

PepsiCo, Inc.

Corporate Governance Guidelines

As of November 19, 2020

The Board of Directors (the “Board”) of PepsiCo, Inc. (the “Corporation”), acting on the recommendation of its Nominating and Corporate Governance Committee, has developed and adopted the following corporate governance guidelines (the “Guidelines”) to establish a common set of expectations to assist the Board and its Committees in performing their duties. These Guidelines should be interpreted in the context of all applicable laws and the Corporation’s Articles of Incorporation and By-Laws and other corporate governance documents and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Board will review and, if appropriate, revise these Guidelines annually, or more frequently if necessary.

A. Director Responsibilities

The following are the Board’s primary responsibilities, some of which may be carried out by one or more Committees of the Board or the independent Directors, as appropriate:

1. Represent the interests of the Corporation’s shareholders in maintaining and enhancing the success of the Corporation’s business, including optimizing long-term returns to increase shareholder value.
2. Select a Chief Executive Officer (“CEO”) in a way that it considers in the best interests of the Corporation. Formally evaluate the performance of the CEO, the executive officers¹ and other key executives each year.
3. Oversee and interact with senior management with respect to key aspects of the Corporation’s business including strategy, strategic planning, compliance, risk assessment and mitigation, senior management development and succession, operating performance, sustainability and shareholder returns.
4. Provide general advice and counsel to the Corporation’s CEO and senior management team.
5. Adopt and oversee compliance with the Corporation’s Global Code of Conduct.
6. Hold regularly scheduled executive sessions of independent Directors.
7. Attend all Board and applicable Committee meetings. Any extraordinary circumstance that would cause a Director to be unable to attend a Board or Committee meeting should be discussed with the Chairman of the Board as far in advance as possible.
8. Review meeting materials in advance of Board and Committee meetings. Suggest additional topics to be included on meeting agendas by contacting the Chairman of the Board, the Presiding Director or the relevant Committee Chair.
9. Discharge duties as a Director and Committee member under applicable law. North Carolina law requires that a Director shall act: (1) in good faith; (2) with care an ordinary prudent person in a like position would exercise under similar circumstances; and (3) in a manner he or she believes to be in the best interests of the Corporation.

B. Board Leadership.

1. Chairman of the Board. The Board will annually elect one Director to serve as Chairman of the Board. The Chairman of the Board may also be the CEO or any other officer of the Corporation. The Board does not have a policy on whether the roles of Chairman of the

¹ The term “executive officer” has the meaning specified for the term “officer” in Rule 16a-1(f) under the Securities Exchange Act of 1934.

Board and CEO should be separate or combined. This allows the Board flexibility to determine whether the two roles should be separated or combined based upon the Corporation's needs and the Board's assessment of the Corporation's leadership from time to time.

2. Presiding Director.

- (a) If the Chairman of the Board is not an independent Director, the independent members of the Board will designate an independent Director to act as Presiding Director based on the recommendation of the Nominating and Corporate Governance Committee. Except as the independent Directors may otherwise determine, the Presiding Director shall be appointed for a term of three years and the independent Directors will not appoint the Presiding Director to serve for more than three consecutive three-year terms. The Nominating and Corporate Governance Committee shall oversee the process for selecting the Presiding Director.
- (b) The Board will evaluate the Presiding Director's performance annually under the guidance of the Nominating and Corporate Governance Committee.
- (c) The Presiding Director shall assume the following responsibilities:
 - Preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent Directors;
 - Serve as a liaison between the Chairman and the independent Directors;
 - Have the authority to approve information sent to the Board;
 - Approve meeting agendas for the Board;
 - Approve meeting schedules to assure that there is sufficient time for discussion of all agenda items;
 - Have the authority to call meetings of the independent Directors; and
 - If requested by major shareholders, ensure that he or she is available for consultation and direct communication.

C. Director Qualification Standards

1. The Nominating and Corporate Governance Committee is responsible for recommending to the Board: (1) candidates to fill vacancies and newly created directorships and (2) candidates to be nominated by the Board for election as Directors at the Corporation's Annual Meeting of Shareholders.
2. In connection with the selection and nomination process, the Nominating and Corporate Governance Committee shall review the desired experience, mix of skills and other qualities to determine appropriate Board composition, taking into account the current Board members and the specific needs of the Corporation and the Board. The Nominating and Corporate Governance Committee considers the following attributes of candidates for the Board of Directors: (1) relevant knowledge, diversity of background and experience in areas including business, finance, accounting, technology, marketing, international business, government, human capital management and talent development; (2) personal qualities of leadership, character, judgment and whether the candidate possesses a reputation in the community at large of integrity, trust, respect, competence and adherence to the highest ethical standards; (3) roles and contributions valuable to the business community; and (4) whether the candidate is free of conflicts and has the time required for preparation, participation and attendance at meetings. In addition, the Nominating and Corporate Governance Committee seeks to achieve diversity within the Board and adheres to the Corporation's philosophy of maintaining an environment free from discrimination on the basis of race, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, veteran status or any protected category under applicable law. This process is designed to provide that the Board includes members with diverse backgrounds, skills and experience, including appropriate financial and other expertise relevant to the business of the Corporation. Accordingly, the Nominating and Corporate Governance Committee is committed to actively seeking out highly qualified

women and minority candidates, as well as candidates with diverse backgrounds, skills and experiences, to include in the pool from which Board nominees are chosen.

3. Independent Directors must comprise a majority of the Board.
4. An independent Director of the Corporation is a Director who meets The Nasdaq Stock Market LLC (“Nasdaq”) definition of independence, as determined by the Board. Consistent with this definition, an independent Director is a Director who²:
 - (a) is not, and was not at any time during the past three years, employed by the Corporation;
 - (b) has not accepted, and does not have a family member³ who accepted, any compensation from the Corporation in excess of \$120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:
 - (i) compensation for Board or Board Committee service;
 - (ii) compensation paid to a family member who is an employee (other than an executive officer) of the Corporation; or
 - (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation.
 - (c) is not a family member of an individual who is, or at any time during the past three years was, employed by the Corporation as an executive officer;
 - (d) is not, and does not have a family member who is, a partner in, or a controlling shareholder or an executive officer of, any organization (including charitable organizations) to which the Corporation made, or from which the Corporation received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient’s consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following:
 - (i) Payments arising solely from investments in the Corporation’s securities; or
 - (ii) Payments under non-discretionary charitable contribution matching programs.
 - (e) is not, and does not have a family member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Corporation serve on the compensation committee of such other entity;
 - (f) is not, and does not have a family member who is, a current partner of the Corporation’s outside auditor, or was a partner or employee of the Corporation’s outside auditor who worked on the Corporation’s audit at any time during any of the past three years; and
 - (g) does not have any relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.
5. In making a determination as to whether a Director has any relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, the Board shall consider all relevant facts and circumstances, including the Director’s commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships and such other criteria as the Board may determine from time to time. If a Director serves as a director or trustee of a charitable organization, such relationship will be considered to not be a material relationship that would impair a Director’s independence where contributions from the Corporation, or any

² The following provisions will be interpreted in a manner consistent with Nasdaq’s definition of independence, including the exceptions contained therein.

³ A “family member” is defined as a person’s spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person’s home.

of its consolidated subsidiaries, to such charitable organization in any of the last three fiscal years do not exceed the greater of \$200,000 or 5% of the annual consolidated gross revenues of such charitable organization for its last completed fiscal year. When such thresholds are exceeded, the Board will make a case-by-case determination.

6. In addition to satisfying all of the independence criteria set forth in paragraphs 4 and 5 of this Section C, members of the Audit Committee and the Compensation Committee must meet additional independence criteria.
 - (a) All members of the Audit Committee must meet the following requirements:
 - (i) Director's fees are the only compensation that members of the Audit Committee may receive from the Corporation or any of its subsidiaries. Audit Committee members may not receive directly or indirectly any consulting, advisory or other compensatory fees from the Corporation or any of its subsidiaries (other than in his or her capacity as a member of the Audit Committee, the Board of Directors, or any other committee of the Board).
 - (ii) No member of the Audit Committee may be an "affiliated person" of the Corporation, or any of its subsidiaries, as such term is defined by the Securities and Exchange Commission.
 - (b) In determining whether a Director is considered independent for purposes of serving on the Compensation Committee, the Board must consider all factors specifically relevant to determining whether such Director has a relationship to the Corporation, or any of its consolidated subsidiaries, that is material to such Director's ability to be independent from management in connection with the duties of a compensation committee member, including:
 - (i) the source of such Director's compensation, including any consulting, advisory or other compensatory fee received from the Corporation or any of its consolidated subsidiaries; and
 - (ii) whether such Director is affiliated with the Corporation, any of its subsidiaries, or an affiliate of any of its subsidiaries.
7. No Director may stand for election to the Board after reaching the age of 72.
8. Directors generally will serve on no more than four boards of public companies (including the Corporation's Board) or, if the Director is serving as an executive officer of a public company, no more than two boards of public companies (including the Corporation's Board). Prior to accepting any position on the board of directors of any non-profit or for-profit organization, the Director shall notify the Corporation's Secretary and, for any public company board position, shall obtain approval of the Presiding Director and the Chairman of the Nominating and Corporate Governance Committee. The Corporation's Audit Committee members may not sit concurrently on the audit committees of more than two other public companies.
9. The Board has not established term limits for Directors. The process described in paragraph 2 of this Section C can, like term limits, promote the inclusion on the Board of people with diverse perspectives. Moreover, term limits have the disadvantage of causing the Corporation to lose the contributions of Directors who have been able to develop over a period of time, increasing insight into the Corporation and its operations, thereby increasing their contributions to the Corporation.
10. A Director shall offer, in writing, to resign if there is any significant change in his or her personal circumstances, including a significant change in his or her job responsibilities. The Chairman of the Nominating and Corporate Governance Committee shall recommend, to the full Board, acceptance or rejection of such an offer after consultation with the Committee members and the Chairman of the Board. No resignation is effective unless it is received by the Corporation's Secretary.

D. Annual Election of Directors

1. Any nominee for Director in an uncontested election (i.e., an election where the number of nominees is not greater than the number of Directors to be elected) who receives a greater number of votes “against” his or her election than votes “for” such election shall, promptly following certification of the shareholder vote, offer his or her resignation to the Board. The resignation offer shall be made promptly and in writing, and shall be an irrevocable resignation offer pending acceptance or rejection as provided herein.
2. The Nominating and Corporate Governance Committee shall consider the resignation offer and make a recommendation to the Board. The independent members of the Board will act on the Nominating and Corporate Governance Committee’s recommendation within 90 days following certification of the shareholder vote.
3. In deciding the action to be taken with respect to any such resignation offer, the independent members of the Board shall limit their consideration to determining what is in the best interests of the Corporation and its shareholders. In this regard, the Board should consider all factors deemed relevant, including but not limited to:
 - (a) any stated reasons why shareholders voted against such Director;
 - (b) any alternatives for curing the underlying cause of the “against” votes;
 - (c) the Director’s tenure;
 - (d) the Director’s qualifications;
 - (e) the Director’s past and expected future contributions to the Corporation; and
 - (f) the overall composition of the Board, including whether accepting the resignation offer would cause the Corporation to be in violation of its constituent documents or fail to meet any applicable regulatory or contractual requirements.
4. The Board’s actions with respect to any resignation offer may include:
 - (a) accepting the resignation offer;
 - (b) deferring acceptance of the resignation offer until a replacement Director with the appropriate qualifications similar to those held by the subject Director (e.g., Audit Committee financial expertise) can be identified and elected to the Board;
 - (c) refusing to accept the Director resignation and, if appropriate, addressing any concerns that may have led to the “against” votes;
 - (d) resolving that the Director will not be re-nominated for election at the next Annual Meeting of Shareholders; or
 - (e) rejecting the resignation offer as not in the best interest of the Corporation.
5. An accepted resignation offer will become effective immediately upon acceptance or upon such other time as determined by the independent members of the Board consistent with these Guidelines.
6. Following the determination by the independent members of the Board, the Corporation shall promptly disclose publicly in a document furnished or filed with the Securities and Exchange Commission the decision of whether or not to accept the resignation offer. The disclosure shall include the basis for the decision, including, if applicable, the reasons for rejecting the resignation offer.
7. A Director who offers to resign in accordance with this Section D shall not be present during the deliberations or voting by the Nominating and Corporate Governance Committee or the Board as to whether to recommend or accept his or her resignation offer or during the deliberations or voting with respect to any other Director who has also offered to resign in accordance with this Section D. However, if enough members of the Nominating and Corporate Governance Committee do not receive more “for” votes than

“against” votes in the same uncontested election such that a quorum of the Nominating and Corporate Governance Committee cannot be attained, then the other independent Directors who received a greater number of “for” votes than “against” votes in that election will be asked to consider and decide whether to accept the resignation offers of the affected Directors. If only three or fewer independent Directors did not receive more “for” votes than “against” votes in the same uncontested election, then all independent Directors may participate in any discussions or actions with respect to accepting or turning down the resignation offers (except that no Director will vote to accept or turn down his or her own resignation offer). Any affected Director will be afforded the opportunity to provide any information or statement that he or she deems relevant.

E. Board Committees

1. Currently, the Board has the following Committees: Audit, Compensation, Nominating and Corporate Governance, and Sustainability, Diversity and Public Policy. Each Committee has its own Charter, in accordance with applicable laws and regulations, which sets forth the purpose and responsibilities of the Committee. The Board shall evaluate and determine the circumstances under which to form or disband new Committees, as it deems necessary or appropriate, subject to applicable laws and regulations.
2. The Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee shall at all times be comprised solely of independent Directors, except as otherwise permitted by Nasdaq rules.
3. The Nominating and Corporate Governance Committee shall periodically review succession plans for the members of the Board, the members of each Committee, the Chair of each Committee and the Presiding Director. Consideration shall be given to rotating Committee members periodically.
4. The Board shall appoint the Chair of each Committee. Except as the Board may otherwise determine, the Chair shall be appointed for a term of three years and the Board will not appoint a Chair to serve for more than three consecutive three-year terms.

F. Director Compensation

1. Non-employee Directors, Chairs of the Committees of the Board and the Presiding Director shall receive reasonable compensation for their services, as may be determined from time to time by the Board upon recommendation of the Compensation Committee.
2. Compensation for non-employee Directors, Chairs of the Committees of the Board and the Presiding Director shall be consistent with the market practices of other similarly situated companies but shall not be at a level or in a form that would call into question the Board’s objectivity.
3. The Compensation Committee of the Board shall annually review and report to the Board with respect to Director compensation.
4. Directors who are employees of the Corporation shall receive no additional pay, other than reimbursement of reasonable expenses incurred to attend Board and Committee meetings, for serving as Directors of the Corporation.
5. Directors who are members of the Audit Committee may receive no compensation from the Corporation other than the fees they receive for serving as Directors of the Corporation and Chairs of the Committees of the Board.

G. Director Access to Senior Management and Independent Advisors

1. The Board is expected to be highly interactive with senior management.
2. It is the Board’s policy that executive officers and other members of senior management who report directly to the CEO be present at Board meetings at the invitation of the Board.

The Board encourages such executive officers and senior management to make presentations, or to include in discussions at Board meetings managers and other employees who:

- (a) can provide insight into the matters being discussed because of their functional expertise and/or personal involvement in such matters; and/or
 - (b) are individuals with high potential whom such executive officers and senior management believe the Directors should have the opportunity to meet and evaluate.
3. The Board and its Committees are authorized to consult with independent advisors at the expense of the Corporation, as is necessary and appropriate, without consulting management of the Corporation.

H. Director Orientation and Continuing Education

1. The Board shall implement and maintain an orientation program for newly elected Directors and shall periodically offer continuing education presentations to Board members.
2. Directors are required to continue educating themselves with respect to topics related to the Corporation's business, including international markets, accounting and finance, leadership, risk assessment, industry practices, general management, and strategic planning.

I. Senior Management Succession and CEO Compensation

1. The CEO shall provide an annual report to the Board assessing senior managers and their potential to succeed him or her, and such report shall be developed in consultation with the Presiding Director and the Chairman of the Nominating and Corporate Governance Committee and include plans in the event of an emergency or retirement of the CEO.
2. The Board has the primary responsibility for plans for succession to the position of CEO and oversight of other executive officer positions.
3. The Nominating and Corporate Governance Committee oversees preparation of and recommends to the Board the process and protocols regarding succession plans for the CEO, including plans in the event of an emergency or unexpected resignation or retirement of the CEO.
4. The Compensation Committee is responsible for reviewing and approving individual and corporate performance goals and other objectives relevant to the compensation of the CEO, executive officers and other key executives (in accordance with the Compensation Committee Charter) and for evaluating and discussing with the independent members of the Board the individual performance of the CEO, as well as the performance of the Corporation, in light of such goals and objectives.
5. The independent members of the Board set the CEO's compensation level based on the evaluation and recommendation of the Compensation Committee.

J. Stock Ownership Requirements

1. Directors and executive officers are expected to own a meaningful number of shares of stock in the Corporation to more closely align their economic interests with those of other shareholders. Accordingly, the Compensation Committee periodically reviews minimum stock ownership guidelines for non-employee Directors and executive officers. Non-employee Directors are required to own shares of the Corporation's common stock (or share equivalents) equal to five times their annual cash retainer within five years of joining the Board. The CEO is required to own shares or share equivalents equal to eight times his or her annual salary and other executive officers are required to own shares or share equivalents equal to two or four times his or her annual salary, in each case within five years of becoming subject to the ownership requirement.

2. Directors and executive officers are prohibited from using any strategies or products (such as derivative securities or short-selling techniques) to hedge against the potential changes in the value of the Corporation's common stock.

K. Annual Performance Evaluation of the Board

1. The Board and each of its Committees will conduct a self-evaluation at least annually.
2. The Board will also review the Nominating and Corporate Governance Committee's periodic recommendations concerning the performance of the Board, each of its Committees and the Presiding Director.

L. Communications with the Board

1. Shareholders and other interested parties may send communications directed to the Board of Directors, a Committee of the Board, the Presiding Director, the independent Directors as a group or an individual member of the Board by calling 1-866-626-0633; by sending a letter to PepsiCo, Inc., 700 Anderson Hill Road, Purchase, New York, 10577, ATTN: Corporate Secretary; or by submitting a communication on-line through the Corporation's website www.pepsico.com under "Who We Are"—"Corporate Governance"—"Contact the Board."
2. A description of the Corporation's processes for handling Communications to the Board is included in the Corporation's annual proxy statement.