



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

February 14, 2019

Elizabeth A. Ising
Gibson, Dunn & Crutcher LLP
shareholderproposals@gibsondunn.com

Re: PepsiCo, Inc.
Incoming letter dated December 20, 2018

Dear Ms. Ising:

This letter is in response to your correspondence dated December 20, 2018 concerning the shareholder proposal (the "Proposal") submitted to PepsiCo, Inc. (the "Company") by behalf of Kenneth Steiner (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: John Chevedden

February 14, 2019

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: PepsiCo, Inc.
Incoming letter dated December 20, 2018

The Proposal requests that the board take each step necessary so that each voting requirement in the Company's charter and bylaws (that is explicit or implicit due to default to state law) that calls for a greater than simple majority vote be eliminated and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary, this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(10). In this regard, we note your representation that the Company will provide shareholders at its 2019 annual meeting with an opportunity to approve amendments to its certificate of incorporation, which, if approved, will eliminate the supermajority voting provisions in the Company's certificate of incorporation. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(10).

Sincerely,

Courtney Haseley
Special Counsel

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

December 20, 2018

VIA E-MAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: *PepsiCo, Inc.*
Shareholder Proposal of Kenneth Steiner
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, PepsiCo, Inc. (the “Company”), intends to omit from its proxy statement and form of proxy for its 2019 Annual Meeting of Shareholders (collectively, the “2019 Proxy Materials”) a shareholder proposal (the “Proposal”) and statements in support thereof submitted by John Chevedden on behalf of Kenneth Steiner (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2019 Proxy Materials with the Commission; and
- concurrently sent a copy of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

Division of Corporation Finance
Securities and Exchange Commission
December 20, 2018
Page 2

THE PROPOSAL

The Proposal states:

RESOLVED, Shareholders request that our board take each step necessary so that each voting requirement in our charter and bylaws (that is explicit or implicit due to default to state law) that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.

A copy of the Proposal, the supporting statements and related correspondence from the Proponent are attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2019 Proxy Materials pursuant to Rule 14a-8(i)(10) because, as discussed below, the Board of Directors (the “Board”) has approved amendments to the Amended and Restated Articles of Incorporation (the “Certificate”) and determined to recommend that shareholders vote “for” the Certificate amendments, which substantially implement the Proposal.

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(i)(10) As Substantially Implemented.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. Applying this standard, the Staff has noted that “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (avail. Mar. 28, 1991).

At the same time, a company need not implement a proposal in exactly the same manner as set forth by the proponent. In *General Motors Corp.* (avail. Mar. 4, 1996), the company observed that the Staff has not required that a company implement the action requested in a

Division of Corporation Finance
Securities and Exchange Commission
December 20, 2018
Page 3

proposal exactly in all details but has been willing to issue no-action letters under the predecessor of Rule 14a-8(i)(10) in situations where the “essential objective” of the proposal had been satisfied. The company further argued that “[i]f the mootness requirement of paragraph (c)(10) were applied too strictly, the intention of [the rule]—permitting exclusion of ‘substantially implemented’ proposals—could be evaded merely by including some element in the proposal that differs from the registrant’s policy or practice.” For example, the Staff has concurred that companies, when substantially implementing a shareholder proposal, can address aspects of implementation on which a proposal is silent or which may differ from the manner in which the shareholder proponent would implement the proposal. *See, e.g., Chevron Corp.* (avail. Feb. 19, 2008) (proposal requesting that the board permit shareholders to call special meetings was substantially implemented where the company had adopted provisions allowing shareholders to call a special meeting, unless, among other things, an annual or company-sponsored special meeting that included the matters proposed to be addressed at the shareholder-requested special meeting had been held within a specified period of time before the requested special meeting); *Johnson & Johnson* (avail. Feb. 17, 2006) (proposal that requested the company to confirm the legitimacy of all current and future U.S. employees was substantially implemented because the company had verified the legitimacy of 91% of its domestic workforce).

Under this standard, the Proposal may properly be excluded from the 2019 Proxy Materials pursuant to Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal. The Proposal seeks the removal of “each voting requirement in our charter and bylaws (that is explicit or implicit due to default to state law) that calls for a greater than simple majority vote.” The supporting statements express concern regarding supermajority voting standards in several places.¹

The only “explicit” supermajority voting provision in the Company’s Certificate that applies to the Company’s common stock is set forth in Section 3 of Article Eighth. It states:

The board of directors shall have power to sell, assign, transfer, convey, exchange, or otherwise dispose of the property, effects, assets, franchises and good will of the [Company] as an entirety, for cash, for the securities

¹ For example, the supporting statements note: “[s]upermajority voting requirements have been found to be one of 6 entrenching mechanisms that are negatively related to company performance,” and “[s]upermajority requirements are used to block initiatives supported by most shareowners but opposed by a status quo management.”

Division of Corporation Finance
Securities and Exchange Commission
December 20, 2018
Page 4

of any other corporation, or for any other consideration, pursuant to the vote at the special meeting called for the purpose, of the holders of at least two-thirds of the issued and outstanding Common Stock and Convertible Preferred Stock of the Corporation voting as a single class.

Also, the Certificate contains several supermajority voting provisions that apply to the Company's convertible preferred stock, none of the shares of which remains outstanding.

In November 2018, the Board approved amendments to the Certificate (the "Certificate Amendments") to delete the supermajority voting provision in Section 3 of Article Eighth and to delete all the supermajority voting requirements applicable to the convertible preferred stock by removing references to the Company's convertible preferred stock in the following provisions of the Certificate:

- Article Fifth specifying the total number of shares of convertible preferred stock that are authorized for issuance;
- Article Seventh providing that no holder of the Company's common stock and no holder of the Company's convertible preferred stock will be entitled to subscribe for, purchase or receive any new or additional issue of stock, bonds, debentures or any other securities convertible into stock; and
- Exhibit A specifying preferences, limitations and relative rights of the shares of the convertible preferred stock.

Since the Certificate Amendments require shareholder approval to become effective, the Board also approved submitting the Certificate Amendments for shareholder approval at the 2019 Annual Meeting of Shareholders. Moreover, the Board approved recommending that shareholders vote "for" the Certificate Amendments. As a result, the Company has achieved the Proposal's objective because the Board has both approved and determined to submit the Certificate Amendments for shareholder approval at the 2019 Annual Meeting of Shareholders.

The Staff consistently has concurred that similar shareholder proposals calling for the elimination of provisions requiring "a greater than simple majority vote" (like the Proposal) are excludable under Rule 14a-8(i)(10) where the Board already took action to remove the supermajority voting provisions from a company's governing documents. *See, e.g., Korn/Ferry International* (avail. July 6, 2017); *Visa Inc.* (avail. Nov. 14, 2014); *Hewlett-Packard Co.* (avail. Dec. 19, 2013); *McKesson Corp.* (avail. Apr. 8, 2011); *Express Scripts, Inc.* (avail. Jan. 28, 2010) (each concurring with the exclusion under Rule 14a-8(i)(10) of a shareholder proposal with similar language as the Proposal as substantially implemented where the company's board of directors approved amendments

Division of Corporation Finance
Securities and Exchange Commission
December 20, 2018
Page 5

to the company's governing documents that would eliminate the provisions that called for a supermajority voting).

In addition, the Staff has consistently granted no-action relief in situations where the board lacks unilateral authority to adopt amendments but has taken all of the steps within its power to eliminate supermajority voting requirements and submitted the issue for shareholder approval. For instance, in *Visa* and *McKesson* discussed above, the companies' boards approved amendments to eliminate supermajority voting provisions, but the amendments would only become effective upon shareholder approval. The companies argued, and the Staff concurred, that no-action relief was appropriate based on the actions taken by the board and the anticipated actions of the companies' shareholders. *See also Applied Materials, Inc.* (avail. Dec. 19, 2008); *Sun Microsystems, Inc.* (avail. Aug. 28, 2008); *H.J. Heinz Co.* (avail. Mar. 10, 2008) (each granting no-action relief for a proposal similar to the Proposal based on board action and, as necessary, anticipated shareholder action).

Furthermore, to the extent that the reference in the Proposal to "implicit" supermajority provisions means voting provisions set forth in the North Carolina Business Corporation Act ("NCBCA") that require a vote greater than a majority of the shares entitled to vote, the Company has been advised by its counsel in North Carolina, Womble Bond Dickinson (US) LLP, that there are no such supermajority provisions applicable to the Company from which the Company is permitted to opt-out or that the NCBCA allows to be reduced by the Company, the Board or its shareholders.

Thus, consistent with the Proposal's direction to take action "in compliance with applicable laws," the Company has substantially implemented the Proposal given the Certificate Amendments. *See e.g. Whole Foods Market, Inc.* (avail. Dec. 21, 2010) (proposal similar to the Proposal was substantially implemented where the company had already eliminated all supermajority voting requirements in its charter and bylaws, and the only remaining supermajority voting requirement arose under a state law that did not allow the reduction of the voting threshold thereunder); *MDU Resources Group, Inc.*, (avail. Jan. 16, 2010) (proposal similar to the Proposal was substantially implemented, even though the company's charter contained a provision requiring approval by "a majority in number representing three-fourths in value of . . . the stockholders or class of stockholders," where that voting threshold was required by a state statute).

Division of Corporation Finance
Securities and Exchange Commission
December 20, 2018
Page 6

CONCLUSION

Based upon the foregoing analysis, we believe that the Proposal has been substantially implemented by the Certificate Amendments approved by the Board and, therefore, is excludable under Rule 14a-8(i)(10). Thus, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2019 Proxy Materials in reliance on Rule 14a-8(i)(10).

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287 or Eunice Yang, the Company's Senior Counsel, Corporate Governance, at (914) 253-2135.

Sincerely,



Elizabeth A. Ising

cc: Eunice Yang, Senior Counsel, Corporate Governance, PepsiCo, Inc.
T. Clark Fitzgerald III, Womble Bond Dickinson (US) LLP
Kenneth N. Shelton, Womble Bond Dickinson (US) LLP
John Chevedden
Kenneth Steiner

EXHIBIT A

From:

Date: November 1, 2018 at 11:23:25 AM EDT

To: Megan Hurley <Megan.Hurley@pepsi.com>

Cc: Jamie Caulfield <investor@pepsico.com>, Eunice Yang <Eunice.Yang@pepsico.com>, Cynthia Nastanski <Cynthia.Nastanski@pepsico.com>

Subject: Rule 14a-8 Proposal (PEP)`

Dear Ms. Hurley,

Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis up-front cost – especially considering the substantial market capitalization of the company.

Sincerely,

John Chevedden

Kenneth Steiner

Mr. David Yawman
Corporate Secretary
PepsiCo, Inc. (PEP)
700 Anderson Hill Road
Purchase NY 10577
PH: 914 253-2000
FX: 914-253-2070

Dear Mr. Yawman,

I purchased stock in our company because I believed our company had potential for improved performance. My attached Rule 14a-8 proposal is submitted in support of the long-term performance of our company. This Rule 14a-8 proposal is submitted as a low-cost method to improve company performance.

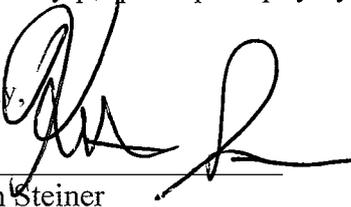
My proposal is for the next annual shareholder meeting. I will meet Rule 14a-8 requirements including the continuous ownership of the required stock value until after the date of the respective shareholder meeting. My submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication. This is my proxy for John Chevedden and/or his designee to forward this Rule 14a-8 proposal to the company and to act on my behalf regarding this Rule 14a-8 proposal, and/or modification of it, for the forthcoming shareholder meeting before, during and after the forthcoming shareholder meeting. Please direct all future communications regarding my rule 14a-8 proposal to John Chevedden

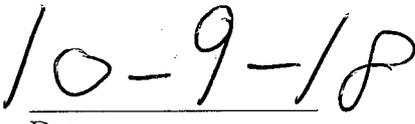
at:

to facilitate prompt and verifiable communications. Please identify this proposal as my proposal exclusively.

This letter does not cover proposals that are not rule 14a-8 proposals. This letter does not grant the power to vote. Your consideration and the consideration of the Board of Directors is appreciated in support of the long-term performance of our company. Please acknowledge receipt of my proposal promptly by email to

Sincerely,


Kenneth Steiner


Date

cc: Amy Carriello <amy.carriello@pepsico.com>
Senior Legal Director
PH: 914-253-2507
FX: 914-249-8109
FX: 914-249-8035
Megan Hurley <Megan.Hurley@pepsi.com>
Jamie Caulfield <investor@pepsico.com>
Senior Vice President, Investor Relations

[PEP: Rule 14a-8 Proposal, November 1, 2018]
[This line and any line above it – *Not* for publication.]

Proposal [4] – Simple Majority Vote

RESOLVED, Shareholders request that our board take each step necessary so that each voting requirement in our charter and bylaws (that is explicit or implicit due to default to state law) that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.

Shareholders are willing to pay a premium for shares of companies that have excellent corporate governance. Supermajority voting requirements have been found to be one of 6 entrenching mechanisms that are negatively related to company performance according to “What Matters in Corporate Governance” by Lucien Bebchuk, Alma Cohen and Allen Ferrell of the Harvard Law School. Supermajority requirements are used to block initiatives supported by most shareowners but opposed by a status quo management.

This proposal topic won from 74% to 88% support at Weyerhaeuser, Alcoa, Waste Management, Goldman Sachs, FirstEnergy, McGraw-Hill and Macy’s. The proponents of these proposals included Ray T. Chevedden and William Steiner. The votes would have been higher than 74% to 88% if all shareholders had ready access to independent proxy voting advice.

Plus the 2018 proposal to enable 10% of shareholders to call a special meeting won an impressive 48%-vote at the PepsiCo annual meeting. This 48%-vote would have been higher than 51% if all PepsiCo shareholders had access to independent proxy voting advice.

Currently a 1%-minority can frustrate the will of our 66%-shareholder majority in an election in which 67% of shares cast ballots. In other words a 1%-minority could have the power to prevent 66% of shareholders from taking action. This can be particularly important during periods of management underperformance and/or an economic downturn.

Now is a good time to improve our corporate governance given the following concerns regarding the performance and reputation of PepsiCo:

Greenpeace and Break Free from Plastic Movement criticism on environmental pollution caused by plastic packaging.

October 2018

Allegations of unfair trade practices on the extraction of groundwater to sell as mineral water, Pakistan.

September 2018

Activists and traders' criticisms over water extraction at the Thamirabarani River amidst drought conditions, India.

June 2018

NGOs alleged child labor practices in Palm Oil plantations, Indonesia.

March 2018

\$226 Million restructuring charges.

February 2018

Please vote yes:

Simple Majority Vote – Proposal [4]

[The above line – *Is* for publication.]

Kenneth Steiner,

sponsors this proposal.

Notes:

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(l)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email

From:

To: [Hurley, Megan {PEP}](#)

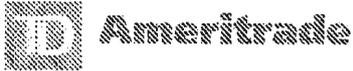
Cc: [SPA - PepsiCo Investor Relations](#); [Yang, Eunice {PEP}](#); [Nastanski, Cynthia {PEP}](#)

Subject: Rule 14a-8 Proposal (PEP) blb

Date: Monday, November 5, 2018 9:46:52 AM

Attachments: ***

Dear Ms. Hurley,
Please see the attached letter.
Sincerely,
John Chevedden



11/05/2018

Kenneth Steiner

Re: Your TD Ameritrade Account Ending in in TD Ameritrade Clearing Inc DTC #0188

Dear Kenneth Steiner,

Thank you for allowing me to assist you today. As you requested, this letter confirms that, as of close of business on November 2, 2018, you have continuously held no less than 300 shares of each of the following stocks in the above referenced account since June 1, 2017:

DowDuPont, Inc. (DWDP)
International Business Machines Corporation (IBM)
PepsiCo, Inc. (PEP)
Pfizer Inc. (PFE)
Southwest Airlines Co. (LUV)
Textron Inc. (TXT)

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Private Client Services at 800-400-4078. We're available 24 hours a day, seven days a week.

Sincerely,

Jennifer Hickman
Resource Specialist
TD Ameritrade

This information is furnished as part of a general information service and TD Ameritrade shall not be liable for any damages arising out of any inaccuracy in the information. Because this information may differ from your TD Ameritrade monthly statement, you should rely only on the TD Ameritrade monthly statement as the official record of your TD Ameritrade account.

Market volatility, volume, and system availability may delay account access and trade executions.

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From: [Yang, Eunice {PEP}](#)
To: ***
Cc: [Nastanski, Cynthia {PEP}](#)
Subject: PepsiCo, Inc. - Shareholder Proposal
Date: Wednesday, November 7, 2018 3:54:19 PM
Attachments: ***

Dear Mr. Chevedden,

I am writing on behalf of PepsiCo, Inc., which received on November 1, 2018, the shareholder proposal you submitted on behalf of Kenneth Steiner. Please find attached a letter we sent to you today by UPS. If you have any questions, please do not hesitate to contact me.

Best regards,
Eunice

Eunice Yang
Senior Counsel, Corporate Governance
PepsiCo, Inc.
700 Anderson Hill Road | Purchase | New York | 10577 | USA
Tel: 914-253-2135
eunice.yang@pepsico.com



PEPSICO



Tropicana



700 Anderson Hill Road Purchase, New York 10577 www.pepsico.com

EUNICE YANG
SENIOR COUNSEL, CORPORATE GOVERNANCE
Tel: 914-253-2135
Fax: 914-249-8035
eunice.yang@pepsico.com

November 7, 2018

VIA OVERNIGHT MAIL AND EMAIL

John Chevedden

Dear Mr. Chevedden:

I am writing on behalf of PepsiCo, Inc. (the “Company”), which received on November 1, 2018, the shareholder proposal you submitted on behalf of Kenneth Steiner (the “Proponent”) entitled “Simple Majority Vote” pursuant to Securities and Exchange Commission (“SEC”) Rule 14a-8 for inclusion in the proxy statement for the Company’s 2019 Annual Meeting of Shareholders (the “Proposal”).

The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention. Your correspondence did not include sufficient documentation demonstrating that you had the legal authority to submit the Proposal on behalf of the Proponent as of the date the Proposal was submitted (November 1, 2018). In Staff Legal Bulletin No. 14I (Nov. 1, 2017) (“SLB 14I”), the SEC’s Division of Corporation Finance (“Division”) noted that proposals submitted by proxy, such as the Proposal, may present challenges and concerns, including “that shareholders may not know that proposals are being submitted on their behalf.” Accordingly, in evaluating whether there is a basis to exclude a proposal under the eligibility requirements of Rule 14a-8(b), as addressed below, SLB 14I states that in general the Division would expect any shareholder who submits a proposal by proxy to provide documentation to (i) identify the shareholder-proponent and the person or entity selected as proxy; (ii) identify the company to which the proposal is directed; (iii) identify the annual or special meeting for which the proposal is submitted; (iv) identify the specific proposal to be submitted (e.g., proposal to lower the threshold for calling a special meeting from 25% to 10%); and (v) be signed and dated by the shareholder.

The documentation that you provided with the Proposal raises the concerns referred to in SLB 14I. Specifically, the documentation from the Proponent purporting to authorize you to act on the Proponent’s behalf does not identify the specific proposal to be submitted. To remedy

Mr. John Chevedden
November 7, 2018
Page 2

this defect, the Proponent should provide additional documentation specifically confirming that as of the date you submitted the Proposal, the Proponent had instructed or authorized you to submit a proposal regarding simple majority voting to the Company on the Proponent's behalf. The documentation should identify the specific proposal to be submitted.

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at 700 Anderson Hill Road, Purchase, NY 10577. Alternatively, you may transmit any response by email to me at eunice.yang@pepsico.com.

If you have any questions with respect to the foregoing, please contact me at (914) 253-2135.

Sincerely,



Eunice Yang
Senior Counsel, Corporate Governance

cc: Kenneth Steiner

From: [UPS Quantum View](#)
To: [Yang, Eunice \(PEP\)](#)
Subject: UPS Delivery Notification, Tracking Number ***
Date: Thursday, November 8, 2018 1:07:54 PM



Your package has been delivered.

Delivery Date: Thursday, 11/08/2018

Delivery Time: 10:01 AM

UPS My Choice driver



[Set Delivery Instructions](#)

[Get Free Alerts](#)

[View Delivery Planner](#)

At the request of PEPSICO-CORPORATE LAW this notice alerts you that the status of the shipment listed below has changed.

Shipment Detail

Tracking Number:

John Chevedden

Ship To:

UPS Service:

UPS NEXT DAY AIR

Number of Packages:

1

Package Weight:

0.0 LBS

Delivery Location:

FRONT DOOR



[Download the UPS mobile app](#)

From:

Sent: Wednesday, November 14, 2018 9:15 PM

To: Hurley, Megan {PEP}

Cc: SPA - PepsiCo Investor Relations; Yang, Eunice {PEP}; Nastanski, Cynthia {PEP}

Subject: Rule 14a-8 Proposal (PEP) blb`

Dear Ms. Hurley,

Please see the attached letter.

Sincerely,

John Chevedden

Kenneth Steiner

Mr. David Yawman
Corporate Secretary
PepsiCo, Inc. (PEP)
700 Anderson Hill Road
Purchase NY 10577
PH: 914 253-2000
FX: 914-253-2070

Dear Mr. Yawman,

I purchased stock in our company because I believed our company had potential for improved performance. My attached Rule 14a-8 proposal is submitted in support of the long-term performance of our company. This Rule 14a-8 proposal is submitted as a low-cost method to improve company performance.

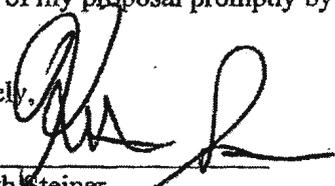
My proposal is for the next annual shareholder meeting. I will meet Rule 14a-8 requirements including the continuous ownership of the required stock value until after the date of the respective shareholder meeting. My submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication. This is my proxy for John Chevedden and/or his designee to forward this Rule 14a-8 proposal to the company and to act on my behalf regarding this Rule 14a-8 proposal, and/or modification of it, for the forthcoming shareholder meeting before, during and after the forthcoming shareholder meeting. Please direct all future communications regarding my rule 14a-8 proposal to John Chevedden

at:

to facilitate prompt and verifiable communications. Please identify this proposal as my proposal exclusively.

This letter does not cover proposals that are not rule 14a-8 proposals. This letter does not grant the power to vote. Your consideration and the consideration of the Board of Directors is appreciated in support of the long-term performance of our company. Please acknowledge receipt of my proposal promptly by email to

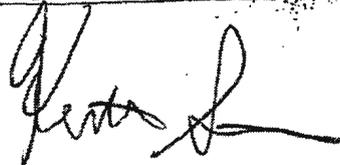
Sincerely,


Kenneth Steiner

10-9-18
Date

cc: Amy Carriello <amy.carriello@pepsico.com>
Senior Legal Director
PH: 914-253-2507
FX: 914-249-8109
FX: 914-249-8035
Megan Hurley <Megan.Hurley@pepsi.com>
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Proposal [4] - Simple Majority Vote



11-14-18