



Three Lakes Drive
Northfield, IL 60093

T: 1-800-KRAFT-HR (572-3847)

August 6, 2012

Dear Colleague:

There have been many questions about what will happen to Kraft Foods current U.S. Benefits Program as a result of the Spin-Off. The purpose of this letter is to provide you with a general overview of the impact of the Spin-Off on your current Kraft Foods benefit plan coverage and let you know about further communication you can expect to receive in the future.

I encourage you to read the information contained with this letter very carefully and save it for future reference along with all other benefits communication you receive this year.

If you have any questions with respect to the information we are providing with this letter, please contact **1-800-KRAFT-HR** (1-800-572-3847) and select *Benefits*.

Sincerely,

Jill K. Youman

Vice President Human Resources, Benefits



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U.S. Benefits Treatment as a Result of the Spin-Off (For Union Employees)

Introduction

This communication contains important information regarding the treatment of your U.S. Kraft Foods-sponsored employee benefits as a result of the Spin-Off of Kraft Foods Group, Inc. ("Kraft Foods Group") to shareholders of Kraft Foods Inc. (the "Spin-Off"). Coincident with the Spin-Off, Kraft Foods Inc. will be renamed Mondelēz International, Inc. ("Mondelēz").

Please read this entire communication carefully. You will receive additional information over the next few months.

Health & Welfare Plans

Kraft Foods sponsored Medical (including prescription drug coverage) and Dental Plans (if eligible and enrolled)

• Overview

- The health and welfare plans, including medical and dental, will not change as a result of the Spin-Off.
- Mondelēz employees who are enrolled in the Kraft Foods Group medical and dental plans immediately prior to the Spin-Off will be covered by the Mondelēz medical and dental plans immediately following the Spin-Off. Employees who remain with Kraft Foods Group will continue coverage under the current Kraft Foods Plans, if they are enrolled.

• Deductibles, Out-Of-Pocket Limits and Maximums

- The qualified expenses you and/or your family have accumulated year to date toward the 2012 **deductibles** will be carried over to the applicable plan.
- The qualified expenses you and/or your family have accumulated year to date toward the 2012 **out-of-pocket limits** will be carried over to the applicable plan.
- The qualified expenses you and/or your family have accumulated year to date toward the 2012 **annual maximums** and toward **lifetime maximums** will be carried over to the applicable plan.

• ID Cards

- Kraft Foods Group employees will continue to use their current BlueCross BlueShield or HMO ID card (if applicable) and/or their Aetna Prescription Drug ID card through 2012.
- Mondelēz employees will be issued new ID cards shortly before the Spin-Off and the new ID card should be used for any medical and dental services incurred or prescriptions filled after the Spin-Off.

• Flexible Spending Account (FSA)

- Kraft Foods Group employees' 2012 FSA elections and balances will not be affected by the Spin-Off.
- Mondelēz employees' 2012 FSA elections and balances will be carried over to the newly-established Mondelēz FSA Plan.

Kraft Foods sponsored Life Insurance, Short-Term Disability (Accident & Sickness), Long-Term Disability and Optional Protection Programs (if eligible and enrolled)

- Coverage and plan provisions will not change as a result of the Spin-Off.
- Employees who remain with Kraft Foods Group will continue coverage under the current Kraft Foods Plans if enrolled.
- Mondelēz will establish life insurance and disability plans and make available optional protection programs that have the same coverage and plan provisions as the current Kraft Foods plans and programs.
- Mondelēz employees who are enrolled in the Kraft Foods Group plans or programs immediately prior to the Spin-Off will be covered by the corresponding Mondelēz plans or programs immediately following the Spin-Off.

Retirement Plans

TIP 401(k) Savings Plan (if eligible)

- Plan provisions will not change as a result of the Spin-Off.
- All outstanding loan re-payments and terms will remain the same after the Spin-Off.
- Mondelēz will establish a TIP 401(k) Savings Plan that has the same plan provisions as the Kraft Foods Group TIP 401(k) Savings Plan, except for the stock fund provisions, as described below. The 401(k) Savings Plan account balances of all Mondelēz employees who participate in the Kraft Foods TIP 401(k) Savings Plan will be transferred to the Mondelēz Global TIP 401(k) Savings Plan.
- Employees who remain with Kraft Foods Group will continue to participate in the Kraft Foods Group TIP 401(k) Savings Plan, if they are eligible.

Stock Fund Provisions

- **Both the Kraft Foods Group and the Mondelēz Global TIP Plans will maintain the Kraft Foods Inc. Stock Fund (which will be re-named the Mondelēz International Stock Fund) after the Spin-Off**
 - For Kraft Foods Group employees: the Mondelēz International Stock Fund will be frozen to new money (contributions and dividend reinvestment) as of the Spin-Off.
 - For Mondelēz employees: the Mondelēz International Stock Fund will remain an active investment fund under the Mondelēz Global TIP 401(k) Savings Plan following the Spin-Off.
- **A new Kraft Foods Group, Inc. Stock Fund will be established under both the Kraft Foods Group and the Mondelēz Global TIP Plans as of the Spin-Off**
 - For Kraft Foods Group employees: the Kraft Foods Group, Inc. Stock Fund will remain an active investment fund under the Kraft Foods Group TIP 401(k) Savings Plan following the Spin-Off.
 - For Mondelēz employees: the Kraft Foods Group, Inc. Stock Fund will be frozen to new money (contributions and dividend reinvestment) as of the Spin-Off.

Stock Fund Provisions (Continued)

- **Sun-setting of all frozen company stock funds under both the Kraft Foods Group and the Mondelēz Global TIP 401(k) Savings Plans as of June 30, 2014**
 - As of June 30, 2014 all three of the frozen company stock funds will be removed as an investment option under both the Kraft Foods Group TIP 401(k) Savings Plan and the Mondelēz Global TIP 401(k) Savings Plan.
 - For Kraft Foods Group TIP 401(k) Savings Plan participants: this means that the Mondelēz International Stock Fund, the Altria Stock Fund and the PMI Stock Fund will be removed as investment options under the Kraft Foods Group TIP 401(k) Savings Plan as of June 30, 2014.
 - For Mondelēz Global TIP 401(k) Savings Plan participants: this means that the Kraft Foods Group, Inc. Stock Fund, the Altria Stock Fund and the PMI Stock Fund will be removed as investment options under the Mondelēz Global TIP 401(k) Savings Plan as of June 30, 2014.
 - If you have a balance in any of these frozen funds, you can stay invested in these frozen company stock funds **until June 30, 2014**.
 - If you have a balance in any of these frozen company stock funds, you will be asked to make a new investment election **before June 30, 2014** or your money will be invested in the default fund, currently the Target Date Fund with the target retirement year closest to the year you turn age 65. However, you can make investment election changes any time prior to June 30, 2014.

More detailed information regarding the impact of the Spin-Off on your TIP 401(k) Savings Account will be provided in late August.

Kraft Foods-Sponsored Retirement (Pension Plan) for Employees

- The pension formulas and features of the Kraft Foods Group and Mondelēz Global retirement plans will not change as a result of the Spin-Off.
- Mondelēz will establish pension plans that have the same plan provisions as the Kraft Foods Group Retirement Plans.

Beneficiaries

All beneficiary designations that are in effect under all applicable Kraft Foods Group benefit plans prior to the Spin-Off will remain in effect after the Spin-Off under the applicable Kraft Foods Group or the Mondelēz benefit plan.

Future Communication

- Late Summer – TIP 401(k) Savings Plan Bulletin with detailed information regarding the impact of the Spin-Off on your TIP 401(k) Savings Plan account if you are invested in the Kraft Foods Inc. Stock Fund (and the creation of a new Kraft Foods Group, Inc. Stock Fund).
- Early Fall – Benefits Transition Overview Brochure with more detail about future contacts, websites and important dates
- Fall – 2013 Annual Enrollment materials

This communication is intended to provide only basic plan information – not all the details. Except to the extent expressly barred by the applicable collective bargaining agreement, the respective plan sponsors (Kraft Foods Group and Mondelēz Global) reserve the right to amend, modify, change the terms of their benefit plans or terminate the benefits plan at any time for any reason.