December 21, 2012

Investor Relations Department
PepsiCo, Inc.
700 Anderson Hill Road
Purchase, NY 10577

To Whom It May Concern:

The Investment Committee of the Trustees of Carleton College have granted us, the Committee on Responsible Investment at Carleton (CRIC), authority to support shareholder resolutions. In the spring of 2012, we decided to vote for the resolution in support of Lobbying Expenditure Disclosure. At the time, Carleton held 19,843 shares of PepsiCo stock. We and many other shareholders are very concerned about this issue. We believe that it is important that PepsiCo’s lobbying expenditures and positions, as well as processes to influence public policy, are transparent and publicly available. Corporate influence on Congress and public policy is a challenge to our democracy and as a college, where we promote citizenship; we believe that transparency is crucial to a fair democracy—and to the long-term health of corporations. Additionally, questionable lobbying activity may pose risks to the company’s reputation when controversial positions are embraced, and as investors we want to be able to evaluate that spending. Hence, we believe full disclosure of PepsiCo’s policies, procedures and oversight mechanisms is warranted.

The full resolution is attached for your information.

Shareholders in growing numbers support proxy resolutions calling for disclosure of lobbying expenditures. We look forward to hearing from you and will share your response with the leadership of Carleton College.

Sincerely,

[Signature]

Fadi Hakim’13, Co-Chair of CRIC - hakimf@carleton.edu
Joël Weisberg, Co-Chair of CRIC - jweisber@carleton.edu
On behalf of the Carleton College Trustees
Lobbying Expenditures Disclosure
2012 – PepsiCo, Inc.

WHEREAS, businesses, like individuals, have a recognized legal right to express opinions to legislators and regulators on public policy matters.

It is important that our company's lobbying positions, as well as processes to influence public policy, are transparent. Public opinion is skeptical of corporate influence on Congress and public policy and questionable lobbying activity may pose risks to our company's reputation when controversial positions are embraced. Hence, we believe full disclosure of PepsiCo's policies, procedures and oversight mechanisms is warranted.

RESOLVED, the shareholders of PepsiCo request the Board authorize the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing the lobbying of legislators and regulators, including that done on our company's behalf by trade associations. The disclosure should include both direct and indirect lobbying and grassroots lobbying communications.

2. A listing of payments (both direct and indirect, including payments to trade associations) used for direct lobbying as well as grassroots lobbying communications, including the amount of the payment and the recipient.

3. Membership in and payments to any tax-exempt organization that writes and endorses model legislation.

4. Description of the decision making process and oversight by the management and Board for
   a. direct and indirect lobbying contribution or expenditure;
   b. payment for grassroots lobbying expenditure.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation, (b) reflects a view on the legislation and (c) encourages the recipient of the communication to take action with respect to the legislation.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee of the Board or other relevant oversight committees of the Board and posted on the company's website.

Supporting Statement: As shareholders, we encourage transparency and accountability on the use of staff time and corporate funds to influence legislation and regulation both directly and indirectly as well as grassroots lobbying initiatives. We believe such disclosure is in shareholder's best interests. Absent a system of accountability, company assets could be used for policy objectives contrary to a company's long-term interests posing risks to the company and shareholders.

For example, a company may lobby directly or through a trade association to weaken the Foreign Corrupt Practices Act, or stop the EPA from regulating climate change or trying to limit the Consumer Finance Protection Bureau.

Company funds of approximately $16,247,800 million from July 1, 2010 to June 30, 2011 supported direct federal lobbying activities, according to disclosure reports. (U.S. Senate Office of Public Records)This figure may not include grassroots lobbying to directly influence legislation by mobilizing public support or opposition. Also, not all states require disclosure of lobbying expenditures to influence legislation or regulation. We encourage our Board to require comprehensive disclosure related to direct, indirect and grassroots lobbying.