



Kraft Canada Pension &
Benefits Centre
201 City Centre Drive,
Suite 1000
Mississauga, ON L5B 4E4

August 6, 2012

Dear Colleague:

There have been many questions about what will happen to the current Benefits Program as a result of the spin-off of Kraft Foods. The purpose of this letter is to provide you with a general overview of the impact of the spin-off and to let you know about further communications you can expect to receive in the future.

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

If you have any questions with respect to the information we are providing in this letter, please contact the Kraft Canada Pension and Benefits Centre at [1-800-395-1270](tel:1-800-395-1270) or speak with your HR Manager.

Sincerely,

Jill Youman

Vice President Human Resources, Benefits



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Introduction:

This brochure is designed to provide you with general information about what the spin-off of our company means for your Pension and Benefits Program.

This information is intended to provide an overview. More detailed information will be provided to you throughout the next several months.

Health & Welfare Plans

Health and Dental Plans:

The current health and dental plans will be split into separate Kraft Canada and Mondelēz Canada plans effective the date of the spin-off. The medical and dental plans' coverage and plan provisions will not change as a result of the spin-off.

Employee Contributions	Employee contributions will not change as a result of the spin-off or for the remainder of 2012.
Maximums	The expenses you and/or your family have accumulated towards annual and lifetime maximums will be carried over to the applicable plan.
Health Care Spending Account (HSA)	Your HSA balance will carry over to the applicable plan.
Pay Direct Drug (PDD) Cards	<p>Kraft Canada employees will receive new PDD cards just prior to spin-off. On or after the spin-off, Kraft Canada employees should destroy their current PDD card and use the new PDD card.</p> <p>Mondelēz Canada employees will continue to use the same PDD card they currently have.</p>

Life Insurance, Short-Term Disability, Long-Term Disability and AD&D Programs:

- Coverage and plan provisions will not change as a result of the spin-off.
- Employee contributions will not change as a result of the spin-off or for the remainder of 2012.

Retirement Plans

Optional Pension Plan (OPP), Employee Savings Plan (ESP), Retirement Savings Plan (RSP), Non-registered Plan (NREG), Group Registered Retirement Plan (GRRSP):

- If you are participating in the OPP, ESP, RSP, NREG, or GRRSP, your investment instructions and contribution percentage will move to the applicable plan. You'll receive more detailed information soon about accessing your accounts.
- The plan design will not change as a result of the spin-off except for the Company Stock Funds, as described on page 3.

- **Both the Kraft Canada and the Mondelēz Canada Plans will have the Kraft Foods Group Stock Fund and Mondelēz Stock Fund after the spin-off:**

- The Kraft Foods Group Stock Fund will be a frozen fund for Mondelēz Canada employees and no new money will be allowed into that fund after the date of the spin-off.
- The Mondelēz Stock Fund will be a frozen fund for Kraft Canada employees and no new money will be allowed into the fund after the date of the spin-off.

- **Sun-setting of all frozen plan funds as of June 30, 2014:**

- As of June 30, 2014 the frozen stock funds will be removed as an investment option under the plans. This includes the Altria Stock Fund, PMI Stock Fund, Kraft Foods Stock Fund (for Mondelēz Canada employees and inactive participants) and Mondelēz Stock Fund (for Kraft Canada employees and inactive participants).
- Kraft Foods Group stock will continue to be offered to Kraft Canada employees and Mondelēz stock will continue to be offered to Mondelēz Canada employees.
- 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 appropriate Target Date Fund with the target retirement year closest to the year you turn age 65.
- You'll receive more information about these options available to you regarding your stock in the frozen funds, prior to the company separation. That information will describe the tax implications of the various options. You will also be able to call Sun Life for information. As always, though, you should consult your financial or tax advisor when considering your options regarding your investment choices under the plans.

Kraft Canada Inc. Plan

- The Kraft Stock Fund will split. Some will remain as Kraft and some will become Mondelēz. Assets in Mondelēz stock will be closed to new money as of the split date. Employees can move assets out of Mondelēz stock but you cannot put money back into that account. Mondelēz stock will sunset on June 30, 2014 and any remaining assets in Mondelēz will convert to cash and be invested in the applicable target date fund.
- PMI and Altria will remain closed. Both will sunset on June 30, 2014. Assets remaining will be converted to the applicable target date funds.
- Employee Savings Plan (ESP) and Non-Registered Savings Plan (NREG): Employees will be able to transfer whole shares out (applicable to Mondelēz, PMI, Altria). Any fractional shares will be paid in cash. There is a cost to transfer the shares. Watch for additional information concerning these plans.

Mondelēz Canada Inc. Plan

- The Kraft Stock Fund will split. Some will remain as Kraft and some will become Mondelēz. Assets in Kraft stock will be closed to new money as of the split date. Employees can move assets out of Kraft stock but you cannot put money back into that account. Kraft stock will sunset on June 30, 2014 and any remaining assets in Kraft stock will be converted to cash and invested in the applicable target date fund.
- PMI and Altria will remain closed and both will sunset on June 30, 2014. Assets remaining will be converted to the applicable target date funds.
- Employee Savings Plan (ESP), Non-Registered Savings Plan (NREG): Participants will be able to transfer whole shares out (applicable to Kraft, PMI, Altria). Any fractional shares will be paid in cash. There is a cost to transfer the shares. Watch for additional information on these plans.

Kraft Foods Defined Benefit Pension Plan (if eligible):

- The plan formulas and features will not change as a result of the spin-off.

Retiree Medical (if eligible):

Retiree Medical Plan Offerings	2012 plan offerings will not change as a result of the spin-off.
Retiree Contributions	2012 retiree contributions will not change as a result of the spin-off.

Beneficiaries

All beneficiary designations for all applicable benefit plans will remain in effect as they were executed before the spin-off.



Here are a few things you can do to prepare for the upcoming company spin-off

1. File any health and dental claims prior to spin-off to ensure timely processing of your claims.
2. If you have prescriptions that will need to be renewed or refilled close to the spin-off date, consider getting your new prescription or refill completed a couple weeks prior to spin-off.
3. Watch for upcoming communications regarding your benefits.

Future Communications

In early fall, you will receive communications with more detail about future contacts, websites and important dates for your pension and benefits programs. In late fall, you will receive your 2013 Annual Enrollment materials.

This communication is intended to provide only basic plan information – not all the details. For more detailed benefits information, please refer to the summary plan descriptions. Every attempt was made to make this communication as accurate as possible. However, if a discrepancy exists between this communication and the official plan documents, the plan documents will govern.