

December 2015

**Important Notice Regarding Changes to the
PepsiCo Salaried Employees Retirement Plan
PepsiCo Hourly Employees Retirement Plan
PepsiCo Savings Plan
PepsiCo 401(k) Plan for Hourly Employees ---
Summary of Material Modifications**

This Notice is a summary of material modifications (“SMM”) to the PepsiCo Salaried Employees Retirement Plan (“Salaried Pension Plan”), Plan Number 001, the PepsiCo Hourly Employees Retirement Plan (“Hourly Pension Plan” and together with the Salaried Pension Plan, the “Pension Plan”), Plan Number 004, the PepsiCo Savings Plan (“Savings Plan”), Plan Number 203, and the PepsiCo 401(k) Plan for Hourly Employees (“Hourly 401(k) Plan”), Plan Number 204, and together with the Savings Plan, “401(k) Plan”) (collectively, the “Plan” or “Plans”). This SMM amends the Plans’ summary plan descriptions (“SPD”) as well as any other documentation that the Plan Administrator determines applies to you. This Notice describes only material changes in the Plan and the SPD. This Notice should be read together with your SPD and you should keep it with your SPD and other Plan documentation. If you need an additional copy of an SPD or SMM, you may order a copy by calling The PepsiCo Savings and Retirement Center at 1-800-632-2014.

All changes are effective as of January 1, 2015, unless otherwise noted below. Please read this Notice carefully as not all of the changes described below will apply to you.

Este folleto contiene un resumen en Inglés de sus derechos y beneficios bajo los planes de beneficios de la Compañía. Si usted tiene dificultad entendiendo cualquier parte de este folleto, consulte El Centro de PepsiCo para Ahorro y Retiro de Fidelity al 1-800-632-2014 para recibir asistencia con beneficios de retiro y ahorro.

PLAN MODIFICATIONS

Same-Sex Spouse and Domestic Partner Benefits. The Plans have provided the same benefits for eligible same-sex spouses as for other spouses since June 26, 2013. In addition, the Plans provide certain benefits for eligible domestic partners effective for participants actively employed or on a leave of absence on or after January 1, 2013. Please see the SMMs that were distributed in 2014 for the benefits to which eligible domestic partners are entitled. Since same-sex individuals may now legally marry in all 50 states, the Plans will no longer provide spousal-like benefits for domestic partners, effective January 1, 2016. A transitional rule applies for 2016 only. Plan participants and individuals who were employed by PepsiCo in 2015 and, as of December 31, 2015, had a relationship that would have been recognized under the Plan on that date as an eligible domestic partner or civil union relationship, will be treated as having an eligible domestic partner only for events occurring in 2016.

PENSION PLAN MODIFICATIONS

Spousal Consent Requirements. The Plan requires married participants to obtain the written consent of their spouse in the event the participant elects a form of payment under the Plan other than a joint and survivor annuity with the participant's spouse and in certain other circumstances. Effective January 1, 2015, the consent of the participant's spouse may be witnessed by a Plan representative or a notary public.

401(k) PLAN MODIFICATIONS

Opting-Out of Automatic Enrollment and Automatic Increase. The Plan provides for automatic enrollment at a rate of 4% of eligible pay, and for automatic increases annually thereafter. If a participant is automatically enrolled the participant must affirmatively elect to opt out, or to contribute 0% of eligible pay, by contacting The PepsiCo Savings and Retirement Center at Fidelity or logging onto www.netbenefits.com/pepsico. Changing investment options under the Plan does not affect an election to opt out of automatic enrollment and automatic increase programs.

This SMM must be read together with the SPDs and any previous SMMs. This SMM describes only the material changes and provides only the material clarifications to the SPDs regarding the rules applicable to and the benefits provided by the Plans. Unless a Plan provision is revised in this SMM, the SPD and any previous SMMs otherwise apply. Terms and phrases not defined in this SMM have the meanings given to them in the SPD. References in this SMM to "you" refers to an eligible Plan participant.

This SMM, the Plans' SPDs, the Total Rewards and www.netbenefits/pepsico.com websites are intended to provide a summary of the main provisions of the Plans, but they are not intended to augment rights provided under the terms of the official Plan documents. Nothing in this SMM makes you eligible for a Plan, or eligible for a specific level or amount of benefits, unless the official documents provide for such eligibility or benefits. Your eligibility and benefits are determined in accordance with and subject to the official documents for the Plan. No benefits will be paid or provided unless and until the Plan Administrator determines, in its sole discretion, that you are entitled to them. While PepsiCo, Inc. (the Plans' sponsor) currently intend to continue the Plans, PepsiCo reserves the right to amend, modify or terminate the Plans at any time. Nothing in this SMM should be construed as a promise or guaranty of future benefits or of any level or amount of benefits, or as a promise or guaranty of employment or future employment for any duration.

If you have questions about these changes, please call The PepsiCo Savings and Retirement Center at Fidelity toll-free at 1-800-632-2014, Monday through Friday, between 8:30 A.M. and Midnight Eastern time, to speak with a Customer Service Associate.