



## Charter of the Audit Committee

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#### I. PURPOSE

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of PepsiAmericas, Inc. (the "Company") is to assist the Board by assuming certain oversight responsibilities with respect to (a) the integrity of the Company's financial statements, (b) the independent auditor's qualifications and independence, (c) the performance of the Company's internal audit function and independent auditors, and (d) the Company's compliance with legal and regulatory requirements that may have a material impact on the Company's financial statements.

#### II. COMMITTEE MEMBERSHIP AND QUALIFICATIONS

The Committee shall consist solely of three or more members of the Board, each of whom satisfies the definition of "independent" under the listing standards of the New York Stock Exchange, Inc. ("NYSE"), Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Securities and Exchange Commission (the "Commission").

The only compensation members of the Committee may receive from the Company shall be fees for services on the Board or a committee of the Board in accordance with the listing standards of the NYSE and rules and regulations of the Commission.

In addition, (a) each member of the Committee shall be financially literate, as determined by the Board in its business judgment, (b) at least one member of the Committee shall have accounting or related financial management expertise, as determined by the Board in its business judgment, and (c) at least one member of the Committee shall be an "audit committee financial expert" as defined by the Commission.

No director may serve as a member of the Committee if such director serves on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee and such determination is disclosed in the Company's annual proxy statement.

Members of the Committee shall be appointed by the Board, and shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

#### III. COMMITTEE STRUCTURE AND OPERATIONS

The Board shall designate one member of the Committee as its chairperson. The Committee shall meet in person or telephonically at least once every fiscal quarter, or more frequently if circumstances dictate, to discuss with management the annual audited financial statements, quarterly financial statements and other matters as appropriate. The Committee shall, at least quarterly, meet separately with a member of the executive management team, the director of the internal auditing department and the independent auditors to discuss any matters that the Committee or any of these persons or firms believes should be discussed privately. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

#### IV. COMMITTEE DUTIES AND RESPONSIBILITIES

The following are the duties and responsibilities of the Committee:

##### 1. Engagement and Oversight of Independent Auditors

- a. The Committee is directly responsible for appointing, setting the compensation and overseeing the work of the Company's independent auditor for the purpose of preparing or issuing an audit report or related work.
- b. The Committee shall have the sole authority to replace the independent auditor (subject, if applicable, to

stockholder ratification), and shall preapprove all audit engagement fees and terms and all non-audit engagements with the independent auditors. The Committee shall consult with management on these matters, but shall not delegate these responsibilities.

- c. The Committee shall pre-approve all auditing services (including comfort letters in connection with securities underwritings and statutory audits) and non-audit services (unless non-audit services fall within the de minimus exception provided by Section 202 of Sarbanes-Oxley) performed by the independent auditors. The Committee will ensure that its approval of nonaudit services is disclosed in the Company's periodic reports.
- d. The Committee shall resolve disagreements between management and the independent auditor regarding financial reporting.
- e. The Committee shall review management's report and the independent auditor's report on the effectiveness of the Company's internal control over financial reporting.
- f. The Committee shall obtain and review a report from the independent auditor at least annually regarding (a) the auditor's internal quality-control procedures, (b) any material issues raised by the most recent quality-control review, or peer review, of the independent auditor, or by an inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the independent auditor, and any steps taken to deal with any such issues, and (c) all relationships between the independent auditor and the Company. The Committee also shall evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and establish guidelines for the provision of non-audit services so as to assure that the provision of such services is compatible with maintaining the auditor's independence. The Committee shall take into account the opinions of management and the director of the internal auditing department regarding the Company's relationship with the independent auditor. The Committee shall present its conclusions to the Board regarding the relationship with the independent auditor and, if so determined by the Committee, recommend that the Board take additional action to satisfy itself of the qualifications, performance and independence of the auditor.
- g. The Committee shall ensure that the independent audit partner having primary responsibility for the Company's audit and the independent audit partner responsible for reviewing the Company's audit are changed every five years.
- h. The Committee shall recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditor who were engaged on the Company's account, which policies shall include, unless the independent auditor is replaced, a prohibition on the hiring from the independent auditor any individual who was employed by the independent auditor and participated in any capacity in the Company's audit during the one-year period preceding the date of the initiation of the current audit as the Company's chief executive officer, controller, chief financial officer, chief accounting officer or person serving in an equivalent position for the Company.

## 2. Oversight of Internal Audit

- a. The Committee shall advise the director of the Company's internal audit department that he or she is expected to provide to the Committee summaries of and, as appropriate, the significant reports to management prepared by the internal auditing department and management's responses thereto.
- b. The Committee shall review with the director of the Company's internal audit department the Company's financial and accounting personnel and the adequacy and effectiveness of the Company's accounting and financial controls. The Committee shall solicit recommendations from the independent auditor for improvement of such internal accounting procedures or particular areas where new or more detailed controls or procedures are desirable.
- c. The Committee shall review with management the Company's process for preparing the report on internal control over financial reporting.
- d. The Committee shall discuss with the director of the Company's internal audit department the internal audit department's responsibilities, budget and staffing, the annual internal audit plan, and any recommended changes in the planned scope of the internal audit.

## 3. Financial Statement and Disclosure Matters

- a. The Committee shall review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in "Management's Discussion and Analysis of Financial

Condition and Results of Operations," and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.

- b. The Committee shall review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the independent auditors' reviews of the quarterly financial statements.
- c. The Committee shall review and discuss with management and the independent auditor whether financial reports filed with the SEC reflect all material correcting adjustments identified by the independent auditors.
- d. The Committee shall review and discuss with management and the independent auditor the independent auditor's report to the Audit Committee required by Section 204 of Sarbanes-Oxley regarding critical accounting policies and practices, alternative treatments discussed with management and material written communications with management.
- e. The Committee shall review and discuss with management and the independent auditor (a) significant issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, and (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
- f. The Committee shall discuss with management the Company's earnings releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies.
- g. The Committee shall discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- h. The Committee shall discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies and guidelines.
- i. The Committee shall discuss with the independent auditor the matters required to be discussed by the applicable Statements of Auditing Standards. In particular, the Committee shall discuss:
  - The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the independent auditor, internal auditors or management.
  - The letter reporting significant deficiencies and material weaknesses, if any, provided by the independent auditor and the Company's response to that letter.
  - Any audit problems or difficulties encountered in the course of the audit work and management's response, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

#### 4. Compliance Oversight Responsibilities

- a. If applicable, the Committee shall obtain from the independent auditor information indicating the occurrence of a possibly illegal act with a potentially material effect on the Company's financial statements.
- b. The Committee shall discuss with management, the independent auditor and Governance, Finance and Nominating Committee (as the qualified legal compliance committee) any correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies.
- c. The Committee shall discuss with the Company's counsel and the Governance, Finance and Nominating Committee legal and regulatory requirements that may have a material impact on the financial statements.
- d. The Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting control, or auditing matters; and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### 5. Limitation of Committee's Role

While the Committee has the duties and responsibilities set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

#### V. COMMITTEE REPORTS

The Committee shall produce the following reports and provide them to the Board:

1. All reports required by the applicable rules and regulations of the SEC for inclusion in the Company's annual proxy statement or otherwise.
2. An annual performance evaluation of the Committee's work, including an evaluation of whether the Committee has performed its duties and met its responsibilities as required by this Charter. As part of the performance evaluation, the Committee shall also consider and recommend to the Board any improvements to the Charter deemed appropriate by the Committee.
3. A summary of the matters discussed, material reviewed and actions taken at each Committee meeting, which shall be presented to the Board at its next meeting.

#### VI. RESOURCES AND AUTHORITY OF THE COMMITTEE

The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other experts, advisors and consultants to assist in carrying out its duties and responsibilities, and shall have the authority to retain and approve the fees and other retention terms for any external experts, advisors or consultants.