



MONDELĒZ-KRAFT FOODS SPINOFF - AN AXIOM LAW CASE STUDY

40,000 Documents and 10 Months: How Axiom Helped Kraft Foods Execute \$18B Grocery Business Spinoff with Client-Aligned Contract Review Strategy

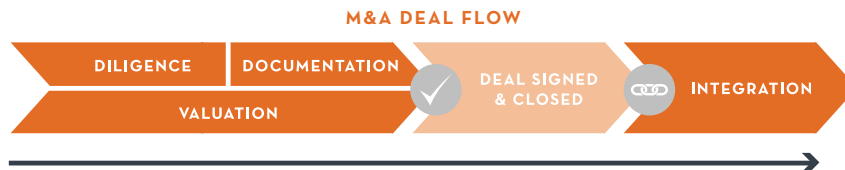


Gerd Pleuhs
Executive Vice President and
General Counsel
Mondelēz International

“To execute the spinoff (of Kraft Foods’ \$18 billion North American grocery business) required digging into the details of how we did business and determining which contracts would belong to which of the two resulting companies. We needed to get into the weeds. This is the first time we’ve reached out to a company like Axiom, which had the ability to meet the demands of the project.”

“The volume of the work (40,000 documents), the tight deadline of our upcoming spinoff, and cost were all significant challenges to more traditional law firm partners, so these challenges led us to look beyond the more traditional set of firms.”

AXIOM'S NEW APPROACH TO CONTRACT REVIEWS MEETS ACQUIRERS' BUSINESS AND ECONOMIC IMPERATIVES AND REDUCES RISKS



ARTISANAL
HISTORIC APPROACH
Old Model



INDUSTRIALIZED
EMERGING APPROACH
New Model

Axiom’s processes are repeatable, scalable, and provide actionable insights to reduce risks and help achieve desired integration synergies.

“...We were impressed how Axiom’s management made a great effort to make the relationship work seamlessly. We saw Axiom was proactive in learning all about our company upfront, such as our business model and our culture, and they used these insights to train everyone at Axiom involved in the project. Axiom’s upfront work made it much easier for everyone to work even better together.”

“Mondelēz International’s legal department, its employees in charge of contracts, and Axiom’s team completed the collection and assessment in less than 35 days, and then negotiated all affected contracts while keeping the project on budget and on schedule with daily progress reports. The relationship between the two companies was highly collaborative, which is a large reason for the success of the project. Mondelēz International and Axiom pulled together a joint team that delivered flawless execution for the identified contracts in 10 months, on time and with a substantial cost savings relative to a traditional law firm. It’s a good example that you do not have to necessarily go abroad to get alternative legal services – in fact, the proximity was an advantage, giving both teams better access to one another on a daily basis, greater efficiency, and the ability to course-correct more quickly than an offshore partner. Neither of us could have done this alone – rather than outsourcing, this was continuous cooperation and teamwork.”

“For the first time, we have all of our agreements in one place. We saved time by doing all that work in the beginning so that the new company could hit the ground running.”

“We would definitely do similar projects the same way again. Absent this approach, we would have had to take the risk approach and dedicate all of our in-house staff to this project. It’s lucky Axiom and we found each other.”

“More broadly, doing what matters has become a core principle of our legal department, meaning alternative service providers and outside counsel aren’t just for specialty or overflow work. We’re much more strategic in what we do, who does what, and qualifications are needed to get the job done.”

Gerd Pleuhs, Executive Vice President and General Counsel, *Mondelēz International*
As interviewed by *Bloomberg BNA* and the Association of Corporate Counsel.

A New Approach to Contract Reviews for an \$18B Spinoff

- ▶ \$18B spinoff of Kraft’s grocery business into a new entity
- ▶ 40,000 documents reviewed
- ▶ 6,000 counterparty agreements requiring notice, consent, or renegotiation
- ▶ Phase One: 35 days for assessment
- ▶ Phase Two: 10 months for completion of all counterparty contract actions