

THE PEPSI BOTTLING GROUP, INC.

CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

(Revised May 28, 2008)

The primary responsibilities of the Board of Directors (the "Board") of The Pepsi Bottling Group, Inc. (the "Company") are to oversee the exercise of corporate powers and to ensure that the Company's business and affairs are managed to meet its stated goals and objectives. The Board recognizes its responsibility to engage, and provide for the continuity of executive management that possesses the character, skills and experience required to attain the Company's goals and to ensure that nominees for the Board of Directors possess appropriate qualifications and reflect a reasonable diversity of backgrounds and perspectives.

Directors will fulfill the following responsibilities and requirements:

- Represent the collective interests of all shareholders of the Company;
- Discharge Board duties in good faith, with due care and in a manner he or she reasonably believes to be in the best interests of the Company;
- Possess independence, objectivity and the highest degree of integrity on an individual and collective basis;
- Be dedicated to understanding the business of the Company and issues presented to the Board;
- Be committed to active, objective, thoughtful, constructive and independent participation at meetings of the Board and its Committees;
- Bring to the Board's deliberations their collective breadth of business, professional and personal experience to represent the interests of shareholders;
- Review fundamental operating, financial and other corporate plans, strategies and objectives;
- Evaluate on a regular and timely basis the qualitative and quantitative performance of the Company and its senior management;
- Assist management in ensuring adherence to proper policies of corporate conduct, including compliance with applicable laws, regulations, business and ethical standards, and safeguarding of Company assets; and

- Evaluate the overall effectiveness of the Board and its Committees.

The Board has the responsibility to organize its functions and conduct its business in the manner it deems most effective and efficient, consistent with its duties of good faith, due care and loyalty. In that regard, the Board has adopted this set of flexible policies to guide its governance practices in the future. These practices, set forth below, will be regularly re-evaluated by the Board's Nominating and Corporate Governance Committee (the "Nominating Committee") in light of changing circumstances in order to continue serving the best interests of shareholders. Any recommended changes will be reviewed and approved by the full Board.

1. Size of the Board

The number of Directors will be determined by the Board and will vary from time to time depending on circumstances. A majority of the Directors will be independent as defined below.

2. Board Definition of What Constitutes Independence for Directors

An independent Director is one who has no direct or indirect material relationship with the Company. A material relationship is one that would interfere with the Director's exercise of his or her independent judgment in governing the affairs of the Company. The determination of what constitutes independence in any individual situation will be made by the Board in accordance with the Company's Director Independence Policy and in compliance with the applicable listing standards of the New York Stock Exchange (the "NYSE") and other applicable laws and regulations. The members of the Audit and Affiliated Transactions Committee will meet any additional independence criteria imposed by the NYSE and the Securities and Exchange Commission ("SEC").

3. Board Member Criteria

The Nominating Committee is responsible for reviewing the appropriate skills and characteristics required of Directors in the context of prevailing business conditions and composition of the Board. The qualifications to be considered in the selection of Director nominees include the extent of experience in business, trade, finance or management; the extent of knowledge of regional, national and international business affairs; the level of responsibility and a proven record of accomplishment within corporate, educational or governmental institutions and the overall judgment to advise and direct the Company in meeting its responsibilities to shareholders, customers, employees and the public. The objective is a diverse Board, which brings to the Company a variety of perspectives and skills derived from high quality business and professional experience.

4. Procedure for Selecting New Director Candidates

The Board is responsible for selecting its members, but delegates the screening process to the Nominating Committee with input from the Chairman. All recommendations or proposed nominations for Board membership received by the Company meeting the minimum requirements set forth in section 3 will be referred to the Nominating Committee. The Nominating Committee will consider and review such nominations in accordance with its criteria and qualifications for Board members and in accordance with applicable SEC rules and regulations.

5. Extending the Invitation to a Potential New Director to Join the Board

Upon concurrence of the members of the Board, invitations to join the Board will generally be extended on behalf of the Board by the Chairman. Other Board members may participate as appropriate.

6. Board Member Orientation and Continuing Education

Orientation materials will be made available to acquaint new Directors with the business, history, current circumstances, key issues and senior managers of the Company. Continuing education of Directors will be provided through the Board's regular meetings, market tours and visits to Company facilities, as well as through other forms of continuing education deemed appropriate by the Board. Each Director is encouraged to participate in continuing education programs pertinent to service on the Board. To facilitate this participation, the Company will endeavor to make the Directors aware of accredited director education programs and will pay the expenses of any Director attending an accredited director education program.

7. Frequency of Board Meetings; Attendance at Board, Committee and Shareholder Meetings

Currently, the Board has scheduled a minimum of five regular meetings each year, with additional meetings as required. The Board considers its current meeting schedule to be adequate, but the number of regular meetings may be adjusted as necessary to meet changing conditions and needs. A calendar of Board meetings will be developed and circulated as far in advance as practicable. Members are expected to attend all Board and Committee meetings and the Annual Meeting of Shareholders, barring special circumstances.

8. Selection of Agenda Items for Board Meetings

The Chairman, together with appropriate members of management, will develop proposed agendas for Board meetings. The proposed agendas will be circulated in advance and Board members may suggest additional items for consideration.

9. Board Materials Distributed in Advance

As much information and data as practical on the meeting agenda items and the Company's financial performance will be sent to Board members in advance of meetings.

10. Executive Sessions of Non-Management Directors / Executive Session of Independent Directors

Each Board meeting agenda will include time for an executive session with only Non-Management Directors present and a separate executive session with only Independent Directors present. Such executive sessions will be chaired by the Chair of the Nominating Committee or by another Director as determined by the Board.

11. Board Access to Senior Management and Independent Advisors

All Board members will have access to senior management whenever necessary to perform their duties and responsibilities. The Chairman is encouraged to invite to Board meetings senior managers who can provide additional insight into the business matters being discussed and those with high future potential who should be given personal exposure to members of the Board. Directors may consult with independent advisors, as necessary or appropriate, without consulting with management.

12. Number of Committees

The Board Committees are the Audit and Affiliated Transactions Committee, the Compensation and Management Development Committee and the Nominating Committee. The members of the Committees will meet the requirements of the applicable NYSE listing standards and other applicable laws and regulations. The Board considers its current Committee structure to be appropriate but the number and scope of Committees may be revised as appropriate to meet changing conditions and needs.

13. Assignment and Rotation of Committee Members

The Nominating Committee is responsible for reviewing and recommending to the Board the assignment of Directors to various Committees. The Board believes that consideration should be given to rotating Committee members periodically taking into account continuity and the expertise of the members. The Nominating Committee will recommend to the Board an appropriate rotation process to ensure diversity of Board member experience and variety of exposure to the affairs of the Company.

14. Frequency and Length of Committee Meetings

Generally, Committees will meet in conjunction with regular Board meetings. Committee Chairs may also call meetings when they deem it necessary. Committee meetings may be as frequent and as long as needed.

15. Committee Agendas

The agendas for Committee meetings will be developed by the Committee Chairs in consultation with appropriate members of management. The agenda for each meeting will be circulated in advance and Committee members may suggest additional items for consideration.

16. Board Compensation Review

The Nominating Committee will review periodically the Board's compensation for non-management Directors in relation to other comparable companies nationwide. The Nominating Committee's review may be conducted with the assistance of outside experts. The Nominating Committee will consider the appropriateness of the form and amount of Director compensation with a view to attracting and retaining qualified Directors. Any changes in Director compensation will be recommended by the Nominating Committee and approved by the Board. Management Directors receive no additional compensation for serving as a Director. Directors who are members of the Audit Committee may not receive, directly or indirectly, any consulting, advisory or other compensation from the Company (other than Director fees, pension or deferred compensation for prior services, or ordinary compensation paid in a business relationship that the Board has already determined is immaterial).

17. Assessing the Board's Performance

The Board, under the direction of the Nominating Committee, will conduct an annual self-assessment of the effectiveness of the Board and each of

its Committees and the Company's governance practices. The Nominating Committee will report its findings and recommendations to the full Board for discussion and appropriate action.

18. Directors Who Are Not Elected By A Majority of Votes Cast in an Uncontested Election

The Certificate of Incorporation requires each Director to be elected by a majority of the votes cast in an uncontested election at a meeting at which Directors are being elected and a quorum is present. A majority of the votes cast means that the number of shares voted "for" a Director exceeds the number of shares voted "against" that Director. If a Director is not elected by a majority of the votes cast, the Director shall offer his or her resignation to the Board. In such event, the Nominating Committee will make a recommendation to the Board of whether to accept or reject the resignation or whether other action should be taken. The Board shall act on the Nominating Committee's recommendation within ninety (90) days after the certification of the election results. The Director who offers his or her resignation shall not participate in the Nominating Committee's or Board's decision with respect to such offer of resignation.

19. Directors Who Change Their Job Responsibilities

A Director, including the Chairman, who ceases to be actively employed in his or her principal business or profession, or experiences other changed circumstances that could diminish his or her effectiveness as a Board member, is expected to offer his or her resignation to the Board. The Board, in its discretion, will determine whether such member should continue to serve as a Director for an unexpired term or any future terms.

20. Service on Other Company Boards or Groups

A Director must notify the Board when he or she has determined to accept any invitation to serve on another company's board or with a governmental or advisory group or charitable organization. The Nominating Committee will evaluate the continued appropriateness of Board and Committee memberships under the new circumstances and will recommend to the Board any action to be taken.

21. Limit on Outside Board Membership

Non-Management Directors are encouraged to limit the number of other boards of U.S. public companies (excluding non-profits and subsidiaries) on which they serve to no more than four, taking into account potential board attendance, participation and effectiveness of these boards.

22. Term Limits/Retirement Age

No term limits for Directors have been established. A Director who reaches his or her 72nd birthday is expected to offer his or her resignation to the Board. The Board, in its discretion, will determine whether such member should continue to serve as a Director for an unexpired term or any future term.

23. Selection of the Chairman and Chief Executive Officer

The Board will elect the Chairman and Chief Executive Officer in the manner and based on the criteria that it deems appropriate and in the best interests of the Company given the circumstances at the time of such election. The offices of the Chairman and Chief Executive Officer may be either combined or separated, in the Board's discretion.

24. Formal Evaluation of the Chairman and Chief Executive Officer

The Board will conduct a formal evaluation each year of the Chairman and Chief Executive Officer's performance based on appropriate quantitative and qualitative criteria.

25. Succession Planning

The Board and/or the Compensation and Management Development Committee will periodically review and evaluate management development and succession plans, including a continuing current recommendation as to succession in the event of the CEO's disability or death.

26. Board Interaction with Institutional Investors, the Media and Customers

The primary responsibility for communications and relationships on behalf of the Company with institutional investors, the media, and customers should be management's. Directors may participate occasionally in such interaction at the request or with the prior knowledge of management.

27. Board Member Stock Ownership Guidelines

Each non-management Director is expected to acquire and retain a minimum of 6,000 shares of the Company's Common Stock within five years of their election to the Board. Stock options held by the Director will not be counted towards the satisfaction of these guidelines.