



PROSPECTUS

600,000 Shares

PepsiCo, Inc.

CAPITAL STOCK  
(Par Value 1-2/3 Cents Per Share)

This Prospectus relates to an aggregate of 600,000 shares of Capital Stock, par value 1-2/3 cents per share ("Capital Stock"), of PepsiCo, Inc. ("PepsiCo"), offered by or for the account of certain non-employee directors of PepsiCo (the "Selling Stockholders") in order to permit such persons to sell or otherwise dispose of such securities from time to time. Certain information concerning the Selling Stockholders and their ownership of PepsiCo Capital Stock is set forth below under the caption "SELLING STOCKHOLDERS".

PepsiCo will not receive any of the proceeds from the sales of shares offered hereby.

PepsiCo is incorporated under the laws of the State of North Carolina. The principal executive offices of PepsiCo are located at Purchase, New York 10577 (Telephone No. (914) 253-2000).

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No person has been authorized to give any information or to make any representations, other than those contained or incorporated by reference in this Prospectus, in connection with the offer contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by PepsiCo. This Prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sales of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Neither delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

The date of this Prospectus is September 16, 1996

#### AVAILABLE INFORMATION

PepsiCo is subject to the information requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information filed by PepsiCo with the Commission can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's regional offices at 7 World Trade Center, Suite 1300, New York, New York 10048 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material can also be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, such reports, proxy statements and other information can be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005 and Chicago Stock Exchange, 440 South LaSalle Street, Chicago, Illinois 60605, on which shares of PepsiCo's Capital Stock are listed.

PepsiCo has filed a Registration Statement with the Commission under the Securities Act of 1933, as amended, with respect to the securities offered hereby. For further information regarding PepsiCo, reference should be made to the Registration Statement, the documents incorporated by reference therein and the exhibits relating thereto.

#### DOCUMENTS INCORPORATED BY REFERENCE

The information listed below, which has been filed by PepsiCo with the Commission, is specifically incorporated herein by reference:

- (a) PepsiCo's Annual Report on Form 10-K for its fiscal year ended December 30, 1995;
- (b) PepsiCo's proxy statement filed pursuant to Section 14 of the Securities Exchange Act of 1934 in connection with its 1996 Annual Meeting of Shareholders;
- (c) PepsiCo's Quarterly Report on Form 10-Q/A for the twelve weeks ended March 23, 1996;
- (d) PepsiCo's Quarterly Report on Form 10-Q for the twelve and twenty-four weeks ended June 15, 1996;
- (e) PepsiCo's Current Report on Form 8-K dated January 10, 1996;
- (f) PepsiCo's Current Report on Form 8-K dated February 7, 1996;
- (g) PepsiCo's Current Report on Form 8-K dated May 2, 1996;
- (h) PepsiCo's Current Report on Form 8-K dated May 13, 1996; and
- (i) PepsiCo's Current Report on Form 8-K dated August 12, 1996.

All documents filed by PepsiCo pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date hereof, and prior to the filing of a post-effective amendment indicating the termination of the offering of the securities offered hereby, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents.

Any statement contained herein, or in a document all or a portion of which is incorporated by reference herein, shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein (or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein) modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed to constitute a part hereof except as so modified or superseded.

PepsiCo will furnish without charge to each person to whom this Prospectus is delivered, upon written or oral request, a copy of any or all of the documents incorporated herein by reference (not including exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents). Requests should be addressed to: PepsiCo, Inc., Purchase, New York 10577, Attention: Manager of Shareholder Relations, (914) 253-3055.

#### THE OFFERING

The shares covered by this Prospectus were, or are expected to be, acquired by the Selling Stockholders through the grant of PepsiCo Capital Stock or as a result of the exercise of stock options granted under PepsiCo's Director Stock Plan (the "Plan").

The shares of Capital Stock being offered hereby may be sold from time to time in transactions on national securities exchanges, or in privately negotiated transactions, at market prices prevailing at the time of sale or at negotiated prices.

Selling Stockholders may sell some or all of the shares in transactions involving broker-dealers, who may act solely as agent and/or may acquire shares as principal. Broker-dealers participating in such transactions as agent may receive commissions from Selling Stockholders (and, if they act as agent for the purchaser of such shares, from such purchaser) computed in appropriate cases in accordance with the applicable rules of the national securities exchange on which such transactions are consummated, which commissions may be at negotiated rates where permissible under such rules. Participating broker-dealers may agree with Selling Stockholders to sell a specified number of shares at a stipulated price per share, and, to the extent such a broker-dealer is unable to do so acting as agent for Selling Stockholders, to purchase as principal any unsold shares at the price required to fulfill the broker-dealer's commitment to Selling Shareholders.

In addition or alternatively, shares may be sold by Selling Stockholders and/or by or through broker-dealers in special offerings, exchange distributions or secondary distributions pursuant to and in compliance with the governing rules of an appropriate national securities exchange, and in connection therewith commissions in excess of the customary commission prescribed by the rules of such securities exchange may be paid to participating broker-dealers, or, in the case of certain secondary distributions, a discount or concession from the offering price may be allowed to participating broker-dealers in excess of such customary commission.

Selling Stockholders and broker-dealers effecting sales on their behalf may be deemed to be "underwriters" within the meaning of the Securities Act of 1933. Any commissions paid or any discounts or concessions allowed to any such broker-dealers, and, if any of such broker-dealers purchase such shares as principal, any profits received on the resale of such shares, may be deemed to be underwriting discounts and commissions within the meaning of the Securities Act of 1933.

#### INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Insofar as indemnification for liabilities arising under the Securities Act of 1933 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 Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 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 of 1933 and will be governed by the final adjudication of such issue.

#### SELLING STOCKHOLDERS

Information regarding each of the Selling Stockholders, their ownership of PepsiCo Capital Stock and the amount of PepsiCo Capital Stock which may be offered for each Selling Shareholder's account will be provided in a supplement to this Prospectus.

#### EXPERTS

The consolidated financial statements and schedule of PepsiCo as of December 30, 1995 and for each of the fiscal years in the three-year period ended December 30, 1995, included in PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 30, 1995, have been audited by KPMG Peat Marwick LLP, independent auditors, as set forth in their report thereon included in such Annual Report and incorporated herein by reference. The report of KPMG Peat Marwick LLP covering the December 30, 1995 consolidated financial statements refers to PepsiCo's adoption of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" in 1995 and PepsiCo's adoption of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" and PepsiCo's change in the method of calculating the market-related value of pension plan assets used in the determination of pension expense in 1994. Such consolidated financial statements and schedules are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

With respect to the unaudited condensed consolidated interim financial information of PepsiCo for the twelve weeks ended March 23, 1996, and for the twelve and twenty-four weeks ended June 15, 1996, incorporated by reference herein, KPMG Peat Marwick LLP have reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate reports included in PepsiCo's quarterly reports on Form 10-Q/A for the twelve weeks ended March 23, 1996, and on Form 10-Q for the twelve and twenty-four weeks ended June 15, 1996, incorporated by reference herein, state that they did not audit and they do not express an opinion on that condensed consolidated interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. KPMG Peat Marwick LLP are not subject to the liability provisions of Section 11 of the Securities Act for their reports on the unaudited condensed consolidated interim financial information because those reports are not "reports" or a "part" of the Registration Statement prepared or certified by accountants within the meaning of Sections 7 and 11 of the Securities Act.

The financial statements incorporated herein by reference to all documents subsequently filed by PepsiCo pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act prior to the filing of a post-effective amendment that indicates that all securities offered hereby have been sold or that deregisters all securities then remaining unsold, are or will be so incorporated in reliance upon the reports of KPMG Peat Marwick LLP and any other independent public accountants relating to such financial information and upon the authority of such independent public accountants as experts in accounting and auditing in giving such reports to the extent that the particular firm has audited such financial statements and consented to the use of their reports thereon.

SUPPLEMENTAL INFORMATION THROUGH USE OF AN  
APPENDIX

The information contained in this Prospectus, including, without limitation, information relating to the Selling Stockholders, may be updated from time to time by means of an Appendix containing updating information.

DIRECTOR STOCK PLAN

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference

The information listed below, which has been filed by PepsiCo, Inc. ("PepsiCo") with the Securities and Exchange Commission (the "Commission"), is specifically incorporated herein by reference:

- (a) PepsiCo's Annual Report on Form 10-K for its fiscal year ended December 30, 1995;
- (b) PepsiCo's proxy statement filed pursuant to Section 14 of the Securities Exchange Act of 1934 in connection with its 1996 Annual Meeting of Shareholders;
- (c) PepsiCo's Quarterly Report on Form 10-Q/A for the twelve weeks ended March 23, 1996;
- (d) PepsiCo's Quarterly Report on Form 10-Q for the twelve and twenty-four weeks ended June 15, 1996;
- (e) PepsiCo's Current Report on Form 8-K dated January 10, 1996;
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- (g) PepsiCo's Current Report on Form 8-K dated May 2, 1996;
- (h) PepsiCo's Current Report on Form 8-K dated May 13, 1996; and
- (i) PepsiCo's Current Report on Form 8-K dated August 12, 1996.

All documents filed by PepsiCo pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date hereof, and prior to the filing of a post-effective amendment indicating the termination of the offering of the securities offered hereby, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein (or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein) modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed to constitute a part hereof except as so modified or superseded.

Item 5. Interests of Named Experts and Counsel

Legal Opinion

Kathleen Allen Luke, Esq., Vice President, Corporate Division Counsel of PepsiCo, has rendered an opinion stating that the shares of PepsiCo Capital Stock registered by Registration Statement No. 33-22970, will, when issued pursuant to the Plan, be duly and validly issued, fully paid and nonassessable. Ms. Luke is a full-time employee of PepsiCo and beneficially owns certain PepsiCo securities, including PepsiCo Capital Stock and options to purchase PepsiCo Capital Stock.

Experts

The consolidated financial statements and schedule of PepsiCo as of December 30, 1995 and for each of the fiscal years in the three-year period ended December 30, 1995, included in PepsiCo's Annual Report on Form 10-K for the fiscal year ended December 30, 1995, have been audited by KPMG Peat Marwick LLP, independent auditors, as set forth in their report thereon included in such Annual Report and incorporated herein by reference. The report of KPMG Peat Marwick LLP covering the December 30, 1995 consolidated financial statements refers to PepsiCo's adoption of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" in 1995 and PepsiCo's adoption of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" and PepsiCo's change in the method of calculating the market-related value of pension plan assets used in the determination of pension expense in 1994. Such consolidated financial statements and schedules are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

With respect to the unaudited condensed consolidated interim financial information of PepsiCo for the twelve weeks ended March 23, 1996, and for the twelve and twenty-four weeks ended June 15, 1996, incorporated by reference herein, KPMG Peat Marwick LLP have reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate reports included in PepsiCo's quarterly reports on Form 10-Q/A for the twelve weeks ended March 23, 1996, and on Form 10-Q for the twelve and twenty-four weeks ended June 15, 1996, incorporated by reference herein, state that they did not audit and they do not express an opinion on that condensed consolidated interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. KPMG Peat Marwick LLP are not subject to the liability provisions of Section 11 of the Securities Act for their reports on the unaudited condensed consolidated interim financial information



because those reports are not "reports" or a "part" of the Registration Statement prepared or certified by accountants within the meaning of Sections 7 and 11 of the Securities Act.

The financial statements incorporated herein by reference to all documents subsequently filed by PepsiCo pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act prior to the filing of a post-effective amendment that indicates that all securities offered hereby have been sold or that deregisters all securities then remaining unsold, are or will be so incorporated in reliance upon the reports of KPMG Peat Marwick LLP and any other independent public accountants relating to such financial information and upon the authority of such independent public accountants as experts in accounting and auditing in giving such reports to the extent that the particular firm has audited such financial statements and consented to the use of their reports thereon.

Item 6. Indemnification of Directors and Officers

(i) Sections 55-8-50 through 55-8-58 of the North Carolina Business Corporation Act provide as follows:

ss. 55-8-50. Policy statement and definitions.

(a) It is the public policy of this State to enable corporations organized under this Chapter to attract and maintain responsible, qualified directors, officers, employees and agents, and, to that end, to permit corporations organized under this Chapter to allocate the risk of personal liability of directors, officers, employees and agents through indemnification and insurance as authorized in this Part.

(b) Definitions in this Part:

(1)'Corporation' includes any domestic or foreign corporation absorbed in a merger which, if its separate existence had continued, would have had the obligation or power to indemnify its directors, officers, employees, or agents, so that a person who would have been entitled to receive or request indemnification from such corporation if its separate existence had continued shall stand in the same position under this Part with respect to the surviving corporation.

(2)'Director' means an individual who is or was a director of a corporation or an individual who, while a director of a corporation, is or was serving at the corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. A director is considered to be serving an employee benefit plan at the corporation's request if his duties to the corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of

the plan. 'Director' includes, unless the context requires otherwise, the estate or personal representative of a director.

(3)'Expenses' means expenses of every kind incurred in defending a proceeding, including counsel fees.

(4)'Liability' means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.

(4a) 'Officer', 'employee' or 'agent' includes, unless the context requires otherwise, the estate or personal representative of a person who acted in that capacity.

(5)'Official capacity' means: (i) when used with respect to a director, the office of director in a corporation; and (ii) when used with respect to an individual other than a director, as contemplated in G.S. 55-8-56, the office in a corporation held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the corporation. 'Official capacity' does not include service for any other foreign or domestic corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise.

(6)'Party' includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

(7)'Proceeding' means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.

ss. 55-8-51. Authority to Indemnify.

(a) Except as provided in subsection (d), a corporation may indemnify an individual made a party to a proceeding because he is or was a director against liability incurred in the proceeding if:

(1)He conducted himself in good faith; and

(2)He reasonably believed (i) in the case of conduct in his official capacity with the corporation, that his conduct was in its best interests; and (ii) in all other cases, that his conduct was at least not opposed to its best interests; and

(3)In the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

(b) A director's conduct with respect to an employee benefit plan for a purpose he reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirement of subsection (a)(2)(ii).

(c) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of no contest or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this section.

(d) A corporation may not indemnify a director under this section:

(1) In connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or

(2) In connection with any other proceeding charging improper personal benefit to him, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

(e) Indemnification permitted under this section in connection with a proceeding by or in the right of the corporation that is concluded without a final adjudication on the issue of liability is limited to reasonable expenses incurred in connection with the proceeding.

(f) The authorization, approval or favorable recommendation by the board of directors of a corporation of indemnification, as permitted by this section, shall not be deemed an act or corporate transaction in which a director has a conflict of interest, and no such indemnification shall be void or voidable on such ground.

ss. 55-8-52. Mandatory indemnification.

Unless limited by its articles of incorporation, a corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was a party because he is or was a director of the corporation against reasonable expenses incurred by him in connection with the proceeding.

ss. 55-8-53. Advance for expenses.

Expenses incurred by a director in defending a proceeding may be paid by the corporation in advance of the final disposition of such proceeding as authorized by the board of directors in the specific case or as authorized or required under any provision in the articles of incorporation or bylaws or by any applicable resolution or contract upon receipt of an undertaking by or on behalf of the

director to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation against such expenses.

ss. 55-8-54. Court-ordered indemnification.

Unless a corporation's articles of incorporation provide otherwise, a director of the corporation who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of an application, the court after giving any notice the court considers necessary may order indemnification if it determines:

(1)The director is entitled to mandatory indemnification under G.S. 55-8-52, in which case the court shall also order the corporation to pay the director's reasonable expenses incurred to obtain court-ordered indemnification; or

(2)The director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he met the standard of conduct set forth in G.S. 55-8-51 or was adjudged liable as described in G.S. 55-8-51(d), but if he was adjudged so liable his indemnification is limited to reasonable expenses incurred.

ss. 55-8-55. Determination and authorization of indemnification.

(a) A corporation may not indemnify a director under G.S. 55-8-51 unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because he has met the standard of conduct set forth in G.S. 55-8-51.

(b) The determination shall be made:

(1)By the board of directors by majority vote of a quorum consisting of directors not at the time parties to the proceeding;

(2)If a quorum cannot be obtained under subdivision (1), by majority vote of a committee duly designated by the board of directors (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding;

(3)By special legal counsel (i) selected by the board of directors or its committee in the manner prescribed in subdivision (1) or (2); (ii) if a quorum of the board of directors cannot be obtained under subdivision (1) and a committee cannot be designated under subdivision (2), selected by majority vote of the full board of directors (in which selection directors who are parties may participate); or

(4)By the shareholders, but shares owned by or voted under the control of directors who are at the time parties to the proceeding may not be voted on the determination.

(c) Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under subsection (b)(3) to select counsel.

ss. 55-8-56. Indemnification of officers, employees, and agents.

Unless a corporation's articles of incorporation provide otherwise:

(1)An officer of the corporation is entitled to mandatory indemnification under G.S. 55-8-52, and is entitled to apply for court-ordered indemnification under G.S. 55-8-54, in each case to the same extent as a director;

(2)The corporation may indemnify and advance expenses under this Part to an officer, employee, or agent of the corporation to the same extent as to a director; and

(3)A corporation may also indemnify and advance expenses to an officer, employee, or agent who is not a director to the extent, consistent with public policy, that may be provided by its articles of incorporation, bylaws, general or specific action of its board of directors, or contract.

ss. 55-8-57. Additional indemnification and insurance.

(a) In addition to and separate and apart from the indemnification provided for in G.S. 55-8-51, 55-8-52, 55-8-54, 55-8-55 and 55-8-56, a corporation may in its articles of incorporation or bylaws or by contract or resolution indemnify or agree to indemnify any one or more of its directors, officers, employees, or agents against liability and expenses in any proceeding (including without limitation a proceeding brought by or on behalf of the corporation itself) arising out of their status as such or their activities in any of the foregoing capacities; provided, however, that a corporation may not indemnify or agree to indemnify a person against liability or expenses he may incur on account of his activities which were at the time taken known or believed by him to be clearly in conflict with the best interests of the corporation. A corporation may likewise and to the same extent indemnify or agree to indemnify any person who, at the request of the corporation, is or was serving as a director, officer, partner, trustee, employee, or agent of

another foreign or domestic corporation, partnership, joint venture, trust or other enterprise or as a trustee or administrator under an employee benefit plan. Any provision in any articles of incorporation, bylaw, contract, or resolution permitted under this section may include provisions for recovery from the corporation of reasonable costs, expenses, and attorneys' fees in connection with the enforcement of rights to indemnification granted therein and may further include provisions establishing reasonable procedures for determining and enforcing the rights granted therein.

(b) The authorization, adoption, approval, or favorable recommendation by the board of directors of a public corporation of any provision in any articles of incorporation, bylaw, contract or resolution, as permitted in this section, shall not be deemed an act or corporate transaction in which a director has a conflict of interest, and no such articles of incorporation or bylaw provision or contract or resolution shall be void or voidable on such grounds. The authorization, adoption, approval, or favorable recommendation by the board of directors of a nonpublic corporation of any provision in any articles of incorporation, bylaw, contract or resolution, as permitted in this section, which occurred on or prior to July 1, 1990, shall not be deemed an act or corporate transaction in which a director has a conflict of interest, and no such articles of incorporation, bylaw provision, contract or resolution shall be void or voidable on such grounds. Except as permitted in G.S. 55-8-31, no such bylaw, contract, or resolution not adopted, authorized, approved or ratified by shareholders shall be effective as to claims made or liabilities asserted against any director prior to its adoption, authorization, or approval by the board of directors.

(c) A corporation may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee, or agent of the corporation, or who, while a director, officer, employee, or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against liability asserted against or incurred by him in that capacity or arising from his status as a director, officer, employee, or agent, whether or not the corporation would have power to indemnify him against the same liability under any provision of this Chapter.

ss. 55-8-58. Application of Part.

(a) If articles of incorporation limit indemnification or advance for expenses, indemnification and advance for expenses are valid only to the extent consistent with the articles.

(b) This Part does not limit a corporation's power to pay or reimburse expenses incurred by a director in connection with his appearance as a witness in

a proceeding at a time when he has not been made a named defendant or respondent to the proceeding.

(c) This Part shall not affect rights or liabilities arising out of acts or omissions occurring before July 1, 1990.

(ii) Section 3.07 of Article III of the By-Laws of PepsiCo provides 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, whether civil, criminal, administrative or investigative, 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 3.07 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 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 has entered into indemnification agreements with its directors whereby (with certain exceptions) PepsiCo 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 8. Exhibits

The Index to Exhibits is incorporated herein 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 of 1933;

(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;

(iii) To include any material information with respect to the plan of distribution 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) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, 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.

(b)The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the 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 of 1933 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 Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 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 of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, 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 Post-Effective Amendment No. 4 to Registration Statement No. 33-22970 to be signed on its behalf by the undersigned, thereunto duly authorized, in Purchase, New York, on the 16th day of September, 1996.

PepsiCo, Inc.

By: /S/ LAWRENCE F. DICKIE  
-----  
Lawrence F. Dickie  
Vice President, Associate General  
Counsel and Assistant Secretary

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 4 to the Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
----- Wayne Calloway * ----- (Wayne Calloway)	Chairman of the Board and Director	Sept. 16, 1996
Roger A. Enrico * ----- (Roger A. Enrico)	Vice Chairman of the Board, Chief Executive Officer and Director	Sept. 16, 1996
Robert G. Dettmer * ----- (Robert G. Dettmer)	Executive Vice President and Chief Financial Officer	Sept. 16, 1996
Robert L. Carleton * ----- (Robert L. Carleton)	Senior Vice President and Controller (Chief Accounting Officer)	Sept. 16, 1996
John F. Akers * ----- (John F. Akers)	Director	Sept. 16, 1996

Robert E. Allen *	Director	Sept. 16, 1996
----- (Robert E. Allen)		
Ray L. Hunt *	Director	Sept. 16, 1996
----- Ray L. Hunt		
John J. Murphy *	Director	Sept. 16, 1996
----- (John J. Murphy)		
Steven S Reinemund *	Director	Sept. 16, 1996
----- (Steven S Reinemund)		
Sharon Percy Rockefeller *	Director	Sept. 16, 1996
----- (Sharon Percy Rockefeller)		
Franklin A. Thomas *	Director	Sept. 16, 1996
----- (Franklin A. Thomas)		
P. Roy Vagelos *	Director	Sept. 16, 1996
----- (P. Roy Vagelos)		
Craig E. Weatherup *	Director	Sept. 16, 1996
----- (Craig E. Weatherup)		
Arnold R. Weber *	Director	Sept. 16, 1996
----- (Arnold R. Weber)		

\*By /s/ LAWRENCE F. DICKIE

-----  
(Lawrence F. Dickie)  
Attorney-in-Fact

INDEX TO EXHIBITS

Exhibit No.	Description
4(i)	Restated Articles of Incorporation of PepsiCo, Inc., filed as Exhibit 3(i) to PepsiCo, Inc.'s Quarterly Report on Form 10-Q for the twelve and twenty-four week period ended June 15, 1996, is incorporated herein by reference
4(ii)	Copy of By-Laws of PepsiCo, Inc., as amended to July 25, 1996, filed as Exhibit 3(ii) of PepsiCo, Inc.'s Quarterly Report on Form 10-Q for the twelve and twenty-four week period ended June 15, 1996, is incorporated herein by reference
4(iii)	Director Stock Plan
5	Opinion and consent of Kathleen Allen Luke, Esq., Vice President and Corporate Division Counsel of PepsiCo, Inc.
15	Letters from KPMG Peat Marwick LLP regarding unaudited financial information, incorporated by reference from Exhibit 15 to PepsiCo, Inc.'s Quarterly Report on Form 10-Q/A for the twelve weeks ended March 23, 1996 and PepsiCo, Inc.'s Quarterly Report on Form 10-Q for the twelve and twenty-four weeks ended June 15, 1996, are incorporated herein by reference
23 (a)	Consent of KPMG Peat Marwick
(b)	The consent of Kathleen Allen Luke, Esq. is contained in her opinion filed as Exhibit 5 to this Post-Effective Amendment No. 4 to Registration Statement No. 33-22970
24 (a)	Power of Attorney of PepsiCo, Inc. and certain of its officers and directors, filed as Exhibit 24 to PepsiCo, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 30, 1995, is incorporated herein by reference
(b)	Powers of Attorney of Ray L. Hunt, Steven S Reinemund and Craig E. Weatherup, directors of PepsiCo, Inc., filed as Exhibit 24(b) to Registration Statement No. 333-09363, is incorporated herein by reference

## PEPSICO, INC.

Director Stock Plan  
(Effective as of July 1, 1996)

## 1. Purposes

The principal purposes of the Director Stock Plan (the "Plan") are to provide compensation to those members of the Board of Directors of PepsiCo, Inc. ("PepsiCo") who are not also employees of PepsiCo, to assist PepsiCo 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 PepsiCo's shareholders.

## 2. Effective Date

The Plan was unanimously approved by the disinterested (non-participating) members of the Board of Directors of PepsiCo on July 28, 1988. This amendment and restatement of the Plan reflects the Plan as amended through July 1, 1996.

## 3. Administration

The Plan shall be administered and interpreted by the Directors of PepsiCo who are also employed by PepsiCo ("Employee Directors"). The Employee Directors are not eligible to participate in the Plan, but shall be eligible to participate in other PepsiCo benefit and compensation plans.

The Employee Directors 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 Employee Directors deem necessary or advisable. The Employee Directors' interpretations of the Plan, and all actions taken and determinations made by the Employee Directors pursuant to the powers vested in them hereunder, shall be conclusive and binding on all parties concerned, including PepsiCo, its directors and shareholders and any employee of PepsiCo. The costs and expenses of administering the Plan shall be borne by PepsiCo and not charged against any award or to any participant.

## 4. Eligibility

Directors of PepsiCo who are not employees of PepsiCo ("Non-Employee Directors") are eligible to receive awards under the Plan.

## 5. Awards

Under the Plan Non-Employee Directors shall receive an annual grant of options to purchase shares of PepsiCo Capital Stock ("Options"), at a fixed price (the "Exercise Price"), a portion of which award may be converted into the right to receive shares of PepsiCo Capital Stock, as described herein. Awards shall be made annually on July 1 of each year or on such other date as is determined by the Employee Directors. The shares granted or delivered under the Plan may be newly issued shares of Capital Stock or treasury shares.

The number of Options to be included in each award shall be determined by dividing \$120,000 by the Fair Market Value (as defined below) of a share of PepsiCo Capital Stock on the grant date, or if such day is not a trading day on the New York Stock Exchange, on the immediately preceding trading day. "Fair Market Value" shall mean the average of the high and

low per share sale price for PepsiCo Capital Stock on the composite tape for securities listed on the New York Stock Exchange for the day in question.

Options shall vest and become immediately exercisable on the grant date and, unless the Employee Directors specifically determine otherwise, shall not be assignable or transferable except by will or the laws of descent and distribution. Each Option shall have an Exercise Price equal to the Fair Market Value of PepsiCo Capital Stock on the grant date, and shall have a term of ten years, provided, however, in the event the holder thereof shall cease to be a director of PepsiCo, or its successor, for a reason other than death, disability or retirement, such Options shall thereupon immediately terminate and expire. Each Option shall also be evidenced by a written agreement setting forth the terms thereof.

With respect to each award, participants may elect to convert up to three quarters (3/4) of their Options into shares of PepsiCo Capital Stock at the ratio of three Options for one share.

7. Shares of Stock Subject to the Plan

The shares that may be delivered under this Plan shall not exceed an aggregate of 600,000 shares of Capital Stock, adjusted, if appropriate, in accordance with Section 9 below.

8. Deferral

Commencing in 1993, participants may elect to defer some or all of any stock award into phantom stock units. Participants who elect to defer receipt of a stock award will be credited with a number of phantom stock units equal to that number of shares of PepsiCo Capital Stock which they would have received had they not elected to defer. During the deferral period, the value of these phantom shares will fluctuate based on the market value of PepsiCo Capital Stock. Participants will be credited with dividends on phantom shares at the same rate and time as dividends are declared on PepsiCo Capital Stock. At the end of the deferral term, participants will receive the value of their phantom stock units and the amounts credited to them in respect of dividends. The value of phantom shares will be determined by multiplying the number of phantom shares by the Fair Market Value of PepsiCo Capital Stock on the last trading day of the deferral period. All payments of deferred awards will be made in cash.

9. Dilution and Other Adjustments

The number and kind of shares of PepsiCo Capital Stock issuable under the Plan, or which may be awarded to any participant, may be adjusted proportionately by the Employee Directors to reflect stock dividends, stock splits, recapitalizations, mergers, consolidations, combinations or exchanges of shares or other similar corporate changes.

10. Death, Disability or Retirement

In the event of the death, disability or retirement of a participant prior to the granting of an award in respect of the fiscal year in which such event occurred, an award may, in the discretion of a majority of the Employee Directors, be granted in respect of such fiscal year to the retired or disabled participant or his or her estate. If any participant shall cease to be a director for any reason other than death, disability or retirement, his or her rights to any award in respect of the fiscal year during which such cessation occurred shall terminate unless the Employee Directors shall determine otherwise.

11. Withholding Taxes

PepsiCo shall have the right to require the payment (through withholding from the participant's retainer or otherwise) of any withholding taxes required by federal, state, local or foreign law in respect of any award.

12. Resale Restrictions, Assignment and Transfer

No rights to receive awards under the Plan shall be assignable or transferable by a participant except by will or the laws of descent and distribution.

Once awarded, the shares of Capital Stock received by Plan participants 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. Phantom stock units may not be transferred or assigned except by will or the laws of descent and distribution.

13. Funding

The Plan shall be unfunded. PepsiCo 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.

14. Duration, Amendments and Terminations

The Employee Directors may terminate or amend the Plan in whole or in part, provided, however, that no such action shall adversely affect any rights or obligations with respect to any awards theretofore granted under the Plan. The Plan shall continue until terminated.

September 16, 1996

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

Dear Sir or Madam:

As Vice President, Corporate Division Counsel of PepsiCo, Inc. ("PepsiCo"), I have acted as counsel to PepsiCo in connection with the Post-Effective Amendment No. 4 (the "Post-Effective Amendment") to Registration Statement No. 33-22970 on Form S-8 (the "Registration Statement"), which Post-Effective Amendment is being filed today with the Securities and Exchange Commission in connection with a resale prospectus for the resale of shares of PepsiCo Capital Stock, par value 1-2/3 cents per share (the "Shares") granted or to be granted under, or issued upon the exercise of stock options granted under, PepsiCo's Director Stock Plan (the "Plan").

In connection with the opinion set forth below, I have examined such records and documents and have made such investigations of law and fact as I have deemed necessary.

Based upon the foregoing, it is my opinion that the Shares previously registered pursuant to the Registration Statement, when sold in accordance with the terms of the Plan, will be legally issued, fully paid and nonassessable.

I hereby consent to the filing of this opinion as an exhibit to the Post-Effective Amendment to the Registration Statement and to the use of my name in the Post-Effective Amendment under the caption "Legal Opinion". In giving this consent, I do not admit that I am in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/S/ KATHLEEN ALLEN LUKE

-----  
Kathleen Allen Luke  
Vice President  
Corporate Division Counsel



Consent of Independent Auditors

The Board of Directors  
PepsiCo, Inc.

We consent to the use of our audit report dated February 6, 1996 on the consolidated financial statements and schedule of PepsiCo, Inc. and Subsidiaries as of December 30, 1995 and for each of the fiscal years in the three-year period ended December 30, 1995 incorporated herein by reference in the Post-Effective Amendment No. 4 to Form S-8 of PepsiCo, Inc. pertaining to the Director Stock Plan and to the reference to our firm under the heading "Experts" in the Registration Statement.

Our audit report refers to PepsiCo, Inc.'s adoption of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" in 1995 and the Company's adoption of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" and the Company's change in the method of calculating the market-related value of pension plan assets used in the determination of pension expense in 1994.

Further, we acknowledge our awareness of the use therein of our review reports dated April 30, 1996 and July 23, 1996 related to our review of interim financial information. Our review reports refer to PepsiCo, Inc.'s adoption of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" in 1995 and the Company's adoption of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" and the Company's change in the method of calculating the market-related value of pension plan assets used in the determination of pension expense in 1994.

Pursuant to Rule 436(c) under the Securities Act of 1933, such review reports are not considered part of a registration statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of sections 7 and 11 of the Act.

/s/ KPMG PEAT MARWICK LLP

New York, New York  
September 16, 1996