
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

PepsiCo, Inc.

(Exact Name of Registrant as Specified in Its Charter)

North Carolina
(State or Other Jurisdiction of
Incorporation or Organization)

13-1584302
(I.R.S. Employer
Identification Number)

**700 Anderson Hill Road
Purchase, New York 10577**
(Address of Principal Executive Offices)

**PBG 2004 Long Term Incentive Plan
PBG 2002 Long Term Incentive Plan
PBG Long Term Incentive Plan
The Pepsi Bottling Group, Inc. 1999 Long Term Incentive Plan
PBG Directors' Stock Plan
PBG Stock Incentive Plan
PepsiAmericas, Inc. 2000 Stock Incentive Plan**
(Full Title of the Plan)

Thomas H. Tamoney, Jr.
**Senior Vice President, Deputy General
Counsel and Assistant Secretary**
**700 Anderson Hill Road
Purchase, New York 10577
(914) 253-2000**
(Name, Address, and Telephone Number, Including Area Code, of Agent For Service)

With a copy to:

Jean M. McLoughlin
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
(212) 450-4000

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Amount to be Registered (1) | Proposed Maximum Offering Price Per Share | Proposed Maximum Aggregate Offering Price | Amount of Registration Fee |
|--|-----------------------------|---|---|----------------------------|
| Common Stock, par value 1 2/3 cents per share, to be issued under the PBG 2004 Long Term Incentive Plan (2) | 9,963,959 shares (2) | \$43.58 (3) | \$434,209,141.38 (3) | \$30,959.19 (3) |
| Common Stock, par value 1 2/3 cents per share, to be issued under the PBG 2004 Long Term Incentive Plan (4) | 2,695,208 shares (4) | \$62.09 (5) | \$167,345,464.72 (5) | \$11,931.74 (5) |
| Common Stock, par value 1 2/3 cents per share, to be issued under the PBG 2002 Long Term Incentive Plan (2) | 2,155,947 shares (2) | \$44.43 (3) | \$95,785,297.99 (3) | \$6,829.52 (3) |
| Common Stock, par value 1 2/3 cents per share, to be issued under the PBG Long Term Incentive Plan (2) | 889,362 shares (2) | \$38.52 (3) | \$34,256,618.00 (3) | \$2,442.53 (3) |
| Common Stock, par value 1 2/3 cents per share, to be issued under the The Pepsi Bottling Group, Inc. 1999 Long Term Incentive Plan (2) | 230,224 shares (2) | \$20.46 (3) | \$4,709,437.79 (3) | \$335.80 (3) |
| Common Stock, par value 1 2/3 cents per share, to be issued under the PBG Directors' Stock Plan (2) | 96,739 shares (2) | \$47.60 (3) | \$4,605,209.79 (3) | \$328.38 (3) |
| Common Stock, par value 1 2/3 cents per share, to be issued under the PBG Stock Incentive Plan (2) | 169,849 shares (2) | \$37.25 (3) | \$6,327,332.50 (3) | \$451.20 (3) |
| Common Stock, par value 1 2/3 cents per share, to be issued under the PepsiAmericas, Inc. 2000 Stock Incentive Plan (2) | 338,959 shares (2) | \$31.34 (3) | \$10,623,130.67 (3) | \$757.48 (3) |
| Total Shares | 16,540,247 shares | | | \$54,035.84 |

- (1) In addition to the shares set forth in the table, pursuant to Rule 416(a) under the Securities Act of 1933, as amended ("Securities Act"), the number of shares registered includes an indeterminable number of common shares issuable under the plan, as this amount may be adjusted as a result of share splits, share dividends and antidilution provisions.
- (2) Represents shares issuable pursuant to outstanding options under the respective incentive plans.
- (3) Estimated solely for the purpose of calculating the registration fee and, pursuant to Rules 457(h) under the Securities Act, based upon the weighted average exercise price of outstanding options.
- (4) Represents shares issuable pursuant to outstanding restricted stock units under the PBG 2004 Long Term Incentive Plan.
- (5) Estimated solely for the purpose of calculating the registration fee and, pursuant to Rules 457(c) and 457(h) under the Securities Act, based upon the average of the high and low sales price of the Common Stock of PepsiCo, Inc. as reported on the New York Stock Exchange on February 23, 2010.

EXPLANATORY NOTE

This Registration Statement has been filed to register 12,659,167 shares of common stock, par value 1 ²/₃ cents per share (“Common Shares”), to be offered pursuant to the PBG 2004 Long Term Incentive Plan, 2,155,947 Common Shares to be offered pursuant to the PBG 2002 Long Term Incentive Plan, 889,362 Common Shares to be offered pursuant to the PBG Long Term Incentive Plan, 230,224 Common Shares to be offered pursuant to the The Pepsi Bottling Group, Inc. 1999 Long Term Incentive Plan, 96,739 Common Shares to be offered pursuant to the PBG Directors’ Stock Plan, 169,849 Common Shares to be offered pursuant to the PBG Stock Incentive Plan (together with all the aforementioned incentive plans of The Pepsi Bottling Group, Inc., the “PBG Plans”) and 338,959 Common Shares to be offered pursuant to the PepsiAmericas, Inc. 2000 Stock Incentive Plan (the “PAS Plan”).

Pursuant to the Agreement and Plan of Merger, dated as of August 3, 2009, among The Pepsi Bottling Group, Inc., PepsiCo, Inc. and Pepsi-Cola Metropolitan Bottling Company, Inc., all outstanding equity-based awards under the PBG Plans shall be converted to analogous awards with respect to Common Shares on the date at which the merger contemplated thereunder becomes effective. Similarly, pursuant to the Agreement and Plan of Merger, dated as of August 3, 2009, among PepsiAmericas, Inc., PepsiCo, Inc. and Pepsi-Cola Metropolitan Bottling Company, Inc., all outstanding equity-based awards under the PAS Plan shall be converted to analogous awards with respect to Common Shares on the date at which the merger contemplated thereunder becomes effective.

PART I INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Information required by Part I to be contained in the Section 10(a) prospectus is omitted from this Registration Statement in accordance with Rule 428 under the Securities Act of 1933, as amended (the “Securities Act”), and the Note to Part I of Form S-8. The documents containing the information specified in Part I will be delivered to the participants in the PBG Plans and PAS Plan as required by Rule 428(b)(1).

PART II INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents that have been filed with the Securities and Exchange Commission (the “Commission”) by the Registrant pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are incorporated herein by reference (Commission File No. 1-1183):

(a) The Registrant’s Annual Report on Form 10-K for the fiscal year ended December 26, 2009;

(b) All reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since December 26, 2009;

(c) The descriptions of the Registrant’s Common Stock contained in our most recent Registration Statement on Form 8-A, pursuant to Section 12(b) of the Exchange Act, including any amendment thereto or report filed by the Registrant for the purpose of updating such description.

All documents filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement and to be a part hereof from the respective dates of filing of such documents (such documents, and the documents enumerated above, being hereinafter referred to as “Incorporated Documents”).

Any statement contained in an Incorporated Document shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed Incorporated Document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

ITEM 4. DESCRIPTION OF SECURITIES

The Registrant's Common Stock to be offered is registered under Section 12(b) of the Exchange Act.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

Certain legal matters in connection with the Common Stock offered hereby will be passed upon for the Registrant by Thomas H. Tamoney, Jr., Senior Vice President, Deputy General Counsel and Assistant Secretary. Mr. Tamoney owns shares of the Registrant's Common Stock and holds options to purchase shares of the Registrant's Common Stock.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

(i) Sections 55-8-50 through 55-8-58 of the North Carolina Business Corporation Act contain specific provisions relating to indemnification of directors and officers of North Carolina corporations. In general, the statute provides that (a) a corporation must indemnify a director or officer who is wholly successful in his defense of a proceeding to which he is a party because of his status as such, unless limited by the articles of incorporation, and (b) a corporation may indemnify a director or officer if he is not wholly successful in such defense, if it is determined as provided in the statute that the director or officer meets a certain standard of conduct, provided when a director or officer is liable to the corporation or liable on the basis of receiving a personal benefit, the corporation may not indemnify him. The statute also permits a director or officer of a corporation who is a party to a proceeding to apply to the courts for indemnification, unless the articles of incorporation provide otherwise, and the court may order indemnification under certain circumstances set forth in the statute. The statute further provides that a corporation may in its articles of incorporation or bylaws or by contract or resolution provide indemnification in addition to that provided by the statute, subject to certain conditions set forth in the statute.

(ii) Section 3.7 of Article III of the By-Laws of PepsiCo, Inc. provides in part as follows: Unless the Board of Directors shall determine otherwise, the Corporation shall indemnify, to the full extent permitted by law, any person who was or is, or who is threatened to be made, a party to an action, suit or proceeding (and any appeal therein), whether civil, criminal, administrative, investigative or arbitrative by reason of the fact that he, his testator or intestate, is or was a director, officer or employee of the Corporation, or is or was serving at the request of the Corporation as a director, officer or employee of another enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding. Such indemnification may, in the discretion of the Board, include advances of a director's, officer's or employee's expenses prior to final disposition of such action, suit or proceeding. The right of indemnification provided for in this Section 3.7 shall not exclude any rights to which such persons may otherwise be entitled by contract or as a matter of law.

(iii) Officers and directors of PepsiCo, Inc. are presently covered by insurance, which (with certain exceptions and within certain limitations) indemnifies them against any losses arising from any alleged wrongful act including any alleged error or misstatement or misleading statement or wrongful act or omission or neglect of duty.

(iv) PepsiCo, Inc. has entered into indemnification agreements with its directors whereby (with certain exceptions) PepsiCo, Inc. will, in general, indemnify directors, to the extent permitted by law, against liabilities, costs or expenses arising out of his or her status as a director by reason of anything done or not done as a director.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED

Not applicable.

ITEM 8. EXHIBITS

The following instruments and documents are included as Exhibits to this Registration Statement.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 4.1 | Amended and Restated Articles of Incorporation of PepsiCo, Inc. (incorporated by reference to Exhibit 4.1 to PepsiCo, Inc.'s Registration Statement on Form S-8 as filed on August 3, 2001, File No. 333-66632).* |
| 4.2 | By-Laws of PepsiCo, Inc., as amended on February 5, 2010 (incorporated by reference to Exhibit 3.2 to PepsiCo, Inc.'s Form 8-K as filed on February 5, 2010, File No. 001-01183).* |
| 5.1 | Opinion of Thomas H. Tamoney, Jr., Senior Vice President, Deputy General Counsel and Assistant Secretary of PepsiCo, Inc. as to the validity of the securities being issued. |
| 23.1 | Consent of KPMG LLP. |
| 23.2 | Consent of Thomas H. Tamoney, Jr., Senior Vice President, Deputy General Counsel and Assistant Secretary of PepsiCo, Inc. (included in opinion filed as Exhibit 5.1). |
| 24 | Powers of Attorney (incorporated by reference to Exhibit 24 to PepsiCo, Inc.'s annual report on Form 10-K as filed on February 22, 2010, File No. 001-01183).* |
| 99.1 | PBG 2004 Long Term Incentive Plan. |
| 99.2 | PBG 2002 Long Term Incentive Plan. |
| 99.3 | PBG Long Term Incentive Plan. |
| 99.4 | The Pepsi Bottling Group, Inc. 1999 Long Term Incentive Plan. |
| 99.5 | PBG Directors' Stock Plan. |
| 99.6 | PBG Stock Incentive Plan. |
| 99.7 | Amendments to PBG 2002 Long Term Incentive Plan, PBG Long Term Incentive Plan, The Pepsi Bottling Group, Inc. 1999 Long Term Incentive Plan and PBG Stock Incentive Plan (effective February 8, 2007). |
| 99.8 | Amendments to PBG 2004 Long Term Incentive Plan, PBG 2002 Long Term Incentive Plan, PBG Long Term Incentive Plan, The Pepsi Bottling Group, Inc. 1999 Long Term Incentive Plan, PBG Directors' Stock Plan and PBG Stock Incentive Plan (effective February 19, 2010). |
| 99.9 | PepsiAmericas, Inc. 2000 Stock Incentive Plan (including Amendments No. 1, No. 2 and No. 3 thereto). |
| 99.10 | Amendment No. 4 to PepsiAmericas, Inc. 2000 Stock Incentive Plan (effective February 18, 2010). |

* Incorporated by reference

ITEM 9. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and

(iii) To include any material information with respect to the PBG Plans and the PAS Plan not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of securities the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that, in the opinion of the Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel, the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

The Registrant. Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Purchase and State of New York, on the 26th day of February, 2010.

PepsiCo, Inc.

By: /s/ Indra K. Nooyi

Name: Indra K. Nooyi

Title: Chairman of the Board of
Directors and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

| <u>SIGNATURE</u> | <u>TITLE</u> | <u>DATE</u> |
|---|--|-------------------|
| <u>/s/ Indra K. Nooyi</u> Indra K. Nooyi | Chairman of the Board of Directors and Chief Executive Officer | February 26, 2010 |
| <u>/s/ Richard Goodman</u> Richard Goodman | Chief Financial Officer | February 26, 2010 |
| <u>/s/ Peter A. Bridgman</u> Peter A. Bridgman | Senior Vice President and Controller (Principal Accounting Officer) | February 26, 2010 |
| <u>*</u> Shona L. Brown | Director | February 26, 2010 |
| <u>*</u> Ian M. Cook | Director | February 26, 2010 |
| <u>*</u> Dina Dublon | Director | February 26, 2010 |
| <u>*</u> Victor J. Dzau | Director | February 26, 2010 |
| <u>*</u> Ray L. Hunt | Director | February 26, 2010 |
| <u>*</u> Alberto Ibarguen | Director | February 26, 2010 |
| <u>*</u> Arthur C. Martinez | Director | February 26, 2010 |
| <u>*</u> Sharon Percy Rockefeller | Director | February 26, 2010 |

INDEX TO EXHIBITS

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 4.1 | Amended and Restated Articles of Incorporation of PepsiCo, Inc. (incorporated by reference to Exhibit 4.1 to PepsiCo, Inc.'s Registration Statement on Form S-8 as filed on August 3, 2001, File No. 333-66632).* |
| 4.2 | By-Laws of PepsiCo, Inc., as amended on February 5, 2010 (incorporated by reference to Exhibit 3.2 to PepsiCo, Inc.'s Form 8-K as filed on February 5, 2010, File No. 001-01183).* |
| 5.1 | Opinion of Thomas H. Tamoney, Jr., Senior Vice President, Deputy General Counsel and Assistant Secretary of PepsiCo, Inc. as to the validity of the securities being issued. |
| 23.1 | Consent of KPMG LLP. |
| 23.2 | Consent of Thomas H. Tamoney, Jr., Senior Vice President, Deputy General Counsel and Assistant Secretary of PepsiCo, Inc. (included in opinion filed as Exhibit 5.1). |
| 24 | Powers of Attorney (incorporated by reference to Exhibit 24 to PepsiCo, Inc.'s annual report on Form 10-K as filed on February 22, 2010, File No. 001-01183).* |
| 99.1 | PBG 2004 Long Term Incentive Plan. |
| 99.2 | PBG 2002 Long Term Incentive Plan. |
| 99.3 | PBG Long Term Incentive Plan. |
| 99.4 | The Pepsi Bottling Group, Inc. 1999 Long Term Incentive Plan. |
| 99.5 | PBG Directors' Stock Plan. |
| 99.6 | PBG Stock Incentive Plan. |
| 99.7 | Amendments to PBG 2002 Long Term Incentive Plan, PBG Long Term Incentive Plan, The Pepsi Bottling Group, Inc. 1999 Long Term Incentive Plan and PBG Stock Incentive Plan (effective February 8, 2007). |
| 99.8 | Amendments to PBG 2004 Long Term Incentive Plan, PBG 2002 Long Term Incentive Plan, PBG Long Term Incentive Plan, The Pepsi Bottling Group, Inc. 1999 Long Term Incentive Plan, PBG Directors' Stock Plan and PBG Stock Incentive Plan (effective February 19, 2010). |
| 99.9 | PepsiAmericas, Inc. 2000 Stock Incentive Plan (including Amendments No. 1, No. 2 and No. 3 thereto). |
| 99.10 | Amendment No. 4 to PepsiAmericas, Inc. 2000 Stock Incentive Plan (effective February 18, 2010). |

* Incorporated by reference

[PepsiCo, Inc. Letterhead]

February 26, 2010

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

Dear Ladies and Gentlemen:

I have acted as counsel to PepsiCo, Inc., a North Carolina corporation (the "Company"), in connection with the registration statement on Form S-8 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Act"), of 16,540,247 shares of the Company's Common Stock (the "Shares"), to be issued in accordance with the terms of the PBG 2004 Long Term Incentive Plan, the PBG 2002 Long Term Incentive Plan, the PBG Long Term Incentive Plan, the The Pepsi Bottling Group, Inc. 1999 Long Term Incentive Plan, the PBG Directors' Stock Plan, the PBG Stock Incentive Plan (together with all the aforementioned incentive plans of The Pepsi Bottling Group, Inc., the "PBG Plans") and the PepsiAmericas, Inc. 2000 Stock Incentive Plan (the "PAS Plan").

I have reviewed such corporate records, documents and questions of law and fact I have considered necessary or appropriate for the purposes of this opinion.

Based on such review, I am of the opinion that the Shares registered pursuant to the Registration Statement to which this opinion is an exhibit, when issued in accordance with the terms of the PBG Plans and the PAS Plan, will be validly issued, fully paid and nonassessable.

I consent to the filing of this opinion letter as an exhibit to the Registration Statement. In giving such consent, I do not admit that I am within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations promulgated thereunder.

This opinion letter is rendered as of the date above and I disclaim any obligation to advise you of facts, circumstances, events or developments which may alter, affect or modify the opinion expressed herein.

Very truly yours,

/s/ Thomas H. Tamoney, Jr.

Thomas H. Tamoney, Jr.
Senior Vice President, Deputy General
Counsel and Assistant Secretary

Consent of Independent Registered Public Accounting Firm

Board of Directors
PepsiCo, Inc.:

We consent to incorporation by reference in the Registration Statement on Form S-8 of PepsiCo, Inc. and Subsidiaries ("PepsiCo, Inc.") of our audit report dated February 22, 2010, with respect to the Consolidated Balance Sheet of PepsiCo, Inc. as of December 26, 2009 and December 27, 2008 and the related Consolidated Statements of Income, Cash Flows and Equity for each of the fiscal years in the three-year period ended December 26, 2009, and the effectiveness of internal control over financial reporting as of December 26, 2009, which report appears in the December 26, 2009 annual report on Form 10-K of PepsiCo, Inc.

Our report dated February 22, 2010 refers to a change in the methods of accounting for business combinations and for noncontrolling interests in 2009.

/s/ KPMG LLP
New York, New York
February 26, 2010

**PBG 2004 Long-Term Incentive Plan
As Amended and Restated
Effective January 1, 2009**

1. Purpose.

The purposes of the PBG 2004 Long Term Incentive Plan (the "Plan") are: (a) to provide long-term incentives to those persons with significant responsibility for the success and growth of The Pepsi Bottling Group, Inc. ("PBG") and its subsidiaries, divisions and affiliated businesses (collectively, the "Company"); (b) to assist the Company in attracting, retaining and motivating a diverse group of employees on a competitive basis; (c) to ensure a pay for performance linkage for such employees; and (d) to associate the interests of such employees with those of PBG shareholders.

2. Administration of the Plan.

- (a) The Plan shall be administered by the Compensation and Management Development Committee of the Board of Directors of PBG (the "Committee"). The Committee shall be appointed by the Board of Directors of PBG (the "Board") and shall consist entirely of members of the Board who qualify as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), as "Non-Employee Directors" within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934 as amended (the "Act") and as "independent" for purposes of any rules and regulations of a stock exchange on which PBG's Common Stock is traded. The foregoing notwithstanding, no act of the Committee shall be void or deemed to be without authority because a member fails to meet the qualification requirements of this Section.
- (b) The Committee shall have all powers vested in it by the terms of the Plan, such powers to include the authority (within the limitations described herein):
- to select the individuals to be granted awards under the Plan;
 - to determine the type, size and terms of awards to be granted to each individual selected;
 - to determine the guidelines and procedures for the payment or exercise of awards;
 - to determine the time when awards will be granted and any conditions which must be satisfied by employees before an award is granted;
 - to establish objectives and conditions for earning awards that are otherwise applicable to awards;
 - to determine whether such objectives and conditions have been met and whether awards will be paid at the end of the award period or at the time the award is exercised (whichever applies);
 - to determine whether payment of an award will be deferred (subject to Section 6 below);
 - to determine whether payment of an award should be reduced or eliminated; and
 - to determine whether any such award should qualify, regardless of its amount, as deductible in its entirety for federal income tax purposes, including whether any award is intended to comply with the performance-based exception under Section 162(m) of the Code in the case of an award to a "Covered Executive," *i.e.*, an employee who is a "named executive officer" (within the meaning of Item 402(a)(3) of Regulation S-K) or an individual who is expected to be a named executive officer and an employee at the time the Company is entitled to a tax deduction related to such award (but excluding any such named executive officer who is not considered a Covered Executive under guidance published by the Internal Revenue Service).
- (c) The Committee shall have full power and authority to administer and interpret the Plan and to adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Committee deems necessary or advisable. The Committee's interpretations of the Plan, and all actions taken and determinations made by the Committee pursuant to the powers vested in it hereunder shall be conclusive and binding on all parties concerned, including the Company, PBG shareholders and any person receiving an award under the Plan.

- (d) To the extent not prohibited by law and not inconsistent with the requirements of Section 162(m) of the Code, Rule 16b-3 of the Act or applicable stock exchange rules, the Committee may delegate its authority hereunder (including to a member of the Committee or an officer of PBG) and may designate employees of the Company to execute documents on behalf of the Committee or to otherwise assist the Committee in the administration and operation of the Plan. Specifically, and not by way of limitation, the Committee hereby delegates to the Senior Vice President of Human Resources of the Company the authority to adopt all appropriate provisions relating to compliance with Section 409A of the Code, which provisions shall be set out in one or more separate documents (collectively, the “Rules”).

3. Eligibility.

Subject to the provisions of the Plan, the Committee may, from time to time, designate any of the following individuals as eligible to receive an award available under the Plan: (i) officer, (ii) employee, or (iii) key consultant or advisor of the Company, other than a non-employee director, who provides bona fide services to the Company not in connection with the offer or sale of securities in a capital-raising transaction, in each case subject to limitations provided by the Code or the Act as determined by the Committee; and the Committee shall determine the nature and amount of each award.

In addition, in order to foster and promote achievement of the purposes of the Plan or to comply with provisions of laws in other countries in which the Company operates or has employees, the Committee, in its sole discretion, shall have the power and authority to: (i) determine which eligible individuals (if any) performing services for the Company outside the United States are eligible to participate in the Plan, (ii) modify the terms, conditions and types of any awards made to such eligible individuals, and (iii) establish subplans, modified stock option exercise procedures and other award terms and procedures to the extent such actions may be necessary or advisable. The preceding sentence shall apply notwithstanding any provision of the Plan to the contrary, except that in the case of a Post-409A Award (as defined in Section 11(a) below) for a United States taxpayer, it shall not override a provision of the Plan to the extent necessary to comply with Section 409A of the Code.

4. Awards.

- (a) *Types.* Awards under the Plan include stock options (incentive stock options and non-qualified stock options), stock appreciation rights, restricted shares, restricted share units, performance shares, performance units and share awards.
- (i) *Stock Options.* Stock options are rights to purchase shares of PBG Common Stock (“Common Stock”) at a fixed price for a specified period of time. Stock options may consist of incentive stock options satisfying the requirements of Section 422 of the Code (“ISOs”) and designated by the Committee as ISOs and non-qualified stock options that do not satisfy the aforementioned requirements. The purchase price per share of Common Stock covered by a stock option awarded pursuant to this Plan (the “Exercise Price” as defined for stock options), including any ISOs, shall be equal to or greater than the “Fair Market Value” of a share of Common Stock on the date the stock option is awarded unless the stock option was granted through the assumption of, or in substitution for, outstanding awards previously granted to individuals who became employees of the Company as a result of merger, consolidation, acquisition or other corporate transaction involving the Company, in which case, provided it does not cause the stock option to be subject to Section 409A of the Code, an Exercise Price may be used that reasonably preserves the value of the previously granted award. “Fair Market Value” means an amount equal to the average of the high and low sales prices for Common Stock as reported on the composite tape for securities listed on the New York Stock Exchange, Inc. (the “Exchange”) on the date in question (or, if no sales of Common Stock were made on such Exchange on such date, on the immediately preceding day on which sales were made on such Exchange), except that such average price shall be rounded up to the nearest one cent solely for purposes of determining the Exercise Price of stock options and stock appreciation rights (“SARs” which are more fully described below in paragraph (ii) hereof). The Exercise Price per share may be payable, in whole or in part, in cash or in shares of Common Stock held by the option holder, including previously acquired shares and shares issuable or deliverable in connection with an award (with any such Common Stock valued at its Fair Market Value on the date of exercise), provided that no Common Stock may be used to pay the Exercise Price if and to the extent that additional accounting expense would result to the Company under then applicable accounting rules.

Stock options that are Post-409A Awards may be granted only to individuals who provide direct services on the date of grant of the stock option to PBG or another entity in a chain of entities in which PBG or another such entity has a controlling interest within the meaning of Treasury Regulation §1.409A-1(b)(5)(iii)(E) in each entity in the chain.

Stock options may be granted alone or in tandem with other awards, including SARs. With respect to stock options granted in tandem with SARs, the exercise of either such stock options or SARs will result in the simultaneous cancellation of the same number of stock options or tandem SARs, as the case may be.

Except for adjustments made pursuant to Section 7, the Exercise Price for any outstanding stock option granted under the Plan may not be decreased after the date of grant nor may any outstanding stock option granted under the Plan be surrendered to the Company as consideration for the grant of a new stock option with a lower Exercise Price without the approval of PBG's shareholders.

Except in the case of grants in connection with: (1) the recruitment of new employees, including employees transferring from an allied organization (within the meaning of Section 4(c)(i) or (ii) below), (2) special recognition awards (3) awards granted in connection with business turnaround plans, and (4) the assumption of, or substitution for, outstanding awards previously granted to individuals who become employees of the Company as a result of merger, consolidation, acquisition or other corporate transaction, stock options shall vest over a period of three years from the grant date and no options shall have a vesting period of less than one year. However, without regard to the vesting period assigned, the vesting of stock options may be accelerated in connection with a change in control and certain transfers, or in connection with a participant's death, disability, retirement or involuntary termination of employment, in each case as determined by the Committee. The term of options shall be determined by the Committee in its sole discretion at the time of grant, but in no event shall the term exceed ten years from the date of grant.

ISOs may only be granted to employees of PBG, its subsidiaries and divisions and may only be granted to an employee who, at the time the option is granted, does not own stock possessing more than 10% of the total combined voting power of all classes of stock of PBG. The aggregate Fair Market Value (determined at the time of grant) of all shares with respect to which ISOs are exercisable by a participant for the first time during any year shall not exceed \$100,000. Any option that is intended to be an ISO but which does not qualify as such shall remain outstanding and constitute a non-qualified stock option. In determining the shares available for issuance as ISOs under Section 5, adjustment under Section 5(a) shall not apply to the extent not permitted under Section 422 of the Code and regulations promulgated thereunder.

- (ii) *Stock Appreciation Rights.* SARs are rights to receive the amount by which the Fair Market Value of a share of Common Stock on the date the SAR is exercised exceeds the purchase price of the SAR (the "Exercise Price" as defined for SARs), which shall be equal to or greater than the Fair Market Value of a share of Common Stock on the grant date, unless the SAR was granted through the assumption of, or in substitution for, outstanding awards previously granted to individuals who became employees of the Company as a result of merger, consolidation, acquisition or other corporate transaction involving the Company, in which case, provided it does not cause the SAR to be subject to Section 409A of the Code, an Exercise Price may be used that reasonably preserves the value of the previously granted award. Such difference may be paid in cash, shares of Common Stock or both, or by any other method as determined by the Committee in its sole discretion.

Except in the case of grants in connection with: (1) the recruitment of new employees, including employees transferring from an allied organization (within the meaning of Section 4(c)(i) or (ii) below), (2) special recognition awards, (3) awards granted in connection with business turnaround plans, and (4) the assumption of, or substitution for, outstanding awards previously granted to individuals who become employees of the Company as a result of merger, consolidation, acquisition or other corporate transaction, SARs shall vest over a period of three years from the grant date and no SARs shall have a vesting period of less than one year from the grant date. However, without regard to the vesting period assigned, the vesting of SARs may be accelerated in connection with a change in control and certain transfers, or in connection with a participant's death, disability, retirement or involuntary termination of employment, in each case as determined by the Committee. The term of an SAR shall be determined by the Committee in its sole discretion at the time of grant, but in no event shall the term exceed ten years from the date of grant.

SARs that are Post-409A Awards may be granted only to individuals who provide direct services on the date of grant of the SAR to PBG or another entity in a chain of entities in which PBG or another such entity has a controlling interest within the meaning of Treasury Regulation §1.409A-1(b)(5)(iii)(E) in each entity in the chain. SARs may be granted alone or in tandem with stock options. The grant of SARs related to ISOs must be concurrent with the grant of the ISOs. The grant of SARs related to non-qualified stock options may be concurrent with the grant of the non-qualified stock options or in connection with such non-qualified stock options, previously granted under Section 4(a)(i), that are unexercised and have not terminated or lapsed. With respect to SARs granted in tandem with stock options, the exercise of either such stock options or such SARs will result in the simultaneous cancellation of the same number of tandem stock options or SARs, as the case may be.

- (iii) *Restricted Shares/Restricted Share Units.* Restricted shares are shares of Common Stock that may not be traded or sold until the date that the restrictions on transferability imposed by the Committee with respect to such shares have lapsed (the "Restriction Period"). Restricted share units are the right to receive an amount equal to the value of a specified number of shares of Common Stock. Awards of restricted shares or restricted share units may be made either alone or in addition to or in tandem with other awards granted under the Plan, and they may be awarded as additional compensation for services rendered by the eligible individual or in lieu of cash or other compensation to which the eligible individual is entitled from the Company.

The Committee shall impose such terms, conditions and/or restrictions on any restricted share awards or restricted share units granted pursuant to the Plan as it may deem advisable including, without limitation: (1) a requirement that participants pay a stipulated price for each restricted share or each restricted share unit, (2) restrictions based upon the achievement of specific performance goals (Company-wide, divisional, related to other business units, and/or individual), (3) time-based restrictions on vesting, including the time during which the award is subject to a risk of forfeiture, and (4) restrictions under applicable Federal or state securities laws.

Except in the case of performance-based awards and awards made in connection with: (1) the recruitment of new employees, including employees transferring from an allied organization (within the meaning of Section 4(c)(i) or (ii) below), (2) special recognition awards, (3) awards granted in connection with business turnaround plans, and (4) the assumption of, or substitution for, outstanding awards previously granted to individuals who become employees of the Company as a result of merger, consolidation, acquisition or other corporate transaction, all restricted share and restricted share unit awards shall be subject to a time-based vesting restriction of at least three years from the date of grant. However, without regard to the time-based vesting restriction assigned, the vesting of restricted share and restricted share unit awards may be accelerated in connection with a change in control and certain transfers (to the extent permitted in Section 4(c) below) or in connection with a participant's death, disability, retirement, retirement eligibility or involuntary termination of employment, in each case as determined by the Committee. To the extent the restricted shares or restricted share units granted to a Covered Executive are intended to be deductible under Section 162(m) of the Code, the applicable restrictions shall be based on the achievement of performance goals over a performance period, as described in Section 4(a)(iv).

Restricted share units that become payable in accordance with their terms and conditions shall be settled in cash, shares of Common Stock, or a combination of cash and shares of Common Stock, as determined by the Committee. To the extent that the vesting of a restricted share unit is tied to (1) the completion of a specified period of service, (2) death, (3) disability, or (4) retirement, the payment date for the restricted share unit shall be the day when vesting occurs, except to the extent the agreement specifies a different payment date for such vesting event or as otherwise provided below. Accordingly, if more than one such vesting event applies with respect to the restricted share unit, the earliest occurring vesting event shall govern (but if two or more vesting dates occur on the same date, the vesting event enumerated first in the prior sentence shall govern). Notwithstanding any contrary terms in an agreement evidencing a restricted shares unit, if the specified period of service that is required to vest is changed after it is initially established, the change shall not be taken into account for purposes of determining the payment date for the restricted share unit, unless the change extends the vesting period and such extension is eligible for the special rule for certain transaction-based compensation in Treasury Regulation 1.409A-3(i)(5)(iv) or unless the restricted share unit is exempt from Section 409A of the Code and the change accelerates the vesting period.

Notwithstanding any contrary terms in this Plan or in an agreement evidencing a restricted share unit, if a restricted share unit is a Post-409A Award and is part of an award of restricted share units that includes one or more restricted share units that is required to comply with Section 409A of the Code, then all restricted share units in such award shall be subject to the provisions of the Rules.

During any Restriction Period, restricted shares may not be sold, assigned, transferred or otherwise disposed of, or mortgaged, pledged or otherwise encumbered. In order to enforce the limitations imposed upon the restricted shares, the Committee may (1) cause a legend or legends to be placed on any certificates relating to such restricted shares, and/or (2) issue “stop transfer” instructions, as it deems necessary or appropriate.

Unless otherwise determined by the Committee, during any Restriction Period, participants who hold restricted shares shall have the right to receive dividends, in cash or property, as well as other distributions or rights in respect of such shares, shall have the right to vote such shares as the record owner thereof, and participants who hold restricted share units shall have the right to receive dividend equivalents. Unless otherwise determined by the Committee, any dividends, distributions or rights, or dividend equivalents payable to a participant during the Restriction Period shall be distributed to the participant only if and when the restrictions imposed on the applicable restricted shares or restricted share units lapse (and in the case of dividend equivalents on restricted share units, in accordance with the time of payment rules that are applicable to the related restricted share units).

Each certificate issued for restricted shares shall be registered in the name of the participant and deposited with the Company or its designee. At the end of the Restriction Period, a certificate representing the number of shares to which the participant is then entitled shall be delivered to the participant free and clear of the restrictions (or the participant’s unrestricted ownership shall be otherwise reflected). No certificate shall be issued with respect to a restricted share unit unless and until such unit is paid in shares of Common Stock.

- (iv) *Performance Awards.* Performance awards are performance shares or performance units. Each performance share shall have an initial value equal to the Fair Market Value of a share of Common Stock on the date of grant. Each performance unit shall have an initial value that is established by the Committee at the time of grant. Performance awards may be granted either alone or in addition to other awards made under the Plan.

Unless otherwise determined by the Committee, performance awards shall be conditioned on the achievement of performance goals (which shall be based on one or more performance measures, as determined by the Committee) over a performance period established by the Committee, provided that no performance period shall be less than one year.

The performance measure(s) to be used for purposes of performance awards (and for restricted shares and restricted share units, as provided in Section 4(a)(iii)) may be described in terms of objectives that are related to the individual participant or objectives that are Company-wide or related to one or more subsidiaries, divisions, departments, regions, functions or business units of the Company to which the contributions of the participant are relevant, and may consist of one or more or any combination of the following criteria: stock price, market share, sales revenue, sales volume, cash flow, earnings per share, return on equity, return on assets, return on sales, return on invested capital, economic value added, net earnings, total shareholder return, gross margin, profit (before or after-taxes), net income, operating income, EBITDA (earnings before interest, taxes, depreciation and amortization) and/or costs. The performance goals based on these performance measures may be made relative to the performance of other corporations or a published index. The Committee can establish other performance measures for performance awards granted to participants who are not Covered Executives and, with respect to such participants, shall have the sole discretion to adjust the determination of the degree of attainment of the pre-established performance goals.

Notwithstanding the achievement of any performance goal established under this Plan, the Committee has the discretion, on a participant by participant basis, to reduce some or all of a performance award that would otherwise be paid.

At, or at any time after, the time an award is granted, and in the case of Covered Executives to the extent permitted under Section 162(m) of the Code and the regulations thereunder without adversely affecting the treatment of the award under the performance-based exception, the Committee may provide for the manner in which performance will be measured against the performance goals (or may adjust the performance goals) to reflect the impact of unusual or nonrecurring events affecting the Company, or its financial statements or changes in applicable laws, regulations or accounting principles.

With respect to any award that is intended to satisfy the conditions for the performance-based exception under Section 162(m) of the Code: (1) the Committee shall interpret the Plan and this Section 4 in light of Section 162(m) of the Code and the regulations thereunder; (2) the Committee shall have no discretion to amend the award in any way that would adversely affect the treatment of the award under Section 162(m) of the Code and the regulations thereunder; and (3) such award shall not be paid until the Committee shall first have certified that the performance goals have been achieved.

If applicable tax and/or securities laws change to permit Committee discretion to alter the governing performance measures without obtaining shareholder approval of such changes, the Committee shall have the sole discretion to make such changes without first obtaining shareholder approval.

- (v) *Share Awards.* Share awards are grants of shares of Common Stock. The Committee may grant a share award to any eligible individual on such terms and conditions as the Committee may determine in its sole discretion. Share awards may be made only in lieu of cash or other compensation to which the eligible individual is entitled from the Company except as to limited awards to non-executive employees or key consultants made in connection with special recognition programs.
- (b) *Maximum Awards.* An eligible individual may be granted multiple awards under the Plan, but no one employee may be granted awards which would result in his or her receiving in the aggregate, during a single calendar year, more than 2 million shares of Common Stock. Solely for the purposes of

determining whether this maximum is met, an SAR, restricted share unit, or performance share shall be treated as entitling the holder thereof to one share of Common Stock, and an award of performance units shall be treated as entitling the holder to the number of shares of Common Stock that is determined by dividing the dollar value of the award by the Fair Market Value of a share of Common Stock on the date the performance units were awarded.

(c) *Employment by the Company.*

(i) To the extent the vesting, exercise, or term of any stock option, SAR and/or restricted share is conditioned on employment by the Company, an award recipient whose Company employment terminates through a Company-approved transfer to an allied organization: (1) shall, at the time of such termination, vest in and (where applicable) be entitled to exercise immediately prior to the transfer any stock option, SAR or restricted share that is not conditioned on the achievement of a performance goal; (2) shall have employment with the allied organization treated as employment by the Company in determining any applicable term of such award and period for exercise (as well as any right to, or right to exercise, the award upon achievement of a performance goal); and (3) shall have the allied organization considered part of the Company for purposes of applying the misconduct provisions of Section 8. The Chief Personnel Officer shall specify the entities that are considered allied organizations as of any time. This Section 4(c)(i) applies to awards that are not required to comply with Section 409A of the Code.

(ii) To the extent the vesting, exercise, or term of any restricted share unit, performance share and/or performance unit is conditioned on employment by the Company, an award recipient whose Company employment is transferred to an allied organization through a Company-approved transfer to the allied organization: (1) shall, at the time of such transfer, vest in any restricted share unit that is not conditioned on the achievement of a performance goal and, except as provided in the remainder of this Section 4(c)(ii), the date of such vesting shall also be the payment date of the restricted share unit; (2) shall have employment with the allied organization treated as employment by the Company for purposes of any right to the award upon achievement of a performance goal; and (3) shall have the allied organization considered part of the Company for purposes of applying the misconduct provisions of Section 8. For purposes of applying this Section 4(c)(ii) to a restricted share unit, performance share or performance unit that is part of a Post-409A Award that is required to comply with Section 409A of the Code with respect to one or more restricted share units, performance shares or performance units, as applicable, under such award, the provisions set out in the Rules shall apply notwithstanding any contrary terms in this Plan or in an agreement evidencing such an award.

(iii) The Committee may decide, when granting an award, to exclude some or all of the award from the application of this subsection, or to provide the recipient of the grant with less protection in connection with a transfer than would otherwise apply under the foregoing provisions of this subsection.

(d) *Company Buy-Out Right.* At any time after any award becomes exercisable or vested, the Committee shall have the right to elect, in its sole discretion and without the consent of the holder thereof, to cancel such award and to cause PBG to pay to the participant the excess of the Fair Market Value of the shares of Common Stock covered by such award over any Exercise Price or purchase price on the date the Committee provides written notice (the "Buy-Out Notice") of its intention to exercise such right (the "Buy-Out"), provided that in the case of a Post-409A Award, the Fair Market Value used for this purpose shall not exceed the fair market value of the shares of Common Stock covered by such award on the date of cancellation as determined under Treasury Regulation § 1.409A-1(b)(5)(iv). Buy-Outs pursuant to this provision shall be effected by PBG as promptly as possible after the date of the Buy-Out Notice. Payments of Buy-Out amounts shall be made in shares of Common Stock (with cash for any fractional share). The number of shares shall be determined by dividing the amount of the payment to be made by the Fair Market Value of a share of Common Stock on the date of the Buy-Out Notice, provided that in the case of a Post-409A Award, the Fair Market Value used for this purpose shall not exceed the fair market value

of the shares of Common Stock covered by such award on the date of cancellation as determined under Treasury Regulation § 1.409A-1(b)(5)(iv). This Buy-Out provision shall not apply in the case of a “Change in Control” within the meaning of Section 9, in which case the provisions of Section 9 shall apply. This Buy-Out provision also shall not apply in the case of a Post-409A Award that is required to comply with Section 409A of the Code (in whole or in part) unless such application does not result in an acceleration of the payment of the award (for purposes of Section 409A of the Code) or comes within an exception that permits acceleration of the payment of the award as provided in Treasury Regulation § 1.409A-3(j)(4).

5. Shares of Common Stock Subject to the Plan.

The maximum aggregate number of shares of Common Stock available for issuance under the Plan shall be 36 million, determined as provided in this Section and as may be adjusted pursuant to Section 7 hereof. Any of the authorized shares may be used for any of the types of awards described in the Plan, provided, however, that in no event shall the number of restricted shares which become fully vested, shares delivered in settlement of restricted share units and performance awards, and shares granted as share awards (“full-value awards”) exceed 50% of the maximum aggregate number of shares of Common Stock available for issuance under the Plan as may be adjusted pursuant to Section 7 hereof.

- (a) *Shares Remaining.* The following shall apply in determining the number of shares remaining available for grant under this Plan:
- (i) In connection with the granting of a stock option or other award (other than SARs payable only in cash or a performance unit denominated in dollars or property other than Common Stock), the number of shares of Common Stock available for issuance under this Plan shall be reduced by the number of shares in respect of which the stock option or award is granted or denominated; provided, however, that where an SAR or performance unit is settled in shares of Common Stock, the number of shares of Common Stock available for issuance under this Plan shall be reduced only by the number of shares issued in such settlement.
 - (ii) If any stock option is exercised by tendering or having the Company withhold shares of Common Stock to PBG as full or partial payment of the Exercise Price or to satisfy tax withholding obligations, the number of shares available for issuance under this Plan shall be increased by the number of shares so tendered or withheld.
 - (iii) Whenever any outstanding stock option or other award under the Plan (or portion thereof) expires, is cancelled, is settled in cash or is terminated for any reason, the shares allocable to the expired, cancelled, settled or terminated portion of the stock option or award shall remain available for awards under this Plan.
 - (iv) Awards granted through the assumption of, or in substitution for, outstanding awards previously granted to individuals who become employees as a result of a merger, consolidation, acquisition or other corporate transaction involving the Company as a result of an acquisition will not count against the reserve of available shares under this Plan.
- (b) *Shares to be Delivered.* Shares of Common Stock to be delivered by the Company under this Plan shall be determined by the Committee and may consist in whole or in part of authorized but unissued shares, treasury shares or shares acquired on the open market.

6. Deferred Payments.

The Committee may determine that all or a portion of a payment to a participant under the Plan, whether it is to be made in cash, shares of Common Stock or a combination thereof, shall be deferred or may, in its sole discretion, approve deferral elections made by participants. Deferrals shall be for such periods and upon such terms as the Committee may determine in its sole discretion, which terms shall be designed to comply with Section 409A of the Code in the case of Post-409A Awards. The Committee may take such steps as are reasonably necessary to

permit the deferral of taxes in connection with any award deferral. Notwithstanding the foregoing, no stock option or SAR that is a Post-409A Award shall contain a feature for the deferral of compensation within the meaning of Treasury Regulation § 1.409A-1(b)(5)(i)(A)(3) or § 1.409A-1(b)(5)(i)(B)(3), respectively. Awards of restricted shares are intended to be and to remain exempt from Section 409A of the Code pursuant to Treasury Regulation § 1.409A-1(b)(6)(i).

7. Dilution and Other Adjustments.

In the event of (a) any change in the outstanding shares of Common Stock by reason of any stock split, reverse stock split, stock dividend, recapitalization, merger, reorganization, consolidation, combination or exchange of shares, (b) any separation of a corporation (including a spin-off or other distribution of assets of the Company to its shareholders), (c) any partial or complete liquidation, or (d) other similar corporate change, the Committee shall make such equitable adjustments in the Plan and the awards thereunder as, and to the extent (if any), the Committee determines are necessary and appropriate to prevent dilution or enlargement of a participant's rights hereunder, including, if necessary, an adjustment in (i) the maximum number or kind of shares that may be issued under the Plan, (ii) the individual maximum in Section 4(b), (iii) the number and kind of shares and the Exercise Price or purchase price applicable to awards that may be or have been awarded to any participant (including the conversion of shares subject to awards from Common Stock to stock of another entity), and (iv) related terms of awards, including any performance conditions, and to make cash payments in lieu of such adjustments provided that any such cash payment shall be made in a manner that does not cause the recipient of the corresponding award to be subject to the payment of additional tax under Section 409A(a)(1)(B) of the Code. No adjustment to performance conditions is authorized in connection with any awards to a Covered Executive intended to qualify as performance-based under Section 162(m) of the Code if and to the extent that such adjustment would cause the award to fail to so qualify. Such adjustment shall be conclusive and binding for all purposes of the Plan.

8. Misconduct.

Except as otherwise provided in agreements covering Awards hereunder, a participant shall forfeit all rights in his or her outstanding awards under the Plan, and all such outstanding awards shall automatically terminate and lapse, if the Committee determines that such participant has engaged in "Misconduct" as defined below. The Committee may in its sole discretion require the participant to pay to the Company any and all gains realized from any awards granted hereunder that were exercised, vested or paid out within the twelve month period immediately preceding a date on which the participant engaged in such Misconduct, as determined by the Committee.

"Misconduct" means any of the following, as determined by the Committee in good faith: (i) violation of any agreement between the Company and the participant, including but not limited to a violation relating to the disclosure of confidential information or trade secrets, the solicitation of employees, customers, suppliers, licensors or contractors, or the performance of competitive services; (ii) violation of any duty to the Company, including but not limited to violation of the Company's Code of Conduct; (iii) making, or causing or attempting to cause any other person to make, any statement (whether written, oral or electronic), or conveying any information about the Company which is disparaging or which in any way reflects negatively upon the Company, unless required by law or pursuant to a Company policy; (iv) improperly disclosing or otherwise misusing any confidential information regarding the Company; (v) unlawful trading in the securities of PBG or of another company based on information gained as a result of that participant's employment or other relationship with the Company; (vi) engaging in any act which is considered to be contrary to the best interests of the Company, including but not limited to recruiting or soliciting employees of the Company; or (vii) commission of a felony or other serious crime or engaging in any activity which constitutes gross misconduct.

This section shall also apply in the case of a former Company employee (including, without limitation, a retired or disabled employee) who commits Misconduct after his or her employment with the Company terminates.

9. Change in Control.

Upon a "Change in Control" (as defined in subsection (f) below), the following shall occur, unless otherwise provided by the Committee in an agreement:

- (a) *Options.* Effective on the date of such Change in Control, all outstanding and unvested stock options granted under the Plan shall immediately vest and become exercisable, and all stock options then outstanding under the Plan shall remain outstanding in accordance with their terms. In the event that any stock option granted under the Plan becomes unexercisable during its term on or after a Change in Control because: (i) the individual who holds such stock option is involuntarily terminated (other than for cause), or such individual terminates for "Good Reason" as defined in the agreement governing the stock option award or applicable operating guidelines, within two years after the Change in Control; (ii) such stock option is terminated or adversely modified; or (iii) Common Stock is no longer issued and outstanding, or no longer traded on a national securities exchange, then the holder of such stock option shall immediately be entitled to receive equity (e.g. common stock) of the "Acquiring Entity" (as defined below) with a fair market value equal to at least (A) the gain on such stock option or (B) only if greater than the gain and only with respect to non-qualified stock options that are not Post-409A Awards, the Black-Scholes value of such stock option (as determined by a nationally recognized independent investment banker chosen by PBG), in either case calculated on the date such stock option becomes unexercisable. For purposes of the preceding sentence, the gain on a stock option shall be calculated as the difference between the Fair Market Value per share of Common Stock as of the date such stock option becomes unexercisable and the Exercise Price per share of Common Stock covered by the stock option; provided, however, if the shares of Common Stock are not traded on a national exchange on such date, the Fair Market Value on the immediately preceding day on which the shares were traded shall be used (but only to the extent it does not result, in the case of a Post-409A Award, in the payment of more than fair market value as determined under Treasury Regulation § 1.409A-1(b)(5)(iv)).
- (b) *Stock Appreciation Rights.* Effective on the date of such Change in Control, all outstanding and unvested SARs granted under the Plan shall immediately vest and become exercisable, and all SARs then outstanding under the Plan shall remain outstanding in accordance with their terms. In the event that any SAR granted under the Plan becomes unexercisable during its term on or after a Change in Control because: (i) the individual who holds such SAR is involuntarily terminated (other than for cause), or such individual terminates for "Good Reason" as defined in the agreement governing the SAR award or applicable operating guidelines, within two years after the Change in Control; (ii) such SAR is terminated or adversely modified; or (iii) Common Stock is no longer issued and outstanding, or no longer traded on a national securities exchange, then the holder of such SAR shall immediately be entitled to receive equity (e.g. common stock) of the "Acquiring Entity" (as defined below) with a fair market value equal to at least the gain on such SAR. For purposes of the preceding sentence, the gain on an SAR shall be calculated as the difference between the Fair Market Value per share of Common Stock as of the date such SAR becomes unexercisable and the purchase price per share of Common Stock covered by the SAR; provided, however, if the shares of Common Stock are not traded on a national exchange on such date, the Fair Market Value on the immediately preceding day on which the shares were traded shall be used (but only to the extent it does not result, in the case of a Post-409A Award, in the payment of more than fair market value as determined under Treasury Regulation § 1.409A-1(b)(5)(iv)).
- (c) *Restricted Shares/Restricted Share Units.* Upon a Change of Control all restricted shares and restricted share units shall immediately vest. Immediately upon such vesting, certificates for all such vested restricted shares shall be distributed to the participants, and the cash or shares payable upon vesting of the restricted share units shall be paid to the participants. Notwithstanding anything set out in this Plan or an agreement evidencing a restricted share unit to the contrary, if a restricted share unit is a Post-409A Award and is covered by Section 409A of the Code, then the provisions set out in the Rules shall apply.
- (d) *Performance Awards.* Each performance award granted under the Plan that is outstanding on the date of the Change in Control shall immediately vest and the holder of such performance award shall be entitled to a lump sum cash payment equal to the amount of such performance award payable at the end of the performance period as if 100% of the performance goals have been achieved. Notwithstanding anything set out in this Plan or an agreement evidencing a performance award to the contrary, if a performance award is a Post-409A Award and is covered by Section 409A of the Code, then the provisions set out in the Rules shall apply.

- (e) *Time of Payment.* Any amount required to be paid pursuant to this Section shall be paid within 20 days after the date such amount becomes payable.
- (f) *Definition of Change in Control.* A “Change in Control” means the occurrence of any of the following events: (i) any individual, corporation, partnership, group, association or other entity (a “Person”), other than PepsiCo, Inc. (“PepsiCo”) or an entity approved by PepsiCo, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Act), directly or indirectly, of 50% or more of the combined voting power of PBG’s outstanding securities ordinarily having the right to vote at elections of directors; (ii) during any consecutive two-year period, persons who constitute the Board at the beginning of the period cease to constitute at least 50% of the Board (provided that any new Board member who was approved by a majority of directors who began the two-year period or who was approved by PepsiCo shall be considered a director who began the two-year period); (iii) the approval by the shareholders of PBG of a plan or agreement providing for a merger or consolidation of PBG with another company, other than with PepsiCo or an entity approved by PepsiCo, and PBG is not the surviving company (unless the shareholders of PBG prior to the merger or consolidation continue to have 50% or more of the combined voting power of the surviving company’s outstanding securities); (iv) the sale, exchange or other disposition of all or substantially all of PBG’s assets, other than to PepsiCo or an entity approved by PepsiCo; or (v) any other event, circumstance, offer or proposal occurs or is made, which is intended to effect a change in the control of PBG and which results in the occurrence of one or more of the events set forth in clauses (i) through (iv) of this paragraph. For purposes of this Plan, the Person that triggers a Change in Control under clause (i) or (ii), survives the merger or consolidation referred to in clause (iii) or purchases the assets under clause (iv) is referred to as the “Acquiring Entity.”

In addition, a “Change in Control” means the occurrence of any of the following events with respect to PepsiCo: (i) acquisition of 20% or more of the outstanding voting securities of PepsiCo by another entity or group; excluding, however, any acquisition by an employee benefit plan or related trust sponsored or maintained by PepsiCo; (ii) during any consecutive two-year period, persons who constitute the Board of Directors of PepsiCo (the “PepsiCo Board”) at the beginning of the period cease to constitute at least 50% of the PepsiCo Board (provided that any new PepsiCo Board member who was approved by a majority of directors who began the two-year period shall be considered a director who began the two-year period); (iii) PepsiCo shareholders approve, and there is completed, a merger or consolidation of PepsiCo with another company, and PepsiCo is not the surviving company; or, if after such transaction, the other entity owns, directly or indirectly, 50% or more of the outstanding voting securities of PepsiCo; (iv) PepsiCo shareholders approve a plan of complete liquidation of PepsiCo or the sale or disposition of all or substantially all of PepsiCo’s assets; or (v) any other event, circumstance, offer or proposal occurs or is made, which is intended to effect a change in the control of PepsiCo, and which results in the occurrence of one or more of the events set forth in clauses (i) through (iv) of this paragraph.

Notwithstanding the above definition, the definition of “Change in Control set out in the Rules shall apply in the circumstances and manner specified in the Rules to a restricted share unit, performance share or performance unit that is part of a Post-409A Award that is required to comply with Section 409A of the Code with respect to one or more restricted share units, performance shares or performance units, as applicable, under such award.

10. Miscellaneous Provisions.

- (a) *Rights as Shareholder.* Except as otherwise provided herein, a participant in the Plan shall have no rights as a holder of Common Stock with respect to awards hereunder, unless and until certificates for shares of Common Stock are issued to such participant or registered in the name of the participant on the Company’s records.

- (b) *Assignment or Transfer.* Unless the Committee shall specifically determine otherwise, no award granted under the Plan or any rights or interests therein (other than an award of shares that is not subject to any restrictions) shall be assignable or transferable by a participant, except by will or the laws of descent and distribution.
- (c) *Agreements.* All awards granted under the Plan shall be evidenced by agreements in such form and containing such terms and conditions (not inconsistent with the Plan), as the Committee shall approve.
- (d) *Requirements for Transfer.* The Committee shall have no obligation to issue or transfer a share of Common Stock under the Plan until all legal requirements applicable to the issuance or transfer of such shares have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any issuance of shares of Common Stock made to any participant upon such participant's written undertaking to comply with such restrictions on his subsequent disposition of such shares as the Committee or PBG shall deem necessary or advisable as a result of any applicable law, regulation or official interpretation thereof, and certificates representing such shares may be legended to reflect any such restrictions.
- (e) *Withholding Taxes.* PBG shall have the right to deduct from all awards hereunder paid in cash any federal, state, local or foreign taxes required by law to be withheld with respect to such awards, and with respect to awards paid or satisfied in stock, to require the payment (through withholding from the participant's salary or otherwise) of any such taxes. The obligations of PBG to make delivery of awards in cash or shares of Common Stock shall be subject to currency or other restrictions imposed by any government. With respect to withholding required upon the exercise of stock options or SARs, upon the lapse of restrictions on restricted shares or upon any other taxable event arising as a result of awards granted hereunder, unless other arrangements are made with the consent of the Committee, participants shall satisfy the withholding requirement by having the Company withhold shares of Common Stock having a Fair Market Value on the date the tax is to be determined equal to not more than the minimum amount of tax required to be withheld with respect to the transaction unless a fractional share is payable in which case, such minimum amount plus the next highest share will be withheld. The Committee may permit a participant to surrender or direct the withholding of other shares of Common Stock to satisfy tax obligations but only if and to the extent that no additional accounting expense would result to the Company under then applicable accounting rules.

If a participant makes a disposition, within the meaning of Section 424(c) of the Code and regulations promulgated thereunder, of any shares of Common Stock issued to him pursuant to the exercise of an incentive stock option within the two-year period commencing on the day after the date of the grant or within the one-year period commencing on the day after the date of transfer of such shares to the participant pursuant to such exercise, the participant shall, within ten (10) days of such disposition, notify PBG thereof, by delivery of written notice to PBG at its principal executive office, and immediately deliver to PBG (or allow to be withheld from other compensation) any taxes required to be withheld.

- (f) *No Implied Rights to Awards.* Except as set forth herein, no employee or other person shall have any claim or right to be granted an award under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any employee any right to be retained in the employ of the Company.
- (g) *Fractional Shares.* Fractional shares of Common Stock shall not be issued or transferred under an award, but the Committee may pay cash in lieu of a fraction or round the fraction, in its discretion.
- (h) *Beneficiary Designation.* To the extent allowed by the Committee, each participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named on a contingent or successive basis) to whom any benefit under the Plan is to be paid in case of his or her death before he or she receives any or all of such benefit. Unless the Committee determines otherwise, each such designation shall revoke all prior designations by the same participant, shall be in a form prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Company during the participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the participant's death shall be paid to the participant's estate.

- (i) *Costs and Expenses.* The cost and expenses of administering the Plan shall be borne by PBG and not charged to any award or to any employee receiving an award.
- (j) *Funding of Plan.* PBG shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any award under the Plan.
- (k) *Successors.* All obligations of the Company under the Plan with respect to awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.
- (l) *Compliance with Section 409A of the Code.* At all times, this Plan shall be interpreted and operated (i) with respect to Post-409A Awards, in accordance with the applicable requirements of Section 409A of the Code, (ii) to maintain the exemptions from Section 409A of the Code of stock options, SARs, restricted shares and awards designed to meet the short-deferral exception under Section 409A of the Code, and (iii) to preserve the status of deferrals made prior to the effective date of Section 409A of the Code (“ Prior Deferrals”) as exempt from Section 409A of the Code, i.e., to preserve the grandfathered status of Prior Deferrals. To the extent there is a conflict between the provisions of the Plan relating to compliance with Section 409A of the Code and the provisions of any award agreement issued under the Plan, the provisions of the Plan control. To the extent there is a conflict between the provisions of the Rules and the provisions of the Plan and/or of any award agreement issued under the Plan, the provisions of the Rules control.
- (m) *Successor Provisions.* Any reference in the Plan to a provision of law or regulation shall also refer to any provision of law or regulation that is a successor to such provision.

11. Effective Date, Amendments and Termination.

- (a) *Effective Date.* The Plan became effective on May 26, 2004, the date on which it was initially approved by PBG’s shareholders. The Plan was amended and restated effective May 25, 2005, and again effective May 28, 2008, the dates on which these amendments were approved by PBG’s shareholders. This amendment and restatement of the Plan is generally effective as of January 1, 2009 (the “Effective Date”), and applies to awards granted on or after that date, except in the case of provisions relating to (i) “Post-409A Awards, “ i.e., all Plan awards that were not both earned and vested as of December 31, 2004, and all Plan awards that were materially modified after October 3, 2004, determined in each case within the meaning of Section 409A of the Code, (ii) Article 9 (regarding Change in Control), (iii) the rounding mechanism specified within the definition of Fair Market Value in Section 4(a)(i), and (iv) Section 7 (relating to antidilution and other adjustments). Provisions relating to Post-409A Awards shall apply to Post-409A Awards granted on or after the Effective Date and to the administration on and after the Effective Date of Post-409A Awards granted prior to the Effective Date. Article 9 (regarding Change in Control) shall be effective as of December 20, 2005. The rounding mechanism specified within the definition of Fair Market Value in Section 4(a)(i) shall be effective as of October 6, 2006. Section 7 (relating to antidilution and other adjustments) shall be effective as of January 8, 2007. The Rules are considered an integral part of this document and, together with this document and the agreements evidencing awards granted under the Plan, are intended to evidence documentary compliance with Section 409A of the Code and the applicable regulations and other guidance of general applicability issued thereunder or in connection therewith.
- (b) *Amendments.* The Committee may at any time terminate or from time to time amend the Plan in whole or in part; provided that the Committee shall not, without the requisite affirmative approval of shareholders of the Company, make any amendment to the Plan that materially modifies the Plan, including but not limited to amendments that would permit repricing, expand the types of awards available or the class of eligible participants, increase the number of securities which may be issued; or

which requires shareholder approval under any applicable law or rule of the New York Stock Exchange or Section 162(m) or 422 of the Code. No termination or amendment shall materially adversely affect any rights or obligations with respect to any awards theretofore granted under the Plan without the consent of the affected participant.

The Committee may, at any time, amend outstanding agreements evidencing awards under the Plan in a manner not inconsistent with the terms of the Plan; *provided, however*, that except as provided in Section 4(d) with respect to the Company's Buy-Out right, if such amendment is materially adverse to the participant, the amendment shall not be effective unless and until the participant consents, in writing, to such amendment.

Notwithstanding the preceding provisions of this subsection (b), following a Change in Control (as defined in Section 9), the Committee may not amend the Plan or outstanding agreements evidencing awards under the Plan in a way that would be adverse to a participant, even if the amendment would not be materially adverse, without the written consent of the participant.

- (c) *Termination.* No awards shall be made under the Plan on or after the tenth anniversary of the date on which PBG's shareholders approved the Plan. Determination of the award actually earned and payout or settlement of the award may occur later, and as to any outstanding award, the Plan's terms shall remain in effect (including authority under Section 11(b) relating to the Committee's authority to modify outstanding awards).

PBG 2002 LONG TERM INCENTIVE PLAN**1. PURPOSE.**

The purposes of the PBG 2002 Long Term Incentive Plan (the "Plan") are: (a) to provide long term incentives to those persons with significant responsibility for the success and growth of The Pepsi Bottling Group, Inc. ("PBG") and its subsidiaries, divisions and affiliated businesses (collectively, the "Company"); (b) to assist the Company in attracting and retaining key employees on a competitive basis; and (c) to associate the interests of such employees with those of PBG shareholders.

2. ADMINISTRATION OF THE PLAN.

(a) The Plan shall be administered by the Compensation and Management Development Committee of the Board of Directors of PBG (except that, with respect to executive officers and other executives deemed covered by section 162(m) of the Internal Revenue Code (collectively, "Covered Executives"), the Plan shall be administered by such Committee's Compensation Subcommittee. The Compensation Subcommittee shall be appointed by the Board of Directors of PBG (the "Board") and shall consist of two or more members of the Board who qualify as outside directors for purposes of section 162(m) of the Internal Revenue Code. Any reference in the Plan to the "Committee" shall be understood to refer to the Compensation and Management Development Committee or the Compensation Subcommittee, whichever has administrative authority with respect to the matter.

(b) The Committee shall have all powers vested in it by the terms of the Plan, such powers to include the authority (within the limitations described herein) to select the employees to be granted awards under the Plan; to determine the type, size and terms of awards to be granted to each employee selected, provided, however, that no awards granted under the Plan shall have a vesting period of less than one year; to determine the time when awards will be granted and any conditions which must be satisfied by employees before an award is granted; to establish performance objectives and conditions for earning awards; to determine whether such objectives and conditions have been met and whether awards will be paid at the end of the award period or at the time the award is exercised (whichever applies), or whether payment will be deferred; to determine whether payment of an award should be reduced or eliminated; and to determine whether such awards should qualify as deductible in their entirety for federal income tax purposes.

(c) The Committee shall have full power and authority to administer and interpret the Plan and to adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Committee deems necessary or advisable. The Committee's interpretations of the Plan, and all actions taken and determinations made by the Committee pursuant to the powers vested in it hereunder, shall be conclusive and binding on all parties concerned, including the Company, PBG shareholders and any person receiving an award under the Plan.

(d) Except with respect to Covered Executives (or as prohibited by law or applicable stock exchange rules), the Committee may delegate to one or more persons any or all of its authority under Sections 2(b) and 2(c).

3. ELIGIBILITY.

Each key employee of the Company may, in the Committee's discretion, be granted any of the awards available under the Plan.

4. AWARDS.

(a) Types. Awards under the Plan include stock options, incentive stock options, stock appreciation rights, performance units, restricted stock and share awards.

(i) **Stock Options.** Stock options are rights to purchase shares of PBG Common Stock (“Common Stock”) at a fixed price for a specified period of time. The purchase price per share of Common Stock covered by a stock option awarded pursuant to this Plan, including any incentive stock options, shall be equal to or greater than the “Fair Market Value” of a share of PBG Common Stock on the date the stock option is awarded. “Fair Market Value” means an amount equal to the average of the high and low sales prices for Common Stock as reported on the composite tape for securities listed on The New York Stock Exchange, Inc. on the date in question (or, if no sales of Common Stock were made on such Exchange on this date, on the next preceding day on which sales were made on such Exchange), except that such average price shall be rounded up to the nearest one-fourth. The purchase price per share may be payable in cash or Common Stock or both (with any Common Stock valued at its Fair Market Value on the date of exercise).

(ii) **Stock Appreciation Rights.** Stock appreciation rights (“SARs”) are rights to receive the difference between: (A) an exercise price, which shall not be less than the Fair Market Value of a share of PBG Common Stock on the grant date, and (B) the Fair Market Value of a share of Common Stock on the date the SAR is exercised. Such difference may be paid in cash, Common Stock or both.

(iii) **Performance Units.** Performance units are rights to receive up to 100% of the value of shares of Common Stock as of the date of grant, which value may be paid in cash or Common Stock, without payment of any amounts to PBG. The full and/or partial payment of performance unit awards granted under this Plan will be made only upon certification by the Committee of the attainment by PBG, over a performance period established by the Committee, of any one or more performance goals, which have been established by the Committee. The applicable performance goals shall be based on one or more of the following business criteria, as selected by the Committee in its sole discretion: cash flow, earnings, earnings per share, market value added, economic value added, EBITDA (earnings before interest, taxes, depreciation and amortization), return on assets, return on equity, return on investment capital, revenues, stock price, or total shareholder return. Each criterion may be determined in comparison to capital, shareholders’ equity, shares outstanding, investments, assets or net assets. Performance goals may be stated in the alternative. No payment will be made if the minimum applicable performance goal is not met.

(iv) **Restricted Stock.** Restricted stock awards are grants of Common Stock subject to a substantial risk of forfeiture or other restrictions. The full and/or partial vesting of any restricted stock award made to key employees under this Plan will occur in accordance with a vesting schedule established by the Committee and/or upon the attainment by PBG of any primary or secondary performance targets, which have been established by the Committee at the time the award is made. These targets shall be based on objective criteria, including (without limitation) one or more of the following: cash flow, earnings, earnings per share, market value added, economic value added, EBITDA (earnings before interest, taxes, depreciation and amortization), return on assets, return on equity, return on investment capital, revenues, stock price, or total shareholder return. Each criterion may be determined in comparison to capital, shareholders’ equity, shares outstanding, investments, assets or net assets. Performance targets may be stated in the alternative. No payment will be made if the minimum applicable performance target is not met.

(v) **Share Awards.** Share awards are grants of shares of Common Stock. The Committee may grant a share award to any eligible employee on such terms and conditions as the Committee may determine in its sole discretion. Share awards may be made as additional compensation for services rendered by the eligible employee or may be in lieu of cash or other compensation to which the eligible employee is entitled from the Company.

(b) **Supplemental Awards.** Employees who are newly hired or promoted into eligible status during the vesting or performance period may be granted supplemental pro rata grants or supplemental incremental grants of stock options, performance units and/or restricted stock, as determined by the Committee in its sole discretion.

(c) **Negative Discretion.** Notwithstanding the attainment by PBG of one or more performance target specified under this Plan, the Committee has the discretion, by participant, to reduce some or all of an award that would otherwise be paid.

(d) Guidelines. The Committee may, from time to time, adopt written policies for its implementation of the Plan. Any such policies shall be consistent with the Plan and may include, but need not be limited to, the type, size and term of awards to be made, and the conditions for payment of such awards.

(e) Maximum Awards. An eligible employee may be granted multiple awards under the Plan, but no one employee may be granted awards which would result in his or her receiving, in the aggregate, during the term of the Plan, more than 25% of the maximum number of shares available for award under the Plan. Solely for the purposes of determining whether this maximum is met, a performance unit or SAR shall be treated as entitling the holder thereof to one share of Common Stock.

(f) Employment by the Company. To the extent the vesting, exercise, or term of any stock option, SAR or restricted stock award is conditioned on employment by the Company, an award recipient whose Company employment terminates through a Company-approved transfer to an allied organization: (i) shall vest in and be entitled to exercise any stock option, SAR or restricted stock award immediately prior to the transfer, (ii) shall have employment with the allied organization treated as employment by the Company in determining the term of such award and the period for exercise, and (iii) shall have the allied organization considered part of the Company for purposes of applying the misconduct provisions of Section 8. The Chief Personnel Officer shall specify the entities that are considered allied organizations as of any time.

5. SHARES OF STOCK SUBJECT TO THE PLAN.

The shares that may be delivered or purchased under the Plan shall not exceed an aggregate of 18,000,000 shares of Common Stock, as adjusted, if appropriate, pursuant to Section 7 hereof.

6. DEFERRED PAYMENTS.

The Committee may determine that all or a portion of a payment to a participant under the Plan, whether it is to be made in cash, shares of Common Stock or a combination thereof, shall be deferred. Deferrals shall be for such periods and upon such terms as the Committee may determine in its sole discretion.

7. DILUTION AND OTHER ADJUSTMENTS.

In the event of (i) any change in the outstanding shares of Common Stock by reason of any split, stock dividend, recapitalization, merger, reorganization, consolidation, combination or exchange of shares, (ii) any separation of a corporation (including a spin-off or other distribution of assets of the Company to its shareholders), (iii) any partial or complete liquidation, or (iv) other similar corporate change, such equitable adjustments shall be made in the Plan and the awards thereunder as the Committee determines are necessary and appropriate, including, if necessary, an adjustment in the maximum number or kind of shares subject to the Plan or which may be or have been awarded to any participant (including the conversion of shares subject to awards from Common Stock to stock of another entity). Such adjustment shall be conclusive and binding for all purposes of the Plan.

8. MISCONDUCT.

If the Committee or its delegate determines that a participant has, at any time prior to, or within twelve months after, the exercise of any option or SAR granted hereunder or the vesting of any other award made hereunder committed "Misconduct," then the Committee may, in its sole discretion: (i) cancel any outstanding option or other award granted hereunder and (ii) require the participant to pay to the Company any and all gains realized from any options or awards granted hereunder that were exercised (in the case of options or SARs), or vested (in the case of other awards), within the twelve month period immediately preceding the date of such cancellation (or if there is no cancellation, the date on which such claim for payment is made). A participant commits Misconduct if the Committee or its delegate determines that the participant: (a) "Competed" (as defined below) with the Company; (b) engaged in any act which is considered by the Committee to be contrary to the Company's best interests, including, but not limited to, recruiting or hiring

away employees of the Company; (c) violated the Company's Code of Conduct or engaged in any other activity which constitutes gross misconduct; (d) engaged in unlawful trading in the securities of PBG or of any other company based on information gained as a result of his or her employment with the Company; or (e) disclosed to an unauthorized person or misused confidential information or trade secrets of the Company. This paragraph shall also apply in the case of a former Company employee (including, without limitation, a retired or disabled employee) who commits Misconduct after his or her employment with the Company terminated.

"Competed" shall mean (i) worked for, managed, operated, controlled or participated in the ownership, arrangement, operation or control of (or have been connected with or served on the board of directors of) any company or entity that engages in the production, marketing or sale of any product or service which is also produced, marketed or sold by the Company; or (ii) any action or omission which is injurious to the Company or which diverts customers or suppliers from the Company.

9. CHANGE IN CONTROL.

Upon a "Change in Control" (as defined in subsection (d) below), the following shall occur:

(a) Options and SARs. At the date of such Change in Control, all outstanding and unvested stock options and SARs granted under the LTIP shall immediately vest and become exercisable, and all stock options and SARs then outstanding under the LTIP shall remain outstanding in accordance with their terms. In the event that any stock option or SAR granted under the LTIP becomes unexercisable during its term on or after a Change in Control because: (i) the individual who holds such option or SAR is involuntarily terminated (other than for cause) within two years after the Change in Control; (ii) such option or SAR is terminated or adversely modified; or (iii) PBG Common Stock is no longer issued and outstanding, or no longer traded on a national securities exchange, then the holder of such option or SAR shall immediately be entitled to receive a lump sum cash payment equal to the gain on such option or SAR on the date such option or SAR becomes unexercisable. For purposes of the preceding sentence, the gain on a stock option or SAR shall be calculated as the difference between the Fair Market Value per share of PBG Common Stock as of the date such option or SAR becomes unexercisable less the exercise price per share of such option or SAR.

(b) Performance Units, Restricted Stock or Share Awards. Each performance unit, restricted stock and share award granted under the LTIP that are outstanding on the date of the Change in Control shall immediately vest, and the holder of such performance unit, restricted stock or share award shall be entitled to a lump sum cash payment equal to the amount of such award payable at the end of the performance period as if 100% of the performance objectives have been achieved.

(c) Time of Payment. Any amount required to be paid pursuant to this Section shall be paid within 20 days after the date such amount becomes payable.

(d) Definition. A "Change in Control" means the occurrence of any of the following events: (i) any individual, corporation, partnership, group, association or other entity, other than PepsiCo, Inc. ("PepsiCo") or an entity approved by PepsiCo, is or becomes the "beneficial owner" (as defined in Rule 13(d)-3 under the Securities Exchange Act of 1934), directly or indirectly, of 50% or more of the combined voting power of PBG's outstanding securities ordinarily having the right to vote at elections of directors; (ii) during any consecutive two-year period, persons who constitute the Board at the beginning of the period cease to constitute at least 50% of the Board (unless the election of each new Board member was approved by a majority of directors who began the two-year period or was approved by PepsiCo); (iii) the approval by the shareholders of PBG of a plan or agreement providing for a merger or consolidation of PBG with another company, other than with PepsiCo or an entity approved by PepsiCo, and PBG is not the surviving company (unless the shareholders of PBG prior to the merger or consolidation continue to have 50% or more of the combined voting power of the surviving company's outstanding securities); or (iv) the sale, exchange or other disposition of all or substantially all of PBG's assets, other than to PepsiCo or an entity approved by PepsiCo.

In addition, a “Change in Control” means the occurrence of any of the following events with respect to PepsiCo: (i) any individual, corporation, partnership, group, association or other entity is or becomes the “beneficial owner” (as defined in Rule 13(d)-3 under the Securities Exchange Act of 1934), directly or indirectly, of 20% or more of the combined voting power of PepsiCo’s outstanding securities ordinarily having the right to vote at elections of directors; excluding, however, any acquisition by PepsiCo or any acquisition by an employee benefit plan or related trust sponsored or maintained by PepsiCo; (ii) during any consecutive two-year period, persons who constitute the Board of Directors of PepsiCo (the “PepsiCo Board”) at the beginning of the period cease to constitute at least 50% of the PepsiCo Board (unless the election of each new PepsiCo Board member was approved by a majority of directors who began the two-year period); (iii) the approval by the shareholders of PepsiCo of a plan or agreement providing for a merger or consolidation of PepsiCo with another company, and PepsiCo is not the surviving company (unless the shareholders of PepsiCo prior to the merger or consolidation continue to have 50% or more of the combined voting power of the surviving company’s outstanding securities); or (iv) the sale, exchange or other disposition of all or substantially all of PepsiCo’s assets.

10. MISCELLANEOUS PROVISIONS.

(a) Rights as Shareholder. A participant in the Plan shall have no rights as a holder of Common Stock with respect to awards hereunder, unless and until certificates for shares of Common Stock are issued to such participant.

(b) Assignment or Transfer. Unless the Committee shall specifically determine otherwise, no award granted under the Plan or any rights or interests therein shall be assignable or transferable by a participant, except by will or the laws of descent and distribution.

(c) Agreements. All awards granted under the Plan shall be evidenced by agreements in such form and containing such terms and conditions (not inconsistent with the Plan), as the Committee shall approve.

(d) Requirements for Transfer. No share of Common Stock shall be issued or transferred under the Plan until all legal requirements applicable to the issuance or transfer of such shares have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any issuance of shares of Common Stock made to any participant upon such participant’s written undertaking to comply with such restrictions on his subsequent disposition of such shares as the Committee or PBG shall deem necessary or advisable as a result of any applicable law, regulation or official interpretation thereof, and certificates representing such shares may be legended to reflect any such restrictions.

(e) Withholding Taxes. PBG shall have the right to deduct from all awards hereunder paid in cash any federal, state, local or foreign taxes required by law to be withheld with respect to such awards, and with respect to awards paid or satisfied in stock, to require the payment (through withholding from the participant’s salary or otherwise) of any such taxes. The obligations of PBG to make delivery of awards in cash or Common Stock shall be subject to currency or other restrictions imposed by any government.

(f) No Implied Rights to Awards. Except as set forth herein, no employee or other person shall have any claim or right to be granted an award under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any employee any right to be retained in the employ of the Company.

(g) Costs and Expenses. The cost and expenses of administering the Plan shall be borne by PBG and not charged to any award nor to any employee receiving an award.

(h) Funding of Plan. PBG shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any award under the Plan.

11. EFFECTIVE DATE, AMENDMENTS AND TERMINATION.

(a) Effective Date. The Plan shall become effective on its approval by PBG’s shareholders.

(b) Amendments. The Committee may at any time terminate or from time to time amend the Plan in whole or in part, but no such action shall adversely affect any rights or obligations with respect to any awards theretofore granted under the Plan.

In addition, unless the shareholders of PBG shall have first approved, no amendment of the Plan shall be effective which would: (i) modify the requirements as to eligibility for participation in the Plan; (ii) increase the maximum number of shares of Common Stock which may be delivered under the Plan or to any one individual, except to the extent such amendment is made pursuant to Section 7 hereof, (iii) change the performance criteria for performance units, or (iv) decrease the minimum option or SAR exercise price.

The Committee may, at any time, amend outstanding agreements evidencing awards under the Plan in a manner not inconsistent with the terms of the Plan; provided, however, that if such amendment is adverse to the participant, the amendment shall not be effective unless and until the participant consents, in writing, to such amendment.

(c) Termination. No awards shall be granted under the Plan after December 31, 2007. Determination of the award actually earned and payout or settlement of the award may occur later.

PBG LONG TERM INCENTIVE PLAN**1. PURPOSE.**

The purposes of the PBG Long Term Incentive Plan (the "Plan") are: (a) to provide long term incentives to those persons with significant responsibility for the success and growth of The Pepsi Bottling Group, Inc. ("PBG") and its subsidiaries, divisions and affiliated businesses (collectively, the "Company"); (b) to assist the Company in attracting and retaining key employees on a competitive basis; and (c) to associate the interests of such employees with those of PBG shareholders.

2. ADMINISTRATION OF THE PLAN.

(a) The Plan shall be administered by the Compensation and Management Development Committee of the Board of Directors of PBG (except that, with respect to executive officers and other executives deemed covered by section 162(m) of the Internal Revenue Code (collectively, "Covered Executives"), the Plan shall be administered by such Committee's Compensation Subcommittee. The Compensation Subcommittee shall be appointed by the Board of Directors of PBG (the "Board") and shall consist of two or more members of the Board who qualify as outside directors for purposes of section 162(m) of the Internal Revenue Code. Any reference in the Plan to the "Committee" shall be understood to refer to the Compensation and Management Development Committee or the Compensation Subcommittee, whichever has administrative authority with respect to the matter.

(b) The Committee shall have all powers vested in it by the terms of the Plan, such powers to include the authority (within the limitations described herein) to select the employees to be granted awards under the Plan; to determine the type, size and terms of awards to be granted to each employee selected; to determine the time when awards will be granted and any conditions which must be satisfied by employees before an award is granted; to establish performance objectives and conditions for earning awards; to determine whether such objectives and conditions have been met and whether awards will be paid at the end of the award period or at the time the award is exercised (whichever applies), or whether payment will be deferred; to determine whether payment of an award should be reduced or eliminated; and to determine whether such awards should qualify as deductible in their entirety for federal income tax purposes.

(c) The Committee shall have full power and authority to administer and interpret the Plan and to adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Committee deems necessary or advisable. The Committee's interpretations of the Plan, and all actions taken and determinations made by the Committee pursuant to the powers vested in it hereunder, shall be conclusive and binding on all parties concerned, including the Company, PBG shareholders and any person receiving an award under the Plan.

(d) Except with respect to Covered Executives (or as prohibited by law or applicable stock exchange rules), the Committee may delegate to one or more persons any or all of its authority under Sections 2(b) and 2(c).

3. ELIGIBILITY.

Each key employee of the Company may, in the Committee's discretion, be granted any of the awards available under the Plan.

4. AWARDS.

(a) Types. Awards under the Plan include stock options, incentive stock options, stock appreciation rights, performance units, restricted stock and share awards.

(i) Stock Options. Stock options are rights to purchase shares of PBG Common Stock ("Common Stock") at a fixed price for a specified period of time. The purchase price per share of Common Stock covered by a stock option awarded pursuant to this Plan, including any incentive stock options, shall be equal to or greater than the "Fair Market Value" of a share of PBG Common Stock on the date the stock option is awarded. "Fair Market Value" means an amount equal to the average of the high and low sales prices for Common Stock as reported on the composite tape for securities listed on The New York Stock Exchange, Inc. on the date in question (or, if no sales of Common Stock were made on such Exchange on this date, on the next preceding day on which sales were made on such Exchange), except that such average price shall be rounded up to the nearest one-fourth. The purchase price per share may be payable in cash or Common Stock or both (with any Common Stock valued at its Fair Market Value on the date of exercise).

(ii) Stock Appreciation Rights. Stock appreciation rights ("SARs") are rights to receive the difference between: (A) an exercise price, which shall not be less than the Fair Market Value of a share of PBG Common Stock on the grant date, and (B) the Fair Market Value of a share of Common Stock on the date the SAR is exercised. Such difference may be paid in cash, Common Stock or both.

(iii) Performance Units. Performance units are rights to receive up to 100% of the value of shares of Common Stock as of the date of grant, which value may be paid in cash or Common Stock, without payment of any amounts to PBG. The full and/or partial payment of performance unit awards granted under this Plan will be made only upon certification by the Committee of the attainment by PBG, over a performance period established by the Committee, of any one or more performance targets, which have been established by the Committee. In the case of Covered Executives, the applicable performance targets shall be based on one or more of the following business criteria, as selected by the Committee in its sole discretion: cash flow, earnings, earnings per share, market value added, economic value added, EBITDA (earnings before interest, taxes, depreciation and amortization), return on assets, return on equity, return on investment capital, revenues, stock price, or total shareholder return. Each criterion may be determined in comparison to capital, shareholders' equity, shares outstanding, investments, assets or net assets. Performance targets may be stated in the alternative. No payment will be made if the minimum applicable performance target is not met.

(iv) Restricted Stock. Restricted stock awards are grants of Common Stock subject to a substantial risk of forfeiture or other restrictions. The full and/or partial vesting of any restricted stock award made to key employees under this Plan will occur in accordance with a vesting schedule established by the Committee and/or upon the attainment by PBG of any primary or secondary performance targets, which have been established by the Committee at the time the award is made. These targets shall be based on objective criteria, including (without limitation) one or more of the following: cash flow, earnings, earnings per share, market value added, economic value added, EBITDA (earnings before interest, taxes, depreciation and amortization), return on assets, return on equity, return on investment capital, revenues, stock price, or total shareholder return. Each criterion may be determined in comparison to capital, shareholders' equity, shares outstanding, investments, assets or net assets. Performance targets may be stated in the alternative. No payment will be made if the minimum applicable performance target is not met.

(v) Share Awards. Share awards are grants of shares of Common Stock. The Committee may grant a share award to any eligible employee on such terms and conditions as the Committee may determine in its sole discretion. Share awards may be made as additional compensation for services rendered by the eligible employee or may be in lieu of cash or other compensation to which the eligible employee is entitled from the Company.

(b) Supplemental Awards. Employees who are newly hired or promoted into eligible status during the vesting or performance period may be granted supplemental pro rata grants or supplemental incremental grants of stock options, performance units and/or restricted stock, as determined by the Committee in its sole discretion.

(c) Negative Discretion. Notwithstanding the attainment by PBG of one or more performance target specified under this Plan, the Committee has the discretion, by participant, to reduce some or all of an award that would otherwise be paid.

(d) Guidelines. The Committee may, from time to time, adopt written policies for its implementation of the Plan. Any such policies shall be consistent with the Plan and may include, but need not be limited to, the type, size and term of awards to be made, and the conditions for payment of such awards.

(e) Maximum Awards. An eligible employee may be granted multiple awards under the Plan, but no one employee may be granted awards which would result in his or her receiving, in the aggregate, during the term of the Plan, more than 25% of the maximum number of shares available for award under the Plan. Solely for the purposes of determining whether this maximum is met, a performance unit or SAR shall be treated as entitling the holder thereof to one share of Common Stock.

(f) Employment by the Company. To the extent the vesting, exercise, or term of any stock option, SAR or restricted stock award is conditioned on employment by the Company, an award recipient whose Company employment terminates through a Company-approved transfer to an allied organization: (i) shall vest in and be entitled to exercise any stock option, SAR or restricted stock award immediately prior to the transfer, (ii) shall have employment with the allied organization treated as employment by the Company in determining the term of such award and the period for exercise, and (iii) shall have the allied organization considered part of the Company for purposes of applying the misconduct provisions of Section 8. The Chief Personnel Officer shall specify the entities that are considered allied organizations as of any time.

5. SHARES OF STOCK SUBJECT TO THE PLAN.

The shares that may be delivered or purchased under the Plan shall not exceed an aggregate of 7,500,000 shares of Common Stock, as adjusted, if appropriate, pursuant to Section 7 hereof.

6. DEFERRED PAYMENTS.

The Committee may determine that all or a portion of a payment to a participant under the Plan, whether it is to be made in cash, shares of Common Stock or a combination thereof, shall be deferred. Deferrals shall be for such periods and upon such terms as the Committee may determine in its sole discretion.

7. DILUTION AND OTHER ADJUSTMENTS.

In the event of (i) any change in the outstanding shares of Common Stock by reason of any split, stock dividend, recapitalization, merger, reorganization, consolidation, combination or exchange of shares, (ii) any separation of a corporation (including a spin-off or other distribution of assets of the Company to its shareholders), (iii) any partial or complete liquidation, or (iv) other similar corporate change, such equitable adjustments shall be made in the Plan and the awards thereunder as the Committee determines are necessary and appropriate, including, if necessary, an adjustment in the maximum number or kind of shares subject to the Plan or which may be or have been awarded to any participant (including the conversion of shares subject to awards from Common Stock to stock of another entity). Such adjustment shall be conclusive and binding for all purposes of the Plan.

8. MISCONDUCT.

If the Committee or its delegate determines that a participant has, at any time prior to, or within twelve months after, the exercise of any option or SAR granted hereunder or the vesting of any other award made hereunder committed "Misconduct," then the Committee may, in its sole discretion: (i) cancel any outstanding option or other award granted hereunder and (ii) require the participant to pay to the Company any and all gains realized from any options or awards granted hereunder that were exercised (in the case of options or SARs), or vested (in the case of other awards), within the twelve month period immediately preceding the date of such cancellation (or if there is no cancellation, the date on which such claim for payment is made). A participant commits Misconduct if the Committee or its delegate determines that the participant: (a) "Competed" (as defined below) with the Company; (b) engaged in any act which is considered by the Committee to be contrary to the Company's best interests, including, but not limited to, recruiting or hiring away employees of the Company; (c) violated the Company's Code of Conduct or engaged in any other activity which constitutes gross misconduct; (d) engaged in unlawful trading in the securities of PBG or of any other company based on information gained as a result of his or her employment with the Company; or (e) disclosed to an unauthorized person or misused confidential information or trade secrets of the Company. This paragraph shall also apply in the case of a former Company employee (including, without limitation, a retired or disabled employee) who commits Misconduct after his or her employment with the Company terminated.

"Competed" shall mean (i) worked for, managed, operated, controlled or participated in the ownership, arrangement, operation or control of (or have been connected with or served on the board of directors of) any company or entity that engages in the production, marketing or sale of any product or service which is also produced, marketed or sold by the Company; or (ii) any action or omission which is injurious to the Company or which diverts customers or suppliers from the Company.

9. CHANGE IN CONTROL.

Upon a "Change in Control" (as defined in subsection (d) below), the following shall occur:

(a) Options and SARs. At the date of such Change in Control, all outstanding and unvested stock options and SARs granted under the LTIP shall immediately vest and become exercisable, and all stock options and SARs then outstanding under the LTIP shall remain outstanding in accordance with their terms. In the event that any stock option or SAR granted under the LTIP becomes unexercisable during its term on or after a Change in Control because: (i) the individual who holds such option or SAR is involuntarily terminated (other than for cause) within two years after the Change in Control; (ii) such option or SAR is terminated or adversely modified; or (iii) PBG Common Stock is no longer issued and outstanding, or no longer traded on

a national securities exchange, then the holder of such option or SAR shall immediately be entitled to receive a lump sum cash payment equal to the gain on such option or SAR on the date such option or SAR becomes unexercisable. For purposes of the preceding sentence, the gain on a stock option or SAR shall be calculated as the difference between the Fair Market Value per share of PBG Common Stock as of the date such option or SAR becomes unexercisable less the exercise price per share of such option or SAR.

(b) Performance Units, Restricted Stock or Share Awards. Each performance unit, restricted stock and share award granted under the LTIP that are outstanding on the date of the Change in Control shall immediately vest, and the holder of such performance unit, restricted stock or share award shall be entitled to a lump sum cash payment equal to the amount of such award payable at the end of the performance period as if 100% of the performance objectives have been achieved.

(c) Time of Payment. Any amount required to be paid pursuant to this Section shall be paid within 20 days after the date such amount becomes payable.

(d) Definition. A "Change in Control" means the occurrence of any of the following events: (i) any individual, corporation, partnership, group, association or other entity, other than PepsiCo, Inc. ("PepsiCo") or an entity approved by PepsiCo, is or becomes the "beneficial owner" (as defined in Rule 13(d)-3 under the Securities Exchange Act of 1934), directly or indirectly, of 50% or more of the combined voting power of PBG's outstanding securities ordinarily having the right to vote at elections of directors; (ii) during any consecutive two-year period, persons who constitute the Board at the beginning of the period cease to constitute at least 50% of the Board (unless the election of each new Board member was approved by a majority of directors who began the two-year period or was approved by PepsiCo); (iii) the approval by the shareholders of PBG of a plan or agreement providing for a merger or consolidation of PBG with another company, other than with PepsiCo or an entity approved by PepsiCo, and PBG is not the surviving company (unless the shareholders of PBG prior to the merger or consolidation continue to have 50% or more of the combined voting power of the surviving company's outstanding securities); or (iv) the sale, exchange or other disposition of all or substantially all of PBG's assets, other than to PepsiCo or an entity approved by PepsiCo.

In addition, a "Change in Control" means the occurrence of any of the following events with respect to PepsiCo: (i) any individual, corporation, partnership, group, association or other entity is or becomes the "beneficial owner" (as defined in Rule 13(d)-3 under the Securities Exchange Act of 1934), directly or indirectly, of 20% or more of the combined voting power of PepsiCo's outstanding securities ordinarily having the right to vote at elections of directors; excluding, however, any acquisition by PepsiCo or any acquisition by an employee benefit plan or related trust sponsored or maintained by PepsiCo; (ii) during any consecutive two-year period, persons who constitute the Board of Directors of PepsiCo (the "PepsiCo Board") at the beginning of the period cease to constitute at least 50% of the PepsiCo Board (unless the election of each new PepsiCo Board member was approved by a majority of directors who began the two-year period); (iii) the approval by the shareholders of PepsiCo of a plan or agreement providing for a merger or consolidation of PepsiCo with another company, and PepsiCo is not the surviving company (unless the shareholders of PepsiCo prior to the merger or consolidation continue to have 50% or more of the combined voting power of the surviving company's outstanding securities); or (iv) the sale, exchange or other disposition of all or substantially all of PepsiCo's assets.

10. MISCELLANEOUS PROVISIONS.

(a) Rights as Shareholder. A participant in the Plan shall have no rights as a holder of Common Stock with respect to awards hereunder, unless and until certificates for shares of Common Stock are issued to such participant.

(b) Assignment or Transfer. Unless the Committee shall specifically determine otherwise, no award granted under the Plan or any rights or interests therein shall be assignable or transferable by a participant, except by will or the laws of descent and distribution.

(c) Agreements. All awards granted under the Plan shall be evidenced by agreements in such form and containing such terms and conditions (not inconsistent with the Plan), as the Committee shall approve.

(d) Requirements for Transfer. No share of Common Stock shall be issued or transferred under the Plan until all legal requirements applicable to the issuance or transfer of such shares have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any issuance of shares of Common Stock made to any participant upon such participant's written undertaking to comply with such restrictions on his subsequent disposition of such shares as the Committee or PBG shall deem necessary or advisable as a result of any applicable law, regulation or official interpretation thereof, and certificates representing such shares may be legended to reflect any such restrictions.

(e) Withholding Taxes. PBG shall have the right to deduct from all awards hereunder paid in cash any federal, state, local or foreign taxes required by law to be withheld with respect to such awards, and with respect to awards paid or satisfied in stock, to require the payment (through withholding from the participant's salary or otherwise) of any such taxes. The obligations of PBG to make delivery of awards in cash or Common Stock shall be subject to currency or other restrictions imposed by any government.

(f) No Implied Rights to Awards. Except as set forth herein, no employee or other person shall have any claim or right to be granted an award under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any employee any right to be retained in the employ of the Company.

(g) Costs and Expenses. The cost and expenses of administering the Plan shall be borne by PBG and not charged to any award nor to any employee receiving an award.

(h) Funding of Plan. PBG shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any award under the Plan.

11. EFFECTIVE DATE, AMENDMENTS AND TERMINATION.

(a) Effective Date. The Plan shall become effective on its approval by PBG's shareholders.

(b) Amendments. The Committee may at any time terminate or from time to time amend the Plan in whole or in part, but no such action shall adversely affect any rights or obligations with respect to any awards theretofore granted under the Plan.

In addition, unless the shareholders of PBG shall have first approved, no amendment of the Plan shall be effective which would: (i) modify the requirements as to eligibility for participation in the Plan; (ii) increase the maximum number of shares of Common Stock which may be delivered under the Plan or to any one individual, except to the extent such amendment is made pursuant to Section 7 hereof, (iii) change the performance criteria for performance units, or (iv) decrease the minimum option or SAR exercise price.

The Committee may, at any time, amend outstanding agreements evidencing awards under the Plan in a manner not inconsistent with the terms of the Plan; provided, however, that if such amendment is adverse to the participant, the amendment shall not be effective unless and until the participant consents, in writing, to such amendment.

(c) Termination. No awards shall be granted under the Plan after December 31, 2005. Determination of the award actually earned and payout or settlement of the award may occur later.

THE PEPSI BOTTLING GROUP, INC.
1999 LONG TERM INCENTIVE PLAN

1. PURPOSE.

The purposes of the 1999 Long Term Incentive Plan (the "Plan") are: (1) to provide long term incentives to those persons with significant responsibility for the success and growth of The Pepsi Bottling Group, Inc. ("PBG") and its subsidiaries, divisions and affiliated businesses (collectively, the "Company"); (2) to assist the Company in attracting and retaining key employees on a competitive basis; and (3) to associate the interests of such employees with those of PBG shareholders.

2. ADMINISTRATION OF THE PLAN.

(a) The Plan shall be administered by a committee (the "Committee"), which (i) prior to the date on which PBG becomes a separately held public company, shall be the Compensation Committee of the Board of Directors of PepsiCo, Inc.; and (ii) after the date on which PBG becomes a separately held public company, shall be the Compensation and Management Development Committee (and any subcommittee thereof) of the Board of Directors of PBG (the "Board"). The committee described in the foregoing clause (ii) shall be appointed by the Board and shall consist of two or more outside members of the Board.

(b) The Committee shall have all powers vested in it by the terms of the Plan, such powers to include the authority (within the limitations described herein) to select the persons to be granted awards under the Plan, to determine the type, size and terms of awards to be made to each employee selected, to determine the time when awards will be granted and any conditions which must be satisfied by employees before an award is made, to establish objectives and conditions for earning awards, to determine whether such conditions have been met and whether awards will be paid at the end of the award period, or when the award is exercised, or deferred, to determine whether payment of an award should be reduced or eliminated, and to determine whether such awards should qualify, regardless of their amount, as deductible in their entirety for federal income tax purposes.

(c) The Committee shall have full power and authority to administer and interpret the Plan and to adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its businesses as the Committee deems necessary or advisable. The Committee's interpretations of the Plan, and all actions taken and determinations made by the Committee pursuant to the powers vested in it hereunder, shall be conclusive and binding on all parties concerned, including the Company, PBG shareholders and any person receiving an award under the Plan.

(d) The Committee may delegate to the Chief Executive Officer of PBG any or all of its authority under Sections 2(b) and 2(c).

3. ELIGIBILITY.

Each executive of the Company who is Salary Band I or above (or the equivalent) may, in the Committee's discretion, be granted any of the awards available under the Plan.

4. AWARDS.

(a) Types. Awards under the Plan include stock options, incentive stock options, performance units, stock appreciation rights, restricted stock and share awards.

(i) Stock Options. Stock options are rights to purchase shares of PBG Common Stock ("Common Stock") at a fixed price for a specified period of time. The purchase price per share of Common Stock covered by a stock option awarded pursuant to this Plan, including any incentive stock options, shall (A) for options granted on and after the date PBG becomes a separately held public company, be equal to or greater than the "Fair Market Value" of a share of PBG Common Stock on the date the stock option is awarded; and (B) for options granted prior to the date PBG becomes a separately held public company, be the price per share at which Common Stock is initially offered for sale to the public. "Fair Market Value" means an amount equal to the average of the high and low sales prices for Common Stock as reported on the composite tape for securities listed on The New York Stock Exchange, Inc. on the date in question (or, if no sales of Common Stock were made on said Exchange on such date, on the next preceding day on which sales were made on such Exchange), except that such average price shall be rounded up to the nearest one-fourth.

(ii) Performance Units. Performance units are rights to receive up to 100% of the value of shares of Common Stock as of the date of grant, which value may be paid in cash or Common Stock, without payment of any amounts to PBG. The full and/or partial payment of performance unit awards granted under this Plan will be made only upon certification by the Committee of the attainment by PBG, over a performance period established by the Committee, of any one or more performance targets, which have been established by the Committee and which are based on objective criteria,

including (without limitation) one or more of the following: EBITDA, earnings per share, revenue growth, corporate earnings, return on investment, total shareholder return, profits, cash flow, market value added, economic value added or any of the foregoing against industry and peer comparisons. No payment will be made if the targets are not met.

(iii) Stock Appreciation Rights. Stock appreciation rights (“SARs”) are rights to receive the difference between (A) for SARs granted on and after the date PBG becomes a separately held public company, the Fair Market Value of a share of PBG Common Stock on the grant date, and for SARs granted prior to the date PBG becomes a separately held public company, the price per share at which Common Stock is initially offered for sale to the public, and (B) the Fair Market Value of a share of Common Stock on the date the SAR is exercised.

(iv) Restricted Stock. The full and/or partial vesting of any restricted stock award made to key employees under this Plan will occur in accordance with a vesting schedule established by the Committee or upon the attainment by PBG of primary or secondary targets established by the Committee at the time the award is made. These targets shall be based on objective criteria, including (without limitation) one or more of the following: EBITDA, earnings per share, revenue growth, corporate earnings, return on investment, total shareholder return, profits, cash flow, market value added, economic value added or any of the foregoing against industry and peer comparisons.

(v) Share Awards. Share awards are grants of shares of Common Stock. The Committee may grant a share award to any eligible employee on such terms and conditions as the Committee may determine in its sole discretion. Share awards may be made as additional compensation for services rendered by the eligible employee or may be in lieu of cash or other compensation to which the eligible employee is entitled from the Company.

(b) Supplemental Awards. Employees who are newly hired or promoted into eligible status or certain eligible employees who are promoted during the vesting period may be granted supplemental pro rata grants or supplemental incremental grants of stock options and/or performance units, as determined by the Committee in its sole discretion.

(c) Negative Discretion. Notwithstanding the attainment by PBG of any target specified under this Plan, the Committee has the discretion, by participant, to reduce some or all of an award that would otherwise be paid.

(d) Guidelines. The Committee may, from time to time, adopt written policies for its implementation of the Plan. Any such policies shall be consistent with the Plan and may include, but need not be limited to, the type, size and term of awards to be made, and the conditions for payment of such awards.

(e) Maximum Awards. An eligible employee may be granted multiple awards under the Plan, but no one employee may be granted awards which would result in his or her receiving, in the aggregate, during the term of the Plan, more than 25% of the maximum number of shares available for award under the Plan. Solely for the purposes of determining whether this maximum is met, a performance unit or SAR shall be treated as entitling the holder thereof to one share of Common Stock.

(f) Employment by the Company. To the extent the vesting, exercise, or term of any stock option award is conditioned on employment by the Company, an award recipient whose Company employment terminates through a Company-approved transfer to an allied organization (i) shall vest in and be entitled to exercise any stock option award immediately prior to the transfer, (ii) shall have employment with the allied organization treated as employment by the Company in determining the term of such award and the period for exercise, and (iii) shall have the allied organization considered part of the Company for purposes of applying the misconduct provisions of Section 8. The Chief Personnel Officer shall specify the entities that are considered allied organizations as of any time.

5. SHARES OF STOCK SUBJECT TO THE PLAN.

The shares that may be delivered or purchased under the Plan shall not exceed an aggregate of 15,000,000 shares of Common Stock, as adjusted, if appropriate, pursuant to Section 7 hereof.

6. DEFERRED PAYMENTS.

The Committee may determine that all or a portion of a payment to a participant under the Plan, whether it is to be made in cash, shares of Common Stock or a combination thereof, shall be deferred. Deferrals shall be for such periods and upon such terms as the Committee may determine in its sole discretion.

7. DILUTION AND OTHER ADJUSTMENTS.

In the event of (i) any change in the outstanding shares of Common Stock by reason of any split, stock dividend, recapitalization, merger, reorganization, consolidation, combination or exchange of shares, (ii) any separation of a corporation (including a spin-off or other distribution of assets of the Company to its shareholders), (iii) any partial or complete liquidation, or (iv) other similar corporate change, such equitable adjustments shall be made in the Plan and the

awards thereunder as the Committee determines are necessary and appropriate, including, if necessary, an adjustment in the maximum number or kind of shares subject to the Plan or which may be or have been awarded to any participant (including the conversion of shares subject to awards from Common Stock to stock of another entity). Such adjustment shall be conclusive and binding for all purposes of the Plan.

8. MISCONDUCT.

If the Committee or its delegate determines that a participant has, at any time prior to, or within twelve months after, the exercise of any option granted hereunder or the vesting of any other award made hereunder committed "Misconduct", then the Committee may, in its sole discretion: (i) cancel any outstanding option or other award granted hereunder and (ii) require the participant to pay to the Company any and all gains realized from any options or awards granted hereunder which were exercised, in the case of options, or vested, in the case of other awards, within the twelve month period immediately preceding the date of such cancellation (or if there is no cancellation, the date on which such claim for payment is made). A participant commits Misconduct if the Committee or its delegate determines that the participant: (a) Competed (as defined below) with the Company; (b) engaged in any act which is considered by the Committee to be contrary to the Company's best interests, including, but not limited to, recruiting or hiring away employees of the Company; (c) violated the Company's Code of Conduct or engaged in any other activity which constitutes gross misconduct; (d) engaged in unlawful trading in the securities of PBG or of any other company based on information gained as a result of his or her employment with the Company; or (e) disclosed to an unauthorized person or misused confidential information or trade secrets of the Company. This paragraph shall also apply in the case of a former Company employee (including, without limitation, a retired or disabled employee) who commits Misconduct after his or her employment with the Company terminated.

"Competed" shall mean (i) worked for, managed, operated, controlled or participated in the ownership, arrangement, operation, or control of, or be connected with or served on the board of directors of any company or entity which engages in the production, marketing or sale of any product or service produced, marketed or sold by the Company; or (ii) any action or omission which is injurious to the Company or which diverts customers or suppliers from the Company.

9. MISCELLANEOUS PROVISIONS.

(a) Rights as Shareholder. A participant in the Plan shall have no rights as a holder of Common Stock with respect to awards hereunder, unless and until certificates for shares of Common Stock are issued to such participant.

(b) Assignment or Transfer. Unless the Committee shall specifically determine otherwise, no award granted under the Plan or any rights or interests therein shall be assignable or transferable by a participant, except by will or the laws of descent and distribution.

(c) Agreements. All awards granted under the Plan shall be evidenced by agreements in such form and containing such terms and conditions (not inconsistent with the Plan) as the Committee shall approve.

(d) Requirements for Transfer. No share of Common Stock shall be issued or transferred under the Plan until all legal requirements applicable to the issuance or transfer of such shares have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any issuance of shares of Common Stock made to any participant upon such participant's written undertaking to comply with such restrictions on his subsequent disposition of such shares as the Committee or PBG shall deem necessary or advisable as a result of any applicable law, regulation or official interpretation thereof, and certificates representing such shares may be legended to reflect any such restrictions.

(e) Withholding Taxes. PBG shall have the right to deduct from all awards hereunder paid in cash any federal, state, local or foreign taxes required by law to be withheld with respect to such awards, and with respect to awards paid in stock or upon exercise of stock options, to require the payment (through withholding from the participant's salary or otherwise) of any such taxes. The obligations of PBG to make delivery of awards in cash or Common Stock shall be subject to currency or other restrictions imposed by any government.

(f) No Rights to Awards. Except as set forth herein, no employee or other person shall have any claim or right to be granted an award under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any employee any right to be retained in the employ of the Company.

(g) Costs and Expenses. The cost and expenses of administering the Plan shall be borne by PBG and not charged to any award nor to any employee receiving an award.

(h) Funding of Plan. The Plan shall be unfunded. PBG shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any award under the Plan.

10. EFFECTIVE DATE, AMENDMENTS AND TERMINATION.

(a) Effective Date. The Plan was approved by the Board and shall be effective as of March 30, 1999.

(b) Amendments. The Committee may at any time terminate or from time to time amend the Plan in whole or in part, but no such action shall adversely affect any rights or obligations with respect to any awards theretofore granted under the Plan.

In the event the Plan is approved by shareholders of PBG after the date PBG becomes a separately held public company (the "initial approval"), then (unless prior approval by the shareholders of PBG is obtained) no amendment of the Plan adopted after such initial approval shall be effective which would (i) increase the maximum number of shares of Common Stock which may be delivered under the Plan or to any one individual, except to the extent such amendment is made pursuant to Section 7 hereof, (ii) extend the maximum period during which awards may be granted under the Plan or (iii) modify the requirements as to eligibility for participation in the Plan.

The Committee may, at any time, amend outstanding agreements evidencing awards under the Plan in a manner not inconsistent with the terms of the Plan; provided, however, that if such amendment is adverse to the participant, the amendment shall not be effective unless and until the participant consents, in writing, to such amendment.

(c) Termination. No awards shall be made under the Plan after December 31, 2004.

THE PBG DIRECTORS' STOCK PLAN
(As Amended and Restated as of October 2, 2008)

1. Purposes

The principal purposes of The PBG Directors' Stock Plan (the "Plan") are to provide compensation to those members of the Board of Directors of The Pepsi Bottling Group, Inc. ("PBG") who are not also employees of PBG, to assist PBG in attracting and retaining outside directors with experience and ability on a basis competitive with industry practices, and to associate more fully the interests of such directors with those of PBG's shareholders.

2. Effective Date

The Plan was unanimously approved by the Board of Directors of PBG, conditional on shareholder approval, and became effective on May 23, 2001, superseding The PBG Directors' Stock Plan of 1999. The Plan was amended on January 23, 2003 and further amended and restated effective as of February 2, 2006, as of July 19, 2006, February 8, 2007 and further amended March 27, 2008. This amendment and restatement of the Plan is effective as of October 2, 2008, and it shall apply to awards made on or after that date.

3. Administration

The Plan shall be administered and interpreted by the Board of Directors of PBG (the "Board"). The Board shall have full power and authority to administer and interpret the Plan and to adopt such rules, regulations, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Board deems necessary or advisable. The Board's interpretations of the Plan, and all actions taken and determinations made by the Board pursuant to the powers vested in them hereunder, shall be conclusive and binding on all parties concerned, including PBG, its directors and shareholders and any employee of PBG. The costs and expenses of administering the Plan shall be borne by PBG and not charged against any award or to any award recipient.

4. Eligibility

Directors of PBG who are not employees of PBG ("Non-Employee Directors") are eligible to receive awards under the Plan. Directors of PBG who are employees of PBG are not eligible to participate in the Plan, but shall be eligible to participate in other PBG benefit and compensation plans.

5. Initial Award

Under the Plan, each Non-Employee Director shall, on the first day of the month after commencing service as a Non-Employee Director of PBG, receive a formula grant of restricted stock ("Restricted Stock"). The number of shares of Restricted Stock to be included in each such award shall be determined by dividing \$25,000 by the Fair Market Value (as defined below) of a share of PBG Common Stock on the date of grant (the "Stock Grant Date"), or if such day is not a trading day on the New York Stock Exchange ("NYSE"), on the immediately preceding trading day. The number of shares so determined shall be rounded up to the nearest number of whole shares. If the recipient of the Restricted Stock continuously remains a director of PBG, the Restricted Stock granted hereunder shall vest and any restrictions thereon shall lapse on the first anniversary of the Stock Grant Date; provided, however, that, in the event of a Non-Employee Director's death or Disability (as defined in Section 6(c)), the Restricted Stock granted to such Non-Employee Director shall vest and any restrictions thereon shall lapse immediately. Notwithstanding the foregoing, a Non-Employee Director may not sell or otherwise transfer any Restricted Stock granted to him or her prior to the date such Non-Employee Director ceases to serve as a director for any reason. The Non-Employee Director shall have all of the rights of

a stockholder with respect to such Restricted Stock, including the right to receive all dividends or other distributions paid or made with respect to the stock. Any dividends or distributions that are paid or made in PBG Common Stock shall be subject to the same restrictions as the Restricted Stock in respect of which such dividends or distributions were paid or made. However, any dividends or distributions paid or made in cash shall not be subject to the restrictions. Each Restricted Stock award shall be evidenced by an agreement setting forth the terms and conditions thereof, which terms and conditions shall not be inconsistent with those set forth in this Plan.

6. Annual Stock Option Award

(a) Under the Plan, each Non-Employee Director shall receive an annual formula grant of options to purchase shares of PBG Common Stock (“Options”) at a fixed price (the “Exercise Price”). Such grant shall be made annually on April 1 (the “Option Grant Date”); provided, however, that each individual who commences services as a Non-Employee Director after April 1 of a year shall receive a pro-rated annual formula grant of options (a “Pro-Rated Grant”) with respect to his or her first year of service, on the first day of the month following the date he or she commences service (the “Pro-Rated Option Grant Date”). To receive a grant of Options, a Non-Employee Director must be actively serving as a director of PBG on the Option Grant Date or the Pro-Rated Option Grant Date, as applicable.

(b) The number of Options to be included in each annual option award shall be determined by dividing the Grant Amount (as defined below) by the Fair Market Value (as defined below) of a share of PBG Common Stock on the Option Grant Date or Pro-Rated Option Grant Date, as applicable, or if such day is not a trading day on the NYSE, on the immediately preceding trading day. Grant Amount shall mean \$210,000, except that, in the case of a Pro-Rated Grant, Grant Amount shall mean the following: (i) \$157,500 in the case of an individual who commences service as a Non-Employee Director of PBG on or after April 2 and on or before June 30; (ii) \$105,000 in the case of an individual who commences service as a Non-Employee Director of PBG on or after July 1 and on or before September 30; (iii) \$52,500 in the case of an individual who commences service as a Non-Employee Director of PBG on or after October 1 and on or before December 31. No Pro-Rated Grant shall be made in the case of an individual who commences service as a Non-Employee Director of PBG on or after January 1 and on or before April 1. The number of Options so determined shall be rounded up (if necessary) to the nearest number of whole Options. “Fair Market Value” shall mean the average of the high and low per share sale prices for PBG Common Stock on the composite tape for securities listed on the NYSE for the day in question, except that such average price shall be rounded up (if necessary) to the nearest cent.

(c) Options shall vest and become immediately exercisable on the Option Grant Date or Pro-Rated Option Grant Date, as applicable. Each Option shall have an Exercise Price equal to the Fair Market Value of PBG Common Stock on the Option Grant Date or Pro-Rated Option Grant Date, as applicable, or if such day is not a trading day on the NYSE, on the immediately preceding trading day. Each Option shall have a term of ten years; provided, however, in the event the holder thereof shall cease to be a director of PBG, or its successor, for a reason other than death or Disability (as defined below), such Options shall terminate and expire upon the earlier of (i) the expiration of the original term, or (ii) five years from the date the holder ceased to be a director. For purposes of this Section 6 and Section 5 above, a Non-Employee Director has a “Disability” if he or she is totally disabled as determined using the standards PBG applies under its long term disability program.

(d) Non-Employee Directors may exercise their Options by giving an exercise notice to PBG in the manner specified from time to time by the Board. Options may be exercised by using either a standard cash exercise procedure or a cashless exercise procedure. From time to time, the Board may change or adopt procedures relating to Option exercises. If, at any time, a Non-Employee Director suffers a Disability or is otherwise incapable of exercising his or her Options before the expiration thereof, the Board may take any steps it deems appropriate to prevent such Options from lapsing prior to being exercised.

(e) Each Option award shall be evidenced by a written agreement setting forth the terms and conditions thereof, which terms and conditions shall not be inconsistent with those set forth in this Plan.

(f) No Option shall contain a feature for the deferral of compensation within the meaning of Treasury Regulation section 1.409A-1(b)(5)(i)(A)(3).

7. Annual Restricted Stock Unit Award

(a) Under the Plan, each Non-Employee Director shall receive an annual formula grant of restricted stock units (“RSUs”). When a Non-Employee Director’s RSUs become payable, they shall be settled in shares of PBG Common Stock with the Non-Employee Director receiving one share of PBG Common Stock for each RSU. The grant of RSUs shall be made annually on April 1 (the “RSU Grant Date”); provided, however, that each individual who commences service as a Non-Employee Director after April 1 of a year shall receive a pro-rated annual formula grant of RSUs (a “Pro-Rated RSU Grant”) with respect to his or her first year of service on the first day of the month following the date he or she commences service (the “Pro-Rated RSU Grant Date”). To receive a grant of RSUs, a Non-Employee Director must be actively serving as a director of PBG on the RSU Grant Date or the Pro-Rated RSU Grant Date, as applicable.

(b) The number of RSUs to be included in each annual RSU award shall be determined by dividing the RSU Grant Amount (as defined below) by the Fair Market Value of a share of PBG Common Stock on the RSU Grant Date or Pro-Rated RSU Grant Date, as applicable, or if such day is not a trading day on the NYSE, on the immediately preceding trading day. RSU Grant Amount shall mean \$70,000, except that, in the case of a Pro-Rated RSU Grant, RSU Grant Amount shall mean the following: (i) \$52,500 in the case of an individual who commences service as a Non-Employee Director on or after April 2 and on or before June 30; (ii) \$35,000 in the case of an individual who commences service as a Non-Employee Director on or after July 1 and on or before September 30; (iii) \$17,500 in the case of an individual who commences service as a Non-Employee Director on or after October 1 and on or before December 31. No Pro-Rated RSU Grant shall be made in the case of an individual who commences service as a Non-Employee Director on or after January 1 and on or before April 1. The number of RSUs so determined shall be rounded up (if necessary) to the nearest number of whole RSUs.

(c) RSUs shall vest on the RSU Grant Date or Pro-Rated RSU Grant Date, as applicable. RSUs shall be payable on the RSU Grant Date or Pro-Rated RSU Grant Date, as applicable, unless the Non-Employee Director timely elects to defer the payment of such RSUs. In general, any such deferral election with respect to RSUs must be made in the calendar year preceding the year of the grant. However, in the case of a Pro-Rated RSU Grant, any such deferral election may be made as late as one day prior to the Pro-Rated RSU Grant Date, provided that when the election is made, the Non-Employee Director is then initially eligible to participate in the Plan, within the meaning of Treasury Regulation section 1.409A-2(a)(7)(ii), taking into account any other plan that would be aggregated with the Plan pursuant to Treasury Regulation section 1.409A-1(c)(2). Any such election to defer the payment date of an RSU Grant or a Pro-Rated RSU Grant must specify a future payment date (the beginning of any calendar quarter) that will result in a minimum deferral period of at least two years.

(d) Notwithstanding any deferral election made pursuant to the immediately preceding provision, a Non-Employee Director’s RSUs shall be paid as of the beginning of the calendar quarter following the Non-Employee Director’s Permanent Disability (as defined below), Separation from Service (as defined below) with PBG or death. For purposes of this Plan, a Non-Employee Director shall be considered to have a Permanent Disability as of the first date on which the Non-Employee Director would be considered disabled within the meaning of Section 409A(a)(2)(C) of the Internal Revenue Code of 1986, as amended (“Code”). For purposes of this Plan, the determination of when a Non-Employee Director has incurred a separation from service with PBG shall be made in accordance with Section 409A(a)(2)(A)(i) of the Code (“Separation from Service”).

(e) During any period that the payment of RSUs is deferred, the Non-Employee Director whose RSUs are deferred shall be entitled to be credited with dividend equivalents. Dividend equivalents shall equal the dividends actually paid with respect to a corresponding amount of PBG Common Stock during the deferral period, while the RSUs remain unpaid, and shall be credited on the date such dividends are actually paid. Upon crediting, a Non-Employee Director’s dividend equivalents shall be immediately converted to additional RSUs (whole and/or fractional, as appropriate) by dividing the aggregate amount of dividend equivalents credited to the Non-Employee Director on a day by the Fair Market Value of a share of PBG Common Stock on such day,

or if such day is not a trading day on the NYSE, on the immediately preceding trading day. Additional RSUs credited under this Section 7(e) are in turn entitled to be credited with dividend equivalents, and a Non-Employee Director's aggregate additional RSUs shall be paid out at the same time as the underlying RSUs to which they relate. Any cumulative fractional RSU remaining at such time shall be rounded up to a whole RSU prior to its settlement in PBG Common Stock.

(f) Each RSU award shall be evidenced by a written agreement setting forth the terms and conditions thereof, which terms and conditions shall not be inconsistent with those set forth in this Plan.

8. Non-Executive Chair Annual Award

(a) Under the Plan, a Non-Employee Director serving as Non-Executive Chair of the Board (the "Chair") shall receive an additional annual formula grant of restricted stock units ("Chair RSUs"). Such grant shall be made upon commencement of services as Chair, unless otherwise determined by the Board; and annually, thereafter, on the anniversary of formal commencement of services as Chair, except as otherwise determined by the Board (the "Chair RSU Grant Date"). When the Chair's RSUs become payable, they shall be settled in shares of PBG Common Stock with the Chair receiving one share of PBG Common Stock for each Chair RSU.

(b) The number of Chair RSUs to be included in each Chair RSU award shall be determined by dividing the Chair RSU Grant Amount (as defined below) by the Fair Market Value of a share of PBG Common Stock on the Chair RSU Grant Date or, if such day is not a trading day on the NYSE, on the immediately preceding trading day. The Chair RSU Grant Amount shall mean \$100,000. The number of Chair RSUs so determined shall be rounded up (if necessary) to the nearest number of whole RSUs.

(c) Chair RSUs shall vest on the Chair RSU Grant Date. Notwithstanding the foregoing, payment of the Chair RSUs shall be deferred until such time as the Chair ceases to serve as a director of PBG for any reason. The Chair RSUs shall be paid as of the beginning of the calendar quarter following the Chair's Permanent Disability, Separation from Service with PBG or death.

(d) During any period that the payment of Chair RSUs is deferred, the Chair shall be entitled to be credited with dividend equivalents. Dividend equivalents shall equal the dividends actually paid with respect to a corresponding amount of PBG Common Stock during the period payment of the Chair RSUs is deferred, and shall be credited on the date such dividends are actually paid. Upon crediting, the Chair's dividend equivalents shall be immediately converted to additional RSUs (whole and/or fractional, as appropriate) by dividing the aggregate amount of dividend equivalents credited to the Chair on a day by the Fair Market Value of a share of PBG Common Stock on such day, or if such day is not a trading day on the NYSE, on the immediately preceding trading day. Additional RSUs credited under this Section 8(d) are in turn entitled to be credited with dividend equivalents, and the Chair's aggregate additional RSUs shall be paid out at the same time as the underlying Chair RSUs to which they relate. Any cumulative fractional RSU remaining at such time shall be rounded up to a whole RSU prior to its settlement in PBG Common Stock.

(e) Each Chair RSU award shall be evidenced by a written agreement setting forth the terms and conditions thereof, which terms and conditions shall not be inconsistent with those set forth in this Plan.

9. Shares of Stock Subject to the Plan

The shares that may be delivered under this Plan shall not exceed an aggregate of 300,000 shares of PBG Common Stock, adjusted, if appropriate, in accordance with Section 11 below; provided that any shares authorized but not delivered under the Prior Plan (as hereinafter defined) shall be available for delivery under this Plan in addition to the above mentioned 300,000 shares. The shares granted or delivered under the Plan may be newly issued shares of Common Stock or treasury shares.

10. Deferral of Initial Awards

(a) Non-Employee Directors may make an advance, one-time election to defer into PBG phantom stock units all of the shares of Restricted Stock otherwise granted under Section 5. Any such election shall be made at least one day prior to the grant date of such Restricted Stock. The deferral period shall equal the Non-Employee Director's period of service as a director of PBG (i.e., such deferral period shall end in the event of the Non-Employee Director's Permanent Disability, Separation from Service or death), and such deferral shall be paid as of the beginning of the calendar quarter following such Separation from Service. Non-Employee Directors who elect to defer receipt of such shares shall be credited on the grant date with a number of phantom stock units equal to that number of shares of Restricted Stock which they would have received had they not elected to defer. During the deferral period, the value of the phantom stock units will fluctuate based on the market value of PBG Common Stock. At the end of the deferral period, all payments of deferred awards shall be made in shares of PBG Common Stock (one share of PBG Common Stock for each PBG phantom stock unit), unless the Board in its discretion decides to make the distribution in cash or in a combination of cash and shares of PBG Common Stock. To the extent that a distribution is made in cash, in whole or in part, the Non-Employee Directors will receive the aggregate value of the PBG phantom stock units credited to them which are to be paid in cash. The value of PBG phantom stock units will be determined by multiplying the number of PBG phantom stock units which are to be paid in cash by the Fair Market Value of PBG Common Stock on the last NYSE trading day of the deferral period.

(b) During the deferral period, the Non-Employee Director whose Restricted Stock is deferred as phantom stock units shall be entitled to be credited with dividend equivalents. Dividend equivalents shall equal the dividends actually paid with respect to a corresponding amount of PBG Common Stock during the deferral period and shall be credited on the date such dividends are actually paid. Upon crediting, a Non-Employee Director's dividend equivalents shall be immediately converted to additional phantom stock units (whole and/or fractional, as appropriate) by dividing the aggregate amount of dividend equivalents credited to the Non-Employee Director on a day by the Fair Market Value of a share of PBG Common Stock on such day, or if such day is not a trading day on the NYSE, on the immediately preceding trading day. Additional phantom stock units credited under this Section 10(b) are in turn entitled to be credited with dividend equivalents, and a Non-Employee Director's aggregate additional phantom stock units shall be paid out at the same time as the underlying phantom stock units to which they relate. Any fractional phantom stock unit remaining at such time shall be rounded up to a whole phantom stock unit prior to its settlement in PBG Common Stock.

11. Dilution and Other Adjustments

The number and kind of shares of PBG Common Stock issuable under the Plan, or which may or have been awarded to any Non-Employee Director, shall be adjusted proportionately by the Board, as may be, and to such extent (if any), determined to be appropriate and equitable by the Board, to reflect stock dividends, stock splits, recapitalizations, mergers, consolidations, combinations or exchanges of shares, any spin off or other distribution of assets of the Company to its shareholders, any partial or complete liquidation, or other similar corporate changes. Such adjustment shall be conclusive and binding for all purposes of the Plan.

12. Effect of Misconduct

Notwithstanding anything to the contrary herein, if a Non-Employee Director commits “Misconduct,” he or she shall forfeit all rights to any unexercised Options, any RSUs and Restricted Stock, as well as any phantom stock units credited to him or her under Section 10. For purposes of this Plan, Misconduct occurs if a majority of the Board determines that a Non-Employee Director has: (a) engaged in any act which is considered to be contrary to the Company’s best interests; (b) violated the Company’s Code of Conduct or engaged in any other activity which constitutes gross misconduct; (c) engaged in unlawful trading in the securities of PBG or of any other company based on information gained as a result of his or her service as a director of PBG; or (d) disclosed to an unauthorized person or misused confidential information or trade secrets of the Company.

13. Withholding Taxes and Code Section 409A

(a) Except to the extent other arrangements are made by a Non-Employee Director that are satisfactory to the Company, the Company shall withhold a number of shares of PBG Common Stock otherwise deliverable having a Fair Market Value sufficient to satisfy the minimum withholding taxes (if any) required by federal, state, local or foreign law in respect of any award.

(b) At all times, this Plan shall be interpreted and operated (i) in accordance with the requirements of Section 409A with respect to deferred compensation that is subject to Code Section 409A, and (ii) to maintain the exemption from Code Section 409A of stock option awards and undeferred Restricted Stock (collectively, “Excepted Awards”), and (iii) to preserve the status of deferrals made prior to the effective date of Code Section 409A (“Prior Deferrals”) as exempt from Section 409A, *i.e.*, to preserve the grandfathered status of Prior Deferrals. Thus, for example, a Non-Employee Director’s ability to defer a Pro-Rated RSU Grant is conditioned on the Non-Employee Director not having been previously eligible for a PBG deferral plan of the same type. In addition, if a Non-Employee Director is determined to be a specified employee (within the meaning of Code Section 409A(a)(2)(B)(i)), any payment of deferred compensation subject to Section 409A made based on Separation from Service with PBG shall not be made until the beginning of the calendar quarter that occurs at least six months after such Separation from Service with PBG. Similarly, any election that must be made at least one day prior to a specified date must be effectively made and irrevocable, under the applicable requirements of Code Section 409A, by the day preceding such specified date.

14. Resale Restrictions, Assignment and Transfer

Options (unless the Board of Directors specifically determines otherwise), RSUs, Chair RSUs, Restricted Stock and PBG phantom stock units may not be sold, transferred or assigned, except in the event of the Non-Employee Director’s death, in which case his or her Options, Restricted Stock or PBG phantom stock units may be transferred by will or by the laws of descent and distribution. All restrictions on Restricted Stock granted to a Non-Employee Director shall lapse upon his or her death. Options may be exercised by the decedent’s personal representative, or by whomever inherits the Options, at any time, through and including their original expiration date.

Once awarded, the shares of PBG Common Stock received by Non-Employee Directors may be freely transferred, assigned, pledged or otherwise subjected to lien, subject to restrictions imposed by the Securities Act of 1933, as amended, and subject to the trading restrictions imposed by Section 16 of the Securities Exchange Act of 1934, as amended. PBG phantom stock units may not be transferred or assigned except by will or the laws of descent and distribution.

15. Funding

The Plan shall be unfunded. PBG shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any award under the Plan.

16. Supersession of Prior Plan

This Plan superseded The PBG Directors' Stock Plan of 1999 (the "Prior Plan") when shareholders approved this Plan on May 23, 2001. As of that date, all awards granted under the Prior Plan became subject to the terms of this Plan and all shares that were authorized but not delivered under the Prior Plan became available for delivery under this Plan, in addition to those shares authorized for issuance pursuant to Section 8 of this Plan. No awards were made under the Prior Plan after May 23, 2001.

17. Duration, Amendments and Terminations

The Board of Directors may terminate or amend the Plan in whole or in part; provided, however, that the Plan may not be amended more than once every six (6) months, other than to comport with changes in the Code or the rules and regulations thereunder; provided further, however, that no such action shall have a material adverse effect on any rights or obligations with respect to any awards theretofore granted under the Plan, unless consented to by the recipients of such awards (unless the amendment is required to comply with Code Section 409A in which case, the amendment shall be effective without consent of the recipient unless the recipient expressly denies consent to such amendment in writing); and provided further, however, that with any amendment and the termination of the Plan shall neither violate Code Section 409A nor adversely affect the exemption of Excepted Awards or the grandfather of the Prior Deferrals. The Plan shall continue until terminated.

PBG STOCK INCENTIVE PLAN

1. Purposes. The principal purposes of the PBG Stock Incentive Plan (the "Plan") are: (a) to improve individual employee performance by providing long-term incentives and rewards to employees of the Company; (b) to assist the Company in attracting, retaining and motivating employees with experience and ability; and (c) to associate the interests of such employees with those of PBG's shareholders.

2. Definitions. Unless the context clearly indicates otherwise, the following terms, when used in this Plan, shall have the meanings set forth below:

(a) "Award" means the grant of an Option, Restricted Stock or Share Award, or any or all of them.

(b) "Board" means the Board of Directors of The Pepsi Bottling Group, Inc.

(c) "Committee" means the Executive Development and Compensation Committee of the Board, as appointed from time to time by the Board, consisting of two or more members of the Board who are not eligible to participate in the Plan and who have not, within one year prior to their appointment to the Committee, participated in the Plan; provided, however, that prior to the date PBG becomes a separately held public company, the Compensation Committee of the Board of Directors of PepsiCo, Inc. shall serve as the Committee for purposes of this Plan.

(d) "Common Stock" or "Stock" means PBG Common Stock, par value \$0.01 per share.

(e) "Company" means The Pepsi Bottling Group, Inc., its divisions, direct and indirect subsidiaries and affiliates.

(f) "Fair Market Value" means an amount equal to the average of the high and low sales prices for Common Stock as reported on the composite tape for securities listed on The New York Stock Exchange, Inc. on the date in question (or, if no sales of Stock were made on said Exchange on such date, on the next preceding day on which sales were made on such Exchange), except that such average price shall be rounded up to the nearest one-fourth.

(g) "Grant Date" means the date an Award is granted under the Plan. The date of grant of an Award shall be the date as of which the Committee determines that such Award shall become effective.

(h) "Grantee" means an eligible employee of the Company who has been granted Restricted Stock or a Share Award under the Plan.

(i) "Option" or "Stock Option" means a right granted under the Plan to an Optionee to purchase a share of Common Stock at a fixed price for a specified period of time.

(j) "Option Exercise Price" means the price at which a share of Common Stock covered by an Option granted hereunder may be purchased.

(k) "Optionee" means an eligible employee of the Company who has received a Stock Option granted under the Plan.

(l) "PBG" means The Pepsi Bottling Group, Inc., a Delaware corporation.

(m) "Restricted Stock" means Stock issued to an eligible employee pursuant to Section 7 of this Plan.

(n) "Retirement" means a termination of employment with the Company after the employee has (i) fulfilled the requirements for either a normal, early or disability retirement pension (as defined under the Company's retirement program applicable to such employee at the date of termination of employment) and (ii) affirmatively elected to retire from employment.

(o) "Share Award" means Stock issued to an eligible employee pursuant to Section 8 of this Plan.

(p) "Totally Disabled" shall have the meaning set forth in the Company's long-term disability program applicable to such employee.

3. Administration. The Plan shall be administered by the Committee, which shall have full power and authority to administer and interpret the Plan and to adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Plan as the Committee deems necessary or advisable. The Committee's powers include, but are not limited to (subject to the specific limitations described herein), authority to determine the employees to be granted Awards under the Plan, to determine the size and applicable terms and conditions of grants to be made to such employees, to determine the time when Awards will be granted and to authorize grants to eligible employees. The Committee's interpretations of the Plan, and all actions taken and determinations made by the Committee concerning any matter arising under or with respect to the Plan or any Awards granted hereunder, shall be final, binding and conclusive on all interested parties, including PBG, its shareholders and all former, present and future employees of the Company. The Committee may delegate some or all of its power and authority hereunder to the Chief Executive Officer of PBG, such delegation to be subject to such terms and conditions as the Committee in its discretion shall determine. The Committee may as to all questions of accounting rely conclusively upon any determinations made by the independent public accountants of PBG.

4. Stock Available for Awards. The shares that may be delivered or purchased under the Plan shall not exceed an aggregate number of shares of Common Stock to be determined from time to time by the Committee, subject to any adjustments which may be made pursuant to Section 12 hereof. Shares of Stock used for purposes of the Plan may be either shares of authorized but unissued Common Stock or treasury shares or both. Stock covered by Awards which have terminated or expired prior to exercise or have been surrendered or canceled shall be available for further grants of Awards hereunder.

5. Eligibility. All those employees of the Company who shall be determined from time to time by the Committee to be eligible shall participate in the Plan; provided, however, that no employee may be granted Awards in the aggregate which, if exercised, would result in that employee receiving more than 10% of the maximum number of shares available for issuance under the Plan.

6. Options. Each Option granted hereunder shall be in writing and shall contain such terms and conditions as the Committee may determine, subject to the following:

(a) Option Exercise Price. The Option Exercise Price shall be equal to the Fair Market Value of a share of Common Stock on the Grant Date; provided, however, that the Option Exercise Price of Options granted to eligible employees as of the date PBG becomes a separate publicly held company shall be the price per share at which Stock is initially offered for sale to the public.

(b) Term and Exercise Dates. Options granted hereunder shall have a term of no longer than ten (10) years from the Grant Date and shall become exercisable in accordance with the terms of their grant. A grant of Options may become exercisable in installments. To the extent that Stock Options are not exercised when they become initially exercisable, they shall be carried forward and be exercisable until the expiration of the term of such Stock Options, subject to the provisions of Sections 6(e) and (f) hereof.

(c) Exercise of Option. To exercise an Option, the holder thereof shall give notice of his or her exercise to PBG, or its agent, specifying the number of shares of Common Stock to be purchased and identifying the specific Options that are being exercised. The Committee may, from time to time, establish procedures relating to effecting such exercises. Stock Options must be exercised for full shares of Common Stock; no fractional shares shall be issued as a result of exercising an Option. Notwithstanding anything to the contrary herein, an employee of the Company shall be permitted to exercise his or her Options only if he or she is: (i) actively at work; (ii) on vacation; (iii) receiving disability benefits; (iv) receiving benefits from a severance plan which explicitly provides for the exercise of options; (v) on layoff; or (vi) on medical (including leave under the Family and Medical Leave Act), child care/parental, funeral, military or jury duty leave. An Option is exercisable during an Optionee's lifetime only by the Optionee; provided, however, that in the event the Optionee is incapacitated and unable to exercise Options, such Options may be exercised by such Optionee's legal guardian, legal representative, fiduciary or other representative who the Committee deems appropriate based on applicable facts and circumstances.

(d) Payment of Option Exercise Price. The Option Exercise Price for the Options being exercised must be paid in full at time of issuance of the Common Stock.

(e) Effect of Termination of Employment, Disability or Death. Unless the Committee shall determine otherwise, no Option may be exercised by an Optionee after the termination of his or her employment with the Company, except that: (i) if such termination occurs by reason of the Optionee's death, all Options then held by the Optionee shall become immediately exercisable as of the date of death and may be exercised by such Optionee's executor (or, if none, his or her legal representative) until the expiration of such Options in accordance with their terms; (ii) if such termination occurs by reason of the Optionee's becoming Totally Disabled, all Options then held by the Optionee shall continue to become exercisable and shall be able to be exercised by the Optionee (or his or her legal representative) in accordance with their terms; (iii) if such termination occurs by reason of the Optionee's Retirement, all Options then held by the Optionee shall become immediately exercisable as of the date of such Retirement and may be exercised by the Optionee until the expiration of such Options in accordance with their terms; and (iv) if such termination is voluntary by the employee or is by action of the Company (except as described in Section 6(f) hereof), all Options then held by the

Optionee which are exercisable at the date of termination shall continue to be exercisable by the Optionee until the earlier of ninety (90) calendar days after such date or the expiration of such Options in accordance with their terms. Unless the Committee shall determine otherwise, all Options which are not exercisable as of the date of the Optionee's termination of employment shall automatically terminate and lapse ninety (90) calendar days after such date of termination and shall not be permitted to vest during such ninety-day period, unless the registered owner is re-employed by the Company prior to the date on which such Options terminate and lapse.

(f) Misconduct. In the event that an Optionee has (i) used for profit or disclosed to unauthorized persons, confidential information or trade secrets of the Company, (ii) breached any contract with or violated any fiduciary obligation to the Company, (iii) engaged in unlawful trading in the securities of PBG or of another company based on information gained as a result of that Optionee's employment with the Company, or (iv) committed a felony or other serious crime, then that Optionee shall forfeit all rights to any unexercised Options granted under the Plan and all of that Optionee's outstanding Options shall automatically terminate and lapse, unless the Committee shall determine otherwise.

(g) Nontransferability of Options. During an Optionee's lifetime, his or her Options shall not be transferable and shall only be exercisable by the Optionee (or his or her legal representative) and any purported transfer shall be null and void. No Option shall be transferable other than by will or the laws of descent and distribution.

(h) Buy Out of Option Gains. At any time after any Stock Option becomes exercisable, the Committee shall have the right to elect, in its sole discretion and without the consent of the holder thereof, to cancel such Option and to cause PBG to pay to the Optionee the excess of the Fair Market Value of the shares of Common Stock covered by such Option over the Option Exercise Price of such Option at the date the Committee provides written notice (the "Buy Out Notice") of its intention to exercise such right. Buy outs pursuant to this provision shall be effected by PBG as promptly as possible after the date of the Buy Out Notice. Payments of buy out amounts may be made in cash, in shares of Common Stock, or partly in cash and partly in Common Stock, as determined by the Committee in its discretion. To the extent payment is made in shares of Common Stock, the number of shares shall be determined by dividing the amount of the payment to be made by the Fair Market Value of a share of Common Stock at the date of the Buy Out Notice. In no event shall PBG be required to deliver a fractional share of Common Stock in satisfaction of this buy out provision. Payments of any such buy out amount shall be made net of any applicable foreign, federal (including FICA), state and local withholding taxes.

(i) Employment by the Company. To the extent the vesting, exercise, or term of any stock option award is conditioned on employment by the Company, an award recipient whose Company employment terminates through a Company-approved transfer to an allied organization: (i) shall vest in and be entitled to exercise any stock option award immediately prior to the transfer, (ii) shall have employment with the allied organization treated as employment by the Company in determining the term of such award and the period for exercise, and (iii) shall have the allied organization considered part of the Company for purposes of applying the misconduct provisions of subsection (f) above. The Chief Personnel Officer shall specify the entities that are considered allied organizations as of any time. This subsection shall be given effect in applying the fourth sentence of subsection (c) above and notwithstanding subsection (e) above.

7. Restricted Stock. Each Award of Restricted Stock granted hereunder shall be in writing and shall contain such terms and conditions as the Committee may determine, subject to the following:

(a) Rights of Grantee. Shares of Restricted Stock granted hereunder shall be issued in the name of the Grantee as soon as reasonably practicable after the Award is granted provided that the Grantee has executed any and all documents which the Committee may, in its discretion, require as a condition to the issuance of Stock (e.g., an Award agreement, blank stock powers or an escrow agreement). At the discretion of the Committee, Stock issued in connection with a Restricted Stock Award shall be deposited together with the stock powers with an escrow agent (which may be the Company) designated by the Committee. Unless the Committee determines otherwise, upon delivery of the Stock to the escrow agent, the Grantee shall have all of the rights of a stockholder with respect to such Stock, including the right to vote the Stock and to receive all dividends or other distributions paid or made with respect to the Stock.

(b) Non-Transferability. Until all restrictions upon the Restricted Stock awarded to a Grantee have lapsed in the manner set forth in Section 7(c), such Stock shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated.

(c) Lapse of Restrictions. Restrictions upon Restricted Stock shall lapse at such time or times and on such terms and conditions as the Committee may determine. The written terms and conditions governing the Award shall set forth any such restrictions. Unless the Committee shall determine otherwise, such terms and conditions shall provide that upon a Grantee's termination of employment (including Retirement), all Restricted Stock held by the Grantee which remains subject to restrictions as of the date of termination shall be returned to, or canceled by, the Company and shall be deemed to have been forfeited by the Grantee, except that: (i) if such termination occurs by reason of the Grantee's death, all restrictions on such Restricted Stock shall lapse on the date of death; and (ii) if such termination occurs by reason of the Grantee's becoming Totally Disabled, all restrictions on such Restricted Stock shall continue to lapse in accordance with their terms.

(d) Dividends. At the time an Award of Restricted Stock is granted, the Committee may, in its discretion, determine that the payment to the Grantee of dividends declared or paid on such Stock by the Company shall be (i) deferred until the lapsing of the restrictions imposed upon such Restricted Stock and (ii) held by the Company for the account of the Grantee until such time. In the event that dividends are to be deferred, the Committee shall determine whether such dividends are to be reinvested in Stock (which shall be held as additional shares of Restricted Stock) or held in cash. If deferred dividends are to be held in cash, there may be credited periodically interest on the amount of the account at a rate per annum as the Committee, in its discretion, may determine. Payment of deferred dividends in respect of shares of Restricted Stock (whether in cash or additional Stock), together with interest accrued thereon, if any, shall be made upon the lapsing of restrictions imposed on the Restricted Stock in respect of which the deferred dividends were paid, and any dividends deferred (together with any interest accrued thereon) in respect of any Restricted Stock shall be forfeited upon the forfeiture of such Restricted Stock.

(e) Delivery of Shares. Upon the lapse of restrictions on Restricted Stock, the Committee shall cause a stock certificate to be delivered to the Grantee with respect to such Stock, free of all restrictions hereunder.

8. Share Awards. The Committee may grant a Share Award to any eligible employee on such terms and conditions as the Committee may determine in its sole discretion. Share Awards may be made as additional compensation for services rendered by the eligible employee or may be in lieu of cash or other compensation to which the eligible employee is entitled from the Company.

9. Amendment. The Committee may, at any time, amend, suspend or terminate the Plan, in whole or in part, provided that no such action shall adversely affect any rights or obligations with respect to any Awards granted under the Plan prior to such action. The Committee may amend the terms and conditions of outstanding Awards; provided, however, that (i) no such amendment shall be adverse to the holders of the Awards, (ii) no such amendment shall extend the period for exercise of an Option, and (iii) the amended terms of the Award would be permitted under this Plan.

10. Foreign Employees. Without amending the Plan, the Committee may grant Awards to eligible employees who are foreign nationals on such terms and conditions different from those specified in this Plan as may in the judgment of the Committee be necessary or desirable to foster and promote achievement of the purposes of the Plan, and, in furtherance of such purposes, the Committee may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with provisions of laws in other countries in which the Company operates or has employees.

11. Registration, Listing and Qualification of Shares. Each Award shall be subject to the requirement that, if at any time the Committee shall determine that the registration, listing or qualification of the shares covered thereby upon any securities exchange or under any foreign, federal, state or local law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Award or the purchase of shares thereunder, no such Award may be exercised or sold unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Committee. Any person exercising an Option shall make such representations and agreements and furnish such information as the Committee may request to assure compliance with the foregoing or any other applicable legal requirements.

12. Adjustment for Change in Stock Subject to Plan. In the event of any change in the outstanding shares of Common Stock by reason of any stock split, stock dividend, recapitalization, spin-off, merger, consolidation, combination or exchange of shares or other similar corporate change, such equitable adjustments may be made in the Plan and the Awards granted hereunder as the Committee determines are necessary or appropriate, including, if necessary, an adjustment in the number of shares applicable to Awards then outstanding, the Option Exercise Prices applicable to Options then outstanding and the number of shares which are reserved for issuance under the Plan. Any such adjustment shall be conclusive and binding for all purposes of the Plan.

13. No Rights to Awards or Employment. No employee or other person shall have any claim or right to be granted an Award under the Plan. Having received an Award under the Plan shall not give an employee any right to receive any other grant under the Plan. No person who has received an Award shall have any rights to or interest in any Award except as set forth herein. Neither the Plan nor any action taken hereunder shall be construed as giving any person any right to be retained in the employ of the Company.

14. Withholding. In order to enable the Company to meet any applicable foreign, federal (including FICA), state and local withholding tax requirements, an Optionee or Grantee shall be required to pay the amount of tax to be withheld at the time such Optionee or Grantee recognizes taxable income in connection with the receipt of Stock or cash hereunder. No share of Stock shall be delivered to any Optionee or Grantee until all such amounts have been paid.

15. Rights as Shareholder. No Optionee or Grantee shall have any rights as a holder of Common Stock with respect to Awards granted hereunder, unless and until certificates for shares of Common Stock are issued to such Optionee or Grantee.

16. Other Actions. This Plan shall not restrict the authority of the Committee or of PBG, for proper corporate purposes, to grant or assume stock options, other than under the Plan, to or with respect to any employee or other person.

17. Costs and Expenses. Except as provided in Sections 6 and 14 hereof with respect to taxes and except for certain other fees and commissions related to the exercise of Options, the costs and expenses of administering the Plan shall be borne by PBG and shall not be charged to any Award nor to any Optionee or Grantee.

18. Plan Unfunded. The Plan shall be unfunded. Except for reserving a sufficient number of authorized shares to the extent required by law to meet the requirements of the Plan, PBG shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the delivery of Common Stock pursuant to an Award granted under the Plan.

19. Governing Law. This Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

20. Effectiveness and Duration of the Plan. This Plan is effective as of March 30, 1999. No Award shall be granted hereunder after April 1, 2009.

Amendments to:
the The Pepsi Bottling Group, Inc. 1999 Long Term Incentive Plan;
the PBG Long Term Incentive Plan;
the PBG 2002 Long Term Incentive Plan and
the PBG Stock Incentive Plan
(effective February 8, 2007)

1. Section 7 of the The Pepsi Bottling Group, Inc. 1999 Long Term Incentive Plan is hereby amended by replacing the current text in its entirety with the following:

Dilution and Other Adjustments. In the event of (i) any change in the outstanding shares of Common Stock by reason of any split, stock dividend, recapitalization, merger, reorganization, consolidation, combination or exchange of shares, (ii) any separation of a corporation (including a spin-off or other distribution of assets of the Company to its shareholders), (iii) any partial or complete liquidation, or (iv) other similar corporate change, such equitable adjustments shall be made in the Plan and the awards thereunder as, and to such extent (if any), the Committee determines are necessary and appropriate, including, if necessary, an adjustment in the maximum number or kind of shares subject to the Plan or which may be or have been awarded to any participant (including the conversion of shares subject to awards from Common Stock to stock of another entity). Such adjustment shall be conclusive and binding for all purposes of the Plan.

2. Section 7 of the PBG Long Term Incentive Plan is hereby amended by replacing the current text in its entirety with the following:

Dilution and Other Adjustments. In the event of (i) any change in the outstanding shares of Common Stock by reason of any split, stock dividend, recapitalization, merger, reorganization, consolidation, combination or exchange of shares, (ii) any separation of a corporation (including a spin-off or other distribution of assets of the Company to its shareholders), (iii) any partial or complete liquidation, or (iv) other similar corporate change, such equitable adjustments shall be made in the Plan and the awards thereunder as, and to such extent (if any), the Committee determines are necessary and appropriate, including, if necessary, an adjustment in the maximum number or kind of shares subject to the Plan or which may be or have been awarded to any participant (including the conversion of shares subject to awards from Common Stock to stock of another entity). Such adjustment shall be conclusive and binding for all purposes of the Plan.

3. Section 7 of the PBG 2002 Long Term Incentive Plan is hereby amended by replacing the current text in its entirety with the following:
Dilution and Other Adjustments. In the event of (i) any change in the outstanding shares of Common Stock by reason of any split, stock dividend, recapitalization, merger, reorganization, consolidation, combination or exchange of shares, (ii) any separation of a corporation (including a spin-off or other distribution of assets of the Company to its shareholders), (iii) any partial or complete liquidation, or (iv) other similar corporate change, such equitable adjustments shall be made in the Plan and the awards thereunder as, and to such extent (if any), the Committee determines are necessary and appropriate, including, if necessary, an adjustment in the maximum number or kind of shares subject to the Plan or which may be or have been awarded to any participant (including the conversion of shares subject to awards from Common Stock to stock of another entity). Such adjustment shall be conclusive and binding for all purposes of the Plan.
4. Section 12 of the PBG Stock Incentive Plan is hereby amended by replacing the current text in its entirety with the following:
Adjustment for Change in Stock Subject to Plan. In the event of any change in the outstanding shares of Common Stock by reason of any stock split, stock dividend, recapitalization, spin-off, merger, consolidation, combination or exchange of shares or other similar corporate change, such equitable adjustments shall be made in the Plan and the Awards granted hereunder as, and to such extent (if any), the Committee determines are necessary or appropriate, including, if necessary, an adjustment in the number of shares applicable to Awards then outstanding, the Option Exercise Prices to Options then outstanding and the number of shares which are reserved for issuance under the Plan. Any such adjustment shall be conclusive and binding for all purposes of the Plan.

AMENDMENTS TO:**THE PBG STOCK INCENTIVE PLAN;****THE PBG 1999 LONG-TERM INCENTIVE PLAN;****THE PBG 2000 LONG-TERM INCENTIVE PLAN;****THE PBG 2002 LONG-TERM INCENTIVE PLAN;****THE PBG 2004 LONG-TERM INCENTIVE PLAN
AS AMENDED AND RESTATED EFFECTIVE AS OF MAY 25, 2005;****THE PBG 2004 LONG-TERM INCENTIVE PLAN
AS AMENDED AND RESTATED EFFECTIVE AS OF JANUARY 1, 2009****THE PBG DIRECTORS' STOCK PLAN**

The (i) PBG Stock Incentive Plan ("SIP"); (ii) PBG 1999 Long-Term Incentive Plan ("1999 LTIP"); (iii) PBG 2000 Long-Term Incentive Plan ("2000 LTIP"); (iv) PBG 2002 Long-Term Incentive Plan ("2002 LTIP"); (v) PBG 2004 Long-Term Incentive Plan ("2004 LTIP"); (vi) PBG 2004 Long-Term Incentive Plan, as amended and restated effective May 25, 2005 ("2005 Restatement"); (vii) PBG 2004 Long-Term Incentive Plan, as amended and restated effective January 1, 2009 ("2009 Restatement"); and (viii) PBG Directors' Stock Plan ("Directors' Plan") (collectively, the "Plan") are hereby amended as set forth below, effective as of the "Effective Time" (as defined below) and contingent upon the occurrence of the Effective Time:

1. The following new Section is added at the end of each Plan document and shall be numbered as (i) Section 21 in the SIP; (ii) Section 11 in the 1999 LTIP; (iii) Section 12 in the 2000 LTIP, 2002 LTIP and 2004 LTIP; (iii) Section 13 in the 2005 Restatement and 2009 Restatement; and (iv) Section 18 in the Directors' Plan:

"Merger of The Pepsi Bottling Group, Inc. into Pepsi-Cola Metropolitan Bottling Company, Inc. The Pepsi Bottling Group, Inc. merged into the Pepsi-Cola Metropolitan Bottling Company, Inc., a subsidiary of PepsiCo, Inc., effective as of the "Effective Time" (as that term is defined in the Agreement and Plan of Merger dated as of August 3, 2009, among The Pepsi Bottling Group, Inc., PepsiCo, Inc., and Pepsi-Cola Metropolitan Bottling Company, Inc.). As a result of the merger, PepsiCo, Inc. assumed sponsorship of the Plan effective as of the Effective Time. In conjunction with PepsiCo's assumption of the role of the Plan's sponsor, the following shall apply under the Plan, effective for periods on and after the Effective Time:

- (a) All references in the Plan to the "Company" shall refer to PepsiCo, Inc., and its subsidiaries, divisions and affiliated businesses.

(b) All rights and responsibilities with respect to the Plan that were allocable to the Board of Directors of The Pepsi Bottling Group, Inc. prior to the Effective Time, shall be allocable to the Board of Directors of PepsiCo, Inc. Accordingly, all references in the Plan to the "Board of Directors" or "Board" shall refer to the Board of Directors of PepsiCo, Inc.

(c) The PepsiCo Compensation Committee of the Board of Directors assumed responsibility for Plan administration from the Compensation and Management Development Committee of the Board of Directors of The Pepsi Bottling Group, Inc. Accordingly, all references in the Plan to the "Committee" shall refer to the Compensation Committee of the Board of Directors of PepsiCo, Inc."

THE PEPSI BOTTLING GROUP, INC.

By: /s/ John L. Berisford
John L. Berisford
Title: Senior Vice President, Human Resources
Date: February 19, 2010

LAW DEPARTMENT APPROVAL:

By: /s/ Christine Morace
The Pepsi Bottling Group, Inc.
Law Department

Consented to and approved by:

PEPSICO, INC.

By: /s/ Cynthia M. Trudell
Cynthia M. Trudell
Title: Senior Vice President and
Chief Personnel Officer
Date: February 18, 2010

LAW DEPARTMENT APPROVAL:

By: /s/ Christopher Bellanca
PepsiCo, Inc. Law Department

PEPSIAMERICAS

2000 STOCK INCENTIVE PLAN

*(As Adopted by the Board of Directors on February 18, 2000
and Approved by the Stockholders on May 4, 2000)*

PEPSIAMERICAS, INC.
2000 STOCK INCENTIVE PLAN
(Approved February 18, 2000 by Board of Directors)

1. Definitions

The following definitions shall be applicable throughout this Plan:

- (a) "Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provision to such section and any regulations under such section.
- (b) "Committee" shall mean the Committee selected by the Board of Directors as provided in Paragraph 4, consisting of two or more members of the Board of Directors, each of whom may be (i) a "Non-Employee Director" within the meaning of Rule 16b-3 under the Exchange Act, and (ii) an "outside director" within the meaning of Section 162(m) of the Code.
- (c) "Common Stock" shall mean common stock of the Corporation, \$.01 par value.
- (d) "Corporation" shall mean PepsiAmericas, Inc., a Delaware corporation.
- (e) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.
- (f) "Holder" shall mean an individual who has been granted an Option, Restricted Stock Award or Performance Award.
- (g) "Option" shall mean any option granted under the Plan for the purchase of Common Stock.
- (h) "Performance Award" shall mean an award of Common Stock or cash granted under the Performance Award provisions of the Plan.
- (i) "Performance Measures" shall mean the criteria and objectives, established by the Committee, which shall be satisfied or met during the applicable performance period as a condition to (i) the receipt of an Option or SAR, (ii) the exercisability of all or a portion of an Option or SAR, (iii) the vesting of shares of Common Stock subject to a Restricted Stock Award or (iv) the receipt of shares of Common Stock and/or cash with respect to a Performance Award. Such criteria and objectives may include one or more of the following: stock price, the attainment by a share of Common Stock of a specified fair market value for a specified period of time, capitalization, earnings per share, growth in stock price, growth in market value, return to stockholders (including or excluding dividends), return on equity, earnings, earnings per share, economic value added, revenues, net income, operating income, return on assets, return on capital, return on sales, market share, cash flow measures or cost reduction goals, or any combination of the foregoing.

If the Committee desires that compensation payable pursuant to any award under the Plan be qualified performance-based compensation under Section 162(m) of the Code and the rules and regulations thereunder, the Performance Measures (i) shall be established by the Committee no later than 90 days after the first day of the performance period (or such other time permitted under Section 162(m) of the Code) and (ii) shall satisfy all other applicable requirements imposed under Treasury Regulations promulgated under Section 162(m) of the Code, including the requirement that such Performance Measures be stated in terms of an objective formula or standard. The Performance Measures determined by the Committee shall be established prior to the beginning of each performance period but, except as necessary to qualify a Performance Award as “performance-based compensation” under Section 162(m) of the Code and the rules and regulations thereunder, may be subject to such later revisions to reflect significant, unforeseen events or changes, as the Committee shall deem appropriate.

- (j) “Plan” shall mean the Corporation’s 2000 Stock Incentive Plan, as amended from time to time.
- (k) “Restricted Stock Award” shall mean an award of Common Stock granted under the Restricted Stock Award provisions of the Plan.
- (l) “Retirement” shall mean cessation of active employment or service with the Corporation or a subsidiary pursuant to the Corporation’s retirement policies and programs.
- (m) “SAR” shall mean a stock appreciation right which is issued in tandem with, or by reference to, an Option, which entitles the Holder thereof to receive, upon exercise of such SAR and surrender for cancellation of all or a portion of such Option, shares of Common Stock, cash or a combination thereof with an aggregate value equal to the excess of the fair market value of one share of Common Stock on the date of exercise over the purchase price specified in such Option, multiplied by the number of shares of Common Stock subject to such Option, or portion thereof, which is surrendered.

2. Purpose

It is the purpose of the Plan to provide a means through which the Corporation may attract able persons to enter its employ and the employ of its subsidiaries, to serve as directors and to provide a means whereby those persons upon whom the responsibilities of the successful administration and management of the Corporation or its subsidiaries rest, and whose present and potential contributions to the welfare of the Corporation or its subsidiaries are of importance, can acquire and maintain stock ownership. Such persons should thus have a greater than ordinary concern for the welfare of the Corporation and/or its subsidiaries and would be expected to strengthen and maintain a desire to remain in the employ or service of the Corporation or its subsidiaries. It is a further purpose of the Plan to provide such persons with additional incentive and reward opportunities designed to enhance the profitable growth of the Corporation. So that the maximum incentive can be provided each participant in the Plan by granting such participant

an Option or award best suited to such participant's circumstances, the Plan provides for granting "incentive stock options" (as defined in Section 422 of the Code) and nonqualified stock options (with or without SARs), Restricted Stock Awards and Performance Awards, or any combination of the foregoing.

3. Effective Date and Duration of the Plan

The Plan shall be submitted to the stockholders of the Corporation for approval and, if approved by the affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at the 2000 annual meeting of stockholders, shall become effective on the date of approval by the Board of Directors. The Plan shall remain in effect until all Options granted under the Plan have been exercised, all restrictions imposed upon Restricted Stock Awards have been eliminated and all Performance Awards have been satisfied.

4. Administration

The members of the Committee shall be selected by the Board of Directors to administer the Plan. A majority of the Committee shall constitute a quorum. Subject to the express provisions of the Plan, the Committee shall have authority, in its discretion, to determine the individuals to receive Options (with or without SARs), Restricted Stock Awards and Performance Awards, the time or times when they shall receive them, whether an "incentive stock option" under Section 422 of the Code or nonqualified option shall be granted, the number of shares to be subject to each Option and Restricted Stock Award and the value of each Performance Award. In making such determinations the Committee shall take into account the nature of the services rendered by each individual, such individual's present and potential contribution to the Corporation's success, and such other factors as the Committee shall deem relevant.

The Committee shall have such additional powers as are delegated to it by the other provisions of the Plan and, subject to the express provisions of the Plan, to construe the respective Option, Restricted Stock Award and Performance Award agreements and the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to determine the terms, restrictions and provisions of the Option, Restricted Stock Award and Performance Award agreements (which need not be identical) including such terms, restrictions, Performance Measures and provisions as shall be requisite in the judgment of the Committee to cause certain Options to qualify as "incentive stock options" under Section 422 of the Code, and to make all other determinations necessary or advisable for administering the Plan. The Committee may, in its sole discretion and for any reason at any time, subject to the requirements imposed under Section 162(m) of the Code and regulations promulgated thereunder in the case of an award intended to be qualified performance-based compensation, take action such that (i) any or all outstanding Options shall become exercisable in part or in full, (ii) all or some of the restrictions applicable to any outstanding Restricted Stock Award shall lapse and (iii) all or a portion of any outstanding Performance Award shall be satisfied. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Option, Restricted Stock Award or Performance Award agreement in the manner and to the extent it shall deem expedient to carry it into effect, and it shall be the sole and final judge of such expediency. The determinations of the Committee on matters referred to in this Paragraph 4 shall be conclusive.

The Committee shall act by majority action at a meeting, except that action permitted to be taken at a meeting may be taken without a meeting if written consent thereto is given by all members of the Committee.

5. Grants of Options, Restricted Stock Awards and Performance Awards; Shares Subject to the Plan

The Committee may from time to time grant both "incentive stock options" under Section 422 of the Code and nonqualified options to purchase shares of Common Stock (with or without SARs), Restricted Stock Awards and Performance Awards to one or more officers, key employees or directors (or persons expected to become officers, key employees or directors) determined by it to be eligible for participation in accordance with the provisions of Paragraph 6 and providing for the issuance of such number of shares and, in the case of Performance Awards, having such value as in the discretion of the Committee may be fitting and proper. Subject to Paragraph 10, not more than 8,000,000 shares of Common Stock shall be available under the Plan upon exercise of Options or SARs or pursuant to Restricted Stock Awards or Performance Awards granted under the Plan. Performance Awards which may be exercised or paid only in cash shall not affect the number of shares of Common Stock available for issuance under the Plan.

The Common Stock to be offered under the Plan pursuant to Options, SARs, Restricted Stock Awards and Performance Awards may be Common Stock previously issued and outstanding and reacquired by the Corporation or newly issued shares.

The number of shares of Common Stock available under the Plan shall be reduced by the sum of the aggregate number of shares of Common Stock which become subject to outstanding Options, Restricted Stock Awards and outstanding Performance Awards which may be paid in part or solely in shares of Common Stock. To the extent (i) that an outstanding Option expires or terminates unexercised or is canceled or forfeited (other than in connection with the exercise of an SAR for Common Stock as set forth in the immediately following sentence) or (ii) that an outstanding Restricted Stock Award or outstanding Performance Award which may be paid in part or solely in shares of Common Stock expires or terminates without vesting or is canceled or forfeited or (iii) shares of Common Stock are withheld or delivered pursuant to the provisions on Share Withholding set forth in Paragraph 11 (A), then the shares of Common Stock subject to such expired, terminated, unexercised, canceled or forfeited portion of such Option, Restricted Stock Award or Performance Award, or the shares of Common Stock so withheld or delivered, shall again be available under the Plan. In the event all or a portion of an SAR is exercised, the number of shares of Common Stock subject to the related Option (or portion thereof) shall again be available under the Plan, except to the extent that shares of Common Stock were actually issued upon exercise of the SAR.

To the extent necessary for an award hereunder to be qualified performance-based compensation under Section 162(m) of the Code and the rules and regulations thereunder, the maximum number of shares of Common Stock with respect to which Options, SARs, Restricted Stock Awards or Performance Awards or a combination thereof may be granted during any calendar year to any person shall be 1,000,000 subject to adjustment as provided in Paragraph 10. Grants of Options, Restricted Stock Awards or Performance Awards that are canceled shall count toward the maximum stated in the preceding sentence.

6. Eligibility

Options, Restricted Stock Awards and Performance Awards may be granted only to persons who, at the time of the grant or award, are officers, other key employees or directors of the Corporation or any of its present and future subsidiaries within the meaning of Section 424(f) of the Code (herein called subsidiaries) or such persons expected to become such officers, key employees or directors. Options, Restricted Stock Awards or Performance Awards, or any combination thereof, may be granted on one or more occasions to the same person. A person who has received or is eligible to receive options to purchase stock of any subsidiary of the Corporation or incentive awards from any subsidiary of the Corporation will not, by reason thereof, be ineligible to receive Options, Restricted Stock Awards or Performance Awards under the Plan unless prohibited by the plan of such subsidiary.

Nothing in the Plan or any Option, Restricted Stock Award or Performance Award agreement shall be construed to constitute or be evidence of an agreement or understanding, expressed or implied, on the part of the Corporation or its subsidiaries to employ any person for any specific period of time.

7. Options and SARs

(A) Number of Shares. The Committee may, in its discretion, grant Options to such eligible persons as may be selected by the Committee. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an Option. With respect to each Option, the Committee shall determine the number of shares subject to the Option and the manner and the time of exercise of such Option. The Committee shall make such other determinations which in its discretion are fitting and proper.

(B) Stock Option Agreement. Each Option shall be evidenced by a stock option agreement in such form containing such provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve, including, without limitation, provisions to qualify certain Options as "incentive stock options" under Section 422 of the Code. An incentive stock option may not be granted to any person who is not an employee of the Corporation or any parent or subsidiary (as defined in Section 424 of the Code). Each incentive stock option shall be granted within ten years of the earlier of the date the Plan is adopted by the Corporation's Board of Directors and the date the Plan is approved by the stockholders of the Corporation. To the extent that the aggregate fair market value (determined as of the date of grant) of shares of Common Stock with respect to which Options designated as incentive stock options are exercisable for the first time by a person during any calendar year exceeds the amount (currently \$100,000) established by the Code, such Options shall be deemed to be nonqualified stock options.

(C) Option Price and Term of Option. The purchase price per share of the Common Stock under each Option shall be determined by the Committee; provided, however, that such purchase price shall not be less than 100% of the fair market value of the Common Stock at the date such Option is granted; provided, further, that if an incentive stock option shall be granted to any person who, at the time such Option is granted, owns capital stock of the Corporation possessing more than ten percent of the total combined voting power of all classes of capital stock of the Corporation (or of any parent or subsidiary of the Corporation) (a "Ten Percent Holder"), such purchase price shall be the price (currently 110% of fair market value) required by the Code in order to constitute an incentive stock option.

The period during which an Option may be exercised shall be determined by the Committee; provided, however, that no incentive stock option shall be exercised later than ten years after its date of grant; provided further, that if an incentive stock option shall be granted to a Ten Percent Holder, such option shall not be exercised later than five years after its date of grant. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the exercisability of all or a portion of an Option. The Committee shall determine whether an Option shall become exercisable in cumulative or non-cumulative installments and in part or in full at any time. An exercisable Option, or portion thereof, may be exercised only with respect to whole shares of Common Stock.

(D) Payment. An Option may be exercised by giving written notice to the Corporation specifying the number of shares of Common Stock to be purchased and accompanied by payment of the purchase price in full (or arrangement made for such payment to the Corporation's satisfaction). As set forth in the agreement evidencing the Option, the purchase price may be paid (a) in cash or (b) by delivery (either actual delivery or by attestation procedures established by the Corporation) of previously-owned whole shares of Common Stock (for which the holder has good title, free and clear of all liens and encumbrances and which such holder either (1) has held for at least six months or (ii) has purchased on the open market) valued at their fair market value on the date of exercise. If applicable, a person exercising an Option shall surrender to the Corporation any SARs which are canceled by reason of the exercise of such Option.

(E) Termination of Employment or Service or Death of Holder. In the event of any termination of the employment or service of a Holder with the Corporation or one of its subsidiaries, other than by reason of death or, in the case of a Holder of a nonqualified option, Retirement, the Holder may (unless otherwise provided in the Option agreement) exercise each Option held by such Holder at any time within three months (or one year if the Holder is permanently and totally disabled within the meaning of Section 22(e)(3) of the Code) after such termination of employment or service, but only if and to the extent such Option is exercisable at the date of such termination of employment or service, and in no event after the date on which such Option would otherwise terminate; provided, however, that if such termination of employment or service is for cause or voluntary on the part of the Holder without the written consent of the Corporation, any Option held by such Holder under the Plan shall terminate unless otherwise provided in the Option agreement.

In the event of the termination of employment or service of a Holder of a nonqualified option by reason of Retirement, then each nonqualified option held by the Holder shall be fully exercisable, and, subject to the following paragraph, such nonqualified option shall be exercisable by the Holder at any time up to and including (but not after) the date on which the nonqualified option would otherwise terminate (unless otherwise provided in the Option agreement).

Unless otherwise provided in the Option agreement, in the event of the death of a Holder (i) while employed by or providing service to the Corporation or one of its subsidiaries or after Retirement, (ii) within three months after termination of the Holder's employment, other than a termination by reason of death, Retirement or permanent and total disability within the meaning of Section 22(e)(3) of the Code, or (iii) within one year after termination of the Holder's employment by reason of such disability, then each Option held by such Holder may be exercised by the legatees of the Holder under his last will, or by his personal representatives or distributees, at any time within a period of nine months after the Holder's death, but only if and to the extent such Option is exercisable at the date of death (unless death occurs while the Holder is employed by or providing service to the Corporation or one of its subsidiaries, in which case each Option held by the Holder shall be fully exercisable), and in no event after the date on which such Option would otherwise terminate.

(F) Privileges of the Holder as Stockholder. The Holder shall be entitled to all the privileges and rights of a stockholder with respect only to such shares of Common Stock as have been actually purchased under the Option and registered in the Holder's name.

(G) SARs. The Committee may, in its sole discretion, grant an SAR (concurrently with the grant of the Option or, in the case of a nonqualified option which is not intended to be qualified performance-based compensation under Section 162(m) of the Code and the rules and regulations thereunder, subsequent to such grant) to any Holder of any Option granted under the Plan (or such Holder's legatees, personal representatives or distributees then entitled to exercise such Option). The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an SAR or to the exercisability of all or a portion of an SAR. An SAR may be exercised (i) by giving written notice to the Corporation specifying the number of SARs which are being exercised and (ii) by surrendering to the Corporation any Options which are canceled by reason of the exercise of the SAR. An SAR shall be exercisable upon such additional terms and conditions as may from time to time be prescribed by the Committee. No fractional share shall be issued upon the exercise of any SAR.

(H) Non-Transferability. Unless otherwise specified in the agreement evidencing an Option or SAR, no Option or SAR hereunder shall be transferable other than by will or the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Corporation. Except to the extent permitted by the foregoing sentence, each Option or SAR may be exercised during the Holder's lifetime only by the Holder or the Holder's legal representative or similar person. Except as permitted by the

second preceding sentence, no Option or SAR hereunder shall be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any Option or SAR hereunder, such Option or SAR and all rights thereunder shall immediately become null and void.

8. Restricted Stock Awards

(A) Restriction Period to Be Established by the Committee. At the time of the making of a Restricted Stock Award, the Committee shall establish a period of time (the "Restriction Period") applicable to such award. The Committee may establish different Restriction Periods from time to time and each Restricted Stock Award may have a different Restriction Period, in the discretion of the Committee. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met during the Restriction Period as a condition to the vesting of all or a portion of the shares of Common Stock subject to a Restricted Stock Award and for the forfeiture of all or a portion of such shares if such Performance Measures shall not be satisfied or met during the Restriction Period. Notwithstanding anything contained herein to the contrary, in the case of a Restricted Stock Award intended to be qualified performance-based compensation under Section 162(m) and the rules and regulations thereunder, shares of Common Stock subject thereto shall not be vested until the Committee certifies in writing that the applicable Performance Measures for the performance period have in fact been achieved.

(B) Other Terms and Conditions. Common Stock, when awarded pursuant to a Restricted Stock Award, shall be represented by a stock certificate or book-entry credits registered in the name of the Holder who receives the Restricted Stock Award or a nominee for the benefit of the Holder. The Holder shall have the right to receive dividends (or the cash equivalent thereof) during the Restriction Period and shall also have the right to vote such Common Stock and all other stockholder rights (in each case unless otherwise provided in the agreement evidencing the Restricted Stock Award), with the exception that (i) the Holder shall not be entitled to delivery of the stock certificate (or the removal of restrictions in the Corporation's books and records) until the Restriction Period established by the Committee pursuant to Paragraph 8(A) shall have expired or lapsed, (ii) the Corporation shall retain custody of the stock certificate during the Restriction Period, (iii) the Holder may not sell, transfer, pledge, exchange, hypothecate or dispose of such Common Stock during the Restriction Period, and (iv) a breach of restriction or breach of terms and conditions established by the Committee pursuant to the Restricted Stock Award shall cause a forfeiture of the Restricted Stock Award. If requested by the Corporation, a Holder of a Restricted Stock Award shall deposit with the Corporation stock powers or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate by the Corporation, which would permit transfer to the Corporation of all or a portion of the shares of Common Stock subject to the Restricted Stock Award in the event such award is forfeited in whole or in part. A distribution with respect to shares of Common Stock, other than a distribution in cash, shall be subject to

the same restrictions as the shares of Common Stock with respect to which such distribution was made, unless otherwise determined by the Committee. The Committee may, in addition, prescribe additional restrictions, terms or conditions upon or to the Restricted Stock Award in the manner prescribed by Paragraph 4. The Committee may, in its sole discretion, also establish rules pertaining to the Restricted Stock Award in the event of termination of employment or service (by Retirement, disability, death or otherwise) of a Holder of such award prior to the expiration of the Restriction Period.

(C) Restricted Stock Award Agreement. Each Restricted Stock Award shall be evidenced by an agreement in such form and containing such provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve.

(D) Payment for Restricted Stock. Restricted Stock Awards may be made by the Committee whereby the Holder receives Common Stock subject to those terms, conditions and restrictions established by the Committee but is not required to make any payment for said Common Stock. The Committee may also establish terms as to each Holder whereby such Holder, as a condition to the Restricted Stock Award, is required to pay, in cash or other consideration, all (or any lesser amount than all) of the fair market value of the Common Stock, determined as of the date the Restricted Stock Award is made.

(E) Termination of Employment or Service or Death of Holder. A Restricted Stock Award shall terminate for all purposes if the Holder does not remain continuously in the employ or service of the Corporation or a subsidiary at all times during the applicable Restriction Period, except as may otherwise be determined by the Committee.

9. Performance Awards

(A) Performance Period. The Committee shall establish with respect to each Performance Award a performance period over which performance shall be measured. The performance period shall be established at the time of such award.

(B) Performance Awards. Each Performance Award shall have a maximum value established by the Committee at the time of such award.

(C) Performance Measures. Performance Awards shall be awarded to an eligible person contingent upon future performance of the Corporation and/or the Corporation's subsidiary, division or department in which such person is employed over the performance period. The Committee shall establish the Performance Measures applicable to such performance.

(D) Award Criteria. In determining the value of Performance Awards, the Committee shall take into account an eligible person's responsibility level, performance, potential, cash compensation level, unexercised stock options, other incentive awards and such other considerations as it deems appropriate. Notwithstanding the preceding sentence, to the extent necessary for a Performance Award payable in cash to be qualified performance-based compensation under Section 162(m) of the Code and the rules and regulations thereunder, the maximum amount that may be paid under all such Performance Awards to any one person during any period of three calendar years shall be \$10,000,000.

(E) Payment. Following the end of each performance period, the Holder of each Performance Award shall be entitled to receive payment of an amount, not exceeding the maximum value of the Performance Award, based on the achievement of the Performance Measures for such performance period, as determined by the Committee. Payment of Performance Awards may be made wholly in cash, wholly in shares of Common Stock or a combination thereof, all at the discretion of the Committee. Payment shall be made in a lump sum or in installments, and shall be subject to such vesting and other terms and conditions as may be prescribed by the Committee for such purpose. Notwithstanding anything contained herein to the contrary, in the case of a Performance Award intended to be qualified performance-based compensation under Section 162(m) and the rules and regulations thereunder, no payment shall be made under any such Performance Award until the Committee certifies in writing that the Performance Measures for the performance period have in fact been achieved.

(F) Termination of Employment or Service or Death of Holder. A Performance Award shall terminate for all purposes if the Holder does not remain continuously in the employ or service of the Corporation or a subsidiary at all times during the applicable performance period, except as may otherwise be determined by the Committee.

In the event that a Holder of a Performance Award ceases to be an employee or director of the Corporation following the end of the applicable performance period but prior to full payment according to the terms of the Performance Award, payment shall be made in accordance with terms established by the Committee for the payment of such Performance Award.

(G) Other Terms and Conditions. When a Performance Award is payable in installments in Common Stock, if determined by the Committee, one or more stock certificates or book-entry credits registered in the name of the Holder representing shares of Common Stock which would have been issuable to the Holder of the Performance Award if such payment had been made in full on the day following the end of the applicable performance period may be registered in the name of such Holder, and during the period until such installment becomes due such Holder shall have the right to receive dividends (or the cash equivalent thereof) and shall also have the right to vote such Common Stock and all other stockholder rights (in each case unless otherwise provided in the agreement evidencing the Performance Award), with the exception that (i) the Holder shall not be entitled to delivery of any stock certificate until the installment payable in shares becomes due, (ii) the Corporation shall retain custody of any stock certificates until such time and (iii) the Holder may not sell, transfer, pledge, exchange, hypothecate or dispose of such Common Stock until such time. A distribution with respect to shares of Common Stock payable in installments which has not become due, other than a distribution in cash, shall be subject to the same restrictions as the shares of Common Stock with respect to which such distribution was made, unless otherwise determined by the Committee.

(H) Performance Award Agreements. Each Performance Award shall be evidenced by an agreement in such form and containing such provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve.

10. Adjustments Upon Changes in Capitalization; Change in Control

(A) Notwithstanding any other provision of the Plan, (i) the number and class of securities or other consideration subject to any Option or to be delivered pursuant to any Restricted Stock Award or Performance Award and (ii) the Option or Restricted Stock Award price shall be appropriately adjusted by the Committee, whose determination shall be conclusive, in the event of a stock split, stock dividend, spin-off, split-up, recapitalization, merger, consolidation, combination or exchange of shares, or the like. In such event, the maximum number and class of securities available under the Plan, and the number and class of securities subject to Options, SARs, Restricted Stock Awards or Performance Awards, shall be appropriately adjusted by the Committee, whose determination shall be conclusive.

(B) (i) In the event of a "change in control" (as hereinafter defined) pursuant to subparagraph (C)(i) or (ii) below, or in the event of a change in control pursuant to subparagraph (C)(iii) or (iv) below in connection with which the holders of Common Stock receive consideration other than shares of common stock that are registered under Section 12 of the Exchange Act:

(1) (x) each Option granted under the Plan shall be exercisable in full, (y) each Holder of an Option shall receive from the Corporation within 60 days after the change in control, in exchange for the surrender of the Option or any portion thereof to the extent the Option is then exercisable in accordance with clause (x), an amount in cash equal to the difference between the fair market value (as determined by the Committee) on the date of the change in control of the Common Stock covered by the Option or portion thereof which is so surrendered and the purchase price of such Common Stock under the Option and (z) each SAR shall be surrendered by the Holder thereof and shall be canceled simultaneously with the cancellation of the related Option, provided, however, that the Committee shall have the discretion to provide that there shall be substituted for such shares of Common Stock subject to an outstanding Option a number and a class of securities of the entity effecting the change in control such that the purchase price per security shall be appropriately adjusted by the Committee (whose determination shall be conclusive), such adjustments to be made without any increase in the aggregate purchase price;

(2) each Holder of a Restricted Stock Award shall receive from the Corporation within 60 days after the change in control, in exchange for the surrender of the Restricted Stock Award, an amount in cash equal to the difference between the fair market value (as determined by the Committee) on the date of the change in control of the Common Stock subject to the Restricted Stock Award and the purchase price, if any, of such Common Stock;

(3) each Holder of a Performance Award for which the performance period has not expired shall receive from the Corporation within 60 days after the change in control, in exchange for the surrender of the Performance Award, an amount in cash equal to the product of the value of the Performance Award and a fraction, the numerator of which is the number of whole months which have elapsed from the beginning of the performance period to the date of the change in control, and the denominator of which is the number of whole months in the performance period; and

(4) each Holder of a Performance Award that has been earned but not yet paid shall receive an amount in cash equal to the value of the Performance Award.

(ii) Notwithstanding any other provision of the Plan or any agreement relating to an Option, Restricted Stock Award or Performance Award, in the event of a change in control pursuant to subparagraph (C)(iii) or (iv) below in connection with which the holders of Common Stock receive shares of common stock that are registered under Section 12 of the Exchange Act:

(1) each Option and SAR granted under the Plan shall be exercisable in full;

(2) the Restriction Period applicable to any outstanding Restricted Stock Award shall lapse and, if applicable, any other restrictions, terms or conditions shall lapse and/or be deemed to be satisfied at the maximum value or level;

(3) the Performance Measures applicable to any outstanding Performance Award shall be deemed to be satisfied at the maximum value; and

(4) there shall be substituted for each share of Common Stock remaining available under the Plan, whether or not then subject to an outstanding Option (and SAR), Restricted Stock Award or Performance Award, the number and class of shares into which each outstanding share of Common Stock shall be converted pursuant to such change in control. In the event of any such substitution, the purchase price per share in the case of an Option or Restricted Stock Award shall be appropriately adjusted by the Committee (whose determination shall be conclusive), such adjustments to be made without any increase in the aggregate purchase price.

(C) For purposes of this paragraph, the term “change in control” shall mean:

(i) the acquisition by any individual, entity or group (a “Person”), including any “person” within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, of beneficial ownership within the meaning of Rule 13d-3 promulgated under the Exchange Act, of cumulatively, 25% or more of either (x) the then outstanding shares of common stock of the Corporation (the “Outstanding Common Stock”) or (y) the combined voting power of the then

outstanding securities of the Corporation entitled to vote generally in the election of directors (the “Outstanding Voting Securities”); excluding, however, the following: (1) any acquisition directly from the Corporation (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Corporation), (2) any acquisition by the Corporation, (3) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Corporation or any corporation controlled by the Corporation; (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (1), (2) and (3) of clause (iii) in this definition of change in control; or (5) any acquisition by PepsiCo, Inc., a North Carolina corporation, or any affiliate thereof (collectively, “PepsiCo”), provided that following such acquisition, PepsiCo does not own more than 49% of the Outstanding Common Stock or Outstanding Voting Securities;

(ii) individuals who, as of the effective date of the Plan, constitute the Board of Directors of the Corporation (the “Incumbent Board”) cease for any reason to constitute at least a majority of such Board; provided, however, that any individual who becomes a director of the Corporation subsequent to such effective date whose election, or nomination for election by the Corporation’s stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a director of the Corporation as a result of an actual or threatened solicitation by a person or group for the purpose of opposing a solicitation by any other person or group with respect to the election or removal of directors or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board of Directors shall not be deemed a member of the Incumbent Board;

(iii) the consummation of a reorganization, merger or consolidation of the Corporation or sale or other disposition of all or substantially all of the assets of the Corporation (a “Corporate Transaction”); excluding, however, a Corporate Transaction pursuant to which (1) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Common Stock and the Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 66 % of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Corporation or all or substantially all of the Corporation’s assets either directly or indirectly) in substantially the same proportions relative to each other as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Common Stock and the Outstanding Voting Securities, as the case may be, (2) no Person (other than: the Corporation; any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any

corporation controlled by the Corporation; the corporation resulting from such Corporate Transaction; and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 25% or more of the Outstanding Common Stock or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 25% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of directors and (3) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(iv) the consummation of a plan of complete liquidation or dissolution of the Corporation.

(D) With respect to any Holder of an Option or SAR who is subject to Section 16 of the Exchange Act, (i) notwithstanding the exercise periods set forth in Paragraph 7(E) or as set forth pursuant to Paragraph 7(E) in any agreement evidencing such Option or SAR and (ii) notwithstanding the expiration date of the term of such Option or SAR, in the event the Corporation is involved in a business combination which is intended to be treated as a pooling of interests for financial accounting purposes (a "Pooling Transaction") or pursuant to which such Holder receives a substitute option to purchase securities of any entity, including an entity directly or indirectly acquiring the Corporation, then each Option or SAR (or option or stock appreciation right in substitution thereof) held by such Holder shall be exercisable to the extent set forth in the agreement evidencing such Option or SAR until and including the latest of (x) the expiration date of the term of the Option or SAR or, in the event of such Holder's termination of employment or service, the date determined pursuant to Paragraph 7(E), (y) the date which is six months and ten business days after the consummation of such business combination and (z) the date which is ten business days after the date of expiration of any period during which such Holder may not dispose of a security issued in the Pooling Transaction in order for the Pooling Transaction to be accounted for as a pooling of interests.

11. Withholding Taxes

(A) If provided in the agreement evidencing an Option, SAR, Restricted Stock Award or Performance Award, the Holder thereof may elect, by written notice to the Corporation at the office of the Corporation designated for that purpose, to pay through withholding by the Corporation all or a portion of the estimated federal, state, local and other taxes arising from (1) the exercise of an Option or SAR and (2) the vesting or distribution of shares of Common Stock pursuant to a Restricted Stock Award or Performance Award (a) by having the Corporation withhold shares of Common Stock or (b) by delivering previously-owned shares (collectively, "Share Withholding"), in each case being such number of shares of Common Stock as shall have a fair market value equal to the amount of taxes required to be withheld, rounded up to the nearest whole share; provided, however, that such shares of Common Stock may not have a fair market value in excess of the amount determined by applying the minimum statutory withholding rate.

(B) A Share Withholding election shall be subject to disapproval by the Corporation.

(C) If the date as of which the amount of tax to be withheld is determined (the "Tax Date") is deferred until after the exercise of an Option or SAR, the expiration of the Restriction Period applicable to a Restricted Stock Award or the payment of a Performance Award, and if the Holder elects Share Withholding, the Corporation may issue to the Holder the full number of shares of Common Stock, if any, resulting from such exercise, expiration or payment and the Holder shall be unconditionally obligated to deliver to the Corporation on the Tax Date such number of shares of Common Stock as shall have an aggregate fair market value equal to the amount to be withheld on the Tax Date, rounded up to the nearest whole share.

(D) The fair market value of shares of Common Stock used for payment of taxes, as provided in this Paragraph 11, shall be the mean sale price per share, as reported for New York Stock Exchange Composite Transactions, on the Tax Date.

12. Termination of Plan

The Plan may be terminated at any time by the Board of Directors, except with respect to any Options, SARs, Restricted Stock Awards or Performance Awards outstanding. The Corporation reserves the right to restrict, in whole or in part, the exercise of any Options or SARs or the delivery of Common Stock pursuant to any Restricted Stock Awards or Performance Awards granted under the Plan until such time as,

(A) any legal requirements or regulations have been met relating to the issuance of the shares covered thereby or to their registration under the Securities Act of 1933 or to any applicable State laws; and

(B) satisfactory assurances are received that the shares when issued will be duly listed on the New York Stock Exchange, Inc.

13. Amendment of the Plan

The Board of Directors may amend the Plan; provided, however, that without the approval of the stockholders the Board of Directors may not amend the Plan, subject to Paragraph 10, to (a) increase the maximum number of shares which may be issued on exercise of Options or SARs or pursuant to Restricted Stock Awards or Performance Awards granted under the Plan or (b) effect any change inconsistent with Section 422 of the Code.

14. Effect of the Plan

Neither the adoption of the Plan nor any action of the Board of Directors or the Committee shall be deemed to give any person any right to be granted any Option, a right to a Restricted Stock Award or a right to a Performance Award or any rights hereunder except as may

be evidenced by an Option agreement, Stock Award agreement or Performance Award agreement, duly executed on behalf of the Corporation, and then only to the extent and on the terms and conditions expressly set forth therein.

15. Governing Law

The Plan, each Option, Restricted Stock Award and Performance Award and the related agreement, and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

16. Foreign Employees

Without amending the Plan, the Committee may grant awards to eligible persons who are foreign nationals on such terms and conditions different from those specified in the Plan as may in the judgment of the Committee be necessary or desirable to foster and promote achievement of the purposes of the Plan and, in furtherance of such purposes the Committee may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which the Company or its subsidiaries operates or has employees.

**WHITMAN CORPORATION 2000 STOCK INCENTIVE PLAN
AMENDMENT NO. 1**

Pursuant to the authority retained by PepsiAmericas, Inc. (the "Company") under Section 13 of the Whitman Corporation 2000 Stock Incentive Plan (the "Plan"), and the action of the Company at the February 16, 2001 meeting of the Board of Directors of the Company, the Company hereby amends the Plan in the following manner:

The name of the Plan shall hereby be changed to: PepsiAmericas, Inc. 2000 Stock Incentive Plan.

This name change is in recognition of the change of the Company's name.

This Amendment No. 1 shall be effective as of February 16, 2001.

PepsiAmericas, Inc.

By: /s/ Brian D. Wenger
Brian D. Wenger, Secretary

Dated: May 30, 2002

**PEPSIAMERICAS, INC. 2000 STOCK INCENTIVE PLAN
AMENDMENT NO. 2**

Pursuant to the authority retained by PepsiAmericas, Inc. (the "Company") under Section 13 of the PepsiAmericas, Inc. 2000 Stock Incentive Plan (the "Plan"), and the action of the Company at the February 17, 2004 meeting of the Board of Directors of the Company, the Company hereby amends the Plan in the following manner:

Section 5 "**Grants of Options, Restricted Stock Awards and Performance Awards; Shares Subject to the Plan**" shall be amended in its first paragraph, second sentence to read as follows: "Subject to paragraph 10, not more than 14 million shares of Common Stock shall be available under the Plan upon exercise of Options or SARs or pursuant to Restricted Stock Awards or Performance Awards granted under the Plan."

But for the change above, the terms and provisions of the Plan remain as in effect prior to this Amendment.

This Amendment No. 2 shall be effective as of February 17, 2004.

PepsiAmericas, Inc.

By: /s/ Brian D. Wenger
Brian D. Wenger, Secretary

Dated: February 17, 2004

**PEPSIAMERICAS, INC. 2000 STOCK INCENTIVE PLAN
AMENDMENT NO. 3**

Pursuant to the authority retained by PepsiAmericas, Inc. (the "Company") under Section 13 of the PepsiAmericas, Inc. 2000 Stock Incentive Plan (the "Plan"), and the action of the Company at the February 24, 2005 meeting of the Board of Directors of the Company, the Company hereby amends the Plan in the following manner:

Section 1 "**Definitions**" shall be amended by inserting a new sentence at the end of subsection (k), to read as follows: "Restricted Stock Award shall also include a Restricted Stock Unit Award, which is any award of the right to receive a cash payment equal to the fair market value of Common Stock upon the occurrence of some future event, such as the completion of a stated period of employment, under the terms set forth in an agreement."

Section 8 "**Restricted Stock Awards**" shall be amended as follows: "(A) Restriction Period to Be Established by the Committee. At the time of the making of a Restricted Stock Award, the Committee shall establish a period of time (the "Restriction Period") applicable to such award. The Committee may establish different Restriction Periods from time to time and each Restricted Stock Award may have a different Restriction Period, in the discretion of the Committee. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met during the Restriction Period as a condition to the vesting of all or a portion of the shares or units subject to a Restricted Stock Award and for the forfeiture of all or a portion of such shares or units if such Performance Measures shall not be satisfied or met during the Restriction Period. Notwithstanding anything contained herein to the contrary, in the case of a Restricted Stock Award intended to be qualified performance-based compensation under Section 162(m) and the rules and regulations thereunder, shares or units subject thereto shall not be vested until the Committee certifies in writing that the applicable Performance Measures for the performance period have in fact been achieved.

(B) Other Terms and Conditions. Common Stock, if any, when awarded pursuant to a Restricted Stock Award, shall be represented by a stock certificate or book-entry credits registered in the name of the Holder who receives the Restricted Stock Award or a nominee for the benefit of the Holder. The Holder shall have the right to receive dividends (or the cash equivalent thereof) during the Restriction Period and shall also have the right to vote such Common Stock and all other stockholder rights (in each case unless otherwise provided in the agreement evidencing the Restricted Stock Award), with the exception that (i) the Holder shall not be entitled to delivery of the stock certificate (or the removal of restrictions in the Corporation's books and records) until the Restriction Period established by the Committee pursuant to Paragraph 8(A) shall have expired or lapsed, (ii) the Corporation shall retain custody of the stock certificate during the Restriction Period, (iii) the Holder may not sell, transfer, pledge, exchange, hypothecate or dispose of such Common Stock during the Restriction Period, and (iv) a breach of restriction or breach of terms and conditions established by the Committee pursuant to the Restricted Stock Awards shall cause a forfeiture of the Restricted Stock Award. If requested by the Corporation, a Holder of a Restricted Stock Award shall deposit with the Corporation stock powers or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate by the Corporation, which would permit transfer to the Corporation of all or a portion of the shares of

Common Stock subject to the Restricted Stock Award, if any, in the event such award is forfeited in whole or in part. A distribution with respect to shares of Common Stock, other than a distribution in cash, shall be subject to the same restrictions as the shares of Common Stock with respect to which such distribution was made, unless otherwise determined by the Committee. The Committee may, in addition, prescribe additional restrictions, terms or conditions upon or to the Restricted Stock Award in the manner prescribed by Paragraph 4. The Committee may, in its sole discretion, also establish rules pertaining to the Restricted Stock Award in the event of termination of employment or service (by Retirement, disability, death or otherwise) of a Holder of such award prior to the expiration of the Restriction Period.

(C) Restricted Stock Award Agreement. Each Restricted Stock Award shall be evidenced by an agreement in such form and containing such provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve.

(D) Payment for Restricted Stock. Restricted Stock Awards may be made by the Committee whereby the Holder receives Common Stock subject to those terms, conditions and restrictions established by the Committee but is not required to make any payment for said Common Stock. The Committee may also establish terms as to each Holder whereby such Holder, as a condition to the Restricted Stock Award, is required to pay, in cash or other consideration, all (or any lesser amount than all) of the fair market value of the Common Stock, determined as of the date the Restricted Stock Award is made.

Notwithstanding the above, if the Restricted Stock Award is in the form of a Restricted Stock Unit Award, the Holder shall not be entitled to receive Common Stock at any time during or after the Restriction Period. Rather, the Holder shall be entitled to a cash payment equal to the fair market value of the Common Stock at the end of the Restriction Period.

(E) Termination of Employment or Service or Death of Holder. A Restricted Stock Award shall terminate for all purposes if the Holder does not remain continuously in the employ or service of the Corporation or a subsidiary at all times during the applicable Restriction Period, except as may otherwise be determined by the Committee.”

This Amendment No. 3 shall be effective as of February 24, 2005.

PepsiAmericas, Inc.

By: /s/ Brian D. Wenger

Its: Secretary

Dated: February 24, 2005

PEPSIAMERICAS, INC. 2000 STOCK INCENTIVE PLAN**AMENDMENT NO. 4**

PepsiCo, Inc. hereby amends the PepsiAmericas, Inc. 2000 Stock Incentive Plan in the following manner, to be effective as of the Effective Time (as that term is defined in item 14 below):

1. The definition of "Committee" in Section 1 is amended in its entirety to read as follows:
"Committee" shall mean the Compensation Committee of the Board of Directors."
2. The definition of "Corporation" in Section 1 is amended in its entirety to read as follows:
"Corporation" shall mean PepsiCo, Inc., a corporation organized and existing under the laws of the State of North Carolina or its successor or successors. For periods prior to the Effective Time, "Corporation" shall mean PepsiAmericas, Inc."
3. The following new defined terms are added to Section 1 (in their appropriate alphabetical locations) to read as follows:
"Board of Directors" shall mean the Board of Directors of the Corporation."
"Effective Time" shall have the meaning given to that term under the Agreement and Plan of Merger dated as of August 3, 2009, among PepsiAmericas, Inc., PepsiCo, Inc., and Pepsi-Cola Metropolitan Bottling Company, Inc."

PepsiCo, Inc. hereby adopts this Amendment No. 4 on the date written below.

By: /s/ Cynthia M. Trudell

Cynthia M. Trudell

Senior Vice President and Chief Personnel Officer

Date: February 18, 2010

APPROVED:

By: /s/ Christopher Bellanca

Christopher Bellanca, Corporate Counsel

Law Department