

**BRISTOL-MYERS SQUIBB (PHIL.), INC.  
2309 PASONG TAMO EXT. MAKATI CITY**

Employee Handbook

on

**RETIREMENT PLAN**

**FOREWORD**

The Company's retirement plan has been revised effective November 1, 1991 to be known as the Mead Johnson Philippines Retirement Plan.

The Plan aims to provide retirement, death, total and permanent disability and voluntary separation benefits to all eligible employees.

The key objectives of the retirement plan are to help you attain financial independence when you retire and to reward your dedicated and faithful service.

This handbook presents general information about the Plan and obviously cannot cover all circumstances that might arise. It is not a legal document. Your entitlement to benefits, your rights and obligations and those of the Participating Companies are governed by legal documents. In cases of conflict between the handbook and the Plan Rules, the Plan Rules will govern.

If you have any questions that are not covered in this handbook, please contact the HR Division.

# **BRISTOL-MYERS SQUIBB (PHIL.), INC.**

## **RETIREMENT PLAN**

### **EMPLOYEE HANDBOOK**

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## **BRISTOL-MYERS SQUIBB (PHIL.), INC. RETIREMENT PLAN**

### **OBJECTIVE**

The Objective of the Retirement Plan is to provide financial security for you or your family at retirement or in case of your death or total and permanent disability while employed with the Company.

The Plan is also designed to reward your service to the Company if you resign after rendering a total of 10 or more years of service.

## **PLAN PARTICIPATION**

This Plan covers all employees of the Company except contractual, part-time or temporary employees membership commences on the date of regular employment.

Membership and benefit accruals automatically cease upon the first occurrence of the following:

- termination of your employment with the Company for any reason (including death)
- full payment of the amounts, if any, due you hereunder, or
- withdrawal of the Company from participation in this Plan.

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## **PLAN COST**

The Company alone pays the cost of providing your plan benefits. The Company will make contributions as determined by an independent actuary, so that the necessary funds will be available to pay the benefits promised by the Plan.

## **DEFINITION OF TERMS**

Throughout this handbook, you will come across certain words which are used to describe your benefits. Knowing what they mean will help you to better understand the Plan.

- **Beneficiary**  
Any person or persons you designate to receive the benefits due in the event of your death in accordance with the provisions of the Plan.
- **Company**  
This refers to Bristol-Myers Squibb (Phil.), Inc.
- **Credit Service**  
This means you uninterrupted service from the day you are hired until the day you leave the company, measured in years, completed

months at the rate of one-twelfth (1/12) of a year and each additional day at the rate of one-thirtieth (1/30) of a month.

**Example:**

Date of Hire :April 15, 1975  
Date of Retirement :September 31, 1994

Your Credited Service would be calculated as follows:

Year	Month	Day	
1994	9	30	September 30, 1994
1975	4	15	April 15, 1975

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Your years of Credited Service is equivalent to  
 $19 + (5 \times 1/12) + [(15 \times 1/30) \times 1/12] = 19.46$  years

▪ **Final Monthly Salary**

This means your regular monthly basic salary at the time you leave the Company.

**BENEFITS PAYABLE**

Benefits are payable from the Plan upon the occurrence of any of the following events:

- Retirement (Normal, Early, Late)
- Death
- Total and permanent disability during employment.
- Voluntary termination prior to retirement.

Payment of any one benefit automatically disqualifies the employee from any other benefits under the plan.

You will receive your benefits in installments within a period of 5 years. However, the Board of trustees has the option of paying plan benefits in one lump sum payable immediately, the payment schedule will be subject to the discretion of the Board of Trustees.

In case you die prior to receiving the full amount of benefits, your beneficiary will receive the unpaid balance of the benefits. The schedule of payment of the remaining benefits will be subject to the discretion of the Board of Trustees.

## **RETIREMENT**

- **Normal Retirement**

Your normal retirement date is the first day of the month coincident with or next following the later of

- a.) your 60<sup>th</sup> birthday; and
- b.) completion of at least 10 years of Credited Service with the Company.

The amount of your normal retirement benefit is calculated as follows:

150% of Final Monthly salary times your years of Credited Service.

***Example:***

Age at retirement	: 60 years
Credited Service	: 30 years
Final Monthly Salary	: P 27, 000

Your normal retirement benefit would be calculated as follows:

$$150\% \times P27,000 \times 30 = P1,215,000$$

- **Early Retirement**

Upon your application and with the approval of the Company, you may retire in the first day of any month following the later of:

- a.) your attainment of age fifty (50); and
- b.) completion of at least ten (10) years of Credited Service with the Company.

Your early retirement benefit will be determined using the normal retirement benefit formula reduced in accordance with the schedule shown below. The benefit is based on your credited service and Final Monthly salary at the time you retire.

Less than 10	Nil
10	80%
11	84
12	88
13	92
14	96
15 or more	100

**Example:**

Age at retirement : 50 years  
 Credited Service : 13 years  
 Final Monthly Salary : P12,000

Your early retirement benefit would be calculated as follows:

$$(150\% \times P12,000 \times 13) \times 92\% = 215,300$$

▪ **Late Retirement**

Subject to the Company's approval on a yearly basis, you may continue to work after your normal retirement date. Your late retirement benefit will be determined using the normal retirement benefit formula based on your Credited service and Final Monthly Salary at the time you retire.

**DEATH**

The plan can be an important source of protection for your family should you die while employed by the Company.

The death benefit which would be payable to your beneficiary is equivalent to the excess, if any, of (a) or (b):

- a.) the benefit computed in accordance with the normal retirement benefit formula with Final Monthly Salary and Credited service as at the date of death.
- b.) the Company-paid death benefit received from the Company's group insurance program.

Examples:

1. Credited Service	23 years
Final Monthly Salary	P 10, 000
Insurance Benefit	P240,000

The death benefit will be calculated as follows:

Death Benefit	
150% x P10,000 x 23 =	P345,000
Insurance Benefit	240,000
Death benefit form the Plan	P105,000

The employee's beneficiary would receive a total death benefit of P345,000, P240,000 from the insurance and P105,000 from the retirement plan.

2. Credited Service	:7 years
Final Monthly Salary	:P6,000
Insurance Benefit	:P144,000

The death benefit will be calculated as follows:

Death Benefit:

$$150\% \times P6,000 \times 7 = P63,000$$

Since this amount is less than the insurance benefit of P144,000, no benefits would be payable from the retirement plan.

## **DISABILITY DURING EMPLOYMENT**

You will receive a disability benefit if you become totally and permanently disabled while in service with the Company. Total and permanent disability will be determined by a company-appointed physician.

Your benefit is determined using the normal retirement benefit formula and is based on your Credited service and Final Monthly Salary at the time you become disabled.

### ***Example:***

Credited Service : 9 years

Final Monthly salary : P10,000

The total and Permanent Disability Benefit would be calculated as follows:

$$150\% \times P10,000 \times 9 = P135,000$$

## **VOLUNTARY SEPARATION PRIOR TO RETIREMENT**

After completing at least ten years of Credited service, you will be entitled to a benefit computed as follows:

125% of Final Monthly Salary times your years of Credited Service reduced in accordance with the schedule show below. The benefit is based on your final Monthly salary and Credited service at the time you leave.

<b>Completed Years of Service</b>	<b>Percentage Payable</b>
Less than 10	Nil
10	50%
11	55
11	60
13	65

<b>Completed Years of Service</b>	<b>Percentage Payable</b>
14	70
15	75
16	80
17	85
18	90
19	95
20 or more	100

### ***Example:***

Age at Separation : 40 years  
Credited Service : 12 years  
Final Monthly salary : P9,000

The benefit is calculated as follows:

$$(125\% \times P9,000 \times 12) \times 60\% = P81,000$$

## **INVOLUNTARY SEPARATION PRIOR TO RETIREMENT**

If the Company terminates your employment (except for cause), you will be entitled to a benefit equivalent to the higher of the benefit you would have received had your separation been voluntary or the minimum benefit mandated by the Labor Code.

## **OTHER IMPORTANT INFORMATION**

### **Plan Name**

**BRISTOL-MYERS SQUIBB (PHIL.), INC.**

The name of the Plan is:

### **Retirement Plan**

### Administration of the Plan

The Plan is a defined benefit plan. The administrator of the Plan is: The Board of Trustees will develop guidelines necessary for efficient plan administration. Although the Board of trustees cannot alter the terms, conditions or benefits of the plan, it makes all decisions regarding any questions, interpretation, of applications for benefits to ensure that all plan provisions are put into practice uniformly, fairly and without discrimination

### **How to Avail of Benefits**

Upon your retirement or resignation, you must notify the Company and the Board of Trustees in writing. In case you become disabled, a certificate of disability from a company-appointed physician is required. Should you die while employed by the Company or before receiving your complete retirement benefit, a death certificate must be submitted by your designated beneficiary. The board of trustees will pay the benefits directly to you or your beneficiary.

## **Naming a Beneficiary**

Your beneficiary or beneficiaries will be paid the benefits due in case of your death.

You must specify your beneficiary in writing using a form prescribed by the Board of trustees. You can name more than one beneficiary and designate what portion of the entire benefit should be paid to each.

If you die without having designated a valid beneficiary, the benefits will be paid to your surviving relatives in the following order: spouse; children (in equal shares), parents (in equal shares), brothers and sisters (in equal shares).

## **Continuance of the Plan**

The Company intends to continue the Plan, but reserves the right to amend or terminate the Plan if that should be necessary.

In the event that the Company terminates the Plan, then normally you will automatically receive the benefit you will have earned as of the Plan's termination date.

## **BIR Rulings**

Under the current tax regulations of the Bureau of Internal Revenue (BIR) the following benefits received from a tax-qualified plan are tax-exempt.

- Retirement benefits. An employee can avail of a once-in-a-lifetime tax exemption provided he retires at or after age 50 and has at least 10 years of service with the company at the time of retirement.
- Disability benefits.
- Death benefits, and
- Involuntary separation benefits

Voluntary separation benefits are subject to tax.

**Non-transferability of Benefits**

For the protection of your interests and those of your dependents, your benefits under this Plan cannot be subject to assignment, transfer anticipation, alienation, pledge, or encumbrance and, to the extent permitted by law, are not subject to debts or liabilities.