2000, increased by the interest credit described above and subject to the following special rules:

Kroger Plan

If you were a participant in the Kroger Plan, your Predecessor Plan Transition Account balance is determined by using an estimate of your Social Security earnings for the period prior to the

date on which you become employed by The Kroger Co. (See Benefit Account Examples on page 28.)

Dillon Plan

If you were a Participant in the Dillon Plan on December 31, 2000, your Predecessor Plan Transition Account balance is determined in accordance with the Dillon Plan benefit formula and is then reduced by your vested benefit under the Dillon Companies, Inc. Profit Sharing Plan as of December 31, 2000. If your Predecessor Plan Transition Account balance is reduced to zero, you will not receive credit for your Predecessor Plan Transition Account, since you will be receiving a benefit from the Dillon Companies Inc. Employees' Profit Sharing Plan. (See Benefit Account Examples on page 29.)

Fred Meyer Plan

If you were a Participant in the Fred Meyer Plan on December 31, 2000 and you were transferred to the Fred Meyer Plan from the Ralph's Grocery Company Retirement Plan effective April 1, 1999, your Predecessor Plan Transition Account balance shall be increased each year by an amount equal to 7% of your opening Pay Credit Account balance in the Fred Meyer Plan on April 1, 1999. (See Benefit Account Examples on pages 26 and 27.)

Accrued Benefit

Your Benefit Account will be converted to an annual benefit payable to you starting at your Normal Retirement Date in the form of a single life annuity payable for your lifetime. The actual amount of your benefit payments will vary upon your particular benefit, when it starts, and the payment option you select. See *Your Retirement Benefit*, page 7, and *Retirement Payment Options*, page 10.

Accrued Benefit Examples

For an example of the calculation of a Participant's Benefit Account under the plan, see *Benefit Account Examples*, beginning on page 24.

YOUR RETIREMENT BENEFIT (When Can I Receive a Benefit?)

Overview

Once you have a vested interest in your Benefit Account, you become entitled to a Retirement Benefit from the Plan.

The Plan has the following Retirement Benefits. Each Retirement Benefit has specific requirements you must meet to receive that particular Retirement Benefit.

- Normal
- Disability
- Postponed (late)
- Early
- Vested Termination

Please read this Section very carefully. Your particular Retirement Benefit plays an important part in determining the amount which you receive from the Plan. The date your Retirement Benefit starts also plays an important part in determining your benefit. These items may affect your decision concerning when you retire or terminate employment.

Normal Retirement Benefit

You will be entitled to a “Normal” Retirement Benefit from the Plan if you retire or terminate employment on your Normal Retirement Date. Your Normal Retirement Date is the first of the month following the later of the date you (1) attain age 65; or (2) earn five years of Participating Service.

Your Normal Retirement Benefit will:

- Start on your Normal Retirement Date.
- Equal the value of your “full” Benefit Account under the Plan converted to an annuity payable for your lifetime. Your Normal Retirement will not be less than your Predecessor Plan Benefit plus your Pay Credit Account converted into an actuarially equivalent annuity. The actual amount will vary based on the payment option you select.

Early Retirement Benefit

You will be entitled to an “Early” Retirement Benefit from the Plan if you retire or terminate employment on or after your Early Retirement Date. Your Early Retirement Date is the first of the month following the later of the date you (1) attain age 55 and (2) earn five years of Participating Service.

Your Early Retirement Benefit will:

- Begin, at your election, any time on or after your Early Retirement Date, but no later than your Normal Retirement Date (usually age 65).

- Equal the Actuarial Equivalent of your “full” Benefit Account under the Plan converted to an annuity payable for your lifetime. Your Early Retirement Benefit shall not be less than your Predecessor Plan Benefit reduced for early payment plus your Pay Credit Account converted to an actuarially equivalent annuity. The actual amount will vary based on the payment option you select.

The Plan Administrator will provide the necessary benefit claim and election forms. Please read about your payment options in *Retirement Payment Options*, page 10.

Disability Retirement Benefit

You may be entitled to a “Disability” Retirement Benefit from the Plan if you retire or terminate employment with the Company or a Participating Affiliate because you are Disabled. You are not considered disabled under the Plan if your disability results from service in the armed forces of any country, war or act of war, intentional self-inflicted injury, attempted suicide or engagement in criminal activity.

You must apply to the Plan Administrator for a Disability Retirement Benefit.

Your Disability Retirement Benefit will:

- Begin, at your election, any time after you meet the requirements for a Disability Retirement Benefit (regardless of your age), but no later than your Normal Retirement Date.
- Equal the Actuarial Equivalent of your “full” Benefit Account under the Plan converted to an annuity payable for your lifetime. The actual amount will vary based on the payment option you select.

To start your Disability Retirement Benefit, the Plan Administrator will provide you with the necessary benefit claim and election forms. Please read about your payment options in *Retirement Payment Options*, page 10.

Vested Termination Retirement Benefit

If you have a vested interest in any portion of your Benefit Account you will be entitled to a “Vested Termination” Retirement Benefit from the Plan if you retire or terminate employment before your Early Retirement Date (usually age 55).

If you have five years of Participating Service you are fully vested in your Benefit Account. If you do not have five years of Participating Service, you have a vested interest in your Benefit Account according to the schedule on page 5.

Your Vested Termination Retirement Benefit will:

- Begin on your Normal Retirement Date or, upon your election, at any time after your Early Retirement Date. However, you may elect to receive your Vested Termination Benefit prior to your Early Retirement Date if you choose the lump sum payment option or the required payment option discussed on page 10.

- Equal the Actuarial Equivalent of your “full vested interest in” your Benefit Account under the Plan, as of your Severance from Service Date.

The Plan Administrator will provide you with the necessary benefit claim and election forms. Please read about your payment options in *Retirement Payment Options*, page 10.

Postponed (Late) Retirement Benefit

You will be entitled to a “Postponed” or Late Retirement Benefit from the Plan if you retire or terminate employment after your Normal Retirement Date.

Your Postponed Retirement Benefit will start on the first day of the month coincident with or following your retirement or termination of employment.

You will continue to accrue benefits if you continue to work after your Normal Retirement Date.

Retirement Benefit Examples

For examples of Retirement Benefit calculations under the Plan, see *Benefit Account Examples*, beginning on page 24.

Death Before Retirement Benefits Begin

If you die before your Retirement Benefit begins, your Beneficiary will be entitled to a Preretirement Death Benefit from the Plan. This Preretirement Death Benefit is the only preretirement death benefit provided by the Plan. See *Preretirement Death Benefit*, page 16. If you are married, your Beneficiary is your spouse unless your spouse consents, in writing, using the form provided by the Retirement Management Committee and must be witnessed by a notary public to the designated Beneficiary.

Once you decide to retire, you may select a payment option that provides for some form of survivor benefit for your Beneficiary. Please see *Retirement Payment Options*, page 10, and *Preretirement Death Benefit*, page 16, for more details.

RETIREMENT PAYMENT OPTIONS (How is My Benefit Paid?)

Overview

Once you have qualified for a Retirement Benefit under the Plan and have decided to start your Retirement Benefit, you must choose a form of retirement payment. The Plan has payment options required by law and several alternative payment options.

In addition to the alternative payment options provided under the Plan, if you were a participant in a Predecessor Plan, you may elect an alternative payment option available under the Predecessor Plan as of December 31, 2000, with respect to your Predecessor Plan Benefit.

The Plan has the following payment options. Some of the options are required by law. Some options have certain requirements you must meet in order to receive that option.

- Qualified Joint and Survivor Annuity
- Single Life Annuity
- Lump Sum Option
- 100% Contingent Annuity Option

Please read this Section very carefully. The retirement payment option you select will directly affect the amount of your benefit and any survivor benefit that may be provided to your surviving Spouse or Beneficiary. Also, in some cases, the Plan's alternative payment forms may be limited to certain Retirement Benefits.

Required Payment Options

By law, your Retirement Benefit must (unless you file a waiver, as described below) be paid to you in certain prescribed payment forms, depending on your marital status at the time your Retirement Benefit begins. If you are married at the time your Retirement Benefit begins, your Retirement Benefit must be paid to you in the form of a Qualified Joint and Survivor Annuity. If you are not married, your Retirement Benefit must be paid to you in the form of a Single Life Annuity.

Qualified Joint and Survivor Annuity (QJSA): A "Qualified Joint and Survivor Annuity" provides a monthly payment to you during your life. Upon your death, it provides 50% of your monthly payment to your Spouse for your Spouse's remaining life, if your Spouse survives you. Your Spouse is the person to whom you are married at the time you elect your payment option.

Single Life Annuity Option: The "Single Life Annuity" provides a monthly payment to you during your life, with payments ending upon your death. No benefits are paid to anyone else under this option.

The Plan Administrator will provide you with estimated calculations of your Retirement Benefit under the Qualified Joint and Survivor Annuity, Single Life Annuity and the Plan's other payment options for which you are eligible.

Waiving Required Payment Options

You are also permitted by law to waive the required payment options (Qualified Joint and Survivor Annuity and Single Life Annuity) in favor of one of the Plan's alternative payment options.

To waive the QJSA your Spouse must consent to the waiver and to the selection of an alternative payment option. This includes your designation of another Beneficiary. The spousal consent must be in writing on forms provided by the Retirement Management Committee and must be witnessed by a notary public.

Alternative Payment Options

The Plan has several alternative payment options. The payment options vary by payment amount based on the degree of survivor protection, guarantee of payments and other payment factors associated with a particular payment option.

Generally, the monthly amount of your payment during your life under the alternative payment options will be less than the single life annuity amount. The monthly single life benefit is reduced to provide for the death benefit coverage provided by the payment options. The reduction makes the reduced benefit actuarially equivalent in value to the single life benefit. Actuarial equivalence is determined in accordance with the interest rates, mortality assumptions and actuarial procedures specified in the Plan.

The Plan provides for the following Alternative Payment Options:

- **Single Life Annuity Option:** The “Single Life Annuity” option provides a monthly payment to you during your life, with payments ending upon your death. No death benefits are paid under this option.
- **Lump Sum:** The “Lump Sum” option provides a cash payment to you equal to the Actuarial Equivalent of your Accrued Benefit.
- **Contingent Annuity Option:** The “Contingent Annuity” option provides a monthly payment to you during your life. Upon your death, this payment option provides a monthly payment to your designated surviving Beneficiary for your Beneficiary’s remaining life. If your designated Beneficiary survives you, your Beneficiary’s benefit will be an amount equal to 100% of your monthly payment amount.

Alternative Payment Options for Predecessor Plan Benefit

If you were a participant in a Predecessor Plan, you may elect an optional form of benefit provided under the Predecessor Plan as in effect on December 31, 2000, with respect to your Predecessor Plan Benefit.

The Predecessor Plans provided for the following Alternative Payment Options:

KROGER PLAN

If you were a participant in the Kroger Plan on December 31, 2000, you may elect from the following alternative payment options with respect to your Predecessor Plan Benefit:

- **Single Life Annuity Option:** The “Single Life Annuity” option provides a monthly payment to you during your life, with payments ending upon your death. No death benefits are paid under this option.

- **50% Joint and Survivor Annuity Option:** The “50% Joint and Survivor Annuity” option provides a monthly payment to you during your life. Upon your death, this payment option provides a monthly payment to your designated surviving Beneficiary equal to 50% of your monthly benefit.
- **Contingent Annuity Option:** The “Contingent Annuity” option provides a monthly payment to you during your life. Upon your death, this payment option provides a monthly payment to your designated surviving Beneficiary for your Beneficiary’s remaining life. If your designated Beneficiary survives you, your Beneficiary’s benefit will be an amount equal to either 66-2/3% or 100% of your monthly payment amount.
- **Ten or Fifteen Year Certain Option:** The “Ten or Fifteen Year Certain” option provides a monthly payment to you during your life, with payments guaranteed for a minimum period of 10 or 15 years. If you die before the end of the elected 10 or 15 year guarantee period, payments will continue after your death to your surviving Beneficiary for the rest of the guarantee period. If you live beyond the 10 or 15 year period, you will continue to receive your benefit for the rest of your life and payments will cease when you die.
- **Level Income Annuity Option:** The “Level Income Annuity” option provides for increased monthly payments up to age 62, and reduced payments thereafter. Your benefit payments, together with your expected Social Security benefits at age 62, will provide you with a level income for the duration of your life. The level of payments under this option will not change if the actual level of your Social Security benefits change after retirement, or differ from the expected level used to calculate the option. If this option is elected and your Plan benefits are relatively small, it is possible that the full value of your benefits under the Plan will be paid to you prior to age 62, and that no benefits under the Plan will be paid to you after age 62.
- **Restoration Annuity Option:** The “Restoration Annuity” option is a variation of the Qualified Joint and Survivor Annuity and the Contingent Annuitant Option. The periodic payments during the joint lives of you and your Beneficiary under this payment option are reduced from their normal levels (with a corresponding reduction to the survivor annuity payable to your surviving Spouse or Beneficiary). If your Beneficiary dies before you, you will receive an increase in the periodic payments payable to you after the death of your Beneficiary. Your periodic payment is increased to the level of the periodic payment that would have been made to you if your Plan benefits had been paid under the Single Life Annuity option. You will receive this benefit amount for the remainder of your life.

The Contingent Annuity, Ten and Fifteen Year Certain and Restoration Annuity options are not available for Vested Termination Retirement Benefits and Disability Retirement Benefits before age 55. In addition, the Level Income Annuity option is available only to Early Retirement Benefits for Participants retiring between the ages of 55 and 62 and is not available for Disability Retirement Benefits after age 55.

DILLON PLAN

If you were a participant in the Dillon Plan on December 31, 2000, you may elect from the following alternative payment options with respect to your Predecessor Plan Benefit:

- **Single Life Annuity Option:** The “Single Life Annuity” option provides a monthly payment to you during your life, with payments ending on your death. No death benefits are paid under this option.
- **50% Joint and Survivor Annuity Option:** The “50% Joint and Survivor Annuity” option provides a monthly payment to you during your life. Upon your death, this payment option provides a monthly payment to your designated surviving Beneficiary equal to 50% of your monthly benefit.
- **100% Joint and Survivor Annuity Option:** The “100% Joint and Survivor Annuity” option provides a monthly payment to you during your life. Upon your death, this payment option provides a monthly payment to your designated surviving Beneficiary equal to 100% of your monthly benefit.
- **120 Month Certain and Lifetime Benefit:** The “120 Month Certain and Lifetime Benefit” means a monthly benefit payable for your full lifetime. If you die before 120 monthly benefit payments have been paid, your designated beneficiary shall be entitled to the balance of the 10 year of payments.

FRED MEYER PLAN

If you were a participant in the Fred Meyer Plan on December 31, 2000, you may elect from the following alternative payment options with respect to your Predecessor Plan Benefit:

- **Single Life Annuity Option:** The “Single Life Annuity” option provides a monthly payment to you during your life, with payments ending on your death. No death benefits are paid under this option.
- **50% Joint and Survivor Annuity Option:** The “50% Joint and Survivor Annuity” option provides a monthly payment to you during your life. Upon your death, this payment option provides a monthly payment to your designated surviving Beneficiary equal to 50% of your monthly benefit.
- **100% Joint and Survivor Annuity Option:** The “100% Joint and Survivor Annuity” option provides a monthly payment to you during your life. Upon your death, this payment option provides a monthly payment to your designated surviving Beneficiary equal to 100% of your monthly benefit.
- **66 2/3% Joint and Survivor Annuity Option:** The “66 2/3% Joint and Survivor Annuity” option provides a monthly payment to you during your life. Upon your death, this payment option provides a monthly payment to your designated surviving Beneficiary equal to 66 2/3% of your monthly benefit. **This option is only available to Participants who participated in the: (i) Ralph’s Grocery Company Retirement plan which was transferred to the Fred Meyer Plan on April 1, 1999.**
- **Lump Sum Option:** The “Lump Sum” option provides a lump sum cash payment to you equal to your benefit account under the Fred Meyer Plan as of December 31, 2000 or the actuarial equivalent of your retirement benefit under the Fred Meyer Plan as of December 31, 2000.

- **Ten Year Certain Option:** The “Ten Year Certain” option provides a monthly benefit payment to you during your life, with payments guaranteed for a minimum period of 10 years. If you die before the end of the elected 10 year guarantee period, payments will continue after your death to your surviving Beneficiary for the rest of the 10 year period. If you live beyond the 10 year period, you will continue to receive your benefits for the rest of your life and payments will cease when you die. **This option is only available to Participants who participated in the (i) Ralphs Grocery Company Retirement Plan which was transferred to the Fred Meyer Plan on April 1, 1999; or (ii) the Smith’s Food Drug Centers, Inc. Defined Benefits (Flat-Unit) Non-Union Pension Plan which was transferred to the Fred Meyer Plan on July 1, 1999.**

JAY C RETIREMENT PLAN

If you were a participant in the Jay C Retirement Plan on December 31, 2000, you may elect from the following alternative payment options with respect to your Predecessor Plan Benefit:

- **Single Life Annuity Option:** The “Single Life Annuity” option provides a monthly payment to you during your life, with payments ending upon your death. No death benefits are paid under this option.
- **Joint and Survivor Annuity Option:** The “Joint and Survivor Annuity” option provides a monthly benefit to you during your life. Upon your death, this payment option provides a monthly benefit equal to either 100%, 75%, 50% or 66 2/3% to your designated Beneficiary, if your designated Beneficiary survives you. However, if your designated Beneficiary predeceases you, your Predecessor Plan Benefit will be paid in the form of a Single Life Annuity.
- **Period Certain Option:** The “Period Certain” option provides a monthly benefit payment to you, with guaranteed payments of 66, 120, 180 or 240 payments with no lifetime guarantee. If you die before the end of the elected 66, 120, 180 or 240 guaranteed payments, payments will continue to your designated surviving Beneficiary for the remainder of the guaranteed payments. However, if you have received the guaranteed number of payments, the payments will cease even if you are still living.
- **Lump Sum Option:** The “Lump Sum” option provides a payment to you equal to the value of your Predecessor Plan Benefit, and is payable on your actual date of retirement.

THE JAY C PENSION PLAN

If you were a Participant in the Jay C Pension Plan on December 31, 2000, you may elect from the following alternative payment options with respect to your Predecessor Plan Benefit:

- **Single Life Annuity Option:** The “Single Life Annuity” option provides a monthly payment to you during your life, with payments ending on your death. No death benefits are paid under this option.
- **Joint and Survivor Annuity Option:** The “Joint and Survivor Annuity” option provides a monthly benefit to you during your life. Upon your death, this payment option provides a monthly benefit equal to either 66-2/3%, 50%, 75% or 100% to your designated surviving Beneficiary. However, if your designated Beneficiary predeceases you, your Predecessor Plan Benefit will be paid in the form of a Single Life Annuity.

- **Lump Sum Option**: The “Lump Sum” option provides a payment to you equal to the value of your Predecessor Plan Benefit, and is payable on your actual date of retirement.

If your designated Beneficiary dies after you begin receiving your benefit payments, you may not name a new Beneficiary.

The Plan Administrator will provide you with estimated calculations of your Retirement Benefit under the Plan’s payment options available to you.

DEATH BENEFIT

If I die before I begin receiving my retirement benefit, will the plan pay a death benefit?

Preretirement Death Benefit

The Plan will pay a Death Benefit to your Beneficiary if you die prior to the time payment of your Retirement Benefit begins (e.g., you die while employed, or prior to receiving your Retirement Benefits). If you are married, your Beneficiary is your Spouse, unless your Spouse consents to the designated Beneficiary in writing on the form prescribed by the Retirement Management Committee.

In contrast, if you die after your Retirement Benefit has begun to be paid to you, your Beneficiary may be entitled to a survivor benefit, depending on the form of benefit in which you elected to receive your Retirement Benefit.

Your Beneficiary's death benefit will:

- begin the month following your death, unless your surviving Spouse or Beneficiary elects a later date.
- equal the Actuarial Equivalent of your Benefit Account balance as of the day of your death.
- be payable in the form of a Single Life Annuity for the life of the Beneficiary, unless the Beneficiary elects an optional form of distribution.

MISCELLANEOUS BENEFIT PROVISIONS

Nonduplication of Benefits

Service credited under any other retirement plan to which the Company or a Participating Affiliate has made contributions will not be credited under this Plan.

Reemployment

Once you terminate eligible employment as a participant, you will no longer actively participate in the Plan. If you are reemployed, you will immediately participate in the Plan.

Retirement Benefit Commencement

To start your Retirement Benefit, the Plan Administrator will provide you with the necessary benefit claim and election forms you will need to complete in order to begin your Retirement Benefit. The Plan Administrator also will provide you with a general description of the Plan's payment options, an estimate of the actual payment amounts under each of the Plan's payment options that are available to you, and any other information you need regarding your Retirement Benefit. This information must be provided to you no less than 30 days and no more than 90 days prior to the date your retirement is to begin.

Termination Prior to Vesting

If you terminate employment with the Company or an Affiliate before becoming fully vested under the Plan, a portion or all of your Benefit Account may be forfeited, depending on the years of Participating Service you have earned.

- If however, you return to the employment of the Company or an Affiliate, your previously disregarded Participating Service, and your Accrued Benefit under the Plan, will be reinstated. If any portion of your previously earned benefit has been or is being paid, that portion will be subtracted from your Accrued Benefit.

Preretirement Death Benefit Commencement

To begin the Preretirement Death Benefit, the Plan Administrator will provide your Beneficiary with the necessary benefit claim and election forms to begin the Preretirement Death Benefit. The Plan Administrator will also provide to your Beneficiary a general description of the Preretirement Death Benefit. This information must be provided to your Beneficiary no less than 30 days and no more than 90 days prior to the date the benefit is to begin.

No Retroactive Benefit

The Plan does not provide for retroactive benefits. If you were eligible to elect to start your Retirement Benefit at an earlier time but did not do so, the Plan will provide your Retirement Benefit only prospectively from the time of your election. The same is true for the Preretirement Death Benefit.

Maximum Benefits

Federal law sets a maximum limit on the amount of benefits that can be paid to you from the Plan. These limits usually only affect individuals at very high salary levels. You will be notified in the event that your benefits are affected by these limits.

Nonalienation of Benefits

You may not assign or sell your benefits under the Plan to others. Until paid to you, your benefits will be protected from your creditors to the maximum extent permitted by law.

Immediate Lump Sum Payment of Small Benefits

You will be paid an immediate lump sum payment of your vested Retirement Benefit under the Plan if the Actuarial Equivalent of your Accrued Benefit is less than or equal to \$3,500 at the time of your retirement or termination of employment with the Company or an Affiliate. Your lump sum payment will:

- Be paid as soon as possible after your termination of employment.
- Equal the present value of your Benefit Account under the Plan based on certain interest rate and mortality assumptions specified in the Plan.

Your Beneficiary also will be paid an immediate lump sum payment of his or her preretirement death benefit under the Plan if the Actuarial Equivalent of the preretirement death benefit is not more than \$3,500 at the time of your death. Your surviving Spouse's lump sum payment will:

- Be paid as soon as possible after your death.
- Equal the present value of your preretirement death benefit under the Plan based on certain interest rate and mortality assumptions specified in the Plan.

By law, you and your spousal Beneficiary have the right to rollover your lump sum payment directly to a qualified retirement plan or an individual retirement account or annuity ("IRA").

Reemployment After Commencement

If your Retirement Benefit begins and then you are reemployed with the Company or an Affiliate, your Retirement Benefit will not be suspended.

Qualified Domestic Relation Orders (QDRO)

The Plan permits vested benefits to be assigned according to a domestic relations order that meets certain qualifications pursuant to applicable law and the terms of the Plan. Once the Plan Administrator approves an order, the order will be considered to be a qualified domestic relations order ("QDRO"). No former spouse will be treated as a surviving Spouse under a QDRO. In addition, a former spouse's benefit is determined as of the date of the divorce. As a result, no former spouse is entitled to share in a participant's subsequent increase in compensation. Please contact the Retirement Management Committee for a model QDRO prescribed by the Plan Administrator.

Payment of Benefits

All payments from the Plan will be made solely from the Plan's Trust. The Plan Administrator may direct payment of benefits to be made to the guardian or conservator of the estate of a person legally incompetent to receive the payment. You and your surviving Spouse must always provide the Plan Administrator with your current address.

The Plan Administrator may correct any mistake concerning your Plan benefits and its payment when the mistake is discovered. The mistake may be corrected in any reasonable manner authorized by the Plan Administrator. If you or your Beneficiary receive an overpayment because of a mistake, you must repay the overpayment to the Plan, if requested to do so by the Plan Administrator.

Unclaimed Benefits

If you do not claim your Plan benefits, they will be canceled if all of the following events occur:

- The Plan Administrator has not located you after making a diligent effort to do so.
- A final notice of unclaimed benefits has been mailed to your last known address approximately two years after the first unclaimed payment.
- You have not responded to the final notice within three months after the notice was mailed.

Upon cancellation, the Plan will have no further liability to pay the canceled benefits. However, if you later notify the Plan Administrator of your whereabouts and request payment of the canceled benefits, the canceled benefits will be reinstated (without adjustment for interest and earnings), and the reinstated benefits will be paid to you.

APPEAL FROM A DENIAL OF YOUR BENEFIT CLAIM

CLAIMS. You must make a claim for benefits not received upon termination of employment in writing to the Plan Administrator. The Plan Administrator will handle claims in accordance with the provisions provided below:

General Rule. The Plan Administrator will notify you if a claim is wholly or partially denied within a reasonable period of time, but not later than 90 days after the Plan has received your claim, unless the Plan Administrator determines that special circumstances require an extension of time for processing your claim. If the Plan Administrator determines that an extension of time for processing is required, The Plan Administrator will give you written notice of the extension prior to the termination of the initial 90-day period. In no event shall such extension exceed a period of 90 days from the end of such initial period. The extension notice provided by the Plan Administrator will state the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

Calculating Time Periods. For this purpose, the period of time within which a benefit determination is required to be made shall begin at the time a claim is filed in accordance with the Plan's claim procedures, without regard to whether all the information necessary to make a benefit determination accompanies the filing.

Manner and Content of Notification of Benefit Determination. The Plan Administrator shall provide you with written notification of any adverse benefit determination. The notification must set forth, in a manner calculated to be understood by you--

- (i) The specific reason or reasons for the adverse determination;
- (ii) Reference to the specific Plan provisions on which the determination is based;
- (iii) A description of any additional material or information necessary for you (claimant) to perfect the claim and an explanation of why such material or information is necessary;
- (iv) A description of the Plan's review procedures as described in this section and the time limits applicable to such procedures, including a statement of the Participant or Beneficiary claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

Appeal of Adverse Benefit Determinations. You may appeal any written denial of a claim for benefits (including denial of an application for a withdrawal), within 60 days after receipt from the Plan Administrator of the written denial. By written application to the Plan Administrator, you may request a review by the Plan Administrator of the decision denying the payment of benefits.

Submission of Additional Information. In connection with an appeal of an adverse benefit determination, you are entitled to submit written comments, documents, records, and other information relating to your claim for benefits. Review of an appeal under this paragraph must take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

Review of Relevant Information. The Plan Administrator is required to provide you, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your or your Beneficiary's claim for benefits. For purposes of this Section, the determination of whether a document, record, or other information shall be considered "relevant" shall be made in accordance with the definition provided below.

NOTIFICATION OF BENEFIT DETERMINATION ON REVIEW.

Manner and Content of Notification of Benefit Determination on Review. The Plan Administrator must provide you with written notification of the Plan's benefit determination on review. In the case of an adverse benefit determination, the notification must set forth, in a manner calculated to be understood by you:

- (i) The specific reason or reasons for the adverse determination;
- (ii) Reference to the specific plan provisions on which the determination is based;
- (iii) A statement that you or your Beneficiary is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits. For purposes of this Section, determination of whether documents, records, and other information shall be considered "relevant" shall be made in accordance with the definition provided below;
- (iv) A statement of your or your Beneficiary's (claimant's) right to bring a civil action under Section 502(a) of ERISA.

TIMING OF NOTIFICATION OF BENEFIT DETERMINATION ON REVIEW.

General Rule. Except as provided below, the Plan Administrator must notify you as required of the Plan's benefit determination on review within a reasonable period of time, but not later than 60 days after receipt of your request for review by the Plan, unless the Plan Administrator determines that special circumstances require an extension of time for processing the claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension must be furnished to you prior to the termination of the initial 60-day period. In no event shall such extension exceed a period of 60 days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review.

Special Rule in Case of a Committee Serving as Plan Administrator. In the event that the Company has designated more than one person to serve by committee as Plan Administrator and the committee serving as Plan Administrator holds regularly scheduled meetings at least quarterly, the paragraph provided above will not apply, and the Plan Administrator shall instead make a benefit determination no later than the date of the meeting of the committee that immediately follows the Plan's receipt of a request for review, unless the request for review is filed within 30 days preceding the date of such meeting. In such case, a benefit determination may be made by no later than the date of the second meeting following the Plan's receipt of the request for review. If special circumstances require further extension of time for processing, a benefit determination must be made not later than the third meeting of the committee following the Plan's receipt of the request for review. If such an extension of time for review is required because of special circumstances, the Plan Administrator must provide you with written notice

of the extension, describing the special circumstances and the date as of which the benefit determination will be made, prior to the commencement of the extension. The Plan Administrator is required to notify you of the benefit determination as soon as possible, but no later than 5 days after the benefit determination is made.

Calculating Time Periods. For this purposes, the period of time within which the Plan Administrator is required to make a benefit determination on review will begin at the time an appeal is filed in accordance with the reasonable procedures of a Plan, without regard to whether all the information necessary to make a benefit determination on review accompanies the filing. In the event that a period of time is extended due to your failure to submit information necessary to decide a claim, the period for making the benefit determination on review shall be tolled from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

DEFINITIONS. The following terms shall be defined as follows:

Adverse benefit determination. "Adverse benefit determination" means any of the following: a denial, reduction, or termination of, or a failure to provide or make payment (in whole or in part) for, a benefit, including any such denial, reduction, termination, or failure to provide or make payment that is based on a determination of your or your Beneficiary's eligibility to participate in the Plan.

Notice or notification. "Notice" or "Notification" means the delivery or furnishing of information to an individual in a manner that satisfies the standards of 29 CFR 2520.104b-1(b) as appropriate with respect to material required to be furnished or made available to an individual.

Relevant. A document, record or other information shall be considered "relevant" to claim if such document, record or other information:

- was relied upon in making the benefit determination;
- was submitted, considered, or generated in the course of making the benefit determination, without regard to whether such document, record, or other information was relied upon in making the benefit determination; and
- demonstrates compliance with the administrative processes and safeguards designed to ensure and to verify that benefit claim determinations are made in accordance with the Plan and that, where appropriate, the Plan provisions have been applied consistently with respect to similarly situated Participants or Beneficiaries.

FORFEITURE OR LOSS OF VESTED BENEFITS

General Circumstances

There are many “general” circumstances that can result in the forfeiture or loss of your vested benefit that you might otherwise reasonably expect to be provided under the Plan. The following briefly notes some of these general circumstances.

Employment After Normal Retirement Age: If you continue to be employed by the Company or an Affiliate at a time when your Retirement Benefit could begin, your Retirement Benefit payments will not commence until you retire or terminate employment. See *Your Retirement Benefit, Postponed Retirement Benefit*, page 9.

Legal Maximum Benefit Limitations: If your benefit is limited by legal maximum benefit limitations, the Plan is legally unable to provide your entire benefit under the Plan to you. See *Miscellaneous Benefit Provisions, Maximum Benefits*, page 18.

Insufficient Plan Assets: If the Plan’s assets are insufficient at termination of the Plan, your benefit will be reduced to certain levels which are insured by the PBGC. See *Miscellaneous Plan Information, PBGC Insurance*, page 33.

Lost Participant: If you are a lost Participant and your benefits under the Plan are unclaimed, your benefit will be forfeited. See *Miscellaneous Benefit Provisions, Unclaimed Benefits*, page 19.

Your Death After Commencement With No Survivor: If you start your Retirement Benefit with a QJSA or a Contingent Annuity option (both having a survivor benefit feature), but your Spouse or designated Beneficiary dies before you, the Plan will not pay a survivor benefit to any other person.

Benefit Account Examples

To help you better understand the Plan's formula and how your account balance is determined under the Plan, several examples are provided on the next pages. Because many employees were covered by different pension plans prior to 2001, each example features a different prior pension plan.

Type of Example	Page
Participants with no prior pension plan	25
Participants who participated in the Fred Meyer Cash Balance Plan	26
Participants who participated in the Fred Meyer Cash Balance Plan who also participated in the Ralph's Pension Plan	27
Participants who participated in the Kroger Retirement Benefit Plan	28
Participants who participated in the Dillon Minimum Benefit Plan	29
Participants who participated in a Jay C Pension Plan	30

Participants with no prior pension plan.

Tom began working for Kroger in December 1999 and began participating in the plan on January 1, 2001. His Annual Earnings are \$25,000 for 2001 and \$27,000 for 2002. Tom's benefit is equal to his Pay Credit Account:

Pay Credit Account

<u>2001 Pay Credit</u>		<u>Pay Credit Account Accumulation</u>	
2001 Pay	times 5.00% = 2001 Pay Credit	1/1/2001 Opening Pay Credit Account	\$0.00
\$25,000.00	times 5.00% = \$1,250.00	2001 Pay Credit	\$1,250.00
<u>2001 Interest Credit</u>		2001 Interest Credit	\$0.00
1/1/2001 Opening Pay Credit Account	times 5.78% = 2001 Interest Credit	12/31/2001 Closing Pay Credit Account	\$1,250.00
\$0.00	times 5.78% = \$0.00		
<u>2002 Pay Credit</u>		1/1/2002 Opening Pay Credit Account	\$1,250.00
2002 Pay	times 5.00% = 2002 Pay Credit	2002 Pay Credit	\$1,350.00
\$27,000.00	times 5.00% = \$1,350.00	2002 Interest Credit	\$64.00
<u>2002 Interest Credit</u>		12/31/2002 Closing Pay Credit Account	\$2,664.00
1/1/2002 Opening Pay Credit Account	times 5.12% = 2002 Interest Credit		
\$1,250.00	times 5.12% = \$64.00		

Tom's total account value on 12/31/2002 is \$2,664.00

Participants who participated in the Fred Meyer Cash Balance Plan.

Prior to 1/1/2001 Joe was a participant in the Fred Meyer pension plan and had earned a cash balance account of \$5,250. His Annual Earnings are \$35,000 for 2001 and \$36,000 for 2002. Joe's benefit is the sum of his Pay Credit Account and his Predecessor Plan Transition Account:

Pay Credit Account

<u>2001 Pay Credit</u>			<u>Pay Credit Account Accumulation</u>	
2001 Pay	times 5.00%	= 2001 Pay Credit	1/1/2001 Opening Pay Credit Account	\$0.00
\$35,000.00	times 5.00%	= \$1,750.00	2001 Pay Credit	\$1,750.00
<u>2001 Interest Credit</u>			2001 Interest Credit	\$0.00
1/1/2001 Opening Pay Credit Account	times 5.78%	= 2001 Interest Credit	12/31/2001 Closing Pay Credit Account	\$1,750.00
\$0.00	times 5.78%	= \$0.00		
<u>2002 Pay Credit</u>			1/1/2002 Opening Pay Credit Account	\$1,750.00
2002 Pay	times 5.00%	= 2002 Pay Credit	2002 Pay Credit	\$1,800.00
\$36,000.00	times 5.00%	= \$1,800.00	2002 Interest Credit	\$89.60
<u>2002 Interest Credit</u>			12/31/2002 Closing Pay Credit Account	\$3,639.60
1/1/2002 Opening Pay Credit Account	times 5.12%	= 2002 Interest Credit		
\$1,750.00	times 5.12%	= \$89.60		

Predecessor Plan Transition Account

<u>2001 Interest Credit</u>			<u>Transition Account Accumulation</u>	
Initial Transition Account	times 5.78%	= 2001 Interest Credit	1/1/2001 Opening Transition Account	\$5,250.00
\$5,250.00	times 5.78%	= \$303.45	2001 Interest Credit	\$303.45
<u>2002 Interest Credit</u>			12/31/2001 Closing Transition Account	\$5,553.45
1/1/2002 Transition Account	times 5.12%	= 2002 Interest Credit	1/1/2002 Opening Transition Account	\$5,553.45
\$5,553.45	times 5.12%	= \$284.34	2002 Interest Credit	\$284.34
			12/31/2002 Closing Transition Account	\$5,837.79

Joe's total account value on 12/31/2002 is \$9,477.39 (\$3,639.60 + \$5,837.79)

Participants who participated in the Fred Meyer Cash Balance Plan who also participated in the Ralph's Pension Plan.

Prior to 1/1/2001 Tammy was a participant in the Fred Meyer pension plan and had earned a cash balance account of \$5,250. Before the Fred Meyer pension plan began, Tammy was participating in the Ralph's pension plan and her benefit from that plan created an opening balance in the Fred Meyer plan of \$3,500. Her Annual Earnings are \$31,000 for 2001 and \$32,000 for 2002. Tammy's benefit is the sum of her Pay Credit Account and her Predecessor Plan Transition Account:

Pay Credit Account

<u>2001 Pay Credit</u>		<u>Pay Credit Account Accumulation</u>	
2001 Pay	times 5.00% = 2001 Pay Credit	1/1/2001 Opening Pay Credit Account	\$0.00
\$31,000.00	times 5.00% = \$1,550.00	2001 Pay Credit	\$1,550.00
<u>2001 Interest Credit</u>		2001 Interest Credit	\$0.00
1/1/2001 Opening Pay Credit Account	times 5.78% = 2001 Interest Credit	12/31/2001 Closing Pay Credit Account	\$1,550.00
\$0.00	times 5.78% = \$0.00		
<u>2002 Pay Credit</u>		1/1/2002 Opening Pay Credit Account	\$1,550.00
2002 Pay	times 5.00% = 2002 Pay Credit	2002 Pay Credit	\$1,600.00
\$32,000.00	times 5.00% = \$1,600.00	2002 Interest Credit	\$79.36
<u>2002 Interest Credit</u>		12/31/2002 Closing Pay Credit Account	\$3,229.36
1/1/2002 Opening Pay Credit Account	times 5.12% = 2002 Interest Credit		
\$1,550.00	times 5.12% = \$79.36		

Predecessor Plan Transition Account

<u>Special Transition Credit*</u>		<u>Transition Account Accumulation</u>	
Fred Meyer Opening Balance	times 7.00% = Special Transition Credit	1/1/2001 Opening Transition Account	\$4,500.00
\$3,500.00	times 7.00% = \$245.00	Special Transition Credit	\$245.00
<u>2001 Interest Credit</u>		2001 Interest Credit	\$260.10
Initial Transition Account	times 5.78% = 2001 Interest Credit	12/31/2001 Closing Transition Account	\$5,005.10
\$4,500.00	times 5.78% = \$260.10		
<u>2002 Interest Credit</u>		1/1/2002 Opening Transition Account	\$5,005.10
1/1/2002 Transition Account	times 5.12% = 2002 Interest Credit	Special Transition Credit	\$245.00
\$5,005.10	times 5.12% = \$256.26	2002 Interest Credit	\$256.26
		12/31/2002 Closing Transition Account	\$5,506.36

Tammy's total account value on 12/31/2002 is \$8,735.72 (\$3,229.36 + \$5,506.36)

* The Special Transition Credit is the same amount every year

Participants who participated in the Kroger Retirement Benefit Plan.

Prior to 1/1/2001 Mary was a participant in the prior Kroger Retirement Benefit Plan and had earned a benefit of \$250 per month payable at age 65. On 1/1/2001 Mary was 35 years old. Her Annual Earnings are \$30,000 for 2001 and \$31,000 for 2002. Mary's benefit is the sum of her Pay Credit Account and her Predecessor Plan Transition Account:

Pay Credit Account

<u>2001 Pay Credit</u>		<u>Pay Credit Account Accumulation</u>	
2001 Pay	times 5.00% = 2001 Pay Credit	1/1/2001 Opening Pay Credit Account	\$0.00
\$30,000.00	times 5.00% = \$1,500.00	2001 Pay Credit	\$1,500.00
<u>2001 Interest Credit</u>		2001 Interest Credit	\$0.00
1/1/2001 Opening Pay Credit Account	times 5.78% = 2001 Interest Credit	12/31/2001 Closing Pay Credit Account	\$1,500.00
\$0.00	times 5.78% = \$0.00		
<u>2002 Pay Credit</u>		1/1/2002 Opening Pay Credit Account	\$1,500.00
2002 Pay	times 5.00% = 2002 Pay Credit	2002 Pay Credit	\$1,550.00
\$31,000.00	times 5.00% = \$1,550.00	2002 Interest Credit	\$76.80
<u>2002 Interest Credit</u>		12/31/2002 Closing Pay Credit Account	\$3,126.80
1/1/2002 Opening Pay Credit Account	times 5.12% = 2002 Interest Credit		
\$1,500.00	times 5.12% = \$76.80		

Predecessor Plan Transition Account

Accrued Benefit	250	per month at age 65	
times	x		
Present Value Factor*	21.7006		
equals	=		
Initial Transition Account	5,425.15		
<u>2001 Interest Credit</u>		<u>Transition Account Accumulation</u>	
Initial Transition Account	times 5.78% = 2001 Interest Credit	1/1/2001 Opening Transition Account	\$5,425.15
5,425.15	times 5.78% = \$313.57	2001 Interest Credit	\$313.57
		12/31/2001 Closing Transition Account	\$5,738.72
<u>2002 Interest Credit</u>		1/1/2002 Opening Transition Account	\$5,738.72
1/1/2002 Transition Account	times 5.12% = 2002 Interest Credit	2002 Interest Credit	\$293.82
\$5,738.72	times 5.12% = \$293.82	12/31/2002 Closing Transition Account	\$6,032.55

Mary's total account value on 12/31/2002 is \$9,159.35 (\$3,126.80 + \$6,032.55)

* The Present Value Factor is the present value at 1/1/2001 of a \$1 per month life annuity payable at age 65 based on the GAM 83 unisex mortality table and a 5.78% interest rate.

Participants who participated in the Dillon Minimum Benefit Plan.

Prior to 1/1/2001 Steve was a participant in the prior Dillon Minimum Benefit Plan and had earned a benefit of \$100 per month payable at age 65. On 1/1/2001 Steve was 39 years old. His Annual Earnings are \$24,000 for 2001 and \$25,000 for 2002. Steve's benefit is the sum of his Pay Credit Account and his Predecessor Plan Transition Account:

Pay Credit Account

<u>2001 Pay Credit</u>		<u>Pay Credit Account Accumulation</u>	
2001 Pay times 5.00% = 2001 Pay Credit		1/1/2001 Opening Pay Credit Account	\$0.00
\$24,000.00 times 5.00% = \$1,200.00		2001 Pay Credit	\$1,200.00
<u>2001 Interest Credit</u>		2001 Interest Credit	\$0.00
1/1/2001 Opening Pay Credit Account times 5.78% = 2001 Interest Credit		12/31/2001 Closing Pay Credit Account	\$1,200.00
\$0.00 times 5.78% = \$0.00			
<u>2002 Pay Credit</u>		1/1/2002 Opening Pay Credit Account	\$1,200.00
2002 Pay times 5.00% = 2002 Pay Credit		2002 Pay Credit	\$1,250.00
\$25,000.00 times 5.00% = \$1,250.00		2002 Interest Credit	\$61.44
<u>2002 Interest Credit</u>		12/31/2002 Closing Pay Credit Account	\$2,511.44
1/1/2002 Opening Pay Credit Account times 5.12% = 2002 Interest Credit			
\$1,200.00 times 5.12% = \$61.44			

Predecessor Plan Transition Account

Accrued Benefit	100	per month at age 65	
times	x		
Present Value Factor*	27.2495		
equals	=		
Initial Transition Account	2,724.95		
<u>2001 Interest Credit</u>		<u>Transition Account Accumulation</u>	
Initial Transition Account times 5.78% = 2001 Interest Credit		1/1/2001 Opening Transition Account	\$2,724.95
2,724.95 times 5.78% = \$157.50		2001 Interest Credit	\$157.50
		12/31/2001 Closing Transition Account	\$2,882.45
<u>2002 Interest Credit</u>		1/1/2002 Opening Transition Account	\$2,882.45
1/1/2002 Transition Account times 5.12% = 2002 Interest Credit		2002 Interest Credit	\$147.58
\$2,882.45 times 5.12% = \$147.58		12/31/2002 Closing Transition Account	\$3,030.03

Steve's total account value on 12/31/2002 is \$5,541.47 (\$2,511.44 + \$3,030.03)

* The Present Value Factor is the present value at 1/1/2001 of a \$1 per month life annuity payable at age 65 based on the GAM 83 unisex mortality table and a 5.78% interest rate.

Participants who participated in a Jay C Pension Plan.

Prior to 1/1/2001 Donna was a participant in a prior Jay C Pension Plan and had earned a benefit of \$150 per month payable at age 65. On 1/1/2001 Donna was 30 years old. Her Annual Earnings are \$28,000 for 2001 and \$29,000 for 2002. Donna's benefit is the sum of her Pay Credit Account and her Predecessor Plan Transition Account:

Pay Credit Account

<u>2001 Pay Credit</u>			<u>Pay Credit Account Accumulation</u>	
2001 Pay	times 5.00%	= 2001 Pay Credit	1/1/2001 Opening Pay Credit Account	\$0.00
\$28,000.00	times 5.00%	= \$1,400.00	2001 Pay Credit	\$1,400.00
<u>2001 Interest Credit</u>			2001 Interest Credit	\$0.00
1/1/2001 Opening Pay Credit Account	times 5.78%	= 2001 Interest Credit	12/31/2001 Closing Pay Credit Account	\$1,400.00
\$0.00	times 5.78%	= \$0.00		
<u>2002 Pay Credit</u>			1/1/2002 Opening Pay Credit Account	\$1,400.00
2002 Pay	times 5.00%	= 2002 Pay Credit	2002 Pay Credit	\$1,450.00
\$29,000.00	times 5.00%	= \$1,450.00	2002 Interest Credit	\$71.68
<u>2002 Interest Credit</u>			12/31/2002 Closing Pay Credit Account	\$2,921.68
1/1/2002 Opening Pay Credit Account	times 5.12%	= 2002 Interest Credit		
\$1,400.00	times 5.12%	= \$71.68		

Predecessor Plan Transition Account

Accrued Benefit	150	per month at age 65		
times	x			
Present Value Factor*	16.3410		1.3617489	16.34098623
equals	=			
Initial Transition Account	2,451.15			
<u>2001 Interest Credit</u>			<u>Transition Account Accumulation</u>	
Initial Transition Account	times 5.78%	= 2001 Interest Credit	1/1/2001 Opening Transition Account	\$2,451.15
2,451.15	times 5.78%	= \$141.68	2001 Interest Credit	\$141.68
			12/31/2001 Closing Transition Account	\$2,592.83
<u>2002 Interest Credit</u>			1/1/2002 Opening Transition Account	\$2,592.83
1/1/2002 Transition Account	times 5.12%	= 2002 Interest Credit	2002 Interest Credit	\$132.75
\$2,592.83	times 5.12%	= \$132.75	12/31/2002 Closing Transition Account	\$2,725.58

Donna's total account value on 12/31/2002 is \$5,647.26 (\$2,921.68 + \$2,725.58)

* The Present Value Factor is the present value at 1/1/2001 of a \$1 per month life annuity payable at age 65 based on the GAM 83 unisex mortality table and a 5.78% interest rate.

MISCELLANEOUS PLAN INFORMATION

Plan Information

The Kroger Consolidated Retirement Benefit Plan is a defined benefit pension plan with trust administration. The Plan is a qualified retirement plan under the Internal Revenue Code of 1986 ("IRC") and is an employee pension benefit plan under the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan has been assigned the plan number 006. The Plan's records are maintained on the 12 month Plan Year ending on December 31 of each calendar year.

If you are represented by a union and your terms and conditions of employment are covered by a collective bargaining agreement with the Company or a Participating Affiliate, the Plan may be maintained pursuant to the collective bargaining agreement.

Plan Sponsor

The Plan Sponsor of the Plan is The Kroger Co. The Plan Sponsor has the power to amend or terminate the Plan, or to merge it with another plan, to appoint the Plan Administrator, the Trustee, and other Plan fiduciaries to administer the Plan. For information, contact The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45202, (513)762-4000, Employer Identification Number: 31-0345740.

Participating Employers

The employers which participate in the Plan are the Company and the Participating Affiliates listed on the Appendix.

All Participating Affiliates can be reached at The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45202, (513) 762-4000.

Plan Administrator

The Plan Administrator is generally responsible for the Plan's operation and administration. The Plan Administrator has the discretionary authority to interpret and construe the terms of the Plan and make all determinations regarding eligibility and benefits under the Plan. It may adopt rules for the administration of the Plan and, within certain limits, amend the Plan. The Plan Administrator is the Retirement Management Committee, c/o The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45202, Telephone: (513) 762-4000. The members of the Retirement Management Committee on July 1, 2002, are Paul Heldman - Chairman, Mike Schlotman, Jim Thorne and Della Wall.

Pension Investment Committee

The Pension Investment Committee is generally responsible for determining the amount of contributions that must be made to the Plan and for overseeing the investment of Plan assets. The Pension Investment Committee appoints the Plan Trustee and investment managers, assigns the Plan assets to be managed by each of them and may direct the Trustee as to the investment of Plan assets. The members of the Pension Investment Committee on July 1, 2002, are Richard A. Manka - Chairman, William T. Boehm, Scott Henderson and Della Wall.

Plan Trustee

The Trustee of the Plan is responsible for the safekeeping of the assets of the Plan held by it and for the investment of the portion of the Plan's assets placed under its management. The Trustee is The Boston Safe Deposit and Trust Company, 135 Santilli Highway, Everett, Massachusetts 02149-1950, (617) 382-2478. The Employer Identification Number of the Trust is 36-6807397.

Collective Bargaining Agreement

The Plan itself is not maintained according to a collective bargaining agreement, but certain employees represented by a collective bargaining agent participate in the Plan. A copy of any collective bargaining agreement under which employees participate in the Plan may be obtained by you upon written request to your Human Resources Manager or the Plan Administrator and is otherwise available for your examination.

Agent for Service of Legal Process

Service of legal process may be made on the Plan Trustee, or on any person designated by the Company as an agent for service of legal process. The Company has designated the Plan Administrator as the Plan's agent for service of legal process: Retirement Management Committee, c/o The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45202. Legal service may be made on the Retirement Management Committee by serving any member of the Committee.

Contributions

The Company and Participating Affiliates make contributions to the Plan in the amounts and at the times the Pension Investment Committee determines it necessary to meet legal funding standards and to further the purposes of the Plan. The Pension Investment Committee may rely upon actuarial calculations and recommendations of an independent actuary in determining the amount of contributions. While the Company and Participating Affiliates intend and expect to fund the Plan sufficiently to meet all benefit obligations, future contributions are not guaranteed by them or by any Plan fiduciary. You are not required or permitted to make any contributions (including rollover contributions) to the Plan.

Plan Expenses

All proper expenses of the Plan will be paid from the Plan's trust fund, unless paid by the Company or a Participating Affiliate. The Company or Participating Affiliates may pay Plan expenses directly, but they are not required to do so. You are not required to pay any Plan expenses.

Investment of Plan Assets

All contributions are paid into the Plan's trust fund. The trust fund is managed and invested by the Plan's Trustee or by investment managers appointed by the Pension Investment Committee. The Committee may direct the Trustee as to the investment of Plan assets. The Plan's trust fund may be invested in stocks (including Company stock within certain limits), bonds, real estate, insurance contracts, and other investments authorized under the terms of the Plan's trust agreement and applicable law.

Under normal circumstances, the investment performance of the Plan's trust fund will not affect the amount of your benefits. However, in the event of Plan termination or other unusual circumstances, the amount of benefits payable to you could be limited by available assets in the trust fund.

The Plan's Trustee, any appointed investment managers and the Pension Investment Committee will make every reasonable effort consistent with their fiduciary duties to preserve the assets of the trust fund and to secure a favorable investment return on them. However, no guarantee is made as to the rate of return, if any, that will be achieved. Plan investments may involve some risk to the principal of the trust fund, and if such risk materializes in losses, the principal amount of the trust fund may be reduced.

No Employment Contract

The Plan does not give you any assurance of being retained in the service of the Company or a Participating Affiliate, nor does it give you any rights to any benefits except those to which you are specifically entitled under the terms of the written legal documents constituting the Plan.

PBGC Insurance

Benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivors' benefits. However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of Plan termination. However, if a Plan has been in effect less than five years before it terminates, or if benefits have been increased within the five years before plan termination, the amount of the Plan's vested benefits or the benefit increases may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefit that the PBGC guarantees, which is adjusted periodically.

For more information on the PBGC insurance protection and its limitations, ask the Plan Administrator or the PBGC. Inquiries to the PBGC should be addressed to the Office of Communications, PBGC, 2020 K Street, N.W., Washington, D.C. 20006. The PBGC Office of Communications may also be reached by calling (202) 326-4040.

Plan Amendment, Merger or Termination

The Company reserves the right to amend or modify the Plan, merge or consolidate the Plan with another plan, suspend or terminate its contributions to the Plan or terminate or partially terminate the Plan. The Plan Administrator also may amend the Plan, subject to certain limitations. Amendments to the Plan may be retroactive. Unless required or permitted by the Internal Revenue Code or other law, no amendment will reduce your vested Accrued Benefit under the Plan or permit Plan assets to be diverted from the purposes of the Plan. Your Plan benefits generally are governed by the terms of the Plan in effect on the date you terminate employment with the Company or a Participating Affiliate. You may not be entitled to benefit increases or other improvements made to the Plan after your termination of employment.

If the Plan is terminated or partially terminated so that it no longer covers you, you will be fully vested in your Accrued Benefit. Payment of your vested Accrued Benefit will depend on the

funds available in the Plan or through Pension Benefit Guaranty Corporation insurance. Assets available to pay benefits after payment of Plan expenses will be applied to provide benefits to you and other Participants affected by the termination in accordance with statutory priorities set forth in Title IV of ERISA. Payment of your vested Accrued Benefit will be made in accordance with the terms of the Plan, except that additional payment options permitted by law may be made available. After the payment of all Plan expenses and benefits, any surplus Plan assets remaining will be returned to the Company and Participating Affiliates, or will be otherwise applied as directed by the Company.

GLOSSARY

Accrued Benefit: The benefit you earned under the Plan.

Affiliate: An entity which is at least 80% owned by the Company.

Annual Earnings: The following items are generally included in Annual Earnings in a calendar year:

- Base pay, overtime and bonuses paid to you by the Company or a Participating Affiliate during the calendar year.
- Salary reduction amounts under a Section 125 “cafeteria” plan.
- 401(k) contributions under the Company’s Savings Plan.

The following items are generally excluded from Annual Earnings:

- Noncash compensation and moving expenses, and moving allowances.
- Gains from stock options.
- Banked vacation paid in cash (1981 - 1988).

Annual Earnings are subject to certain legal compensation limitations.

Annuity Starting Date: The first day of the month during which your benefit begins.

Authorized Leave of Absence: An absence authorized by the Company or a Participating Affiliate under the Company’s standard personnel practices, provided the Employee returns to work with the Company or an Affiliate at the end of the authorized leave. Most authorized leaves are sick leaves.

Beneficiary: Any person designated by you to receive benefits that may become available after your death. The consent of your Spouse is required if you designate a Beneficiary other than your Spouse with respect to the form of your Retirement Benefit paid under the Plan unless the form of payment is the Qualified Joint and Survivor Annuity.

Benefit Account: The amount used to determine your Accrued Benefit under the Plan.

Break in Service: A one year break in employment.

Company: The Kroger Co.

Computation Period: The twelve month period beginning on the first day you perform an Hour of Service and each Plan Year thereafter.

Contingent Annuity Option: One of the Plan’s alternative payment options. See *Retirement Payment Options*, page 10.

Disability Retirement Benefit: The Retirement Benefit payable to you from the Plan if you terminate employment or retire by reason of being Disabled and you meet certain other qualification requirements. See *Your Retirement Benefit, Disability Retirement Benefit*, page 8.

Disabled: You are considered Disabled under the Plan if, as a result of bodily injury or disease, either occupational or non-occupational in cause, you are declared eligible for Social Security disability benefits. You are not considered disabled under the Plan if your disability results from service in the armed forces of any country, war or act of war, intentional self-inflicted injury, attempted suicide or engagement in criminal activity.

Early Retirement Benefit: The Retirement Benefit payable from the Plan if you terminate employment or retire after your Early Retirement Date, but before your Normal Retirement Date under the Plan. See *Your Retirement Benefit, Early Retirement Benefit*, page 7.

Early Retirement Date: The first of the month following the later of the date you (1) attain age 55 and (2) earn five years of Participating Service.

Employee: Any person employed by the Company, excluding (1) independent contractors, leased employees, and (2) any person whose terms and conditions of employment are subject to a collective bargaining agreement which does not provide for participation in the Plan.

Employment Commencement Date: The date you first perform an Hour of Service with the Company or Participating Affiliate.

Hour of Service: An hour for which you are compensated by the Company or an Affiliate for the performance of duties. An Hour of Service does not include those hours for which you are paid but do not work (such as paid hours during vacations, holidays, jury duty, leave of absence, or the like).

Normal Retirement Benefit: The Retirement Benefit payable to you from the Plan if you terminate employment or retire on your Normal Retirement Date. See *Your Retirement Benefit, Normal Retirement Benefit*, page 7.

Normal Retirement Date: The first of the month following the later of the date you (1) attain age 65 or (2) earn five years of Participating Service.

Participant: An individual who meets the current service and eligibility requirements for entry into the Plan, or who became a participant in the Plan under the Plan's prior eligibility provisions or through a plan merger.

Participating Affiliate: An entity which is at least 80% owned by the Company and which has adopted the Plan.

Participating Service: Service credited for purposes of determining your vested interest in your Accrued Benefit. If you were a participant in a Prior Plan as of December 31, 2000, your Participating Service will be not less than the amount of service you were credited under the Prior Plan for purposes of determining your vested interest in your Predecessor Plan Benefit. Effective after December 31, 2000, you will accrue a year of Participating Service for each year (twelve month period) beginning on the first day of the Computation Period during which you first earn a Year of Eligibility Service and ending on your Severance from Service Date.

Your service prior to age 18 is excluded for purposes of determining your years of Participating Service. In addition, you generally will receive credit under certain circumstances for an Authorized Leave of Absence for up to one year.

Plan: The Kroger Consolidated Retirement Benefit Plan.

Plan Administrator: The Retirement Management Committee.

Plan Sponsor: The Kroger Co.

Plan Year: The twelve month period that ends on December 31 of each calendar year.

Postponed (Late) Retirement Benefit: The Retirement Benefit payable to you from the Plan if you retire after your Normal Retirement Date under the Plan. See *Your Retirement Benefit, Postponed (Late) Retirement Benefit*, page 10.

Predecessor Plans: The Dillon Plan, the Fred Meyer Plan, the Jay-C Retirement Plan, the Jay-C Pension Plan or the Kroger Plan, as applicable.

Predecessor Plan Benefit: The benefit, if any, payable at age 65 which has been accrued by you under a Predecessor Plan, as determined on December 31, 2000 under the provisions of the Predecessor Plan in effect on that date.

Predecessor Plan Transition Account: The portion of your Benefit Account, if applicable, attributable to your participation in a Predecessor Plan.

Preretirement Death Benefit: The preretirement death benefit payable to your Beneficiary from the Plan if you die before your Retirement Benefit begins under the Plan. See *Preretirement Death Benefit*, page 17.

Qualified Joint and Survivor Annuity ("QJSA"): A required payment option if you are married at the time of commencement of your Retirement Benefit. See *Retirement Payment Options*, page 11.

Required Beginning Date: The April 1 of the calendar year following the later of (i) the calendar year in which you attain age 70-1/2; or (ii) the calendar year in which you retire.

Retirement Benefit: The benefit from the Plan payable to you which will be a Normal, Early, Disability, Vested Termination, or Postponed Retirement Benefit depending upon the timing and circumstances of your retirement or termination of employment.

Retirement Management Committee: The committee of individuals appointed by the Plan Sponsor to administer the Plan.

Single Life Annuity Option: A required payment option if you are single at the time of commencement of your Retirement Benefit and also one of the Plan's alternative payment options. See *Retirement Payment Options*, page 10.

Spouse: The person to whom you are married at the date your Retirement Benefit begins or the date of your preretirement death. Your Spouse at the date your Retirement Benefit begins

remains your Spouse for all Plan purposes, even if you are divorced after your Retirement Benefit begins, and even if your Spouse remarries.

ERISA STATEMENT OF RIGHTS

You are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all participants and beneficiaries shall be entitled to:

Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (the later of: (i) age 65, or (ii) the fifth anniversary of your first date of participation in the Plan, or the date you earn five years of Participating Service) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA. If your claim for a pension benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support

order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

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APPENDIX

Participating Affiliates

Subsidiaries of The Kroger Co.

Agri-Products, Inc.

Bluefield Beverage Company

Country Oven, Inc.

Dillon Companies, Inc.

Also Doing Business As:

Baker's Supermarkets

City Market

Dillon Food Stores

Dillon Stores Division, Inc.

Dillon Warehouse

Food 4 Less

GHC Merchandise Distribution

Gerbes Supermarkets

Jackson Ice Cream Co.

Jackson & Company

King Soopers

Sav-Mor

Dotto, Inc.

Drugs Distributors, Inc.

Embassy International, Inc.

Fred Meyer, Inc.

Henke & Pillot, Inc.

Henpil, Inc.

Inter-American Foods, Inc.

Inter-American Products, Inc.

J.V. Distributing, Inc.

Kessel FP, L.L.C.

Kessel RCD, L.L.C.

Kessel Saginaw, L.L.C.

KRGP, Inc.

KRLP, Inc.

The Kroger Co. of Michigan

Also Doing Business As:

The Apple Orchard Fruit Market

Bi-Lo Discount Foods

Kessel Pharmacies

Kessel Food Markets

World of Videos, Movies and
Munch More

Kroger Group Cooperative, Inc.

Also Doing Business As:

Kroger Group, Inc.

KGC, Inc.

Michigan Dairy, L.L.C.

Kroger Dedicated Logistics Co.

Kroger Limited Partnership I

Also Doing Business As:

Foods Plus

Hilander Food Stores

JayC Food Stores

Kentucky Distribution Center

Kroger Kare Home Infusion

Owen's Supermarket

The Pet Food Super Center

The Petfood Place

Peyton's Southeastern

Ruler Discount Foods

Kroger Limited Partnership II

Also Doing Business As:

Country Oven Bakery

Crossroad Farms Dairy

Indianapolis Bakery

K. B. Specialty Foods

Kenlake Foods

Pace Dairy of Indiana

Peyton's Northern

Winchester Farms Dairy

Kroger Management Co.

Kroger Texas L.P.

Also Doing Business As:

America's Beverage Company

Vandervoort's Dairy Food

Company

MANUCO Incorporated

One Holdings, Inc.

Also Doing Business As:

Seven Holdings, Inc.

Pace Dairy Foods Company

Pay Less Super Markets, Inc.

Peyton's-Southeastern, Inc.

Also Doing Business As:

Peyton's Mid-South Company

Supermarket Merchandisers Co.

Pontiac Foods, Inc.

Queen City Assurance, Inc.

(Subsidiary of The Kroger Co. of
Michigan)

RJD Assurance, Inc.
Rocket Newco, Inc.
Southern Ice Cream Specialties, Inc.
Ten Holdings, Inc.

Three Holdings, Inc.
Topvalco, Inc.
Two Holdings, Inc.
Vine Court Assurance Incorporated

Subsidiaries of Dillon Companies, Inc.

Dillon Real Estate Co., Inc.
Junior Food Stores of West Florida, Inc.
Also Doing Business As:
Tom Thumb Food Stores
Kwik Shop, Inc.
Mini Mart, Inc.
Also Doing Business As:
Kwik Way Food
Loaf 'N Jug, Inc.
Quik Stop Markets, Inc.
Royalty Enterprises, Ltd.
THGP Co., Inc.
THLP Co., Inc.
THLP, LLC
Turkey Hill, L.P.
Also Doing Business As:
Turkey Hill Dairy, Inc.
Turkey Hill Minit Markets
Wells Aircraft, Inc.
(Subsidiary of Dillon Real Estate Co., Inc.)

Subsidiaries of Fred Meyer, Inc.

Fred Meyer Stores, Inc.	Fry's Marketplace
CB&S Advertising Agency, Inc.	Peyton's Phoenix
Distribution Trucking Company	Quality Food Centers, Inc.
FM Fuel Stop	Hughes Markets, Inc.
Fred Meyer Jewelers, Inc.	Ralphs Grocery Company
<i>Also Doing Business As:</i>	<i>Also Doing Business As:</i>
Littman Jewelers	Food 4 Less
Barclay Jewelers	Foods Co.
Smith's Food & Drug Centers, Inc.	Bell Markets, Inc.
<i>Also Doing Business As:</i>	Cala Foods, Inc.
Fry's Food & Drug Stores	