

# Summary Plan Description

**Bacardi U.S.A., Inc. and Affiliates**

**Health Reimbursement Account**

Effective June 1, 2015

## **RETIREE HEALTH REIMBURSEMENT ACCOUNT**

### **NOTICE TO EMPLOYEES**

This booklet describes the Bacardi U.S.A., Inc. and Affiliates Retiree Health Reimbursement Account (HRA) (“Plan”) as of June 1, 2015. The Plan as described in this booklet only relates to claims incurred after May 31, 2015. Claims incurred before June 1, 2015 are subject to the provisions of the Health Plan for Retired Employees of Bacardi U.S.A., Inc. and Affiliates.

Bacardi U.S.A, Inc. has entered into an arrangement with Mercer Marketplace under which Mercer Marketplace will process reimbursements and provide certain other administrative services pertaining to the Plan.

Mercer Marketplace does not insure the benefits described in this booklet.

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## PLAN HIGHLIGHTS

**What this Booklet includes:**

- Health Reimbursement Account Information;
- Funding of the Health Reimbursement Account and your Benefit Dollars;
- Using the Benefit Dollars in your Health Reimbursement Account;
- Eligible Premium Expenses;
- Requesting Reimbursement;
- Claims and Appeals; and
- Glossary

Bacardi U.S.A., Inc. and those of its affiliates participating in the Plan (collectively referred to as “Bacardi” or the “Employer”) are pleased to provide you with this Summary Plan Description (SPD), which describes some key features of the Health Reimbursement Account (HRA) available to you and your eligible family members under the Bacardi U.S.A., Inc. and Affiliates HRA.

Bacardi allocates healthcare dollars for when you retire. In particular, and except as otherwise indicated, this SPD will address only the HRA and not the benefits as described in your medical plan offered by Bacardi for which you were eligible prior to retirement.

This SPD is designed to meet your information needs and the disclosure requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

If you have any questions after reading this material, please call Mercer Marketplace at (800) 752-0446.

Bacardi U.S.A., Inc., as sponsor of the Plan on behalf of itself and those of its affiliates participating in the Plan, intends to continue this Plan, but reserves the right, in its sole discretion, to modify, change, revise, amend or terminate the Plan at any time, for any reason, and without prior notice. This SPD is not to be construed as a contract of or for employment with any Bacardi company. If there should be an inconsistency between the contents of this summary and the contents of the Plan, your rights shall be determined under the Plan and not under this summary.

## HEALTH REIMBURSEMENT ACCOUNT INFORMATION

A retiree HRA is considered a Health Reimbursement Account (HRA) under Internal Revenue Service guidance for use in an employee's retirement years. The HRA account accumulates over time with employer allocations. The allocated Benefit Dollars are used to pay for specified eligible Premium Expenses during retirement with all the tax benefits of an HRA.

The HRA:

- lets **your employer or former employer** allocate tax advantaged dollars for certain Premium Expenses and eligible healthcare expenses as described in Internal Revenue Code section 213(d) for when you retire; and
- reimburses you for certain Premium Expenses and eligible healthcare expenses as described in Internal Revenue Code section 213(d) as determined by Bacardi from the day after retirement until death.

### **Important**

If you meet the eligibility requirements, the HRA is available from the day after retirement until death. Once you retire you can have access to the HRA account for reimbursement of eligible Premium Expenses and eligible healthcare expenses as described in Internal Revenue Code section 213(d) as determined by Bacardi.

Please read this SPD thoroughly to learn how the HRA works. If you have questions contact Mercer Marketplace at (800) 752-0446.

## ELIGIBLE PARTICIPANTS

Employees or former employees of Bacardi U.S.A., Inc. and Affiliates who were hired prior to April 1, 2002 and have attained age 55 and completed at least 15 years of service as of the earlier of December 31, 2015 or the date they terminate or terminated employment with the Employer. No Employee or former Employee who fails to meet these hire date, age and year of service requirement shall be eligible to participate in this Plan.

To receive benefits under the Plan, a Participant (or if the Participant is deceased, a Participant's spouse) must enroll for coverage during an open enrollment period before the plan year determined by Bacardi. During the open enrollment period, Participants and their spouses, as well as newly eligible Participants, are offered a selection of insurance policies that might be appropriate in meeting their health care needs for the next year and may receive information concerning such options. Enrollment in insurance is effected through Mercer Marketplace.

You must fill out any forms and follow any procedures determined by Bacardi during the enrollment period. Bacardi may establish appropriate rules in the event that an existing Participant or spouse does not make an election during the open enrollment period. **The responsibility for all decisions relating to insurance coverage rests solely on the Participant or spouse, and Bacardi assumes no liability or responsibility of any kind for those decisions.**

A Participant may waive participation in the Plan once (for example, because of coverage under another group health plan) and may enroll at a later date. However, if you enroll later, insurance companies may at that time apply standard rules of underwriting and require evidence of insurability. You may not waive participation in the Plan more than once.

Bacardi may remove any Participant from the Plan for fraud or other conduct detrimental to Bacardi.

## FUNDING OF THE HRA AND YOUR BENEFIT DOLLARS

### Employer Allocations

Once you retire, if you are eligible and follow the enrollment procedures, an HRA will be established for your benefit. You are not permitted to make any contribution to your HRA, whether made on a pre-tax or after-tax basis. Your HRA is an "unfunded" account, and Benefit Dollars are payable solely from the general assets of Bacardi U.S.A., Inc. and Affiliates. The HRA is set up to allow Bacardi to allocate a specified amount of Benefit Dollars into an HRA on an annual basis in your name. No interest or other investment earnings will be credited to your HRA. Benefit dollars that are allocated to your HRA but that are not used will generally carry over to future years.

This Benefit Dollar amount is determined by Bacardi. Amounts allocated are as follows:

	2015 Prorated Amount	January 1, 2016
For the Participant	\$8,817 if not yet eligible for Medicare \$3,067 if eligible for Medicare	\$13,400 if not yet eligible for Medicare \$4,400 if eligible for Medicare
For the Participant's Eligible Spouse	\$8,817 if not yet eligible for Medicare \$3,067 if eligible for Medicare	\$13,400 if not yet eligible for Medicare \$4,400 if eligible for Medicare

If an employee retires on or after January 1, 2015 and has less than 25 years of service with the Employer, the above annual amounts will be prorated by the ratio of actual years of service to 25. For example, if you have 20 years of service, you will be entitled to 80% (20 ÷ 25) of the normal annual amount.

If a Participant or spouse becomes eligible for Medicare during the year, the annual amount is adjusted proportionately.

You can keep track of the Benefit Dollars in your HRA by going online to [www.Retiree.MercerMarketplace.com](http://www.Retiree.MercerMarketplace.com), or by calling the toll-free number (800) 752-0446.

## USING THE BENEFIT DOLLARS IN YOUR HRA

The HRA Benefit Dollars may be used to pay for eligible healthcare expenses. The types of expenses include but may not be limited to:

- Medicare Part B Premiums;
- Eligible healthcare expenses as described in Internal Revenue Code section 213(d);
- Premiums for plans purchased for individual insurance through Mercer Marketplace;
- Premiums for plans purchased on a public exchange (e.g., GetInsured) with the assistance of Mercer Marketplace;
- Medicare Part C/Medicare Advantage plus Prescription Drug (MA-PD)(MA); and
- Medicare Supplement Premiums.

### Note

Any expense for which you have received reimbursement through your HRA cannot be used as a medical expense deduction on your federal income tax return or can not be reimbursed under any plan covering health benefits, including a spouse's or dependent's plan.

## **DEATH OF PARTICIPANT OR SPOUSE**

In the event of the death of a Participant or Participant's spouse, credits in the HRA may be used to cover the expenses of the surviving spouse and any children entitled to receive benefits. In the event of the death of an unmarried Participant or surviving spouse, in either case with no children entitled to receive benefits, the HRA credit balance shall be set to zero, and no further expenses arising after such death may be paid out of the HRA.

## **NONALIENATION OF BENEFITS**

Amounts credited to an HRA may not be used to pay a Participant's general debts or creditors. The only exception is a qualified medical child support order under ERISA.

## **REQUESTING REIMBURSEMENT FROM YOUR HEALTH REIMBURSEMENT ACCOUNT**

### **Filing a Claim**

If you have funds available in your HRA you may submit a claim for reimbursement for eligible Premium Expenses from your HRA. Eligible premiums will be automatically submitted for reimbursement on your behalf. If you do choose to submit a request for reimbursement, the request must be received no later than six (6) months following the end of the Plan year and during which you were eligible under this Plan. If you don't provide this information to the Claims Administrator within this timeframe, your claim will not be eligible for reimbursement, even if there are funds available in your HRA. This time limit does not apply if you are legally incapacitated. Any eligible Premium Expense for which you are reimbursed from your HRA cannot be included as a deduction or credit on your federal income tax return.

If you follow the open enrollment procedures, your total Benefit Dollars are available on the first of the month following your retirement. You can request reimbursement for eligible healthcare expenses up to your eligible Benefit Dollars as soon as such eligible healthcare expenses have been incurred. You can submit a Claims Request Form at any time. You will be reimbursed for eligible healthcare expenses. Requests for reimbursements will generally be processed at least daily.

### **Important Note**

- The date on which your Claims Administrator processes your claim is used when deducting Benefit Dollars from your HRA. This allows the Benefit Dollars in your HRA to act in the manner similar to a savings account, available for your use when your claim is paid.



## Required Information for Filing a Claim

To be reimbursed from your HRA, simply submit a Claim Reimbursement Form, for the Eligible Healthcare Expenses that have been incurred. A Reimbursement Request Form is available from Mercer Marketplace or on the Internet at [www.Retiree.MercerMarketplace.com](http://www.Retiree.MercerMarketplace.com). For reimbursement from your HRA, you must include proof of the Eligible Healthcare Expenses incurred.

### **Important**

You can view your HRA online via [www.Retiree.MercerMarketplace.com](http://www.Retiree.MercerMarketplace.com).

You can also setup Auto Reimbursement for certain types of Eligible Healthcare Expenses. Contact Mercer Marketplace at (800) 752-0446 for more details.

## CLAIM DENIALS AND APPEALS

### *If Your Claim is Denied*

If a claim for Benefits is denied in part or in whole, you may call Mercer Marketplace at (800)752-0446 before requesting a formal appeal. If Mercer Marketplace cannot resolve the issue to your satisfaction over the phone, you have the right to file a formal appeal as described below.

### *How to Appeal a Denied Claim*

If you wish to appeal a denied claim, you or your authorized representative must submit your appeal in writing within 180 days of receiving the denial. This written communication should include:

- the patient's name;
- the provider's name;
- the date of medical service or expense;
- the reason you disagree with the denial; and
- any documentation or other written information to support your request.

If you wish to request a formal appeal of a denied claim for reimbursement, you should call Mercer Marketplace at (800)752-0446 to obtain the address where the appeal should be sent.

### *Review of an Appeal*

Mercer Marketplace will conduct a full and fair review of your appeal. The appeal may be reviewed by:

- an appropriate individual(s) who did not make the initial benefit determination.

Once the review is complete, if Mercer Marketplace upholds the denial, you will receive a written explanation of the reasons and facts relating to the denial.

If your claim for reimbursement continues to be denied or you do not receive a timely decision, in limited circumstances you may be able to request an external review of your claim by an independent third party who will review the denial and issue a final decision.

**Note:** Upon written request and free of charge, any covered persons may examine documents relevant to their claim and/or appeals and submit opinions and comments. Bacardi U.S.A., Inc. will review all claims in accordance with the rules established by the U.S. Department of Labor. Bacardi U.S.A., Inc.'s decision will be final.

The table below describes the time frames which you and Mercer Marketplace are required to follow:

<b>Claim Denials and Appeals</b>	
<b>Type of Claim or Appeal</b>	<b>Timing</b>
If your claim is incomplete, Mercer Marketplace must notify you within:	<b>30 days</b>
You must then provide completed claim information to Mercer Marketplace within:	<b>45 days</b> after receiving an extension notice *
If Mercer Marketplace) denies your initial claim, they must notify you of the denial:	
■ if the initial claim is complete, within:	<b>30 days</b>
■ after receiving the completed claim (if the initial claim is incomplete), within:	<b>30 days</b>
You must appeal the claim denial no later than:	<b>180 days</b> after receiving the denial
Mercer Marketplace must notify you of the appeal decision within:	<b>60 days</b> after receiving the first level appeal

\*Mercer Marketplace may require a one-time extension of no more than 15 days only if more time is needed due to circumstances beyond their control.

**Limitation of Action**

You cannot bring any legal action against Bacardi or the Claims Administrator to recover reimbursement until 90 days after you have properly submitted a request for reimbursement as described in this section and all required reviews of your claim have been completed. If you want to bring a legal action against Bacardi or the Claims Administrator, you must do so within three years from the expiration of the time period in which a request for reimbursement must be submitted or you lose any rights to bring such an action against Bacardi or the Claims Administrator.

You cannot bring any legal action against Bacardi or the Claims Administrator for any other reason unless you first complete all the steps in the appeal process described in this section. After completing that process, if you want to bring a legal action against Bacardi or the Claims Administrator you must do so within three years of the date you are notified of our final decision on your appeal or you lose any rights to bring such an action against Bacardi or the Claims Administrator.

### **IMPORTANT ADMINISTRATIVE INFORMATION: ERISA**

**What this section includes:**

- Plan administrative information, including your rights under ERISA.

This section includes information on the administration of the Plan, as well as information required of all Summary Plan Descriptions by ERISA as defined in the Section, *Glossary*. While you may not need this information for your day-to-day participation, it is information you may find important.

#### ***Plan Sponsor and Administrator***

Bacardi U.S.A., Inc. is the Plan Sponsor and Plan Administrator of the Bacardi U.S.A., Inc. and Affiliates retiree Health Reimbursement Account Plan and has the discretionary authority to interpret the Plan. You may contact the Plan Administrator at:

Sr. Director, Global Compensation & Benefits  
Bacardi-Martini, Inc.  
2701 Le Jeune Rd.  
Coral Gables, FL 33134

#### ***Claims Administrator***

Mercer Marketplace is the Plan's Claims Administrator. The role of the Claims Administrator is to handle the day-to-day administration of the Plan's coverage as directed by the Plan Administrator, through an administrative agreement with the Company. The Claims Administrator shall not be deemed or construed as an employer for any purpose with respect to the administration or provision of Benefits under the Plan Sponsor's Plan. The Claims Administrator shall not be responsible for fulfilling any duties or obligations of an employer with respect to the Plan Sponsor's Plan.

You may contact the Claims Administrator by phone at (800)752-0446 or in writing at:

Mercer Marketplace  
PO Box 9748  
Providence, RI 02940-9748

***Agent for Service of Legal Process***

Should it ever be necessary, you or your personal representative may serve legal process on the agent of service for legal process for the Plan. The Plan's Agent of Service is:

Sr. Director, Global Compensation & Benefits  
 Bacardi-Martini, Inc.  
 2701 Le Jeune Rd.  
 Coral Gables, FL 33134

Legal process may also be served on the Plan Administrator.

***Other Administrative Information***

This section of your SPD contains information about how the Plan is administered as required by ERISA.

***Type of Administration***

The Plan is a self-funded welfare Plan and the administration is provided through one or more third party administrators.

<b>Plan Name:</b>	Bacardi U.S.A., Inc. and Affiliates Retiree Health Reimbursement Account
<b>Plan Number:</b>	XXX
<b>Employer ID:</b>	13-1507147
<b>Plan Type:</b>	Welfare benefits plan
<b>Original Effective Date:</b>	June 1, 2015
<b>Plan Anniversary:</b>	January 1, 2016
<b>Plan Year:</b>	January 1 – December 31
<b>Plan Administration:</b>	Self-Insured
<b>Source of Plan Contributions:</b>	Employer
<b>Source of Benefits:</b>	Assets of the Company

### ***Your ERISA Rights***

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants shall be permitted to:

- receive information about Plan Benefits;
- examine, without charge, at the Plan Administrator's office and at other specified worksites, all plan documents – including pertinent insurance contracts, collective bargaining agreements (if applicable), and other documents available at the Public Disclosure Room of the Employee Benefits Security Administration; and
- obtain copies of all Plan documents and other Plan information, including insurance contracts and collective bargaining agreements (if applicable), and updated Summary Plan Descriptions, by writing to the Plan Administrator. The Plan Administrator may make a reasonable charge for copies.

You can continue health care coverage for yourself, Spouse or Dependents if there is a loss of coverage under the Plan as a result of a qualifying event. You or your Dependents may have to pay for such coverage. Review this Summary Plan Description and the Plan documents to understand the rules governing your COBRA continuation coverage rights.

You will be provided a certificate of creditable coverage in writing, free of charge, from Bacardi:

- when you lose coverage under the Plan;
- when you become entitled to elect COBRA;
- when your COBRA coverage ends;
- if you request a certificate of credible coverage before losing coverage; or
- if you request a certificate of credible coverage up to 24 months after losing coverage.

You may request a certificate of creditable coverage by contacting the Plan Administrator.

If you have creditable coverage from another group health plan, you may receive a reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health plan. Without evidence of creditable coverage, Plan benefits for the treatment of a preexisting condition may be excluded for 12 months (18 months for late enrollees) after your enrollment date in your coverage. In addition to creating rights for Plan participants, ERISA imposes duties on the people who are responsible for the operation of the Plan. The people who operate your Plan, who are called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your Employer, your union, or any other person may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA.

If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. See Section, *Claim Denials and Appeals*, for details.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan document from the Plan, and do not receive it within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent for reasons beyond the control of the Plan Administrator.

If you have a claim for Benefits, which is denied or ignored, in whole or in part, and you have exhausted the administrative remedies available under the Plan, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in federal court. If it should happen that the Plan's fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or write to the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W. Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at (800)-998-7542.

The Plan's Benefits are administered by Bacardi U.S.A., Inc., the Plan Administrator. Mercer Marketplace is the Claims Administrator and processes claims for the Plan and provides first level appeal services; however, Bacardi (and all of its related companies) and Mercer Marketplace are not responsible for any decision you or your Dependents make to receive treatment, services or supplies you receive from providers. Bacardi (and all of its related companies) and Mercer Marketplace are neither liable nor responsible for the treatment, services or supplies you receive from providers.

## GLOSSARY

**What this section includes:**

- Definitions of terms used throughout this SPD.

Many of the terms used throughout this SPD may be unfamiliar to you or have a specific meaning with regard to the way the Plan is administered and how benefits are paid. This section defines terms used throughout this SPD, but it does not describe the benefits provided by the Plan.

**Addendum** – any attached written description of additional or revised provisions to the Plan. The benefits and exclusions of this SPD and any amendments thereto shall apply to the Addendum except that in the case of any conflict between the Addendum and SPD and/or Amendments to the SPD, the Addendum shall be controlling.

**Amendment** – any attached written description of additional or alternative provisions to the Plan. Amendments are effective only when distributed by the Plan Sponsor or the Plan Administrator. Amendments are subject to all conditions, limitations and exclusions of the Plan, except for those that the amendment is specifically changing.

**Benefits** – Plan payments for eligible Premium Expenses, subject to the terms and conditions of the Plan and any Addendums and/or Amendments.

**Benefit Dollars** – the amount of notional credits Bacardi allocates for you into employee accounts for use during retirement.

**Claims Administrator** – Mercer Marketplace, which provides certain claim administration services for the Plan.

**COBRA** – see Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

**Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)** – a federal law that requires employers to offer continued health insurance coverage to certain employees and their dependents whose group health insurance has been terminated.

**Covered Person** – either the Retiree or an enrolled Dependent only while enrolled and eligible for Benefits under the Plan. References to “you” and “your” throughout this SPD are references to a Covered Person.

**Dependent** – an individual who meets the legal definition of dependent and also meets the eligibility requirements specified under the Plan.

**Employer** – Bacardi U.S.A., Inc. and certain of its affiliates participating in the Plan.

**EOB** – see Explanation of Benefits (EOB).

**ERISA** – the Employee Retirement Income Security Act of 1974, as amended.

**Explanation of Benefits (EOB)** – a written statement to a beneficiary, from a third-party payer (e.g., insurance company), after a claim has been reported, indicating the benefits and charges covered or not covered by the benefit plan.

**HRA** - a limited purpose Health Reimbursement Arrangement (HRA) for retirees. It is an IRS section 105 and 106 account that follows all of the standard regulations and has all of the tax benefits of an HRA. It can only be used for qualified medical expenses during retirement.

**Physician** – any Doctor of Medicine or Doctor of Osteopathy who is properly licensed and qualified by law.

Please note: Any podiatrist, dentist, psychologist, chiropractor, optometrist or other provider who acts within the scope of his or her license will be considered on the same basis as a Physician. The fact that a Provider is described as a Physician does not mean that Benefits for services from that Provider are available to you under this Plan or any health plan.

**Plan** – The Bacardi U.S.A., Inc. and Affiliates Retiree Health Reimbursement Account.

**Plan Administrator** – Bacardi U.S.A., Inc. or its designee.

**Plan Sponsor** – Bacardi U.S.A., Inc.

**Premium Expense** - an expense incurred by a Covered Person as defined by the Plan and not typically reimbursed by a health plan, (including medical related premium payments, for example: health plan premiums, Medicare Supplement Policy Premiums, etc.) but only to the extent that the Covered Person who incurred the expense is not reimbursed for the expense (nor is the expense reimbursable) through a medical benefit plan, other insurance, or any other accident or medical plan.

**Provider** – a health care professional or facility operating as required by law.

**Sickness** – physical illness or disease.