

## **KRAFT FOODS INC.**

### **Code of Business Conduct and Ethics for Non-Employee Directors**

#### **Introduction**

This is the Code of Conduct for Kraft Foods Inc.'s Non-Employee Directors (this "Code"). This Code sets out ten important rules that we, as non-employee members of the Board of Directors of Kraft Foods Inc. (the "Board"), have chosen to guide us during our service to Kraft Foods. The Board's Nominating and Governance Committee administers this Code. Annually, each of us acknowledges in writing the receipt, review, and understanding of this Code. This Code's principles are similar to those in Kraft Foods' Code of Conduct for Kraft Foods Employees (the "Employee Code") but we tailored them specifically for the Board. No code can anticipate every situation that may arise nor can it replace the thoughtful behavior of an ethical director. Rather, this Code provides guidance for handling situations as they arise.

We raise any questions or concerns about this Code or any related situation to the Chair of the Nominating and Governance Committee, who may consult with the Committee as a whole, Kraft Foods' Corporate Secretary, General Counsel, Chief Compliance Officer or other counsel.

#### **Objective—Earning and Maintaining Trust**

This Code is part of Kraft Foods' commitment to integrity. This Code focuses us on areas of ethical risk, provides guidance to help us recognize and deal with ethical issues, provides mechanisms to report unethical conduct, and helps foster a culture of honesty and accountability. The ten rules in this

Code guide our handling of ethical matters and describe the values that guide us in our decisions, particularly the most essential value – trust. Trust means that others can rely on us to speak truthfully, to honor our commitments, and to treat others fairly. Kraft Foods’ reputation for integrity is one of its most valuable assets. Kraft Foods must earn and keep the trust of Kraft Foods’ investors, consumers, customers, business partners, employees, and the general public. Maintaining and improving this trust requires that we, as directors, follow this Code’s principles and rules.

## **The Rules**

### **Rule #1. Give Kraft Foods our complete business loyalty.**

While we serve on the Board, Kraft Foods’ shareholders expect us to make business decisions without the influence of any improper personal interest or gain. Therefore, we avoid situations in which our personal interests interfere, or appear to interfere, in any way with Kraft Foods’ interests. Conflicts arise when our personal interests make it difficult to perform our responsibilities objectively or effectively. Conflicts of interest also may arise when we, or a family member<sup>1</sup>, receive improper personal benefits because of our position on the Board.

Situations involving a conflict of interest are not always obvious or easy to resolve. Therefore, we bring any questions concerning potential conflicts to the Chair of the Nominating and Governance Committee. We disclose immediately to the Chair of the Nominating and Governance Committee any situation that could involve an actual or potential conflict of interest with

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<sup>1</sup> “Family member” for purposes of this Code include a director’s spouse, parents, children, siblings, fathers and mothers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than employees) who shares the director’s home.

Kraft Foods. The Chair of the Nominating and Governance Committee may consult with the Committee as a whole, Kraft Foods' Corporate Secretary, General Counsel, Chief Compliance Officer or other counsel regarding any potential conflicts.

Examples of common conflicts that we avoid or disclose to the Chair of the Nominating and Governance Committee include the following:

- *Personal benefits and gifts.* We do not receive a personal benefit from any person or firm seeking or currently doing business with Kraft Foods. Personal benefits include consultant fees, exercisable stock options or other remuneration, non-cash gifts, meals or entertainment (other than those of nominal value and for ordinary business purposes), or any other benefit that a reasonable person may conclude could affect our objectivity. We never accept cash or cash equivalents, bribes or kickbacks.
- *Competition.* We do not compete with Kraft Foods.
- *Personal use of Kraft Foods' assets.* We do not use Kraft Foods' assets, labor, resources, or information except for legitimate Kraft Foods business purposes.
- *Loans and Guarantees.* We do not accept loans or guarantees from Kraft Foods.
- *Compensation from non-Kraft Foods sources.* Compensation that we receive as part of the Kraft Foods director compensation program does not create conflicts of interest. We do not accept compensation (in any form) for services we perform for Kraft Foods from any source other than Kraft Foods.
- *Conflicts arising from a role at other organizations.* We sometimes serve as a director, officer or employee of, serve as an advisor or consultant to, are a significant investor in, or have a similar role at another organization. If we encounter a situation where our current role in that other organization could have the potential to conflict, or appear to conflict with Kraft Foods' interests, we immediately:
  - (i) inform the Chair of the Nominating and Governance Committee,

- (ii) take appropriate action, including recusing ourselves from participation in the Board's or Committee's discussion and consideration of any matter related to or giving rise to the potential conflict,
- (iii) take all actions requested by the Chair of the Nominating and Governance Committee or the Chair's designee, and
- (iv) take any other action which is necessary or appropriate under the circumstances.

Prior to accepting a new role at another organization, we consider whether that role could have the potential to conflict, or appear to conflict with Kraft Foods' interests and follow these same steps.

Our family members' activities also may create a situation involving a conflict of interest and we disclose any family member's relationship that involves an actual or potential conflict of interest with Kraft Foods.

**Rule #2. Never trade on inside information.**

We do not trade securities while we have material non-public information. "Material information" includes anything likely to influence a potential investor's decision to trade in securities including, but not limited to, information about mergers, earnings, projects, and changes in management. In addition to Kraft Foods securities, this restriction applies to the trading of the securities of Kraft Foods' customers, suppliers, or other business partners if we have material non-public information about them. Further, if we cannot make trades because we possess material non-public information, neither can our family members.

**Rule #3. Honor Confidentiality.**

We maintain the confidentiality of all information entrusted to us during our service to Kraft Foods. We share that information only when Kraft Foods' Corporate Secretary or General Counsel advises that disclosure is authorized or legally mandated. Confidential information includes all non-public information related to Kraft Foods.

We also exercise due care in handling Kraft Foods' proprietary and confidential information. We avoid discussing this information in public areas or with family members. Our obligation to preserve Kraft Foods' confidential information is ongoing, even after our service on the Board concludes.

Kraft Foods' management, not members of the Board, handles contacts and discussions with media outlets and investment analysts and we direct such contacts to Kraft Foods' Corporate Affairs or Investor Relations office.

**Rule #4. Never Misappropriate Corporate Opportunities. Ensure Proper Use of Corporate Assets.**

We owe a duty to Kraft Foods to advance its legitimate interests when the opportunity to do so arises. We do not use opportunities that we discover using Kraft Foods' corporate property, information, or position for our personal benefit unless Kraft Foods' disinterested directors determine that Kraft Foods will not pursue such opportunity.

We use corporate property, information, or position only for legitimate business purposes; never for personal gain. We protect Kraft Foods' assets and ensure their efficient use.

**Rule #5. We Provide Accurate Information to Kraft Foods.**

Kraft Foods relies on information that we provide when it prepares disclosure documents and regulatory filings and for other purposes. We are truthful, forthright, and accurate when preparing director questionnaires, stock information forms, expense reimbursement forms, and other documents for Kraft Foods' use.

### **Rule #6. Comply with Laws, Rules and Regulations.**

Each of us carries out our responsibilities in compliance with Kraft Foods' Corporate Governance Guidelines and all applicable laws, rules and regulations. We do not instruct others to commit illegal or unethical acts for any reason when they are conducting business for Kraft Foods.

Each of us is a Kraft Foods' representative and deals fairly with others (including Kraft Foods' customers, suppliers, competitors, and employees) when conducting Kraft Foods business. We do not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

### **Rule #7. Honor Kraft Foods' Values.**

No set of rules could answer every question that we face as directors. When these rules do not address a situation, we refer to Kraft Foods' values for guidance. These are:

- We inspire trust.
- We act like owners.
- We keep it simple.
- We are open and inclusive.
- We tell it like it is.
- We lead from the head and the heart.
- We discuss. We decide. We deliver.

As directors of Kraft Foods, we champion these values and encourage Kraft Foods employees to follow them.

We ask questions when we are not sure what to do. Fortunately, we have many places to turn for help, among them, the Corporate Secretary, the General Counsel, the Chief Compliance Officer, other counsel, and outside advisors. We never hesitate to consult them.

**Rule #8. Report Any Concerns.**

If we suspect a violation of this Code, we promptly communicate that concern to the Chair of the Nominating and Governance Committee. We communicate any concerns about the Chair of the Nominating and Governance Committee to the Chair of the Audit Committee.

We promptly report any suspected violations of the Employee Code to the Chief Compliance Officer.

**Rule #9. Address Reports of Concerns about Director Behavior.**

If a director violates this Code, we all suffer consequences, especially Kraft Foods. Ignoring violations leads to greater problems and damages trust.

The Nominating and Governance Committee or its designee promptly addresses reports of concerns about director behavior and carefully looks into the facts and circumstances surrounding any report. The Nominating and Governance Committee or its designee conducts all investigations fairly and considers all relevant information. The Nominating and Governance Committee actively addresses any violations of this Code. Upon advice of legal counsel, Kraft Foods may report violations of the Code that involve illegal behavior to the appropriate authorities.

**Rule #10. We Encourage Others to Report Concerns and We Do Not Retaliate.**

As directors, we support management's and Kraft Foods' efforts to promote honest behavior and an ethical environment at Kraft Foods.

If anyone suspects that there has been a violation of the law, this Code, the Employee Code, or any Kraft Foods policy, we encourage them to raise that concern so that Kraft Foods can act quickly. These concerns can be raised immediately and anonymously by calling the Kraft Foods Integrity HelpLine.

Kraft Foods does not tolerate retaliation against anyone for raising a concern in good faith. Raising good faith concerns is vital to Kraft Foods' success.

**Waivers and Amendments**

In the unlikely event that a waiver of this Code would be in Kraft Foods' best interests, only the Board may grant such waiver.

Only the Board may amend this Code.

Kraft Foods promptly discloses to Kraft Foods' shareholders (by posting on [www.kraft.com](http://www.kraft.com) or making other required public disclosure) any waiver or amendment to this Code.

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Director's Signature

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Date