

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 25, 2019

PepsiCo, Inc.

(Exact name of registrant as specified in its charter)

North Carolina

(State or other jurisdiction of incorporation)

1-1183

(Commission File Number)

13-1584302

(IRS Employer Identification No.)

700 Anderson Hill Road, Purchase, New York

(Address of principal executive offices)

10577

(Zip Code)

Registrant's telephone number, including area code: (914) 253-2000

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value 1-2/3 cents per share	PEP	The Nasdaq Stock Market LLC
2.500% Senior Notes Due 2022	PEP22a	The Nasdaq Stock Market LLC
1.750% Senior Notes Due 2021	PEP21a	The Nasdaq Stock Market LLC
2.625% Senior Notes Due 2026	PEP26	The Nasdaq Stock Market LLC
0.875% Senior Notes Due 2028	PEP28	The Nasdaq Stock Market LLC
0.750% Senior Notes due 2027	PEP27	The Nasdaq Stock Market LLC
1.125% Senior Notes due 2031	PEP31	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 8.01. Other Events.

PepsiCo Senior Notes Offering.

On July 25, 2019, PepsiCo, Inc. (“PepsiCo”) announced an offering of \$1,000,000,000 of its 2.625% Senior Notes due 2029 (the “2029 Notes”) and \$1,000,000,000 of its 3.375% Senior Notes due 2049 (the “2049 Notes,” and together with the 2029 Notes, the “Notes”). J.P. Morgan Securities LLC and Citigroup Global Markets Inc. were joint book-running managers for the offering of the Notes.

PepsiCo received net proceeds of approximately \$1,976 million, after deducting underwriting discounts and estimated offering expenses payable by PepsiCo. The net proceeds will be used for general corporate purposes, including the repayment of commercial paper.

The Notes were offered and sold pursuant to a Terms Agreement (the “Terms Agreement”) dated July 25, 2019 (incorporating the PepsiCo, Inc. Underwriting Agreement Standard Provisions dated as of June 30, 2017 (the “Standard Provisions”)) among PepsiCo and the representatives of the several underwriters, under PepsiCo’s automatic shelf registration statement (the “Registration Statement”) on [Form S-3 \(Registration No. 333-216082\), filed with the Securities and Exchange Commission \(the “SEC”\) on February 15, 2017](#). PepsiCo has filed with the SEC a prospectus supplement, dated July 25, 2019, together with the accompanying prospectus, dated February 15, 2017, relating to the offer and sale of the Notes. The Notes were issued on July 29, 2019 pursuant to an Indenture (the “Indenture”) dated as of May 21, 2007 between PepsiCo and The Bank of New York Mellon, as Trustee. The following table summarizes information about the Notes and the offering thereof.

	2.625% Senior Notes due 2029	3.375% Senior Notes due 2049
Aggregate Principal Amount Offered:	\$1,000,000,000	\$1,000,000,000
Maturity Date:	July 29, 2029	July 29, 2049
Interest Payment Dates:	Semi-annually on each January 29 and July 29, commencing on January 29, 2020	Semi-annually on each January 29 and July 29, commencing on January 29, 2020
Coupon:	2.625%	3.375%
Optional Redemption:	Prior to April 29, 2029, make-whole call at Treasury rate plus 10 basis points; par call at any time on or after April 29, 2029	Prior to January 29, 2049, make-whole call at Treasury rate plus 15 basis points; par call at any time on or after January 29, 2049
Price to Public:	99.703%	99.271%

The Notes are unsecured obligations of PepsiCo and rank equally with all of PepsiCo’s other unsecured senior indebtedness. The Indenture also contains customary event of default provisions.

The above description of the Terms Agreement, the Indenture and the Notes is qualified in its entirety by reference to the Terms Agreement, the Indenture and the forms of Notes. Each of the Terms Agreement, the Standard Provisions and the forms of the 2029 Note and 2049 Note is incorporated by reference into the Registration Statement and is filed with this Current Report on Form 8-K as Exhibit 1.1, Exhibit 1.2, Exhibit 4.1 and Exhibit 4.2, respectively. The Board of Directors resolutions authorizing PepsiCo's officers to establish the terms of the Notes have been filed as Exhibit 4.7 to the Registration Statement. The Indenture has been filed as Exhibit 4.3 to the Registration Statement. Opinions regarding the legality of the Notes are incorporated by reference into the Registration Statement and are filed with this Current Report on Form 8-K as Exhibits 5.1 and 5.2; and consents relating to such incorporation of such opinions are incorporated by reference into the Registration Statement and are filed with this Current Report on Form 8-K as Exhibits 23.1 and 23.2 by reference to their inclusion within Exhibits 5.1 and 5.2, respectively.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- [1.1 Terms Agreement dated July 25, 2019 \(incorporating the PepsiCo, Inc. Underwriting Agreement Standard Provisions dated as of June 30, 2017\) among PepsiCo and J.P. Morgan Securities LLC and Citigroup Global Markets Inc. as representatives of the several underwriters named therein.](#)
- [1.2 PepsiCo, Inc. Underwriting Agreement Standard Provisions dated as of June 30, 2017 \(incorporated by reference to Exhibit 1.2 to PepsiCo's Current Report on Form 8-K filed with the SEC on October 10, 2017\).](#)
- [4.1 Form of 2.625% Senior Note due 2029.](#)
- [4.2 Form of 3.375% Senior Note due 2049.](#)
- [5.1 Opinion of Davis Polk & Wardwell LLP.](#)
- [5.2 Opinion of Womble Bond Dickinson \(US\) LLP.](#)
- [23.1 Consent of Davis Polk & Wardwell LLP \(included in Exhibit 5.1\).](#)
- [23.2 Consent of Womble Bond Dickinson \(US\) LLP \(included in Exhibit 5.2\).](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 29, 2019

PepsiCo, Inc.

By: /s/ Cynthia A. Nastanski

Name: Cynthia A. Nastanski

Title: Senior Vice President, Corporate Law and Deputy Corporate Secretary

PEPSICO, INC.

2.625% Senior Notes due 2029

3.375% Senior Notes due 2049

TERMS AGREEMENT

July 25, 2019

To: PepsiCo, Inc.
700 Anderson Hill Road
Purchase, New York 10577

Ladies and Gentlemen:

We understand that PepsiCo, Inc., a North Carolina corporation (the “**Company**”), proposes to issue and sell \$1,000,000,000 of its 2.625% Senior Notes due 2029 (the “2029 Notes”) and \$1,000,000,000 of its 3.375% Senior Notes due 2049 (the “2049 Notes,” and together with the 2029 Notes, the “**Underwritten Securities**”) subject to the terms and conditions stated herein and in the PepsiCo, Inc. Underwriting Agreement Standard Provisions dated as of June 30, 2017 filed with the Securities and Exchange Commission on October 10, 2017 as Exhibit 1.2 to the Company’s Current Report on Form 8-K (the “**Standard Provisions**”). Each of the applicable provisions in the Standard Provisions (including defined terms) is incorporated herein by reference in its entirety, and shall be deemed to be a part of this Agreement to the same extent as if such provisions had been set forth in full herein. We, the underwriters named below (the “**Underwriters**”), offer to purchase, severally and not jointly, the amount of Underwritten Securities opposite our names set forth below at a purchase price equal to 99.253% of the principal amount thereof for the 2029 Notes and 98.396% of the principal amount thereof for the 2049 Notes.

Underwriter	2029 Notes	2049 Notes
J.P. Morgan Securities LLC	\$ 500,000,000	\$ 500,000,000
Citigroup Global Markets Inc.	300,000,000	300,000,000
Mizuho Securities USA LLC	52,500,000	52,500,000
Morgan Stanley & Co. LLC	52,500,000	52,500,000
Barclays Capital Inc.	32,500,000	32,500,000
TD Securities (USA) LLC	32,500,000	32,500,000
CastleOak Securities, L.P.	10,000,000	10,000,000
Loop Capital Markets LLC	10,000,000	10,000,000
The Williams Capital Group, L.P.	10,000,000	10,000,000
Total	<u>\$ 1,000,000,000</u>	<u>\$ 1,000,000,000</u>

The Underwriters agree to reimburse the Company for \$1,750,000 of its expenses incurred in connection with the offering of the Underwritten Securities; such reimbursement to occur simultaneously with the purchase and sale of the Underwritten Securities at the Closing Time.

Subsection (c) is added to Section 9 of the Standard Provisions:

(c) Recognition of the U.S. Special Resolution Regimes.

(i) In the event that any Underwriter is a Covered Entity that becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(ii) In the event that any Underwriter is a Covered Entity or a BHC Act Affiliate of any Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

For purposes of this subsection (c) a “BHC Act Affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k). “Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b). “Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable. “U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

For purposes of Section 21 of the Standard Provisions, the identified provisions are: (i) the fifth paragraph of text under the caption “Underwriting” in such preliminary prospectus, Time of Sale Prospectus and the Prospectus; (ii) the third sentence of the seventh paragraph of text under the caption “Underwriting” in such preliminary prospectus, Time of Sale Prospectus and the Prospectus; (iii) the eighth paragraph of text under the caption “Underwriting” in such preliminary prospectus, Time of Sale Prospectus and the Prospectus; and (iv) the tenth and eleventh paragraphs of text under the caption “Underwriting” in such preliminary prospectus, Time of Sale Prospectus and the Prospectus.

The reference in Section 6(a)(i)(B) of the Standard Provisions to “the New York Stock Exchange, Inc. (the ‘NYSE’)” is replaced with “The Nasdaq Stock Market LLC (‘**Nasdaq**’),” and the reference in each of Section 6(a)(ii)(A) and Section 10(vii) of the Standard Provisions to “the NYSE” is replaced with “Nasdaq.”

All references in the Standard Provisions and exhibits thereto to “Womble Carlyle Sandridge & Rice, LLP” are deemed replaced by “Womble Bond Dickinson (US) LLP.”

The undersigned are acting as the “Representative” under the Standard Provisions (the “**Representatives**”). The Representatives represent and warrant that they are duly authorized to execute and deliver this Terms Agreement on behalf of the several Underwriters named above.

The Underwritten Securities and the offering thereof shall have the following additional terms:

Issuer:	PepsiCo, Inc.	
Trade Date:	July 25, 2019	
Time of Sale:	4:00 p.m. New York time on the Trade Date	
Settlement Date (T+2):	July 29, 2019	
Closing Time:	9:00 a.m. New York time on the Settlement Date	
Closing Location:	New York, New York	
Time of Sale Prospectus:	Base prospectus dated February 15, 2017, preliminary prospectus supplement dated July 25, 2019 and free writing prospectus dated July 25, 2019	
Title of Securities:	2.625% Senior Notes due 2029	3.375% Senior Notes due 2049
Aggregate Principal Amount Offered:	\$1,000,000,000	\$1,000,000,000
Maturity Date:	July 29, 2029	July 29, 2049
Interest Payment Dates:	Semi-annually on each January 29 and July 29, commencing on January 29, 2020	Semi-annually on each January 29 and July 29, commencing on January 29, 2020
Benchmark Treasury:	2.375% due May 15, 2029	3.000% due February 15, 2049
Benchmark Treasury Yield:	2.079%	2.614%
Spread to Treasury:	+58 basis points	+80 basis points
Re-offer Yield:	2.659%	3.414%
Coupon:	2.625%	3.375%
Price to Public:	99.703%	99.271%
Optional Redemption:	Prior to April 29, 2029, make-whole call at Treasury rate plus 10 basis points; par call at any time on or after April 29, 2029	Prior to January 29, 2049, make-whole call at Treasury rate plus 15 basis points; par call at any time on or after January 29, 2049
Net Proceeds to PepsiCo (Before Expenses):	\$992,530,000	\$983,960,000
Use of Proceeds:	PepsiCo intends to use the net proceeds from this offering for general corporate purposes, including the repayment of commercial paper.	
Day Count Fraction:	30/360	30/360
CUSIP / ISIN:	713448EL8 / US713448EL82	713448EM6 / US713448EM65
Minimum Denomination:	\$2,000 and integral multiples of \$1,000	
Joint Book-Running Managers:	J.P. Morgan Securities LLC Citigroup Global Markets Inc.	
Senior Co-Managers:	Mizuho Securities USA LLC Morgan Stanley & Co. LLC Barclays Capital Inc. TD Securities (USA) LLC	
Co-Managers:	CastleOak Securities, L.P. Loop Capital Markets LLC The Williams Capital Group, L.P.	
Address for Notices to the Representatives:	J.P. Morgan Securities LLC 383 Madison Avenue New York, New York 10179 Citigroup Global Markets Inc. 388 Greenwich Street New York, New York 10013	

IN WITNESS WHEREOF, the parties hereto have executed this Terms Agreement as of the date first above written.

PEPSICO, INC.

By: /s/ Hugh F. Johnston
Name: Hugh F. Johnston
Title: Executive Vice President and Chief Financial Officer

By: /s/ Kenneth Smith
Name: Kenneth Smith
Title: Senior Vice President, Finance and Treasurer

CONFIRMED AND ACCEPTED, as of the date first above written:

J.P. MORGAN SECURITIES LLC
CITIGROUP GLOBAL MARKETS INC.

as Representatives of the several Underwriters

By: **J.P. MORGAN SECURITIES LLC**

By: /s/ Robert Bottamedi
Name: Robert Bottamedi
Title: Executive Director

By: **CITIGROUP GLOBAL MARKETS INC.**

By: /s/ Adam D. Bordner
Name: Adam D. Bordner
Title: Director

Time of Sale Prospectus:

1. Preliminary Prospectus dated July 25, 2019 (including the Base Prospectus dated February 15, 2017)
 2. Any free writing prospectuses approved by the Representatives and filed by the Company under Rule 433(d) under the Securities Act
 3. Final Term Sheet dated July 25, 2019 to be filed by the Company pursuant to Rule 433 under the Securities Act setting forth certain terms of the Underwritten Securities
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[Form of 2.625% Senior Note due 2029]

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN CERTIFICATED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TRUST COMPANY (“**DTC**”) TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR ANOTHER NOMINEE OF DTC, OR BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

PEPSICO, INC.**2.625% SENIOR NOTE DUE 2029**

PEPSICO, INC., a corporation in existence under the laws of the State of North Carolina (herein called the “**Company**,” which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to Cede & Co. or registered assigns, the principal sum of \$ on July 29, 2029, and to pay interest on said principal sum semi-annually on January 29 and July 29 of each year, commencing January 29, 2020, at the rate of 2.625% per annum from July 29, 2019, or from the most recent date in respect of which interest has been paid or duly provided for, until payment of the principal sum has been made or duly provided for. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Record Date for such Interest Payment Date, which shall be the January 14 and July 14 (whether or not a New York Business Day) next preceding such Interest Payment Date. Any such interest that is payable but is not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on such Record Date and may either be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes not earlier than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed and upon such notice as may be required by such exchange, if such manner of payment shall be deemed practical by the Trustee, all as more fully provided in the Indenture.

Payment of the principal of and interest on this Note will be made at the Place of Payment in such coin or currency of the United States as at the time of payment is legal tender for payment of public and private debts; provided, however, that payments of interest may be made at the option of the Company by funds transmitted to the addresses of the Persons entitled thereto as such addresses shall appear in the Security Register.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth at this place. Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by manual or facsimile signature under its corporate seal or a facsimile thereof.

Dated: _____, 2019

PEPSICO, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

[seal]

Attest:

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

The Bank of New York Mellon, as Trustee

By: _____
Authorized Signatory

Dated: _____

[REVERSE OF NOTE]

PEPSICO, INC.

2.625% SENIOR NOTE DUE 2029

This Note is one of a duly authorized issue of debentures, notes or other evidences of indebtedness of the Company (herein called the “**Securities**”), issued and to be issued in one or more series under an Indenture, dated as of May 21, 2007 (herein called the “**Indenture**”), between the Company and The Bank of New York Mellon, as Trustee (herein called the “**Trustee**,” which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights thereunder of the Company, the Trustee, and the Holders of the Securities, the terms upon which the Securities are, and are to be, authenticated and delivered, and the definition of capitalized terms used herein and not otherwise defined herein. The Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may be denominated in different currencies, may mature at different times, may bear interest (if any) at different rates (which rates may be fixed or variable), may be subject to different redemption provisions (if any), may be subject to different sinking, purchase, or analogous funds (if any), may be subject to different covenants and Events of Default, and may otherwise vary as provided in the Indenture. This Note is one of a series of Securities of the Company designated as set forth on the face hereof (herein called the “**Notes**”), initially limited in aggregate principal amount to \$1,000,000,000.

The Notes shall be redeemable as a whole or in part, at the Company’s option, at any time and from time to time prior to April 29, 2029 (three months prior to the maturity date of the Notes) (the “**Par Call Date**”) at a Redemption Price equal to the greater of (i) 100% of the principal amount of such Notes being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption), assuming for such purpose that the Notes matured on the Par Call Date, discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 10 basis points, plus in each case accrued and unpaid interest to the date of redemption.

The Notes shall be redeemable as a whole or in part, at the Company’s option, at any time and from time to time on or after the Par Call Date, at a Redemption Price equal to 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest to the Redemption Date.

Except as otherwise provided herein, redemption of the Notes shall be made in accordance with the terms of Article 11 of the Indenture.

“**Comparable Treasury Issue**” means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed, assuming for such purpose that the Notes matured on the Par Call Date (the “**Remaining Term**”), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the Remaining Term.

“Comparable Treasury Price” means, with respect to any Redemption Date, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by the Company.

“Reference Treasury Dealer” means each of any four primary U.S. Government securities dealers in the United States of America selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m. New York time on the third New York Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

The Trustee will not be responsible for calculating the Redemption Price of the Notes or portions thereof called for redemption.

Notice of any redemption will be transmitted at least 15 days but not more than 60 days before the Redemption Date to each Holder of Notes to be redeemed (or delivered electronically in accordance with the procedures of DTC). If fewer than all of the Notes are to be redeemed, the particular Notes to be redeemed, in the case of Notes in global form, shall be selected in accordance with the procedures of the Depositary. In the case of physical Notes in definitive form, such selection shall be done by the Trustee by lot. If any Note is to be redeemed only in part, the notice of redemption that relates to such Note shall state the principal amount thereof to be redeemed. A new Note in principal amount equal to and in exchange for the unredeemed portion of the principal of the Note surrendered may be issued in the name of the Holder of the Note upon surrender of the original Note.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Securities at the time Outstanding of each series to be affected by such amendment or modification. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

The Indenture contains provisions setting forth certain conditions to the institution of proceedings by Holders of Securities with respect to the Indenture or for any remedy under the Indenture.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal amount hereof may be declared due and payable or may be otherwise accelerated in the manner and with the effect provided in the Indenture.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registerable in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Company in any Place of Payment duly endorsed, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, this Note is exchangeable for a like aggregate principal amount of Notes of different authorized denominations as requested by the Holder surrendering the same.

No service charge shall be made for any such registration or transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to the presentment of this Note for registration of transfer, the Company, the Trustee, and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Note is overdue, and neither the Company, the Trustee, nor any such agent shall be affected by notice to the contrary.

All terms used in this Note which are defined in the Indenture and are not otherwise defined herein shall have the meanings assigned to them in the Indenture.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

[PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

[PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE]

the within Note and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer such Note on the books of the Issuer, with full power of substitution in the premises.

Dated:_____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within Note in every particular without alteration or enlargement or any change whatsoever.

[Form of 3.375% Senior Note due 2049]

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN CERTIFICATED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TRUST COMPANY (“**DTC**”) TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR ANOTHER NOMINEE OF DTC, OR BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

PEPSICO, INC.**3.375% SENIOR NOTE DUE 2049**

PEPSICO, INC., a corporation in existence under the laws of the State of North Carolina (herein called the “**Company**,” which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to Cede & Co. or registered assigns, the principal sum of \$ on July 29, 2049, and to pay interest on said principal sum semi-annually on January 29 and July 29 of each year, commencing January 29, 2020, at the rate of 3.375% per annum from July 29, 2019, or from the most recent date in respect of which interest has been paid or duly provided for, until payment of the principal sum has been made or duly provided for. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Record Date for such Interest Payment Date, which shall be the January 14 and July 14 (whether or not a New York Business Day) next preceding such Interest Payment Date. Any such interest that is payable but is not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on such Record Date and may either be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes not earlier than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed and upon such notice as may be required by such exchange, if such manner of payment shall be deemed practical by the Trustee, all as more fully provided in the Indenture.

Payment of the principal of and interest on this Note will be made at the Place of Payment in such coin or currency of the United States as at the time of payment is legal tender for payment of public and private debts; provided, however, that payments of interest may be made at the option of the Company by funds transmitted to the addresses of the Persons entitled thereto as such addresses shall appear in the Security Register.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth at this place. Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by manual or facsimile signature under its corporate seal or a facsimile thereof.

Dated: _____, 2019

PEPSICO, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

[seal]

Attest:

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

The Bank of New York Mellon, as Trustee

By: _____
Authorized Signatory

Dated: _____

[REVERSE OF NOTE]

PEPSICO, INC.

3.375% SENIOR NOTE DUE 2049

This Note is one of a duly authorized issue of debentures, notes or other evidences of indebtedness of the Company (herein called the “**Securities**”), issued and to be issued in one or more series under an Indenture, dated as of May 21, 2007 (herein called the “**Indenture**”), between the Company and The Bank of New York Mellon, as Trustee (herein called the “**Trustee**,” which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights thereunder of the Company, the Trustee, and the Holders of the Securities, the terms upon which the Securities are, and are to be, authenticated and delivered, and the definition of capitalized terms used herein and not otherwise defined herein. The Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may be denominated in different currencies, may mature at different times, may bear interest (if any) at different rates (which rates may be fixed or variable), may be subject to different redemption provisions (if any), may be subject to different sinking, purchase, or analogous funds (if any), may be subject to different covenants and Events of Default, and may otherwise vary as provided in the Indenture. This Note is one of a series of Securities of the Company designated as set forth on the face hereof (herein called the “**Notes**”), initially limited in aggregate principal amount to \$1,000,000,000.

The Notes shall be redeemable as a whole or in part, at the Company’s option, at any time and from time to time prior to January 29, 2049 (six months prior to the maturity date of the Notes) (the “**Par Call Date**”) at a Redemption Price equal to the greater of (i) 100% of the principal amount of such Notes being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption), assuming for such purpose that the Notes matured on the Par Call Date, discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points, plus in each case accrued and unpaid interest to the date of redemption.

The Notes shall be redeemable as a whole or in part, at the Company’s option, at any time and from time to time on or after the Par Call Date, at a Redemption Price equal to 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest to the Redemption Date.

Except as otherwise provided herein, redemption of the Notes shall be made in accordance with the terms of Article 11 of the Indenture.

“**Comparable Treasury Issue**” means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed, assuming for such purpose that the Notes matured on the Par Call Date (the “**Remaining Term**”), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the Remaining Term.

“Comparable Treasury Price” means, with respect to any Redemption Date, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by the Company.

“Reference Treasury Dealer” means each of any four primary U.S. Government securities dealers in the United States of America selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m. New York time on the third New York Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

The Trustee will not be responsible for calculating the Redemption Price of the Notes or portions thereof called for redemption.

Notice of any redemption will be transmitted at least 15 days but not more than 60 days before the Redemption Date to each Holder of Notes to be redeemed (or delivered electronically in accordance with the procedures of DTC). If fewer than all of the Notes are to be redeemed, the particular Notes to be redeemed, in the case of Notes in global form, shall be selected in accordance with the procedures of the Depositary. In the case of physical Notes in definitive form, such selection shall be done by the Trustee by lot. If any Note is to be redeemed only in part, the notice of redemption that relates to such Note shall state the principal amount thereof to be redeemed. A new Note in principal amount equal to and in exchange for the unredeemed portion of the principal of the Note surrendered may be issued in the name of the Holder of the Note upon surrender of the original Note.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Securities at the time Outstanding of each series to be affected by such amendment or modification. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

The Indenture contains provisions setting forth certain conditions to the institution of proceedings by Holders of Securities with respect to the Indenture or for any remedy under the Indenture.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal amount hereof may be declared due and payable or may be otherwise accelerated in the manner and with the effect provided in the Indenture.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registerable in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Company in any Place of Payment duly endorsed, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, this Note is exchangeable for a like aggregate principal amount of Notes of different authorized denominations as requested by the Holder surrendering the same.

No service charge shall be made for any such registration or transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to the presentment of this Note for registration of transfer, the Company, the Trustee, and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Note is overdue, and neither the Company, the Trustee, nor any such agent shall be affected by notice to the contrary.

All terms used in this Note which are defined in the Indenture and are not otherwise defined herein shall have the meanings assigned to them in the Indenture.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

[PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

[PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE]

the within Note and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer such Note on the books of the Issuer, with full power of substitution in the premises.

Dated:_____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within Note in every particular without alteration or enlargement or any change whatsoever.

New York
Northern California
Washington DC
São Paulo
London

Paris
Madrid
Tokyo
Beijing
Hong Kong



Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017

212 450 4000 tel
212 701 5800 fax

July 29, 2019

PepsiCo, Inc.
700 Anderson Hill Road
Purchase, NY 10577

Ladies and Gentlemen:

We have acted as special counsel for PepsiCo, Inc. (the “Company”), a North Carolina corporation, in connection with the Registration Statement on Form S-3 (File No. 333-216082) (the “Registration Statement”) filed by the Company with the Securities and Exchange Commission (the “Commission”) pursuant to the Securities Act of 1933, as amended (the “Securities Act”), for the registration by the Company of \$1,000,000,000 aggregate principal amount of its 2.625% Senior Notes due 2029 (the “2029 Notes”) and \$1,000,000,000 aggregate principal amount of its 3.375% Senior Notes due 2049 (the “2049 Notes,” and together with the 2029 Notes, the “Notes”). The Notes are to be issued pursuant to an Indenture (the “Indenture”) dated as of May 21, 2007 between the Company and The Bank of New York Mellon, as trustee, and to be sold pursuant to a Terms Agreement dated as of July 25, 2019 (incorporating the PepsiCo, Inc. Underwriting Agreement Standard Provisions dated as of June 30, 2017, the “Terms Agreement”) among the Company and the several underwriters named therein.

We, as your counsel, have examined originals or copies of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary or advisable for the purpose of rendering this opinion.

In rendering the opinion expressed herein, we have, without independent inquiry or investigation, assumed that (i) all documents submitted to us as originals are authentic and complete; (ii) all documents submitted to us as copies conform to authentic, complete originals; (iii) all documents filed as exhibits to the Registration Statement that have not been executed will conform to the forms thereof; (iv) all signatures on all documents that we reviewed are genuine; (v) all natural persons executing documents had and have the legal capacity to do so; (vi) all statements in certificates of public officials and officers of the Company that we reviewed were and are accurate; and (vii) all representations made by the Company as to matters of fact in the documents that we reviewed were and are accurate.

Based upon the foregoing, and subject to the additional assumptions and qualifications set forth below, we advise you that, in our opinion, when the Notes have been duly executed, authenticated, issued and delivered in accordance with the Indenture and the Terms Agreement against payment therefor, the Notes will constitute valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability, provided that we express no opinion as to (x) the enforceability of any waiver of rights under any usury or stay law and (y) the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above.

In connection with the opinion expressed above, we have assumed that (i) the Registration Statement became effective upon filing with the Commission and such effectiveness shall not have been terminated or rescinded; and (ii) the Indenture and the Notes are valid, binding and enforceable agreements of each party thereto (other than as expressly covered above in respect of the Company). We have also assumed that the execution, delivery and performance of the Indenture and the Notes by the Company (x) have been duly authorized in accordance with the laws of the State of North Carolina and (y) will not violate any applicable law or public policy or result in a violation of any provision of any instrument or agreement binding upon the Company, or any restriction imposed by any court or governmental body having jurisdiction over the Company.

We are members of the Bar of the State of New York, and the foregoing opinion is limited to the laws of the State of New York.

We hereby consent to the filing of this opinion as an exhibit to a Current Report on Form 8-K to be filed by the Company on the date hereof and to its incorporation by reference into the Registration Statement. In addition, we consent to the reference to our name under the caption "Legal Opinions" in the preliminary prospectus supplement dated July 25, 2019 and the prospectus supplement dated July 25, 2019, and under the caption "Validity of Securities" in the prospectus dated February 15, 2017, each of which is a part of the Registration Statement. In giving this consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

/s/ DAVIS POLK & WARDWELL LLP

July 29, 2019

PepsiCo, Inc.
700 Anderson Hill Road
Purchase, New York 10577

Ladies and Gentlemen:

We have acted as special North Carolina counsel to PepsiCo, Inc., a North Carolina corporation (the “Company”) in connection with the Registration Statement on Form S-3 (File No. 333-216082) (the “Registration Statement”) filed by the Company with the Securities and Exchange Commission (the “Commission”) pursuant to the Securities Act of 1933, as amended (the “1933 Act”), for the registration by the Company of \$1,000,000,000 aggregate principal amount of its 2.625% Senior Notes due 2029 (the “2029 Notes”) and \$1,000,000,000 aggregate principal amount of its 3.375% Senior Notes due 2049 (the “2049 Notes,” and together with the 2029 Notes, the “Notes”). The Notes are to be issued pursuant to an Indenture (the “Indenture”) dated as of May 21, 2007 between the Company and The Bank of New York Mellon, as trustee, and to be sold pursuant to a Terms Agreement dated as of July 25, 2019 (incorporating the PepsiCo, Inc. Underwriting Agreement Standard Provisions dated as of June 30, 2017, the “Terms Agreement”) among the Company and the several underwriters named therein. This opinion is delivered to you pursuant to Item 16 of Form S-3 and Item 601(b)(5) of Regulation S-K of the Commission. This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the 1933 Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement, the prospectus or any prospectus supplement other than as expressly stated herein with respect to the issuance of the Notes.

As the Company’s special North Carolina counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the Company’s articles of incorporation and by-laws, each as amended to date, and minutes and records of the corporate proceedings of the Company relating to the filing of the Registration Statement and the issuance of the Notes, as provided to us by the Company, certificates of public officials and of representatives of the Company, and statutes and other instruments and documents, as a basis for the opinion hereinafter expressed. In rendering this opinion, we have relied upon certificates of public officials and representatives of the Company with respect to the accuracy of the factual matters contained in such certificates.

In connection with such examination, we have assumed (a) the genuineness of all signatures and the legal capacity of all signatories; (b) the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as certified or photostatic copies; and (c) the proper issuance and accuracy of certificates of public officials and representatives of the Company.

Based on and subject to the foregoing, we advise you that, in our opinion, the Indenture and the Notes have been duly authorized by all necessary corporate action of the Company, and have been duly executed and delivered by the Company.

This opinion is limited to the laws of the State of North Carolina, and we are expressing no opinion as to the effect of the laws of any other jurisdiction.

This opinion is rendered as of the date hereof, and we undertake no obligation to advise you of any changes in applicable law or any other matters that may come to our attention after the date hereof.

We hereby consent to the filing of this opinion as an exhibit to a Current Report on Form 8-K to be filed by the Company on the date hereof and to its incorporation by reference into the Registration Statement. In addition, we consent to any reference to the name of our firm under the caption “Legal Opinions” in the preliminary prospectus supplement dated July 25, 2019 and the prospectus supplement dated July 25, 2019, and under the caption “Validity of Securities” in the prospectus dated February 15, 2017, each of which is a part of the Registration Statement. In giving this consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the 1933 Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ WOMBLE BOND DICKINSON (US) LLP