

The Coca-Cola Company

COCA-COLA PLAZA
ATLANTA, GEORGIA

MARK E. PREISINGER
DIRECTOR OF
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January 23, 2020

George Wong
ESG Integration Manager
New York State Common Retirement Fund
59 Maiden Lane, 30th Floor
New York, NY 10038
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Dear Mr. Wong:

This letter is in regard to the shareowner proposal (the "Proposal") submitted by the New York State Common Retirement Fund (the "Proponent") for the 2020 Annual General Meeting of Shareowners of The Coca-Cola Company (the "Company").

The purpose of this letter is to document the Proponent's agreement to withdraw the Proposal in return for the Company agreeing to undertake actions outlined in this letter.

Let me first express appreciation for a productive dialogue. Our Board always endeavors to positively evolve our compensation practices and has done so to a large extent with input from shareowners like you.

To that end, in 2017/18 the Compensation Committee took a fresh look at our compensation programs and implemented a philosophy which starts by stating: "*At The Coca-Cola Company, our people are our single most important asset*". This philosophy and compensation design are applied universally to all employees from our CEO on down. What we propose for proxy statement in relation to your proposal is a additional disclosure of these already-established practices.

Finally, as we point out below, our Compensation Committee is changing to become our Human Capital Management & Compensation Committee. This reflects a broader scope that the committee is now responsible for, and which we discussed with you, as it relates to human resource practices, including compensation, across the organization.

WE COMMIT TO PUBLISH THE FOLLOWING IN THE UPCOMING PROXY STATEMENT:

There are two sections in the proxy statement where we will add language:

1. We will add a new core principle under that section in the CD&A of the proxy statement to be titled “Alignment of approach across the workforce”

New Core Principle: Alignment of approach across the workforce

Our people, at every level, are our most important asset. Our Human Capital Management and Compensation Committee has a wide remit to ensure that pay from the CEO down through the entire workforce reinforces the Company’s growth agenda. The Committee also understands that CEO pay should be perceived as reasonable relative to our overall employee pay.






The compensation approach used to set CEO and NEO pay is the same approach used in determining compensation for the broader workforce, including pay competitiveness and the use of performance-based metrics that reward exceptional financial performance.

In its discretion, in determining CEO and NEO pay, the Committee also can consider other factors which it regularly reviews, including shareowner and employee feedback; the advisory vote on compensation; the CEO pay ratio; global pay fairness; progress against diversity metrics; and others.

Here is how this new core principle will appear in the proxy statement:

Our Compensation Philosophy and Core Principles - DRAFT

While we consider a number of factors in our pay decisions, we are guided by the following core philosophies and principles:

| | | |
|---|---|--|
| <p>Pay for Performance</p> |  | <p>The great majority of pay for executives is at-risk and performance-based with metrics aligned to the Company’s growth strategy. Company performance is assessed in multiple ways, including:</p> <ul style="list-style-type: none"> • The Company’s operating performance, including results against long-term growth targets • Return to shareowners over time, both on an absolute basis and relative to other companies |
| <p>Alignment with Shareowners</p> |  | <p>Programs align executives’ interests with those of our shareowners. A majority of pay for our Named Executive Officers is tied to Company and/or operating group performance. We maintain stock ownership guidelines for all executives[, and we remain committed to our Equity Stewardship Guidelines].</p> |
| <p>Provide Programs that Drive Future Growth</p> |  | <p>Our compensation programs invest in and reward talent with the greatest potential to drive the sustainable, long-term growth of our Company, while focusing employees on our broader approved strategy and holding them accountable to the Company’s values.</p> |
| <p>Simplicity and Transparency</p> |  | <p>Programs include clear metrics and line of sight for employees.</p> |
| <p>Recognition of Individual Performance</p> |  | <p>Non-financial goals, including environmental and social goals, are critical to our business, reflect our external responsibility as global leaders, and add value for our shareowners and other important stakeholders. Executives are motivated to deliver results that align with Company values and shareowner interests.</p> |

Consider the
Coca-Cola system



Our employees are required to operate and have influence in the context of our broad and complex global Coca-Cola system, which includes our approximately [225] independent bottling partners around the globe. While the Company had \$[xx] billion in 2019 reported net operating revenue and employs approximately [62,600] people, the Coca-Cola system generates more than \$[xx] billion in revenues, operates in over 200 countries and territories and employs more than [700,000] people. Our executives and employees must manage our business but also support our bottlers and other partners. This alignment and a shared vision of success are critical to drive long-term growth.

Alignment of
approach across
the workforce



Our people, at every level, are our most important asset. Our Human Capital Management and Compensation Committee has a wide remit to ensure that pay from the CEO down through the entire workforce reinforces the Company's growth agenda. The Committee also understands that CEO pay should be perceived as reasonable relative to our overall employee pay. The compensation approach used to set CEO and NEO pay is the same approach used in determining compensation for the broader workforce, including pay competitiveness and the use of performance-based metrics that reward exceptional financial performance. In its discretion, in determining CEO and NEO pay, the Committee also can consider other factors which it routinely reviews, including shareowner feedback; the advisory vote on compensation; the CEO pay ratio; global pay fairness; progress against diversity metrics and others.

2. We will also add a “call out” box describing the expanded responsibilities of the Committee that relate to Human Capital Management

In Ms. Lagomasino's letter on behalf of the Board, she discusses expansion of the scope of the Human Capital Management and Compensation Committee. The Committee will now have oversight over human capital management and culture, including diversity and inclusion, as well as compensation. How does the Committee plan on incorporating its new responsibilities?

We will have at least two meetings this year focusing on these new responsibilities. Our goal is to recognize the business opportunities, as well as potential risks that the broader human capital issues present, and to provide oversight and guidance to management. Topics that the Committee intends to review include the Company's strategies related to talent management, leadership development, retention, culture, employee engagement and education (through our in-house learning programs). The Committee will also evaluate our workplace diversity and inclusion, equality, fairness, compliance practices (including compliance with federal government requirements) and other policies and processes that promote equality and fairness and help the Company maintain a consistent and fair process when it comes to hiring and promoting.

Sincerely,

Mark Preisinger
Director of Corporate Governance
The Coca-Cola Company

The Proponent agrees to withdraw the Proposal:

By: _____
Name: George Wong
Title: ESG Integration Manager
New York State Common Retirement Fund