



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.

December 2015

Important Notice Regarding Changes to the PepsiCo Retiree Health Care Program Summary of Material Modifications

This Notice is a summary of material modifications (“SMM”) to the PepsiCo Retiree Health Care Program (the “Plan”), Plan Number 726. This SMM amends the Plan’s Health Care Summary Plan Descriptions (“Health Care SPD”) and the Plan’s Retiree Reimbursement Account (“RRA”) Summary Plan Descriptions (the “RRA SPD” and together with the Health Care SPD the “SPD”), the 2016 Enrollment Guides, and any other Plan 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 obtain a copy online at www.netbenefits/pepsico.com or you may call The PepsiCo Savings and Retirement Center at Fidelity at 1-800-632-2014.

All changes are effective January 1, 2016, unless otherwise noted. Please read this Notice carefully as not all of the changes described below may 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.

Retiree Health Care Program Highlights

Spouse Coverage

Your spouse is eligible to be covered under PepsiCo retiree medical coverage. An individual will be recognized as your spouse if you and the individual are legally married (including same sex and opposite sex marriages) under any state or foreign law as of the applicable time.

A common-law spouse is also eligible for coverage, provided your marriage was formed in a state or a country that permits common law marriage and at a time when common law marriage was permitted in the state or country. Civil unions are not considered marriages, unless the person is treated as your legal spouse under applicable law.

Ex-spouses are not eligible, even if court-ordered. However, if you are legally separated from your spouse, and you are not divorced, as determined under applicable law, your spouse is still eligible for coverage. In the case of a divorce, coverage ends for your spouse on the day the divorce is final. It is your responsibility to report the divorce to The PepsiCo Savings and Retirement Center at Fidelity at 1-800-632-2014 within 31 days of the final decree. Premiums paid in error due to your delay in reporting a change in eligibility will not be refunded.

Same-Sex Domestic Partner and Domestic Partner Child Coverage

Due to the U.S. Supreme Court decision this past summer, a transition period now applies with respect to same-sex domestic partners and their children.

Existing same sex domestic partners and their children who are enrolled in PepsiCo retiree medical coverage on December 31, 2015 may remain enrolled in retiree medical coverage for the 2016 calendar year (provided their enrollment is continued and all other applicable requirements are satisfied). After December 31, 2016, such same sex domestic partners and their children may no longer be enrolled in retiree medical coverage unless you are legally married.

New same sex domestic partners and their children (who are not enrolled in PepsiCo retiree medical coverage on December 31, 2015) may not be enrolled for retiree medical coverage that begins on or after January 1, 2016, unless you are legally married.

The provisions in this section do not apply to the Cigna Global Health Benefits medical option.

Surviving Domestic Partners and their Children

If you die before January 1, 2017 and your eligible domestic partner and his/her eligible dependent children are enrolled in the Plan at the time of your death, your surviving domestic partner and his/her surviving dependent children on the date of your death will continue to be eligible for Plan coverage, provided all other requirements remain satisfied in the applicable SPD.

Retiree medical coverage for new surviving domestic partners and their dependent children of employees who die in active employment will no longer be offered after December 31, 2015. In order to obtain survivor retiree medical coverage after December 31, 2015, you must be legally married and satisfy the applicable provisions for surviving spouse coverage in the applicable SPD. However, if you die in active employment during the 2016 calendar year and your domestic partner's and his/her dependent children's enrollment in the PepsiCo Employee Health Care Program was continued under the special rule for continued domestic partner coverage for the 2016 calendar year, your surviving domestic partner and his/her dependent children may enroll in PepsiCo retiree medical coverage, provided that all other enrollment requirements are satisfied for surviving domestic partners and their children as set forth in the applicable SPD.

The provisions in this section do not apply to the Cigna Global Health Benefits medical option.

Retiree Medical Costs

Transfers To/From Different Retiree Classifications

The SPD provides rules regarding your eligibility for Company contribution towards your retiree medical costs. In general, there are separate Company contribution rules for retirees classified as legacy PepsiCo, legacy Pepsi Bottling Group and legacy PepsiAmericas and different rules apply for employees who terminate and are rehired. If you transfer into or out of different retiree classifications during your employment with the PepsiCo organization (whether due to an employment transfer or a termination and rehire), and those retiree classifications have different Company contribution rules for retiree medical costs, the Company will take into account your entire employment history with the PepsiCo organization in determining the Company contribution toward your retiree medical costs.

All Medical Options

Limited Authorization of Payments

To the extent allowed by a Claims Administrator, you may authorize your Claims Administrator to make payments directly to a health care provider for covered services. Further, even without such an authorization, a Claims Administrator may make direct payments to a health care provider for covered services pursuant to the Claims Administrator's rules and procedures as of the applicable time.

Authorizations of payments to a health care provider or direct payments to a health care provider are not assignments of benefits. Even though you may authorize a health care provider to receive a payment or reimbursement of covered services and even though a Claims Administrator may pay a health care provider directly for payments or reimbursements of covered services, in no event will any such authorizations, payments or reimbursements to or on behalf of a health care provider cause the provider to become a Plan participant or Plan beneficiary (or assignee of a participant or beneficiary) under ERISA.

No Assignment of Rights and Benefits

Your rights and benefits under the Plan cannot be assigned, sold or transferred to any person, including your healthcare provider. For this purpose, your Plan rights and benefits, include, without limitation, the right to file an administrative appeal (internal and external), the right to sue following a denied administrative appeal, and any other Plan rights and benefits, whether actual or potential. Any purported assignment of rights and/or benefits under the Plan shall be void and shall not apply to the Plan. Further, a payment or reimbursement of covered services by a Claims Administrator to a health care provider (whether pursuant to an authorization or otherwise) will not waive the application of this provision. The application of this provision does not affect your right to appoint an authorized representative. See, the Authorized Representative provisions in the Administrative Information Section below for additional information.

Health Care Provider Agreements not Binding on the Plan

Sometimes your healthcare provider requests that you sign various agreements and other documentation as a condition of receiving healthcare services from the provider. Any agreement, assignment or other document executed by you and a health care provider (or executed by parties that include you and a health care provider, but that do not include the Plan Administrator) are not binding on and will have no legal effect whatsoever on the Plan or any Claims Administrator. Further, a payment or reimbursement of covered services by a Claims Administrator to a health care provider (whether pursuant to an authorization or otherwise) will not waive the application of this provision.

Retiree Reimbursement Account Eligibility

Spouse Coverage

Your spouse is eligible for a RRA contribution if he/she satisfies the eligibility provisions set forth in the RRA SPD. An individual will be recognized as your spouse if you and the individual are legally married (including same sex and opposite sex marriages) under any state or foreign law as of the applicable time.

A common-law spouse will also be eligible for a RRA, provided your marriage was formed in a state or a country that permits common law marriage and at a time when common law marriage was permitted in the state or country. Civil unions are not considered marriages, unless the person is treated as your legal spouse under applicable law.

Same-Sex Domestic Partner Coverage

Due to the U.S. Supreme Court decision this past summer, a transition period now applies with respect to same-sex domestic partners.

Existing same sex domestic partners who have a RRA on December 31, 2015 will receive a RRA contribution for the 2016 calendar year (provided their enrollment is continued and all other applicable requirements are satisfied). After December 31, 2016, such same sex domestic partners will no longer receive any contributions to the RRA, unless you are legally married.

New same sex domestic partners (who are not eligible for the RRA on December 31, 2015) will not receive a RRA contribution effective on or after January 1, 2016, unless you are legally married.

Surviving Domestic Partners

If you die before January 1, 2017 and your eligible domestic partner has a RRA balance at the time of your death, your surviving domestic partner on the date of your death will be able to use any remaining RRA balance, including amounts in your RRA. He/she will continue to receive his/her future RRA contributions, provided he/she continues to meet all other eligibility requirements.

If you and your spouse/partner are both PepsiCo retirees, you will have separate RRA accounts and any remaining RRA balance upon your or your eligible domestic partner's death will not transfer to you or your domestic partner.

Administrative Information

Exhaustion of Administrative Remedies

Before filing any claim (as defined below) in court or in another tribunal with respect to the Plan, you must first fully exhaust all of your actual or potential rights under the claims procedures by filing an initial claim and then seeking a timely appeal of any denial, including, with respect to a medical claim only, any external appeal that may be available (referred to generally as the exhaustion requirement).

Upon review by any court or other tribunal, the exhaustion requirement is intended to be interpreted to require exhaustion in as many circumstances as possible. In any action or consideration of a claim in court or in another tribunal following exhaustion of the Plan's claims procedures, the subsequent action or consideration shall be limited to the maximum extent permissible to the record that was before the Plan Administrator in the claims procedure process.

This exhaustion requirement applies: (1) regardless of whether other claims, assertions, allegations, disputes, issues, actions or other matters (including those that a court might consider at the same time) are of greater significance or relevance; (2) to any rights the Plan Administrator may choose to provide in connection with novel claims or in particular situations; (3) regardless of whether the rights are actual or potential; and (4) even if the Plan Administrator has not previously defined or established specific claims procedures that directly apply to the submission and consideration of a claim (in which case the Plan Administrator, upon notice of the claim, shall either promptly establish such claims procedures or shall apply or act by analogy to the claims procedures that otherwise apply to claims for benefits).

The Plan Administrator may make special arrangements to consider a claim on a class basis or to address unusual conflicts concerns, and such minimum arrangements in these respects shall be made as are necessary to maximize the extent to which exhaustion is required.

For purposes of this exhaustion requirement, a “claim” is any claim, matter, issue, action, allegation, assertion, or other dispute that involves any one or more of the following:

- The interpretation of the Plan;
- The interpretation of any term or condition of the Plan;
- The interpretation of the Plan (or any of its terms or conditions) in light of applicable law;
- Whether the Plan or any term or condition under the Plan has been validly adopted or put into effect;
- The administration of the Plan;
- Whether the Plan, in whole or in part, has violated any terms, conditions or requirements of ERISA or other applicable law or regulation, regardless of whether such terms, conditions or requirements are, in whole or in part, incorporated into the terms, conditions or requirements of the Plan;
- A request for Plan benefits or an attempt to recover Plan benefits;
- An assertion that any entity or individual has breached any fiduciary duty;
- An assertion that any individual or entity is a participant, former participant, Plan beneficiary, former Plan beneficiary or assignee of any of the foregoing; or
- Any claim, matter, issue, action, allegation, assertion or other dispute that (i) is deemed similar to any of the above items by the Plan Administrator, or (ii) relates to the Plan in any way.

Failure to follow this exhaustion requirement means that any claim, action or suit filed in court or other tribunal will generally be dismissed.

Authorized Representative

You may appoint an authorized representative to act on your behalf for purposes of the Plan.

If you need to appoint an authorized representative for purposes of an internal claim or appeal for health and welfare benefits or for purposes of an external appeal for medical benefit claims, you must follow the rules and procedures of the applicable Claims Administrator for such claim

or appeal. To the extent the Claims Administrator has no rules or procedures, then the rules and procedures of this section will apply.

If you need to appoint an authorized representative for any purpose other than as listed in the prior paragraph, your appointment of an authorized representative must:

- Be in writing and dated;
- Clearly indicate the authorized representative, the scope of the appointment and any limitations on the authorized representative;
- Be signed by you and notarized by a notary public;
- Satisfy any other legal requirement applicable to appointments under state or federal law; and
- Be approved by the Plan Administrator (or its delegate) in writing.

The Plan will also recognize a court order appointing a person as your authorized representative. The Plan Administrator may also provide different rules and procedures for an appointment of an authorized representative in emergency situations or for attorneys.

Appointing an individual or entity as your authorized representative is not an assignment of rights or benefits under the Plan and any such appointment (whether pursuant to the rules of the Claims Administrator or the Plan Administrator) does not waive the Plan's anti-assignment provisions. See the Medical Options Section above for additional information on prohibited assignments.

This SMM must be read together with the SPD, any previous SMMs, and the 2016 Annual Enrollment Guides. This SMM describes only the material changes and provides only the material clarifications regarding the rules applicable to and the benefits provided by the Plan. Unless a Plan provision is revised in this SMM, the SPD, any previous SMMs, and the 2016 Annual Enrollment Guide 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" or "your" refer to the applicable person covered under the Plan, including the retiree, spouse/partner, dependent children and their authorized representatives. This SMM, the SPD and the www.netbenefits/pepsico.com website are intended to provide a summary of the main provisions of the Plan 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 the Plan, or eligible for specific contributions or level or amount of benefits, unless the official plan documents provide for such eligibility, contributions or benefits. Your eligibility and benefits are determined in accordance with and subject to the official plan documents. No benefits will be paid or provided unless and until the Plan Administrator, or its delegate, determines, in its sole discretion, that you are entitled to such benefits. While the PepsiCo, Inc. (the Plan sponsor) currently intends to continue the Plan, PepsiCo reserves the right to amend, modify or terminate the Plan 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.

If you have questions about these changes, including eligibility for the RRA, 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.