

European Framework Agreement

Regarding

Project One Europe

to be Concluded Between

Kraft Foods Europe Management

and

the Employee Representatives

The restructuring of the operations of Kraft Foods in Europe according to "Project One Europe" is designed to increase the competitiveness of Kraft Foods in Europe and to lay the basis for further growth. Project One Europe is not intended to lower the aggregate levels of employee representations and working conditions of the employees of Kraft Foods in Europe. To document the aforementioned spirit the management of Kraft Foods in Europe and the representatives of the employees in the European Council of Kraft Foods in Europe hereby enter into this Framework Agreement outlining nine basic principles of understanding for the implementation of Project One Europe, the details of which will have to be adjusted on a country-by-country basis according to national legislation and practices.

1. The material level of employee representation and labour relations (e.g. information and consultation rights, cooperation and co-determination) in the countries shall be maintained. If new legal structure constitutes a restriction, it is the intent of both parties, in the interest of good cooperation, to explore and find potential models to bridge the difference in representation.
2. The employee representation and the supervisory boards, shall in general be continued. If the new legal structure constitutes a restriction, it is the intent of both parties, in the interest of good cooperation, to explore and find potential models to bridge the difference in representation ensuring the same level of employee representation and supervisory boards.

3. Regardless of the new legal structure, the aggregate level of pension benefits for individuals that exist today, shall be maintained.
4. Seniority (e.g. in respect to compensation and benefits, period for terminating a contract etc) will be honoured.
5. Existing collective bargaining agreements shall be transferred to the new legal entities on a country-by-country basis. Where a transfer to a new legal entity is not possible, it is the intention of both parties to sign a new agreement in the new legal structure with the same material content and validity as the non transferable ditto.
6. Where certain working conditions depend on the current legal structure in a country (e.g. benefits in France) the same method of computation and material level of such benefits shall be continued also after the restructuring.
7. KFEU will ensure that employee representatives in the EWC are informed and consulted about all subjects, projects etc. affecting two or more countries. Exact mechanisms for this will be part of the negotiation process related to the EWC agreement.
8. Kraft will meet all requirements for information ,consultation and co-determination based on law and collective bargaining agreements.
9. It is the joint intention of the parties of this agreement to explore and find ways to ensure that also in the new country legal structure, employees representatives will have access to complete information about company activities in respective country. Kraft country & local management will also in the new structure have access to sufficient and complete information about activities and plans in respective country to be able of fulfilling obligations as referred to in point 8. This includes country implications of European and Global projects. Local HR function will be responsible for execution of all information and consultation requirements.

For the avoidance of doubt it is clarified that the above nine basic principles of understanding do only apply in relation to the implementation of Project One Europe and only as regards employees employed at the time of the implementation of Project One Europe in the respective countries. The aforementioned nine principles of understanding are not meant as a guarantee in conjunction with other potential restructuring measures eventually to be contemplated in the future.

This Agreement is made in the English language, which shall prevail over other languages into which it may be translated.

Brussels 5 September 2007

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