

Policy for Audit, Audit-Related and Non-Audit Services

To ensure objective auditing of our financial statements, PepsiCo has adopted specific guidelines regarding non-audit and tax services provided by an independent auditor.

Scope

PepsiCo policy with respect to the engagement of its Independent Auditor ("Auditor") to perform Audit, Audit Related, Tax and Other Non-Audit Services for PepsiCo and its consolidated subsidiaries.

PepsiCo and its Audit Committee are committed to ensuring the independence of the Auditor, both in appearance as well as in fact. Accordingly, significant attention is directed toward the appropriateness of the Auditor to perform services other than the audit. The following policy and guidelines have been adopted in this regard.

Statement of Policy

The Audit Committee will engage the Auditor for the audit of PepsiCo's consolidated financial statements, and other audit-related work as defined in this policy. The Auditor may only be engaged for Tax and other non-audit related work if those services enhance and support the attest function of the audit, or are an extension to the audit or audit related services.

Annually the Global Lead Audit Partner will review with the Audit Committee the services the Auditor expects to provide in the coming year and the related fees. In addition, PepsiCo will provide the Audit Committee with a quarterly status for the Committee's pre-approval of any audit related, tax or other non-audit services that the Auditor has been asked to provide or may be asked to provide in the following quarter.

Definitions

Audit Services: all services, including tax services and accounting consultation necessary to perform an audit of the consolidated financial statements of PepsiCo, Inc.; services in connection with statutory and regulatory filings or engagements; comfort letters; statutory audits; attest services; consents and assistance with and review of documents filed with the Securities and Exchange Commission.

Audit Related Services: employee benefit plan audits, due diligence related to mergers and acquisitions; accounting consultations and audits in connection with acquisitions, internal control reviews; attest services that are not required by statute or regulations; consultation concerning financial accounting and reporting standards.

Tax Services: tax compliance (preparation of original and amended tax returns, claims for refund and tax payment-planning services); tax planning; other tax advice (assistance with tax audits and appeals, tax advice related to mergers and acquisitions, employee benefit plans and requests for rulings or technical advice from taxing authorities).

Other Non-Audit Services: any other work that is not an Audit Service, Audit-Related Service or a Tax Service.

Policy

Audit Services

1. The Auditor shall determine the scope of work necessary to render an opinion on the consolidated financial statements of PepsiCo. This determination should include the locations to visit, the scope of work to be performed at each location, and the timing of that work.
2. The scope of work will be documented in an Annual Audit Plan that the Global Lead Audit Partner will present to the Audit Committee for approval.

Audit Related Services

1. The Auditor shall be considered the preferred service provider of Audit Related Services if services are consistent with the attest role of the Auditor and either:
 - a) services can only be provided by the Auditor, or
 - b) services are an extension of the work performed as part of the Audit, or rely on work performed as part of the Audit such that the quality and timeliness of the services can most effectively be provided by the Auditor, or
 - c) services enhance the effectiveness of the Auditor's examination of the Company's consolidated financial statements.
2. Examples of Audit Related Services for which the Auditor shall be considered PepsiCo's preferred provider may include:
 - Audits of Employee Benefit Plans
 - Audits of PepsiCo legal entities for statutory or other purposes
 - Consultation regarding the Implementation of Technical Accounting Standards
 - Contract Audit and Analysis Services
 - Due Diligence assistance on Acquisitions and Divestitures
 - Internal Control Reviews including Information Security Assessments
 - Audit or Review of information derived from PepsiCo's financial systems

Tax Services

1. Taxes for the purpose of this policy comprise taxes based on income, or on any other basis including revenue, assets, or payroll.

2. Tax Compliance Services are services that are intended to ensure PepsiCo complies with the existing tax regulations of a taxing jurisdiction.
3. The Auditor shall be considered the service provider of Tax Compliance Services so long as:
 1. services are an extension of the work performed as part of the Audit, or rely on work performed as part of the Audit such that the quality and timeliness of the services can most effectively be provided by the Auditor, and
 2. services are not inconsistent with the attest role of the Auditor.
4. Examples of Tax Compliance Services that the Auditor may provide include:
 - Domestic and international tax return assistance.
 - Due diligence tax advice related to prospective acquisitions.
 - Requests for rulings or technical advice from taxing authorities.
 - Requests for interpretation or assistance in complying with proposed or existing tax regulations.
5. Tax Planning Services are services that are intended to help PepsiCo reduce the taxes the Company might otherwise pay. Tax Planning Services are typically characterized by providing PepsiCo with an idea or strategy that the Company is not currently utilizing.
6. The Audit Committee and PepsiCo management believe that Tax Planning Services are not an integral part of the audit. Moreover if the Auditor provides a tax planning strategy and is then required to audit financial statements that reflect that strategy, there is a loss of the independent attestation that an audit should provide. Accordingly, PepsiCo will not authorize Tax Planning Services provided by the Auditor.

Other Non-Audit Services

1. The Audit Committee and PepsiCo Management believe that other non-audit services are not an integral part of the examination of the Company's financial statements, and that these services may raise a real or perceived question as to the Auditor's independence. Accordingly, a very strong rationale must be presented to support the selection of the Auditor, and alternative service providers should be considered.
2. The Auditor shall be considered a service provider of Other Non-Audit Services if services are consistent with the attest role of the Auditor and either:
 - a. services are an extension of the work performed as part of the Audit, or rely on work performed as part of the Audit such that the quality and timeliness of the services can most effectively be provided by the Auditor, or

- b. services enhance the effectiveness of the Auditor's examination of the Company's consolidated financial statements.

Authorization Of Audit Related, Tax And Other Non-Audit Services

1. The Audit Committee is responsible for approving all Audit, Audit Related, Tax and Other Non-Audit Services.
2. Each year as part of the Annual Audit Plan, the Global Audit Lead Partner will provide the Audit Committee with a report of anticipated Audit, Audit Related, Tax and Other Non-Audit Services, together with an estimate of fees. The size of the fee and the scope of these services will be carefully considered so as to avoid any real or perceived question as to the Auditor's independence.
3. Each quarter, the Company or the Global Lead Audit Partner will provide the Audit Committee a report of actual Audit, Audit-Related, Tax and Other Non-Audit Services provided and expected to be provided. Any changes to the estimate of services reviewed as part of the Annual Audit Plan will be discussed with the Audit Committee at that time.
4. The Board of Directors has authorized the Audit Committee Chair to pre-approve any Audit Related, Tax or Other Non-Audit Services between Audit Committee meetings. Such interim pre-approvals shall be reviewed with the full Committee at its next meeting for its ratification.

Partner Rotation

1. The Global Lead Audit Partner, the reviewing partner and segment partners are permitted to serve a maximum of five consecutive years and then must take five years off the engagement before resuming an audit partner role.
2. All other audit engagement team partners who provide more than 10 hours of audit, review, or attest services in connection with PepsiCo's annual or interim consolidated financial statements are permitted to serve a maximum of seven consecutive years and then must take two years off the engagement before resuming an audit partner role.

Responsibility

1. The PepsiCo Controller and Global Lead Audit Partner are responsible for the implementation of this policy.
2. PepsiCo Division Controllers are responsible for ensuring that any request for Audit Related, Tax or Other Non-Audit services is submitted to the PepsiCo Controller and Global Lead Partner for their pre- approval and that of the Audit Committee. In addition, any request for Tax Services must be submitted to the PepsiCo SVP Finance for pre-approval.