

CHARITABLE CONTRIBUTIONS REPORT (PROXY ITEM NO.6)

Estella Salvatierra, 2739 Woodley Place NW, Washington, DC 20008-1518, who owns 255 shares of PepsiCo Common Stock, has submitted the following resolution for the reasons stated:

"Whereas, charitable contributions should enhance the image of our company in the eyes of the public. Because there is no system of accountability for charitable contributions, Company executives may use our Company's assets for purposes that are not shared by and may harm the interest of the Company, thereby potentially decreasing shareholder value.

Whereas, Company executives have allowed the Company's assets to be given away to organizations without providing details to shareholders on how those assets were actually used by the organization. According to the 2007 PepsiCo Annual Report, Company executives gave away \$74.8 million of the Company's assets in 2007. Because there is no accountability on how the Company's charitable contributions are actually used, some of those assets may be misused and harm the value of the Company's stock.

Resolved: That the shareholders request the Company to provide a semiannual report, omitting proprietary information and at reasonable cost, disclosing: the Company's standards for choosing which organizations receive the Company's assets in the form of charitable contributions; business rationale and purpose for each of the charitable contributions; personnel who participated in making the decisions to contribute; the benefits to the Company and beneficiaries produced by Company contributions; and a follow-up confirming that the organization actually used the contributions for the purpose stated.

Supporting Statement

Current disclosure is insufficient to allow the Company's Board and shareholders to evaluate fully the proper use of corporate assets by outside organizations and how those assets should be used, especially for controversial causes. For example, PepsiCo, Inc. is the leading corporate sponsor of Parents, Families and Friends of Lesbians and Gays, Inc. (PFLAG)."

PepsiCo Response: PepsiCo believes that shareholders should be provided with information on how their company is spending funds for charitable purposes. PepsiCo has been providing this information since 1999.

On PepsiCo's website, www.pepsico.com under the "Purpose" section, PepsiCo provides comprehensive information regarding the numerous activities and charitable donations of PepsiCo and the PepsiCo Foundation. Such information includes amounts donated, policies and procedures, governance, charitable organizations supported, rationale for giving, and the primary platforms to be achieved with such corporate contributions. The current platforms of the PepsiCo Foundation are improved health, environment and inclusion. In addition, PepsiCo has recently made corporate contributions to support health and wellness, diversity, education, and employee initiatives, as well as donations relating to disaster relief. Furthermore, the website is updated throughout the year to provide information relating to significant grants.

The Company believes that the enhanced disclosure already provided on the Company's website is the most efficient and effective use of the Company's resources.

The Board of Directors recommends that shareholders vote AGAINST this resolution.