



PEPSICO

QDRO Approval Guidelines & Procedures

The PepsiCo Employees Retirement Plan A

The PepsiCo Employees Retirement Plan H

The PepsiCo Employees Retirement Plan I

Effective February 1, 2022

QDRO APPROVAL GUIDELINES AND PROCEDURES

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This document is designed to assist in the preparation of a domestic relations order (“Order”) that meets the requirements of federal law and the provisions of the above Plans. In the following sections, you will find the Plans’ processing guidelines for determining the qualification of an Order and some discussion of Plan features and issues that should be considered in drafting a Qualified Domestic Relations Order (“QDRO”). For a more detailed discussion of the various features of the Plans, please refer to the applicable Summary Plan Description. For information on how to obtain a copy of the Plan’s Summary Plan Description, please call The PepsiCo Savings and Retirement Center at Fidelity at **1-800-632-2014**. See, “Contact Information” for additional information.

NOTE: Individuals seeking QDROs may not rely on the Plan Administrator, Fidelity or any employees or agents of the Plan Administrator or Fidelity for advice on which type or form of QDRO is most appropriate under any particular factual situation. The content of these QDRO Guidelines is intended for informational purposes only and should not be construed as legal advice or legal opinion. Further, the information contained in this document is subject to revision at any time based upon changes in the plan language, federal law or at the direction of the Plan Administrator. Nothing in these QDRO Guidelines is intended to modify the terms of the Plans.

GETTING STARTED

To get started, refer to the “**Checklist for Completing a QDRO**” on page 29. This checklist will take you step-by-step through the process of creating a QDRO.

A domestic relations order may be drafted by:

- **Using Fidelity’s QDRO Center website (<HTTPS://QDRO.FIDELITY.COM>), or**
- **Manually**

1. THE FIDELITY QDRO CENTER. The Fidelity QDRO Center is a website that was created both to assist individuals in the preparation of domestic relations orders, and to simplify and expedite the qualification process. The Fidelity QDRO Center website provides immediate access to a Glossary of Terms, Frequently Asked Questions, and each Plan’s QDRO Approval Guidelines and Procedures (“QDRO Guidelines”).

The advantages of using the Fidelity QDRO Center website to create an Order are as follows:

- **Quick and easy creation of an Order**
- **Helps avoid common errors and omissions, producing Orders that are more frequently qualified**
- **Expedited Order review**

The Fidelity QDRO Center may be accessed by going to <HTTPS://QDRO.FIDELITY.COM> (then registering as a user and logging in). Specific step-by-step questions will guide you through the Order creation process. The Fidelity QDRO Center website is designed to assist in the creation of an Order. Use of the Fidelity QDRO Center website does **not** result in an automatic electronic submission of an Order to Fidelity. Orders created using the Fidelity QDRO Center website **must be printed out** and executed by a court of competent jurisdiction prior to submission to Fidelity for review. Note: an Initial Draft Order may be submitted for review and preapproval, however, a court-executed Order is required to establish the Alternate Payee’s separate record.

2. MANUALLY. Any Order that is *not* drafted using Fidelity’s QDRO Center website *or* any Order that is drafted using Fidelity’s QDRO Center website but is subsequently altered is considered a manually drafted Order. Parties with uniquely complicated needs may choose to submit a manually drafted Order to Fidelity for review.

Note: Parties choosing to draft an Order manually may use one of the MODEL ORDERS contained within this document. (See, “Model Orders”)

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INTRODUCTION

WHAT ARE QDRO GUIDELINES?

In accordance with the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the Internal Revenue Code of 1986, as amended (“Code”), the Plan Administrator has established the following QDRO Approval Guidelines and Procedures (“QDRO Guidelines”) for the following plans (individually a “Plan” and collectively, the “Plans”):

The PepsiCo Employees Retirement Plan A (“Plan A”)

The PepsiCo Employees Retirement Plan H (“Plan H”)

The PepsiCo Employees Retirement Plan I (“Plan I”)

Plan A generally covers those participants who were actively employed under a Salaried plan as of 01/01/2020. Plan H covers those participants who were actively employed under an Hourly or Puerto Rico plan as of 12/31/2020. Plan I generally covers all other participants, including those actively employed under a frozen or plan for a previously sold group (“sold plan”). Plan A, H and Plan I are umbrella plans that have multiple parts (each component part is referred to in these QDRO Guidelines as a “Benefit Program”) under which a participant’s benefits may be determined. A list of the current Benefit Programs that make up each of Plan A, H and Plan I may be found on page 15.

The Participant may obtain Plan-specific benefit information by calling The PepsiCo Savings and Retirement Center at Fidelity at 1-800-632-2014. Alternatively, the Parties may obtain Plan-specific Participant benefit information via a properly served court-ordered subpoena or notarized written authorization from the Participant.

These QDRO Guidelines are used by Fidelity, at the Plans’ direction to determine whether a domestic relations order (“Order”) relating to one of the Plans meets the requirements of a qualified domestic relations order (“QDRO”). If a participant has a benefit under multiple Benefit Programs, the Order should specifically identify which benefit is to be assigned under the Order.

These QDRO Guidelines are only intended to cover a participant’s benefits payable from one of the above-named Plans, and an Order accepted as a QDRO under these QDRO Guidelines will only be valid against a participant’s benefits payable from such Plans. The Plan Administrator has determined that any defined benefit retirement plan sponsored by PepsiCo, Inc. that is/are not qualified under the Code (“non-qualified defined benefit plan”) from which a participant may be eligible to receive benefits cannot be divided, and neither the non-qualified defined benefit plan nor Fidelity will accept direction to divide such benefits.

WHY IS A QUALIFIED DOMESTIC RELATIONS ORDER NECESSARY?

Under ERISA and the Code, a participant’s tax-qualified plan benefit may not be alienated or assigned except in accordance with a QDRO. A QDRO is a court order issued under a state’s domestic relations law that:

- 1.) Recognizes the right of an alternate payee (who must be either a spouse, former spouse, child or other dependent of a participant in an employee benefit plan) to receive all or part of the participant’s vested interest in a tax-qualified retirement plan, and
- 2.) Has been determined by the Plan Administrator to meet specific requirements of federal law and the provisions of the Plan.

Unless an Order meets these requirements, it will not be considered a QDRO and the terms of the Order cannot be enforced by the Plan(s).

NOTE: For purposes of the Plan(s), a participant is considered to be married if the Participant is married to a person who is considered to be the Participant’s spouse for federal income tax purposes.

INSTRUCTIONS

The following sections outline issues that either **MUST** or **should** be addressed in the Order. These sections also include sample language that can be used in the Order to address the related topic.

For assistance creating an Order, go to <https://qdro.fidelity.com>



PRIOR TO READING THROUGH THIS SECTION YOU SHOULD DETERMINE WHETHER THE PARTICIPANT IS:

- **IN PAY** - currently receiving benefit payments from the Plan or will be receiving benefits from the Plan at the time the Order is received by Fidelity for review.

OR

- **NOT IN PAY** - not currently receiving benefit payments from the Plan and is not receiving benefits from the Plan at the time the Order is received by Fidelity for review.

Note: Please refer to the "Plan Name" and "Contact Information" sections of these QDRO Guidelines on how to obtain information regarding the payment status of a Participant.

THIS SECTION INCLUDES THE FOLLOWING TOPICS:

- ❖ **SHARED INTEREST OR SEPARATE INTEREST**
- ❖ **SEPARATE INTEREST**
 - * AMOUNT OF THE ALTERNATE PAYEE'S SEPARATE INTEREST AWARD
 - * BENEFIT FORM
 - * COMMENCEMENT OF BENEFIT PAYMENTS
 - * DEATH OF THE ALTERNATE PAYEE
 - * DEATH OF THE PARTICIPANT: SURVIVING SPOUSE BENEFITS (QPSA & QJSA)
- ❖ **SHARED INTEREST**
 - * AMOUNT OF THE ALTERNATE PAYEE'S SHARED INTEREST AWARD
 - * BENEFIT FORM
 - * COMMENCEMENT OF BENEFIT PAYMENTS
 - * DEATH OF THE ALTERNATE PAYEE
 - * DEATH OF THE PARTICIPANT: SURVIVING SPOUSE BENEFITS (QPSA & QJSA)
- ❖ **PLAN NAME**
- ❖ **PARTICIPANT AND ALTERNATE PAYEE INFORMATION**
- ❖ **INTEREST ON CASH BALANCE AWARDS**
- ❖ **EARLY RETIREMENT SUBSIDY**
- ❖ **TAXATION**
- ❖ **POSTHUMOUS ORDERS**
- ❖ **QDRO/BENEFICIARY DESIGNATION COORDINATION**
- ❖ **ADDITIONAL REASONS FOR REJECTION**

THE FOLLOWING SECTIONS OUTLINE ISSUES THAT MUST OR MAY BE ADDRESSED IN THE ORDER.

SHARED INTEREST OR SEPARATE INTEREST

The Order **must** clearly indicate whether the Alternate Payee is to receive a “Separate Interest” or “Shared Interest” in the Participant’s vested accrued benefit under the Plan. If the Alternate Payee is to receive a:

- *Separate Interest*, refer to the “Separate Interest” section (pages 7-10)
- *Shared Interest*, refer to the “Shared Interest” section (pages 11-14)

If the Participant has already commenced his or her benefit payments (i.e., the Participant is “in pay status”), the Alternate Payee may only be awarded a Shared Interest. Orders which attempt to award a Separate Interest when the Participant is “IN PAY” will be non-qualified.

NOTE: *An Order may award the Alternate Payee either a Shared Interest or a Separate Interest when the Participant is not “IN PAY”.*

SEPARATE INTEREST

- ❖ The Order **MUST** clearly indicate that the Alternate Payee is to receive a Separate Interest in the Participant's benefit.
- ❖ A Separate Interest is when:
 - * the Alternate Payee will have the separate right to select when and how the awarded benefit will be paid (from among the available payment forms under the terms of the Plan);
 - * the benefit will be based on the Alternate Payee's life expectancy; and
 - * the benefit will be adjusted based on the actuarial assumptions of the Plan as of the date of the Alternate Payee's benefit commences.
- ❖ If the Order is silent or **unclear** with respect to this issue, the Order will be non-qualified.
- ❖ If the Participant has already commenced his or her benefit (i.e., the Participant is "in pay status"), the Alternate Payee may only be awarded a Shared Interest. Orders which attempt to award a Separate Interest when the Participant is "IN PAY" status **will be non-qualified**.

SAMPLE LANGUAGE: To address this issue, the following sentence may be added to the Order:

- * *The Alternate Payee is awarded a Separate Interest in the Participant's Plan benefit.*

DURATION OF PAYMENTS

Under a Separate Interest award, the Participant's accrued benefit will be divided into two separate benefits. If a Separate Interest is assigned, the Alternate Payee will have the right to elect any form of benefit that would be available to the Participant (other than a joint and survivor annuity with respect to the Alternate Payee and his or her subsequent spouse). Further, the Alternate Payee has the option of commencing a Separate Interest benefit as of the "earliest time permitted" by the Plan, without regard to whether the Participant has commenced, but in no event later than the Participant's benefit commencement date.

AMOUNT OF THE ALTERNATE PAYEE'S SEPARATE INTEREST AWARD

- ❖ The Order **MUST** state the amount of the Alternate Payee's Separate Interest award in a manner that is clear and calculable. The award must be a specified percentage or amount of the Participant's vested accrued benefit to be paid to the Alternate Payee, or a definite formula by which Fidelity can determine that amount.
- ❖ The Order **must** state the Alternate Payee's Separate Interest award as:
 - * a *percentage* of the Participant's vested accrued benefit determined as of a specific date or event; **or**
 - * a *fraction* of the Participant's vested accrued benefit determined as of a specific date or event; **or**
 - * a *percentage* of the Participant's vested accrued benefit between two specific dates; **or**
 - * a *specific flat dollar amount* of the Participant's vested accrued benefit determined as of a specific date (**only for cash balance benefit structure referred to as the PBC Hourly Retirement Program**)

*NOTE: If the Participant's accrued benefit includes benefits calculated under **BOTH** the traditional benefit formula and the cash balance formula, the Alternate Payee's award as defined in the Order will be applied to **BOTH** the traditional benefit formula and the cash balance formula, as applicable, unless the Order specifically provides otherwise.*

- ❖ The Order will be **non-qualified** if:
 - * the Order is silent with respect to this issue;
 - * the amount of the award is unclear;
 - * the Order requires the payment of benefits in excess of those to which the Participant is entitled; or
 - * the Order attempts to assign any portion of unvested benefits.

SAMPLE LANGUAGE: To address the Alternate Payee's Separate Interest award, one of the following may be added to the Order:

- * *The Alternate Payee is awarded ___% (insert percentage) of the Participant's vested accrued benefit determined as of _____ (insert date).*
- * *The Alternate Payee is awarded ___% (insert percentage) of the Participant's vested accrued benefit determined as of the earlier of the Alternate Payee's benefit commencement date or the Participant's benefit commencement date.*
- * *The Alternate Payee is awarded a portion of the Participant's accrued benefit to be calculated by the following formula: ___% (insert percentage) of a fraction, the numerator of which is defined as the number of years of the Participant's credited service accrued between _____ (insert date) and _____ (insert date), and the denominator of which is defined as the total number of years of the Participant's credited service accrued at the earlier of the Alternate Payee's benefit commencement date or the Participant's benefit commencement date. This fraction will be applied to the Participant's vested benefit accrued as of the earlier of the Alternate Payee's benefit commencement date or the Participant's benefit commencement date.*
- * *The Alternate Payee is awarded ___% (insert percentage) of the Participant's vested benefit accrued between _____ (insert date) and _____ (insert date).*
- * *The Alternate Payee is awarded \$_____ (insert specific flat dollar amount) of the Participant's vested accrued benefit as of _____ (insert date). **(for cash balance benefit formula only)***

BENEFIT FORM

- ❖ The Order **may not** specify the form of benefit for the Alternate Payee's Separate Interest award. The Alternate Payee will have the right to select from among the forms of benefit available to the Participant (other than a joint and survivor annuity with Alternate Payee's spouse as a survivor annuitant) under the terms of the Plan at the time that he or she is eligible and elects to commence his or her benefit.
- ❖ The Order **should** state that the Alternate Payee can select from among the forms of benefit available the Participant under the Plan (other than a joint and survivor annuity with Alternate Payee's spouse as survivor annuitant) at the time that he or she is eligible and elects to commence his or her Separate Interest benefit. An Order will be non-qualified if it states otherwise.
- ❖ If the Order is **silent** regarding this issue, the Alternate Payee will have the right to select from among the forms of benefit available to Participants under the Plan (other than a joint and survivor annuity with Alternate Payee's spouse as survivor annuitant) at the time he or she elects to commence his or her Separate Interest benefit.
- ❖ Any Order that is unclear with respect to this issue or that identifies a specific payment method for the Alternate Payee will be non-qualified. Similarly, any Order that requires the availability of specific benefit forms for the Alternate Payee will be non-qualified.

SAMPLE LANGUAGE: To address this issue, the following sentence may be added to the Order:

- * *The Alternate Payee may select from among the forms of benefit available to Participants under the terms of the Plan (other than a joint and survivor annuity with Alternate Payee's spouse as survivor annuitant) at the time that he or she is eligible and elects to commence his or her Separate Interest award.*

NOTE: The Pension Protection Act requires pension plans to limit the availability of some benefit forms when pension funding is below certain thresholds. While the restrictions do not affect the right to receive a pension benefit, certain payment options may be limited or unavailable.

COMMENCEMENT OF BENEFIT PAYMENTS

- ❖ The Order **may** specify when the Alternate Payee may commence his or her Separate Interest award, provided that it is consistent with the provisions below.
- ❖ The Order may simply provide that the Alternate Payee may elect to commence his or her Separate Interest benefit at the “earliest time permitted” by the Plan, once the Order is determined to be qualified.
- ❖ **Under the traditional benefit structure**, the “earliest time permitted” for the Alternate Payee to commence benefit payments is at the Participant’s *earliest retirement age* as defined by the Plan.
- ❖ **Under the cash balance benefit structure**, the “earliest time permitted” for the Alternate Payee to commence benefit payments is as soon as administratively feasible following the qualification of the Order (*regardless of whether the Participant has reached his or her earliest retirement eligibility date as defined by the Plan*).
- ❖ If the Alternate Payee’s commencement is unclear or inconsistent with the Alternate Payee’s award, the Order **will be non-qualified**.
- ❖ The Alternate Payee may **not** defer the commencement of his or her Separate Interest benefit beyond the Participant’s commencement date. An Order will be non-qualified if it states otherwise.
- ❖ If the Order is **silent** regarding this issue, the Alternate Payee will have the right to elect to commence benefits at the earliest time permitted by the Plan, but in no event later than the Participant’s benefit commencement date.

NOTE: If the Alternate Payee commences his or her benefit prior to the Participant’s normal retirement age, the Alternate Payee’s award will be subject to actuarial reduction in accordance with the terms of the Plan.

SAMPLE LANGUAGE: To address the commencement of the Alternate Payee’s Separate Interest award, the following sentence may be added to the Order:

- * *The Alternate Payee may elect to commence his or her Separate Interest benefit at the earliest time permitted by the Plan, but in no event later than the Participant’s benefit commencement date.*

DEATH OF THE ALTERNATE PAYEE

- ❖ After the qualification of an Order, if the Alternate Payee dies prior to the commencement of his or her Separate Interest award, under a traditional benefit structure, the Alternate Payee’s awarded benefit will **revert** to the Participant. In the case of a cash balance benefit structure, the benefit will be payable to the Alternate Payee’s estate. Any beneficiary designations contained in the Order will be disregarded.
- ❖ If the Alternate Payee dies after commencement of his or her Separate Interest award, the disposition of his or her benefit will be determined based on the benefit form selected by the Alternate Payee and in accordance with the Plan’s provisions.
- ❖ Any Order that states otherwise or is unclear with respect to the disposition of the Alternate Payee’s Separate Interest benefit in the event of the Alternate Payee’s death after the qualification of an Order will be non-qualified.
- ❖ If the Order is **silent** regarding this issue, the disposition of the Alternate Payee’s Separate Interest benefit in the event of the Alternate Payee’s death after the qualification of an Order will be governed by the provisions above.

NOTE: If the Alternate Payee dies prior to the qualification of an Order, there shall be no benefits payable on behalf of the Alternate Payee.

SAMPLE LANGUAGE: To address this issue, the following paragraph may be added to the Order:

- * *If the Alternate Payee dies prior to the commencement of his or her Separate Interest award, under a traditional benefit structure, the Alternate Payee’s awarded benefit will revert to the Participant. In the case of a cash balance benefit structure, the benefit will be payable to the Alternate Payee’s estate. If the Alternate Payee dies after commencement of his or her benefit, the disposition of his or her benefit will be determined based on the benefit form selected by the Alternate Payee.*

DEATH OF THE PARTICIPANT

PRE-RETIREMENT: Qualified Pre-Retirement Survivor Annuity (“QPSA”): A death benefit required by statute which is payable to a surviving spouse (or ex-spouse under a QDRO) of a qualified plan participant; generally a percentage of the entire accrued benefit and is available when the Participant dies *before* commencing benefit payments.

If the Participant *has not* commenced benefits:

- * The death of the Participant after the qualification of an Order **will not** affect the Alternate Payee’s right to receive his or her Separate Interest award. The designation of the Alternate Payee as surviving spouse is not necessary to preserve the Alternate Payee’s awarded portion of the Participant’s accrued benefit.
- * Any language in the Order which attempts to assign QPSA to the Alternate Payee will cause the Order **to be non-qualified**.

If the Participant *has* commenced benefits:

- * If the Participant has commenced benefits under the Plan, the QPSA is no longer available. Any language in the Order that addresses the topic of the QPSA will be **disregarded**.

POST-RETIREMENT: Qualified Joint and Survivor Annuity (“QJSA”): A death benefit required by statute which is payable to a surviving spouse (or ex-spouse under a QDRO) of a qualified plan participant; generally a percentage of the entire accrued benefit and is paid when the Participant dies *after* commencing benefit payments.

If the Participant dies *after* the commencement of benefits:

- * The death of the Participant after qualification of an Order **will not** affect the Alternate Payee’s right to receive his or her Separate Interest award. The designation of the Alternate Payee as surviving spouse is not necessary to preserve the Alternate Payee’s awarded portion of the Participant’s accrued benefit.
- * Any language in the Order which attempts to assign the QJSA to the Alternate Payee will cause the Order **to be non-qualified**.

SHARED INTEREST

- ❖ The Order **MUST** clearly indicate that the Alternate Payee is to receive a *Shared Interest* in the Participant's benefit.
- ❖ A Shared Interest is when:
 - * the Alternate Payee is to receive a portion of the Participant's benefit payments only *if, as and when* each payment is made to the Participant;
 - * the benefit will be based on the Participant's life expectancy; and
 - * the Alternate Payee's form of benefit will be based on the payment method elected by the Participant at retirement.
- ❖ If the Order is silent or **unclear** with respect to this issue, the Order will be non-qualified.

Note: *If the Participant has already commenced his or her benefit payments (i.e., the Participant is "in pay status"), the Alternate Payee may **only** be awarded a Shared Interest. Orders which attempt to award a Separate Interest when the Participant is "IN PAY" will be **non-qualified**.*

SAMPLE LANGUAGE: To address this issue, the following sentence may be added to the Order:

- * *The Alternate Payee is awarded a Shared Interest in the Participant's Plan benefit.*

DURATION OF PAYMENTS

Under a Shared Interest award, the Participant's accrued benefit will not be divided into two separate benefits. Rather, the Alternate Payee and Participant will share the Participant's benefit payments. If a Shared Interest is assigned, the Alternate Payee's awarded portion will only be paid at the same time as the Participant's benefit is paid and the Alternate Payee will receive a portion of the actual payments made to the Participant. The Alternate Payee's Shared Interest award will terminate upon the Participant's death, or the Alternate Payee's death, if earlier.

AMOUNT OF THE ALTERNATE PAYEE'S SHARED INTEREST AWARD

- ❖ The Order **MUST** state the amount of the Alternate Payee's Shared Interest award in a manner that is clear and calculable.
- ❖ The Order **must** state the Alternate Payee's Shared Interest award as **either**:
 - * a *percentage* of each payment made to the Participant; **or**
 - * a *monthly dollar amount* of each payment made to the Participant.
- ❖ The Order will be **non-qualified** if:
 - * the Order is silent with respect to this issue;
 - * the amount of the award is unclear;
 - * the Order requires the payment of benefits in excess of those to which the Participant is entitled; or
 - * the Order attempts to assign any portion of unvested benefits.

SAMPLE LANGUAGE: To address the Alternate Payee's Shared Interest award, one of the following sentences may be added to the Order:

- * *The Alternate Payee is awarded ___% (insert percentage) of the Participant's monthly benefit payments under the Plan.*
- * *The Alternate Payee is awarded \$_____ (insert monthly dollar amount) of the Participant's monthly benefit payments under the Plan.*

BENEFIT FORM

- ❖ The Alternate Payee **may not** select a form of benefit for his or her Shared Interest award. The Alternate Payee's benefit is dependent on the form of payment elected by the Participant at commencement.
- ❖ The Order **should** state that the Alternate Payee's Shared Interest benefit will be paid in accordance with the payment method selected by the Participant at commencement. An Order will be non-qualified if it states otherwise.
- ❖ If the Order is **silent** regarding this issue, the Alternate Payee's Shared Interest award will be paid in accordance with the payment method selected by the Participant at commencement.
- ❖ Any Order that is unclear with respect to this issue, or that gives the Alternate Payee the right to select a form of benefit for his or her Shared Interest award will be non-qualified.

SAMPLE LANGUAGE: To address this issue, the following sentence may be added to the Order:

- * *The Alternate Payee's Shared Interest benefit will be paid in accordance with the payment method selected by the Participant at commencement.*

NOTE: The Pension Protection Act requires pension plans to limit the availability of some benefit forms when pension funding is below certain thresholds. While the restrictions do not affect the right to receive a pension benefit, certain payment options may be limited or unavailable.

COMMENCEMENT OF BENEFIT PAYMENTS

If the Parties are awarding a Shared Interest *prior* to the Participant's benefit commencement, the Alternate Payee is not entitled to commence until the Participant commences.

- ❖ The Order **may** specify when the Alternate Payee will commence his or her Shared Interest award, provided that it is consistent with the provisions below.
- ❖ If the Participant has commenced benefits: The Alternate Payee's Shared Interest benefit payments will commence as soon as administratively feasible following qualification of the Order, and will be effective as of the first of the month following the date on which the Order was received and will take prospective effect. An Order will be non-qualified if it states otherwise.
- ❖ If the Participant has not yet commenced benefits: The Alternate Payee's Shared Interest benefit payments will commence on the Participant's actual benefit commencement date. An Order will be non-qualified if it states otherwise.
- ❖ If the Alternate Payee's commencement is unclear or inconsistent with the Alternate Payee's award, the Order will be non-qualified.
- ❖ No retroactive commencement date will be recognized for an Alternate Payee. An Order will be non-qualified if it states otherwise.
- ❖ If the Order is **silent** regarding this issue, the Alternate Payee's Shared Interest benefit payments shall commence at the time Participant commences his or her benefit (i.e., at the Participant's benefit commencement date), or, for Orders qualified after the Participant's commencement date, as soon as administratively feasible following qualification of the Order and will be effective as of the first of the month following the date on which the Order was received and will take prospective effect.

SAMPLE LANGUAGE: To address the commencement of the Alternate Payee's Shared Interest award, the following language may be added to the Order:

- * *The Alternate Payee's Shared Interest benefit payments shall commence at the time Participant commences his or her benefit, or, for Orders qualified after the Participant's commencement date, as soon as administratively feasible following qualification of the Order and will be effective as of the first of the month following the date on which the Order was received, and will take prospective effect.*

DEATH OF THE ALTERNATE PAYEE

- ❖ If the Alternate Payee predeceases the Participant after the qualification of an Order, either *prior to* or *subsequent to* the commencement of his or her Shared Interest benefit, the Alternate Payee's awarded benefit will **revert** to the Participant.
- ❖ Any Order that states otherwise or is unclear with respect to the disposition of the Alternate Payee's Shared Interest benefit in the event of the Alternate Payee's death after the qualification of an Order **will be non-qualified**.
- ❖ If the Order is **silent** regarding this issue, the Alternate Payee's Shared Interest award will **revert** to the Participant if the Alternate Payee predeceases the Participant after the qualification of an Order, either prior to or subsequent to the commencement of his or her benefit.

NOTE: If the Alternate Payee dies prior to the qualification of an Order, there shall be no benefits payable on behalf of the Alternate Payee.

SAMPLE LANGUAGE: To address this issue, the following sentence may be added to the Order:

- * *The Alternate Payee's Shared Interest benefit will revert to the Participant in the event that the Alternate Payee predeceases the Participant, either prior to or subsequent to the commencement of his or her benefit.*

DEATH OF THE PARTICIPANT

PRE-RETIREMENT: Qualified Pre-Retirement Survivor Annuity ("QPSA"): A death benefit required by statute which is payable to a surviving spouse (or ex-spouse under a QDRO) of a qualified plan participant; generally a percentage of the entire accrued benefit and is available when the Participant dies *before* commencing benefit payments.

If the Participant *has not* commenced benefits:

- ❖ The death of the Participant after the qualification of an Order will affect the Alternate Payee's right to receive the awarded portion of the Participant's accrued benefit. Specifically, the Alternate Payee's Shared Interest benefit will cease upon the death of the Participant.
- ❖ If the Order does not designate the Alternate Payee as the surviving spouse for all (or some portion) of the QPSA, no benefit will be payable to the Alternate Payee if the Participant predeceases the Alternate Payee prior to the Participant's benefit commencement date. Therefore, the QPSA (if assigned in the Order) will be payable to the Alternate Payee in lieu of the awarded portion of the Participant's accrued benefit.
- ❖ If the Order designates the Alternate Payee as the Participant's surviving spouse for purposes of receiving the QPSA, the Order **should** also specify the *portion* of the QPSA awarded to the Alternate Payee (e.g., 100% of the QPSA, a specified percentage of the QPSA or QPSA in an amount equal to the Alternate Payee's assigned portion of the Participant's accrued benefit). If the Order is *unclear regarding the portion* of the QPSA assigned to the Alternate Payee, the Order will be **non-qualified**.
- ❖ If the Order designates the Alternate Payee as the Participant's surviving spouse for purposes of receiving the QPSA, but is silent as to what portion of the QPSA is assigned to the Alternate Payee, the Alternate Payee will be entitled to QPSA in an amount equal to the Alternate Payee's assigned portion of the Participant's accrued benefit, but not in excess of the entire pre-retirement survivor annuity.

SAMPLE LANGUAGE: To address this issue, the following language may be added to the Order:

- * *The Alternate Payee's Shared Interest award will terminate upon the Participant's death. The Alternate Payee is designated as the Participant's surviving spouse for the purpose of preserving his or her right to a portion of the Qualified Pre-Retirement Survivor Annuity (QPSA) available under the Plan. The Alternate Payee is entitled to QPSA in an amount equal to the Alternate Payee's assigned portion of the Participant's accrued benefit, but not in excess of the entire pre-retirement survivor annuity.*

If the Participant has commenced benefits:

- ❖ If the Participant has commenced benefits under the Plan, the QPSA is no longer available. Accordingly, any language in the Order that addresses the issue of QPSA will be disregarded.

POST-RETIREMENT: Qualified Joint and Survivor Annuity (“QJSA”): A death benefit required by statute which is payable to a surviving spouse (or ex-spouse under a QDRO) of a qualified plan participant; generally a percentage of the entire accrued benefit and is paid when the Participant dies after commencing benefit payments.

If the Participant has not commenced benefits:

- ❖ The death of the Participant after qualification of an Order will affect the Alternate Payee’s right to receive the awarded portion of the Participant’s accrued benefit. Specifically, the Alternate Payee’s Shared Interest benefit will cease upon the Participant’s death.
- ❖ The Alternate Payee may be entitled to receive a QJSA from the Plan after the Participant’s death only if it is specifically assigned in the Order. If the Order assigns QJSA to the Alternate Payee and the Participant has not yet retired at the time the Order is qualified, the Participant will be required to elect a joint and survivor annuity payment method with the Alternate Payee designated as surviving spouse for the assigned portion of QJSA.
- ❖ If the Order designates the Alternate Payee as the Participant’s surviving spouse for purposes of receiving the QJSA, the Order should also specify the portion of the QJSA assigned to the Alternate Payee (e.g., 100% of the QJSA, a specified percentage of the QJSA or a QJSA in an amount equal to the Alternate Payee’s assigned portion of the Participant’s accrued benefit). If the Order is unclear regarding the portion of the QJSA assigned to the Alternate Payee, the Order will be non-qualified.
- ❖ If the Order designates the Alternate Payee as the Participant’s surviving spouse for purposes of receiving a QJSA, but is silent as to what portion of the QJSA is assigned to the Alternate Payee, the Alternate Payee will be entitled to QJSA in an amount equal to the Alternate Payee’s assigned portion of the Participant’s accrued benefit, but not in excess of the entire post-retirement survivor annuity.

If the Participant has commenced benefits:

- ❖ If the Participant has commenced benefits prior to the qualification of the Order, the Alternate Payee will receive survivor benefits from the Plan following the death of the Participant **ONLY IF** the Participant elected a payment method that provides for survivor benefits and named the Alternate Payee as beneficiary at commencement. The Order cannot alter a previously elected benefit form or beneficiary designation.
- ❖ The Order will be non-qualified if it contains language relating to the QJSA that is unclear and/or that contradicts (or attempts to change) the elections made by the Participant at commencement.

SAMPLE LANGUAGE: To address this issue, the following language may be added to the Order:

- * *The Alternate Payee’s Shared Interest award will terminate upon the Participant’s death. If the Participant is not receiving retirement benefits at the time the Order is qualified, the Alternate Payee will be treated as the Participant’s surviving spouse for purposes of receiving a portion of the Qualified Joint and Survivor Annuity (QJSA) in the event the Participant dies after commencing his or her benefit. The Alternate Payee will be entitled to QJSA in an amount **equal to** the Alternate Payee’s assigned portion of the Participant’s accrued benefit but not in excess of the entire post-retirement survivor annuity. The Participant will be required to elect a QJSA benefit form and designate the Alternate Payee as surviving spouse for the assigned portion of QJSA. In the event the Participant is receiving retirement benefits at the time the Order is qualified, the Alternate Payee will be considered the Participant’s surviving spouse for purposes of QJSA **only if** the Participant elected a joint and survivor annuity payment method and designated the Alternate Payee as the surviving spouse at commencement.*

OTHER ELEMENTS OF AN ORDER

PLAN NAME

The Order **MUST** clearly specify the Plan to which it applies. A minor variation on the exact Plan name will be accepted if Fidelity can clearly determine the Plan to which the Order applies. The legal names of the Plans to which these QDRO Guidelines apply are:

- ❖ **The PepsiCo Employees Retirement Plan A (Plan A)**
- ❖ **The PepsiCo Employees Retirement Plan H (Plan H)**
- ❖ **The PepsiCo Employees Retirement Plan I (Plan I)**

Plan A, Plan H, and Plan I are umbrella plans that have multiple parts and subparts. The parts and subparts are referred to as Benefit Programs. A participant may have a benefit under a single Plan Benefit Program or may have a benefit under multiple Plan Benefit Programs.

Plan	Benefit Programs <i>(if applicable)</i>
The PepsiCo Employees Retirement Plan A	<p>PepsiCo Hourly Employees Retirement Plan</p> <p style="padding-left: 40px;">PBC Hourly Retirement Program</p> <p style="padding-left: 40px;">PepsiCo Hourly Pension Plan</p> <p style="padding-left: 40px;">PBG Hourly Pension Plan</p> <p style="padding-left: 40px;">PepsiAmericas, Inc. Hourly Pension Plan</p> <p style="padding-left: 40px;">Quaker Retirement Plan</p> <p style="padding-left: 40px;">Tropicana Products, Inc. Pension Plan</p> <p style="padding-left: 40px;">Pepsi Cola Bottling Company of Yuba City, Inc. Defined Benefit Plan and Trust</p> <p>PepsiCo Salaried Employees Retirement Plan</p> <p style="padding-left: 40px;">PBG Salaried Employees Retirement Plan</p> <p style="padding-left: 40px;">PepsiAmericas, Inc. Salaried Pension Plan</p> <p style="padding-left: 40px;">Tropicana Retirement Income Plan</p> <p style="padding-left: 40px;">Gaines Goods, Inc. Salaried Employees Retirement Plan</p> <p>Frito-Lay Snacks Caribbean Retirement Plan for Non-Salaried Employees</p>
The PepsiCo Employees Retirement Plan H	same as Plan A above
The PepsiCo Employees Retirement Plan I	same as Plan A above

- ❖ **All Orders should reference the applicable Plan name, and if a participant has a benefit under more than one Benefit Program, the Benefit Program(s) to which the Order applies. If a participant has a benefit under multiple Benefit Programs under a Plan, and the Order does not specify that it applies to a particular Benefit Program or Programs, the Order will apply to all Benefit Programs under the Plan.**
- ❖ **An Order that refers only to a Benefit Program and does not include the applicable Plan name may be qualified only if Fidelity can clearly determine the Plan and Benefit Program to which it applies.**
- ❖ The Participant may obtain Plan-specific benefit information via www.netbenefits.com/pepsico. Alternatively, the Parties may obtain Plan-specific Participant benefit information via a properly served court-ordered subpoena or notarized written authorization from the Participant. If you have any questions, please call The PepsiCo Savings and Retirement Center at Fidelity at **1-800-632-2014**.

PARTICIPANT AND ALTERNATE PAYEE INFORMATION

❖ The Order **must** contain the following information (or be otherwise obtainable from Fidelity records). Any Order that does not contain this information *may* be **non-qualified**.

- * **Full names of Participant and Alternate Payee**
- * **Last known mailing addresses of Participant and Alternate Payee**

*If the Order pertains to Child Support, the minor child (ren) **must** be named as the Alternate Payee(s). The Order **must** provide the name and address of the Alternate Payee's legal representative (i.e., guardian or party acting in loco parentis) and the date of birth and social security number of the minor child Alternate Payee.*

❖ The Order **should** contain the following information. Failure to include this information with the Order will delay the distribution of benefits to the Alternate Payee but will **not** cause the Order to be non-qualified. Parties should provide dates of birth and social security numbers under separate cover using the QDRO Information Sheet(s) included in these QDRO Guidelines (see, "QDRO Information Sheet(s)"), or the Addendum (see, "Definition of Terms") if the Parties are submitting a web-generated Order.

- * **Social security numbers for the Participant and Alternate Payee** (and the minor child if applicable)
- * **Dates of birth for the Participant and the Alternate Payee** (and the minor child if applicable)
- * **The Alternate Payee's relationship to the Participant**

INTEREST ON CASH BALANCE AWARDS (Applicable to cash balance benefit structure only)

If applicable, for the cash balance benefit formula, interest will only be credited on the Alternate Payee's award at the rate determined by the Plan, at such times as determined by the Plan.

SAMPLE LANGUAGE: To address the issue of interest, the following sentence may be added to the Order:

- * *Interest will be credited on the Alternate Payee's cash balance award at the rate determined by the Plan, at such times as determined by the Plan. (Cash balance benefit formula only)*

EARLY RETIREMENT SUBSIDY

If the Participant retires prior to normal retirement age and the Plan does not apply a full actuarial reduction in the amount of benefit that is paid to the Participant, *the amount by which the benefit is not actuarially reduced is called an early retirement subsidy.*

- ❖ The Order may state that the Alternate Payee is entitled to a *proportional share* of the Participant's early retirement subsidy, **if any**. An Order which attempts to assign a different portion of the early retirement subsidy to the Alternate Payee **will be non-qualified**.
- ❖ If awarded and the Alternate Payee commences his or her benefit payments prior to the Participant's benefit commencement date, the Alternate Payee's benefit will be recalculated to include his or her assigned share of any early retirement subsidy upon the Participant's commencement. An Order will be non-qualified if it states otherwise.
- ❖ The Alternate Payee is not entitled to any early retirement subsidy before the Participant is eligible to receive the early retirement subsidy, and the Order will be non-qualified if it states otherwise.
- ❖ If the Order is **silent** regarding this issue, the Alternate Payee will **not** have the right to receive any of the Participant's early retirement subsidy, if payable.
- ❖ If the Participant is not entitled to an early retirement subsidy, any language in the Order addressing early retirement subsidies **will be disregarded**, but will **not** cause the Order to be non-qualified.

SAMPLE LANGUAGE: To address this issue, **one** of the following may be added to the Order:

- * *The Alternate Payee is **not** entitled to a share of any early retirement subsidy.*
- * *The Alternate Payee **is** entitled to a share of the Participant's early retirement subsidy, if any, in an amount proportional to the Alternate Payee's assigned portion of the Participant's accrued benefit. If the Alternate Payee commences his or her benefit payments **prior to** the Participant's benefit commencement date, the Alternate Payee's benefit will be recalculated to include his or her assigned share of any early retirement subsidy upon the Participant's commencement.*

TAXATION

An Alternate Payee who is a spouse or former spouse of the Participant is responsible for any taxes incurred upon distribution of benefits to the Alternate Payee. If the Alternate Payee is a child or dependent of the Participant, the Participant is responsible for taxes on such distribution. **The Order will be non-qualified if it states otherwise.** It is not possible to change federal taxation rules by agreement of the Parties in a Qualified Domestic Relations Order.

SAMPLE LANGUAGE: To address the issue of taxation, the following paragraph may be added to the Order:

- * *For purposes of Sections 402 and 72 of the Internal Revenue Code, any Alternate Payee who is the spouse or former spouse of the Participant will be treated as the distributee of any distributions or payments made to the Alternate Payee under the terms of this Order, and as such, will be required to pay the appropriate federal, state and/or local income taxes on such distributions. If the Alternate Payee is a child or other dependent of the Participant, the Participant will be responsible for any federal, state and/or local income taxes on any such distributions. Regardless of the terms of this Order, applicable federal, state and local tax laws will apply.*

POSTHUMOUS ORDERS

- ❖ A posthumous Order is an Order submitted after the death of the Participant.
- ❖ The Plan(s) will accept a posthumous Order only if such Order otherwise meets the requirements for qualification pursuant to these QDRO Guidelines.

QDRO/BENEFICIARY DESIGNATION COORDINATION

Any language in the Order which attempts to divest the Alternate Payee of all right, title and interest in the Participant's remaining benefit(s) under the Plan(s), or which attempts to waive such right and interest (with the exception of the amount awarded under the Order), **will be disregarded.** All beneficiary designations **must** be properly submitted by the Participant pursuant to the beneficiary designation procedures under the Plan(s), and will be honored regardless of whom is named as the beneficiary in the Order. **Any beneficiary designations contained in the Order WILL cause the Order to be non-qualified.**

ADDITIONAL REASONS FOR REJECTION

An Order that fails to meet the federal statutes (i.e., ERISA and Internal Revenue Code) and these QDRO Guidelines will be determined to be **non-qualified.** In addition to the requirements previously identified in this Section, an Order will be non-qualified if any of the following deficiencies are contained within the document:

- * The Order contains contradictory provisions;
- * The Order is unclear on what, how or when to pay the Alternate Payee;
- * The Order requires the Plan(s) to force a Participant to commence benefits at a particular time in the future;
- * The Order specifies that the Plan(s) pay attorney's and/or court fees;
- * The Order requires payment to an assignee other than the Alternate Payee;
- * The Order assigns to the Alternate Payee monies that have already been paid out from the Plan(s) to the Participant;
- * The Order specifies assignment and/or segregation of benefits in a plan not covered by these QDRO Guidelines;
- * The Order specifies withdrawal or loan rights for the Alternate Payee;
- * The Order requires payment to the Alternate Payee of benefits forfeited by the Participant;
- * The Participant has no vested benefit entitlement in the Plan(s) as of the specified valuation date;
- * The Order can be construed to improperly bind the Plan(s);
- * The Order is not executed by a U.S. state court (or other U.S. court having proper jurisdiction).

ORDERS ACCEPTED FOR REVIEW

Fidelity must receive an **original or photocopy** of either a Court Certified or True Copy of a Court-Executed Order that has been determined to be qualified before the terms of the Order can be honored. (See, "Definition of Terms")

The following Orders may be submitted to Fidelity for review:

- ❖ **Any Court-Executed Order** (see, "Definition of Terms")
- ❖ **An Initial Draft Order** (see, "Definition of Terms")
 - * *An Initial Draft Order will be sufficient to place an 18-month disbursement restriction on the Participant's Plan account(s) only if the Participant is **NOT** In Pay status (see, "Disbursement Restrictions")*
 - * *After an Initial Draft Order has been reviewed, the next Order submitted for review must be a Court-Executed Order.*
- ❖ **A signed Order or Notice from a duly authorized Title IV-D state child support enforcement agency**
 - * *The Participant must be "In Pay" and the Order or Notice must clearly identify the Plan from which benefits are to be assigned.*
- ❖ **A Draft Amended Order** (see, "Definition of Terms")
 - * *After a Draft Amended Order has been reviewed, the next Order submitted for review must be a Court-Executed Order.*
- ❖ **A Court-Executed or Draft Amended Combination Order** (see, "Definition of Terms")

NOTE: **Along with your Order, please submit a completed copy of the attached "QDRO Information Sheet(s)"** (see pages 25-28), **or the Addendum** (see, "Definition of Terms") **if it is a web-generated Order.**

ORDERS NOT ACCEPTED FOR REVIEW

The following Orders will NOT be reviewed:

- ❖ An Order that references a Plan sponsored by PepsiCo, Inc. for which Fidelity does not provide QDRO review and qualification services.

NOTE: Such an Order will be returned to the sender.

HOW LONG WILL IT TAKE FIDELITY TO REVIEW MY ORDER?

Pursuant to ERISA and the Code, Fidelity will advise the Parties, in writing, within a reasonable period of time as to the Order's qualification or non-qualification.

Typically, Fidelity determines the qualification or non-qualification of an Order within **15 business days** for Orders generated from the Fidelity QDRO Center website (which have not been altered) and within **30 business days** for Orders not generated from the Fidelity QDRO Center website *or* for Orders generated from the Fidelity QDRO Center website but subsequently altered.

DISBURSEMENT RESTRICTIONS

Disbursement restrictions will **ONLY** be placed on the Participant's Plan benefit(s) (and/or Alternate Payee's benefit(s), if applicable) **if the Participant is "NOT In Pay" status**. Upon placement of a disbursement restriction, the Participant (or Alternate Payee) may not initiate the commencement of benefits while the disbursement restriction is in place.

PLACEMENT OF DISBURSEMENT RESTRICTIONS

If the Participant is **NOT In Pay status**, Fidelity **will** place a disbursement restriction on the Participant's Plan benefit(s) (and/or Alternate Payee's benefit(s), if applicable) upon receipt of any of the following:

- ❖ **A Court-Executed Order** pertaining to a Participant who is **NOT** In Pay
- ❖ **A Court-Executed Amended Order** pertaining to a Participant who is **NOT** In Pay
- ❖ **An Initial Draft Order** pertaining to a Participant who is **NOT** In Pay
- ❖ **A Letter of Adverse Interest** pertaining to a Participant who is **NOT** In Pay (see, "Letters of Adverse Interest")
- ❖ **A Joinder***
- ❖ **Written direction from the Plan Administrator**
- ❖ **A letter of Dispute** (see, "Disputes")

If Fidelity receives one of the above-referenced documents and the document is unclear with respect to the Plan(s) to which it applies, if the Participant is NOT In Pay status, a disbursement restriction will be placed on each of the Participant's Plan benefit(s) for which Fidelity provides QDRO review and qualification services, as appropriate.

Upon receipt of a Joinder that references the Plan(s), Fidelity will place a disbursement restriction on the Participant's Plan benefit(s) **ONLY if the Participant is **NOT** In Pay status. However, the Plan Administrator will not otherwise respond to the Joinder. Fidelity will send a letter to all Parties acknowledging receipt of the Joinder, notifying the Parties of the restriction on the benefit(s) and explaining the reason for not responding to the Joinder.*

REMOVAL OF DISBURSEMENT RESTRICTIONS

A disbursement restriction will remain on a Participant's Plan benefit(s) (and/or the Alternate Payee's benefit(s), if applicable) until one of the following occurs:

- ❖ Receipt of a Court Order directing the removal of the restriction on the Plan; or
- ❖ Receipt of a Court Order vacating a previously received Court-Executed Order, the receipt of which caused the disbursement restriction to be originally placed on the Participant's Plan benefit(s); or
- ❖ The qualification of an Order and the establishment of a record in the Alternate Payee's name; or
- ❖ The expiration of the **18-month** deadline to provide a Court-Executed amended Order following the non-qualification of a Court-Executed Order or an Initial Draft Order *pertaining to a Participant who is **NOT** In Pay* at the time the Order was received by Fidelity for review; or
- ❖ Receipt of a notarized document signed by the Alternate Payee, requesting the removal of the restriction from the Participant's Plan benefit(s); or
- ❖ Receipt of a notarized document signed by the Participant, requesting the removal of the restriction from the Alternate Payee's Plan benefit(s); or
- ❖ The expiration of the **18-month** deadline to provide a Court-Executed Order following the receipt of a Letter of Adverse Interest *pertaining to a Participant who is **NOT** In Pay* (see, "Letter of Adverse Interest"); or
- ❖ The expiration of the **45-day** deadline to provide a Court-Executed Amended Order as a result of a dispute of a previously qualified Order *pertaining to a Participant who is **NOT** In Pay* (see, "Disputes"); or
- ❖ Receipt of a Court document releasing the Joinder on the Plan if the disbursement restriction resulted from a Joinder; or
- ❖ Receipt of written direction from the Plan Administrator.

WRITTEN NOTIFICATIONS

ACKNOWLEDGEMENT LETTERS

- ❖ Fidelity will acknowledge receipt of all QDRO-related documents (and/or Joinders) in writing to all Parties (provided that address information is available).
- ❖ The acknowledgment letter will:
 - * notify the Parties of Fidelity's receipt of the submitted document;
 - * address any restrictions placed on the Participant's benefit(s) (and the Alternate Payee's benefit(s), if applicable);
 - * address the timeframe for review; and
 - * direct the Parties to The PepsiCo Savings and Retirement Center at Fidelity or to the Fidelity QDRO Center website to obtain free copies of the QDRO Guidelines.
- ❖ A free copy of these QDRO Guidelines will be provided to the Parties upon request. Parties may request a copy of the QDRO Guidelines by calling The PepsiCo Savings and Retirement Center at Fidelity at **1-800-632-2014**. In addition, the QDRO Guidelines can be obtained through the Fidelity QDRO Center website: <https://qdرو.fidelity.com>.

QUALIFICATION OF THE ORDER

- ❖ Upon a determination that an Order is qualified, Fidelity will establish a record for the Alternate Payee.
- ❖ Shortly after the determination that an Order is qualified, a qualification letter will be mailed to the Parties. The Alternate Payee's qualification letter will contain information about the benefit payable and the earliest commencement date.

NON-QUALIFICATION OF THE ORDER

- ❖ If an Order does not meet the requirements of ERISA, the Code and these QDRO Guidelines, it will be non-qualified. The Parties will be notified, in writing, upon a determination that a Court-Executed Order, Initial Draft Order, or Draft Amended Order is non-qualified. The non-qualification letter will clearly identify and detail the deficiencies in the Order and will provide the necessary information to render the Order qualified, pursuant to these QDRO Guidelines.
- ❖ Subsequent to the determination that a Court-Executed Order is non-qualified, one (1) Draft Amended Order may be provided to Fidelity for review. (See, "Definition of Terms")
- ❖ Following the review of an Initial Draft Order or a Draft Amended Order, the next document submitted for review **MUST** be a Court-Executed Order. (See, Definition of Terms")

LETTERS OF ADVERSE INTEREST

- ❖ Fidelity will place an 18-month disbursement restriction on the Participant's Plan benefit(s) upon receipt of a Letter of Adverse Interest **ONLY if** the Participant is **NOT** In Pay status. A Letter of Adverse Interest must contain the following elements:
 - * The Participant's full name;
 - * The Plan(s) in which the Participant is a member;
 - * The document **MUST** clearly state that the spouse or former spouse of the Participant has an adverse interest in the Participant's account(s) under the Plan(s);
 - * The document **MUST** be notarized by a notary public;
 - * The document **MUST** be submitted to Fidelity (see, "Contact Information").
- ❖ If any of the above-listed elements are missing (and/or the Participant is "In Pay" status), Fidelity will **NOT** place a disbursement restriction on the Participant's Plan benefit(s).

DISPUTES

For purposes of these QDRO Guidelines, “dispute” shall mean that *after qualification of an Order*, one or more of the Parties are questioning the terms and/or the interpretation of the Qualified Domestic Relations Order or the amount awarded to the Alternate Payee pursuant to the Qualified Domestic Relations Order.

- ❖ Parties disputing a domestic relations Order *qualified by a party other than Fidelity* should contact the Plan Administrator. (See, “Contact Information”)
- ❖ Parties disputing a domestic relations Order *qualified by Fidelity* should follow the procedures outlined below.

The procedures below may not apply if either the Alternate Payee or the Participant has taken a distribution and Fidelity has complied with both the Order and these QDRO Guidelines, or if an Order has not yet been qualified. In such cases, the disputing party may need to seek relief outside the Plan.

- ❖ The party disputing the award **MUST** notify Fidelity of the dispute in writing via mail or fax. (See, “Contact Information”) The written letter of dispute should clearly state the reason(s) for the dispute.
- ❖ Upon receipt of a written letter of dispute, Fidelity will acknowledge receipt of the dispute in writing. ***If the Participant is NOT In Pay status***, Fidelity will place **temporary disbursement restrictions** on both the Participant’s and the Alternate Payee’s benefits.
- ❖ Fidelity will investigate the dispute and will send the Parties a written notice of the dispute determination with respect to whether Fidelity complied with the terms of the Order.
- ❖ If Fidelity has not complied with the terms of the Order, the necessary corrective action will be taken.
- ❖ If Fidelity has complied with the terms of the Order, the Parties will have **45 days** from the date of the dispute determination notice to submit either a) a Court-Executed Amended Order that supersedes the disputed Order (or assigns an additional award to the Alternate Payee), or b) a court document demonstrating that the Parties intend to go to court with this matter. If a Court-Executed Amended Order or other appropriate court document is **not** received within **45 days**, any dispute-related disbursement restrictions on the Participant’s and the Alternate Payee’s benefits will be removed and the terms of the original qualified Order will be honored. Alternatively, if a Court-Executed Amended Order or other appropriate court document **is** received within **45 days**, the dispute-related disbursement restrictions on the Participant’s and the Alternate Payee’s benefits (if applicable) will remain until one of the conditions in, “Removal of Disbursement Restrictions” has been met.

The Court-Executed Amended Order must clearly indicate whether it is assigning an additional benefit or is intended to supersede the previously qualified Order. Accordingly, the Court-Executed Amended Order must do the following:

- * Provide the name of the Plan to which it (and the previously qualified Order) applies;
 - * Correctly identify the previously qualified Order (by document name/title and date) to which the Court-Executed Amended Order applies;
 - * Clearly state whether the Court-Executed Amended Order is *assigning an additional benefit* or is intended to *supersede the previously qualified Order*.
-

CONTACT INFORMATION

MAILING ADDRESSES

Plan Administrator Mailing Address:

Requests for Summary Plan Descriptions and Letters of Dispute pertaining to Orders previously qualified by a party *other than Fidelity* should be sent to:

**PepsiCo Administration Committee
700 Anderson Hill Road
Purchase, NY 10577
Attention: Benefits Department**

Fidelity Mailing Addresses:

Subpoenas, Restraining Orders, written notification of address and/or name changes and other non-QDRO related correspondence should be sent to the following address:

**Fidelity Investments
P.O. Box 770001
Cincinnati, OH 45277-0065
ATTN: PepsiCo, Inc. - Operations**

The following documents *associated with the qualification of Orders* should be sent to the address below:

- * Court-Executed Orders (Order, Judgment, Decree, Property Settlement Agreement) (see, "Orders Accepted for Review" and, "Definition of Terms")
- * Draft Amended Orders (see, "Orders Accepted for Review" and, "Definition of Terms")
- * Initial Draft Orders (see, "Orders Accepted for Review" and, "Definition of Terms")
- * Joinders (see, "Disbursement Restrictions")
- * Letters of Dispute (see, "Disputes")

**Fidelity Investments
QDRO Administration Group
P.O. Box 770001
Cincinnati, OH 45277-0066
ATTN: PepsiCo, Inc. - Operations**

TELEPHONE NUMBER

The PepsiCo Savings and Retirement Center at Fidelity: **1-800-632-2014**

FACSIMILE NUMBER

Parties may submit QDRO-related documents and written QDRO-related inquiries via facsimile. Fidelity's QDRO Administration Group's Facsimile Number: **1-877-665-4284**

FIDELITY'S QDRO CENTER WEBSITE

Basic information about QDROs and copies of the Plans' QDRO Guidelines may be obtained through the Fidelity QDRO Center website: <https://qdro.fidelity.com>.

DEFINITION OF TERMS*

TYPES OF ORDERS

- ❖ **Court-Executed Order**: An Order, Judgment, Decree or Property Settlement Agreement executed by a United States court of competent jurisdiction relating to the provision of child support, alimony payments, or marital property rights made pursuant to a state domestic relations law and filed with the appropriate court clerk's office.
- ❖ **Initial Draft Order**: An Order, Decree or Property Settlement Agreement relating to the provision of child support, alimony payments, or marital property rights that has not been executed by the court and is the first Order received by Fidelity in connection with the domestic relations proceeding.
- ❖ **Draft Amended Order**: An Order, Decree or Property Settlement Agreement relating to the provision of child support, alimony payments, or marital property rights that has not been executed by the court and is submitted to Fidelity after a Court-Executed Order has been determined to be non-qualified by Fidelity.
- ❖ **Combination Order**: An Order, Decree or Property Settlement Agreement relating to the provision of child support, alimony payments, or marital property rights that names *two or more* of the qualified defined benefit plans covered by these QDRO Guidelines.
- ❖ **Order**: A Court-Executed Order, Initial Draft Order, Draft Amended Order, or Combination Order (as defined above).
- ❖ **Court Certified Order or True Copy**: A Court-Executed Order containing either a) a court clerk's stamp or seal indicating the Order is a certified copy or a true copy and the signature of the judge (or other court official), or b) a court clerk's file-stamp and the signature of the judge (or other court official).
- ❖ **Posthumous Order**: An Order submitted after the death of the Participant.

OTHER TERMS

- ❖ **Addendum**: An information sheet generated as an attachment to an Order created via Fidelity's QDRO Center website (<https://qd.ro.fidelity.com>). The addendum contains the same information as the QDRO Information Sheet(s) found on pages 25-28 of these QDRO Guidelines.
- ❖ **Alternate Payee**: A spouse, former spouse, child or other dependent of a participant who is recognized by a Qualified Domestic Relations Order as having a right to be paid all, or a portion of, a Participant's qualified plan benefit/account.
- ❖ **In-Pay Participant**: The Participant is receiving benefit payments from the Plan or will be receiving benefit payments from the Plan at the time the Order is received by Fidelity for review.
- ❖ **Joinder**: A state court issued legal document that results in the uniting of parties or claims in a single lawsuit.
- ❖ **Not In Pay Participant**: The Participant is not receiving benefit payments from the Plan and will not be receiving benefit payments from the Plan at the time the Order is received by Fidelity for review.
- ❖ **Participant**: A member of a PepsiCo, Inc. sponsored qualified retirement plan.
- ❖ **Parties**: The Participant, Alternate Payee and their legal representatives.
- ❖ **Summary Plan Description**: A document that the Plan Administrator is required to provide to each participant and beneficiary receiving benefits that summarizes their rights and benefits along with the obligations of the Plan.
- ❖ **Valuation Date**: The date as of which a Participant's benefit will be measured or calculated for determining an Alternate Payee's award.
- ❖ **Vested**: Having reached a point in time (or event) in which the requirements for an irrevocable entitlement to a portion of benefits have been met.

*For purposes of these QDRO Guidelines.

QDRO INFORMATION SHEET(S)

PLEASE COMPLETE THIS FORM AND FORWARD IT WITH YOUR ORDER TO:

Fidelity Investments
QDRO Administration Group
P.O. BOX 770001
Cincinnati, OH 45277-0066
ATTN: PepsiCo, Inc.

PARTICIPANT INFORMATION

SOCIAL SECURITY NUMBER

NAME

STREET ADDRESS

DATE OF BIRTH

TELEPHONE NUMBER

PARTICIPANT ATTORNEY INFORMATION (IF APPLICABLE)

NAME

STREET ADDRESS

TELEPHONE NUMBER

FAX NUMBER

QDRO INFORMATION SHEET(S)

PLEASE COMPLETE THIS FORM AND FORWARD IT WITH YOUR ORDER TO:

Fidelity Investments
QDRO Administration Group
P.O. BOX 770001
Cincinnati, OH 45277-0066
ATTN: PepsiCo, Inc.

ALTERNATE PAYEE INFORMATION

SOCIAL SECURITY NUMBER

NAME

STREET ADDRESS

DATE OF BIRTH

TELEPHONE NUMBER

ALTERNATE PAYEE ATTORNEY INFORMATION (IF APPLICABLE)

NAME

STREET ADDRESS

TELEPHONE NUMBER

FAX NUMBER

CHECKLIST FOR COMPLETING A QDRO

- 1. Determine the applicable Plan and the Benefit Program(s), if participant is eligible for a benefit under multiple Benefit Programs.**
- 2. Verify the Participant has a vested accrued benefit in the applicable Plan.**
- 3. Determine if the Participant is “In Pay” or “Not In Pay”.**
 - Participant is “Not In Pay”** The Participant is “**Not In Pay**” if he/she is not currently receiving benefit payments from the Plan and will not be receiving benefits from the Plan at the time that the Order is received by Fidelity for review.
 - Participant is “In Pay”** The Participant is “**In Pay**” if he/she is currently receiving benefit payments from the Plan or if the Participant is receiving benefits from the Plan at the time that the Order is received by Fidelity for review.
- 4. Determine whether you will be using Fidelity’s QDRO Center website to draft your Order.**

The Fidelity QDRO Center website is tailored to the requirements of your Plan and is designed to simplify and expedite the qualification process. Visit <https://qdro.fidelity.com>.
- 5. Draft an Order.**
 - Web-generated Order – *any Order generated from the Fidelity QDRO Center website.*
 - Manual Order – *any Order not generated via the Fidelity QDRO Center website, or any Order that is drafted using Fidelity’s QDRO Center website but is subsequently altered.*
- 6. Submit the Order to a court for a judge’s signature and obtain a Court Certified or True Copy of the Court-Executed Order.** (See, “Definition of Terms”)
- 7. Submit the Court Certified or True Copy of the Court-Executed Order to Fidelity at:**

Fidelity Investments
QDRO Administration Group
P.O. Box 770001
Cincinnati, OH 45277-0066
ATTN: PepsiCo, Inc.
- 8. You will receive an acknowledgement letter once Fidelity receives your Order for review.**

(See, “Acknowledgement Letters”)

**Fidelity will acknowledge receipt of the Order in writing usually within 3-5 business days from the date of receipt.*
- 9. You will receive a determination letter either qualifying or non-qualifying the Order.**

(See, “Written Notifications”)

**The timeframe for the review of unaltered web-generated Orders is typically 10-15 business days and within 30 business days for manually drafted Orders. (See, “Timeframe for Review”)*

NOTE: If you receive a non-qualification letter, you will need to make the appropriate changes and begin the process again at Step 5.

MODEL ORDERS

This Section contains sample model orders which have been approved by the Plan Administrator for assigning a portion of a Participant's qualified benefit to an Alternate Payee



DETERMINE IF THE PARTICIPANT IS "IN PAY" OR "NOT IN PAY"

If the Participant is currently receiving benefits from the Plan ("IN PAY") or will be "IN PAY" at the time the Order is received by Fidelity for review, please refer to the Shared Interest Model below.

If the Participant is not currently receiving benefits from the Plan ("not IN PAY") and will not be "IN PAY" at the time the Order is received by Fidelity for review, please refer to either the Shared Interest Model or Separate Interest Models below.

NOTE: *The Parties may assign either a Shared Interest or a Separate Interest when the Participant is not "IN PAY"*

MODEL ORDER #1: Separate Interest (*May only be used for all participants who are not "IN PAY"*)

MODEL ORDER #2: Shared Interest (*Must be used for all participants who are "IN PAY" and may be used for participants who are not "IN PAY"*)

MODEL ORDER #3: Separate Interest ~ Cash Balance ONLY ~ for participants previously in the PepsiCo Hourly Employees Retirement Plan ONLY (*Use ONLY for participants who are not "IN PAY" and who ONLY had a cash balance account under the plan formerly known as the PepsiCo Hourly Employees Retirement Plan. Not all participants previously in the PepsiCo Hourly Employees Retirement Plan had a cash balance account under the Plan.*)

CAUTION

A domestic relations order is an Order signed by a Judge relating to the provision of child support, alimony payments, or marital property rights made pursuant to a state's domestic relations law.

The disposition of qualified plan benefits in domestic relations proceedings involves complex marital rights, legal and tax issues. Each Model Order would be acceptable in assigning benefits to an Alternate Payee. However, please keep in mind that each QDRO is unique and must be composed to fit the circumstances at hand. The Model Orders can be modified as necessary, but must also meet the requirements of the Plan and these QDRO Guidelines. Other methods are available and the Model Orders may be inappropriate for your particular circumstances.

The following Model Orders are a **SAMPLE** and are provided for informational purposes only. Neither PepsiCo, Inc. nor any of its subsidiaries, agents, employees or consultants, nor Fidelity, are authorized to give financial, tax or legal advice; and they make no representation as to the Model Orders' sufficiency under applicable federal or state law or as to its legal consequences. **You should not use a Model Order without consulting your financial, tax and/or legal advisors.**

Inclusion of Personal Data

Please be advised that some state courts prohibit the inclusion of certain personal information in court documents that will become public record. **The Parties may provide dates of birth and social security numbers under separate cover in the event that this information is not included in the Order.** Failure to include this information will not cause the Order to be non-qualified, but it will delay the processing of the distribution to the Alternate Payee. ***NOTE: Parties may use the QDRO Information Sheet(s) located on pages 25-28 of these QDRO Guidelines to supply this information to Fidelity.***

Same-Gender Marriages

For purposes of the Plan(s), a participant is considered to be married if the Participant is married to a person who is considered to be the Participant's spouse for federal income tax purposes.

Child Support Orders

If the Order pertains to Child Support, the minor child (ren) **must** be named as the Alternate Payee(s). The Order **must** provide the name and address of the Alternate Payee's legal representative (i.e., guardian or party acting in loco parentis) and the date of birth and social security number of the minor child Alternate Payee.

(b) **Alternate Payee** shall mean _____ (**First Name / M.I. / Last Name**)

whose current address is _____ (**Street Address/Apt #**)

_____ (**City, State Zip Code**)

Please submit the Alternate Payee's Date of Birth and Social Security Number using the attached QDRO Information Sheet(s).

(c) The Alternate Payee is the (**check one**): **Spouse** **Former Spouse** **Child** **Other Dependent** of the Participant

(d) This Order pertains to (**check one**): **Division of Marital Property** **Alimony/Spousal Support** **Child Support**

(e) With respect to marital property, alimony or spousal support awards, the Participant and the Alternate Payee are/were considered married for federal income tax purposes.

(f) **Plan** shall mean (**check one**): **The PepsiCo Employees Retirement Plan A**
 The PepsiCo Employees Retirement Plan H
 The PepsiCo Employees Retirement Plan I

(g) If Participant has a benefit under multiple programs under the Plan, list each Benefit Program benefit that is to be assigned. If no Benefit Program is listed, all benefits under the Plan will be assigned.

(h) **Plan Administrator** shall mean: **PepsiCo Administration Committee**

2. The Participant and Alternate Payee were married on _____ (**MM/DD/YYYY**),

were legally separated on _____ (**MM/DD/YYYY**),

and were legally divorced on _____ (**MM/DD/YYYY**).

3. The Alternate Payee is awarded a **separate interest** in the Participant's vested accrued benefit under the Plan, which shall be the actuarial equivalent of: (**choose and complete one**)

_____% (*insert percentage*) of the Participant's vested accrued benefit determined as of _____ (*insert date*).

_____% (*insert percentage*) of the Participant's vested accrued benefit determined as of the earlier of the Alternate Payee's benefit commencement date or the Participant's benefit commencement date.

_____% (*insert percentage*) of the Participant's vested benefit accrued between _____ (*insert date*) and _____ (*insert date*).

A portion of the Participant's vested accrued benefit to be calculated by the following formula: _____% (*insert percentage*) of a fraction, the numerator of which is the number of years of the Participant's credited service in the Plan accrued between _____ (*insert date*) and _____ (*insert date*), and the denominator of which is the total number of years of the Participant's credited service in the Plan accrued at the earlier of the Alternate Payee's benefit commencement date or the Participant's benefit commencement date. This fraction will be applied to the Participant's vested accrued benefit as of the earlier of the Alternate Payee's benefit commencement date or the Participant's benefit commencement date.

If the Participant's accrued benefit is inclusive of benefits calculated under both the traditional benefit formula and the cash balance formula, the Alternate Payee's award as defined above will be applied to both the traditional benefit formula and the cash balance formula, as applicable.

4. If applicable, interest will be credited on the Alternate Payee's award at the rate determined by the Plan at such times as determined by the Plan. *(Applies to the cash balance benefit structure only, otherwise this language will be disregarded.)*
5. The Alternate Payee (**check one**):
 - IS NOT** entitled to a share of the Participant's early retirement subsidy, if any.
 - IS** entitled to a share of the Participant's early retirement subsidy, if any, in an amount proportional to the Alternate Payee's assigned portion of the Participant's accrued benefit. If the Alternate Payee commences his or her benefit payments prior to the Participant's benefit commencement date, the Alternate Payee's benefit will be recalculated to include his or her assigned share of any early retirement subsidy upon the Participant's commencement.
6. The payments to the Alternate Payee may commence at the earliest time permitted under the Plan, but in no event later than the Participant's benefit commencement date.
7. The Alternate Payee's separate interest benefit shall be paid to the Alternate Payee in such form as shall be elected by the Alternate Payee at the time of his or her benefit commencement from among those forms of benefit then currently available to Participants under the Plan (other than a joint and survivor annuity with Alternate Payee's spouse as survivor annuitant). However, the benefit shall bear an actuarial adjustment under the Plan's applicable assumptions for any such election.
8. The Alternate Payee's election to commence receipt of benefits under the Plan shall be made in such form and manner as acceptable to the Plan Administrator, and payments shall be made in accordance with the Plan's administrative procedures and pursuant to the terms of the Plan.
9. If the Alternate Payee dies prior to the commencement of his or her separate interest award, under a traditional benefit structure, the Alternate Payee's awarded benefit will revert to the Participant. In the case of a cash balance benefit structure, the Alternate Payee's awarded benefit will be payable to the Alternate Payee's estate. If the Alternate Payee dies after the commencement of his or her separate interest award, the disposition of his or her awarded benefit will be determined based on the benefit form selected by the Alternate Payee.
10. If the Participant predeceases the Alternate Payee prior to the Alternate Payee's benefit commencement date, the death of the Participant will not affect the Alternate Payee's right to receive his or her awarded portion of the Participant's accrued benefit.
11. If the Participant predeceases the Alternate Payee after the Alternate Payee's benefit commencement date, the death of the Participant will not affect the Alternate Payee's right to receive his or her awarded portion of the Participant's accrued benefit.
12. Pursuant to the terms of the Plan, the Participant's benefit is calculated based on the Participant's normal retirement age. If the Alternate Payee elects to start receiving benefits before the Participant's normal retirement age, the Alternate Payee will receive the actuarial equivalent value of his or her awarded benefit to account for such early commencement, adjusted for the Alternate Payee's age and life expectancy at commencement of the benefit, and the applicable benefit form option, in accordance with the actuarial assumptions set forth in the Plan as applicable.
13. For purposes of Sections 402 and 72 of the Internal Revenue Code, any Alternate Payee who is the spouse or former spouse of the Participant will be treated as the distributee of any distributions or payments made to the Alternate Payee under the terms of this Order, and as such, will be required to pay the appropriate federal and/or state income taxes on such distribution. If the Alternate Payee is a child or other dependent of the Participant, the Participant will be responsible for any federal and/or state income taxes on any such distribution. Regardless of the terms of this Order, applicable federal, state and local tax laws will apply.

14. The court shall retain jurisdiction with respect to this Order to the extent required to maintain its qualified status and the original intent of the parties as stipulated herein.
15. In the case of a conflict between the terms of this Order and the terms of the Plan, the terms of the Plan shall prevail.
16. Neither Party shall accept any benefits from the Plan, which are the property of the other Party. In the event that the Plan Administrator inadvertently pays to the Participant any benefits that are assigned to the Alternate Payee pursuant to the terms of this Order, the Participant shall forthwith return such benefits to the Plan. In the event that the Plan Administrator inadvertently pays to the Alternate Payee any benefits that are not assigned to the Alternate Payee pursuant to the terms of this Order, the Alternate Payee shall forthwith return such benefits to the Plan.
17. The parties to this Order intend that it comply with the applicable provisions of ERISA and the Internal Revenue Code. Nothing in this Order shall require the Plan or the Plan Administrator to: (a) pay any benefits not permitted under ERISA or the Internal Revenue Code; (b) provide any type or form of benefit or any option not provided under the Plan; (c) provide increased benefits (determined on the basis of actuarial value) under the Plan; (d) pay benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined to be a QDRO; or (e) pay benefits to the Alternate Payee in the form of a qualified joint and survivor annuity for the lives of the Alternate Payee and his or her subsequent spouse.
18. In the event the Plan has an imposed benefit restriction as defined under the Pension Protection Act and the Participant's benefits become affected by such restriction, the Alternate Payee's benefits, as stipulated herein, shall also be affected to the same extent and in the same manner as the Participant's benefit.

Dated: _____

Judge of the Court Signature

Participant Signature (if applicable)

Alternate Payee Signature (if applicable)

Attorney for Petitioner (if applicable):

Attorney for Respondent (if applicable):

_____ (Name)

_____ (Name)

_____ (Address)

_____ (Address)

_____ (Telephone)

_____ (Telephone)

(b) **Alternate Payee** shall mean _____ (**First Name / M.I. / Last Name**)

whose current address is _____ (**Street Address/Apt #**)

_____ (**City, State Zip Code**)

Please submit the Alternate Payee's Date of Birth and Social Security Number using the attached QDRO Information Sheet(s).

(c) The Alternate Payee is the (**check one**): **Spouse** **Former Spouse** **Child** **Other Dependent** of the Participant

(d) This Order pertains to (**check one**): **Division of Marital Property** **Alimony/Spousal Support** **Child Support**

(e) With respect to marital property, alimony or spousal support awards, the Participant and the Alternate Payee are/were considered married for federal income tax purposes.

(f) **Plan** shall mean (**check one**): **The PepsiCo Employees Retirement Plan A**
 The PepsiCo Employees Retirement Plan H
 The PepsiCo Employees Retirement Plan I

(g) If Participant has a benefit under multiple programs under the Plan, list each Benefit Program benefit that is to be assigned. If no Benefit Program is listed, all benefits under the Plan will be assigned.

(h) **Plan Administrator** shall mean: **PepsiCo Administrative Committee**

2. The Participant and Alternate Payee were married on _____ (**MM/DD/YYYY**),

were legally separated on _____ (**MM/DD/YYYY**),

and were legally divorced on _____ (**MM/DD/YYYY**).

3. The Alternate Payee is awarded a **shared interest** in the Participant's vested accrued benefit under the Plan, which shall be: ____% (*insert percentage*) of the Participant's benefit payments from the Plan.

If the Participant's accrued benefit is inclusive of benefits calculated under both the traditional benefit formula and the cash balance formula, the Alternate Payee's award as defined above will be applied to both the traditional benefit formula and the cash balance formula, as applicable.

4. The Alternate Payee's shared interest benefit shall be paid to the Alternate Payee in accordance with the payment method selected by the Participant at the time of his or her benefit commencement. The Alternate Payee may not elect a form of benefit payment for his or her shared interest award.

5. The Alternate Payee's shared interest benefit payments shall commence at the time Participant commences his or her benefits, or, for Orders qualified after the Participant's commencement date, as soon as administratively feasible following qualification of the Order and will be effective as of the first of the month following the date on which the Order was received and will take prospective effect.

6. The Alternate Payee shall initiate the distribution in accordance with the terms of the Plan and the administrative procedures that have been established by the Plan Administrator. Payments shall be made in accordance with the Plan's administrative procedures and pursuant to the terms of the Plan.

7. The Alternate Payee (**check one**):
- IS NOT** entitled to a share of the Participant's early retirement subsidy, if any.
 - IS** entitled to a share of the Participant's early retirement subsidy, if any, in an amount proportional to the Alternate Payee's assigned portion of the Participant's accrued benefit.
8. The Alternate Payee's shared interest benefit will revert to the Participant in the event that the Alternate Payee predeceases the Participant, either prior to or subsequent to the commencement of his or her awarded benefit in the Plan.
9. The Alternate Payee's shared interest award will terminate upon the Participant's death.
10. If the Participant dies prior to commencing his or her benefits, the Alternate Payee will be treated as the Participant's surviving spouse for purposes of preserving his or her right to a portion of the Qualified Pre-Retirement Survivor Annuity (QPSA) available under the Plan. The Alternate Payee is entitled to QPSA in an amount **equal to** the Alternate Payee's assigned portion of the Participant's accrued benefit, but not in excess of the entire pre-retirement survivor annuity.
11. If the Participant is not receiving retirement benefits at the time the Order is qualified, the Alternate Payee will be treated as the Participant's surviving spouse for purposes of receiving a portion of the Qualified Joint and Survivor Annuity (QJSA) in the event the Participant dies after commencing his or her benefit. The Alternate Payee will be entitled to QJSA in an amount **equal to** the Alternate Payee's assigned portion of the Participant's accrued benefit but not in excess of the entire post-retirement survivor annuity. The Participant will be required to elect a QJSA benefit form and designate the Alternate Payee as surviving spouse for the assigned portion of QJSA. In the event the Participant is receiving retirement benefits at the time the Order is qualified, the Alternate Payee will be considered the Participant's surviving spouse for purposes of QJSA **only if** the Participant elected a joint and survivor annuity payment method and designated the Alternate Payee as the surviving spouse at commencement.
12. For purposes of Sections 402 and 72 of the Internal Revenue Code, any Alternate Payee who is the spouse or former spouse of the Participant will be treated as the distributee of any distributions or payments made to the Alternate Payee under the terms of this Order, and as such, will be required to pay the appropriate federal and/or state income taxes on such distribution. If the Alternate Payee is a child or other dependent of the Participant, the Participant will be responsible for any federal and/or state income taxes on any such distribution. Regardless of the terms of this Order, applicable federal, state and local tax laws will apply.
13. The court shall retain jurisdiction with respect to this Order to the extent required to maintain its qualified status and the original intent of the parties as stipulated herein.
14. In the case of a conflict between the terms of this Order and the terms of the Plan, the terms of the Plan shall prevail.
15. Neither Party shall accept any benefits from the Plan, which are the property of the other Party. In the event that the Plan Administrator inadvertently pays to the Participant any benefits that are assigned to the Alternate Payee pursuant to the terms of this Order, the Participant shall forthwith return such benefits to the Plan. In the event that the Plan Administrator inadvertently pays to the Alternate Payee any benefits that are not assigned to the Alternate Payee pursuant to the terms of this Order, the Alternate Payee shall forthwith return such benefits to the Plan.
16. The parties to this Order intend that it comply with the applicable provisions of ERISA and the Internal Revenue Code. Nothing in this Order shall require the Plan or the Plan Administrator to: (a) pay any benefits not permitted under ERISA or the Internal Revenue Code; (b) provide any type or form of benefit or any option not provided under the Plan; (c) provide increased benefits (determined on the basis of actuarial value) under the Plan; (d) pay benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined to be a QDRO; or (e) pay benefits to the Alternate Payee in the form of a qualified joint and survivor annuity for the lives of the Alternate Payee and his or her subsequent spouse.
17. In the event the Plan has an imposed benefit restriction as defined under the Pension Protection Act and the Participant's benefits become affected by such restriction, the Alternate Payee's benefits, as stipulated herein, shall also be affected to the same extent and in the same manner as the Participant's benefit.

Dated: _____

Judge of the Court Signature

Participant Signature (if applicable)

Alternate Payee Signature (if applicable)

Attorney for Petitioner (if applicable):

_____ (Name)

_____ (Address)

_____ (Telephone)

Attorney for Respondent (if applicable):

_____ (Name)

_____ (Address)

_____ (Telephone)

(b) **Alternate Payee** shall mean _____ (**First Name / M.I. / Last Name**)

whose current address is _____ (**Street Address/Apt #**)

_____ (**City, State Zip Code**)

Please submit the Alternate Payee's Date of Birth and Social Security Number using the attached QDRO Information Sheet(s).

(c) The Alternate Payee is the (**check one**): **Spouse** **Former Spouse** **Child** **Other Dependent** of the Participant

(d) This Order pertains to (**check one**): Division of Marital Property Alimony/Spousal Support Child Support

(e) With respect to marital property, alimony or spousal support awards, the Participant and the Alternate Payee are/were considered married for federal income tax purposes.

(f) **Plan** shall mean (**check one**): **The PepsiCo Employees Retirement Plan A**

The PepsiCo Employees Retirement Plan H

The PepsiCo Employees Retirement Plan I

(g) If Participant has a benefit under multiple programs under the Plan, list each Benefit Program benefit that is to be assigned. If no Benefit Program is listed, all benefits under the Plan will be assigned.

(h) **Plan Administrator** shall mean: **PepsiCo Administrative Committee**

2. The Participant and Alternate Payee were married on _____ (**MM/DD/YYYY**),

were legally separated on _____ (**MM/DD/YYYY**),

and were legally divorced on _____ (**MM/DD/YYYY**).

3. The Alternate Payee is awarded a **separate** interest in the Participant's vested accrued cash balance benefit under the Plan.

4. The Alternate Payee is awarded: (**choose and complete one**)

_____% (*insert percentage*) of the Participant's total vested cash balance account under the Plan determined as of _____ (*insert date*); payable from the cash balance formula only.

\$ _____ (*insert dollar amount*) of the Participant's total vested cash balance account under the Plan determined as of _____ (*insert date*); payable from the cash balance formula only.

5. Interest will be credited on the Alternate Payee's cash balance award at the rate determined by the Plan at such times as determined by the Plan.
6. The payments to the Alternate Payee may commence at the earliest time permitted under the Plan, but in no event later than the Participant's benefit commencement date.
7. The Alternate Payee's separate interest benefit shall be paid to the Alternate Payee in such form as shall be elected by the Alternate Payee at the time of his or her benefit commencement from among those forms of benefit then currently available to Alternate Payees under the Plan. However, the benefit shall bear an actuarial adjustment under the Plan's standard assumptions for any such election, if applicable.
8. The Alternate Payee's election to commence receipt of benefits under the Plan shall be made in such form and manner as acceptable to the Plan Administrator, and payments shall be made in accordance with the Plan's administrative procedures and pursuant to the terms of the Plan.
9. If the Alternate Payee dies prior to the commencement of his or her separate interest award, the Alternate Payee's awarded benefit will be payable to the Alternate Payee's estate.
10. If the Alternate Payee dies subsequent to the commencement of his or her separate interest award, the disposition of his or her awarded benefit will be determined based on the benefit form selected by the Alternate Payee.
11. If the Participant predeceases the Alternate Payee prior to the Alternate Payee's benefit commencement date, the death of the Participant will not affect the Alternate Payee's right to receive his or her awarded portion of the Participant's accrued benefit.
12. If the Participant predeceases the Alternate Payee after the Alternate Payee's benefit commencement date, the death of the Participant will not affect the Alternate Payee's right to receive his or her awarded portion of the Participant's accrued benefit.
13. Pursuant to the terms of the Plan, the Participant's benefit is calculated based on the Participant's normal retirement age. If the Alternate Payee elects to start receiving benefits before the Participant's normal retirement age, the Alternate Payee will receive the actuarial equivalent value of his or her awarded benefit to account for such early commencement, adjusted for the Alternate Payee's age and life expectancy at commencement of the benefit, and the applicable benefit form option, in accordance with the actuarial assumptions set forth in the Plan, as applicable. Consequently, the amount payable to the Alternate Payee may be more or less than the dollar amount actually subtracted from the Participant's benefit.
14. For purposes of Sections 402 and 72 of the Internal Revenue Code, any Alternate Payee who is the spouse or former spouse of the Participant will be treated as the distributee of any distributions or payments made to the Alternate Payee under the terms of this Order, and as such, will be required to pay the appropriate federal and/or state income taxes on such distribution. If the Alternate Payee is a child or other dependent of the Participant, the Participant will be responsible for any federal and/or state income taxes on any such distribution. Regardless of the terms of this Order, applicable federal, state and local tax laws will apply.
15. The court shall retain jurisdiction with respect to this Order to the extent required to maintain its qualified status and the original intent of the parties as stipulated herein.
16. In the case of a conflict between the terms of this Order and the terms of the Plan, the terms of the Plan shall prevail.
17. Neither Party shall accept any benefits from the Plan, which are the property of the other Party. In the event that the Plan Administrator inadvertently pays to the Participant any benefits that are assigned to the Alternate Payee pursuant to the terms of this Order, the Participant shall forthwith return such benefits to the Plan. In the event that the Plan Administrator inadvertently pays to the Alternate Payee any benefits that are not assigned to the Alternate Payee pursuant to the terms of this Order, the Alternate Payee shall forthwith return such benefits to the Plan.

18. The parties to this Order intend that it comply with the applicable provisions of ERISA and the Internal Revenue Code. Nothing in this Order shall require the Plan or the Plan Administrator to: (a) pay any benefits not permitted under ERISA or the Internal Revenue Code; (b) provide any type or form of benefit or any option not provided under the Plan; (c) provide increased benefits (determined on the basis of actuarial value) under the Plan; (d) pay benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined to be a QDRO; or (e) pay benefits to the Alternate Payee in the form of a qualified joint and survivor annuity for the lives of the Alternate Payee and his or her subsequent spouse.
19. In the event the Plan has an imposed benefit restriction as defined under the Pension Protection Act and the Participant's benefits become affected by such restriction, the Alternate Payee's benefits, as stipulated herein, shall also be affected to the same extent and in the same manner as the Participant's benefit.

Dated: _____

Judge of the Court Signature

Participant Signature (if applicable)

Alternate Payee Signature (if applicable)

Attorney for Petitioner (if applicable):

_____ (Name)

_____ (Address)

_____ (Telephone)

Attorney for Respondent (if applicable):

_____ (Name)

_____ (Address)

_____ (Telephone)