UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended July 3, 2016

Commission File Number 0-9286

COCA-COLA BOTTLING CO. CONSOLIDATED

(Exact name of registrant as specified in its charter)

Delaware	**56-0950585**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

4100 Coca-Cola Plaza,
Charlotte, North Carolina 28211
(Address of principal executive offices) (Zip Code)

(704) 557-4400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding at August 5, 2016**
Common Stock, $1.00 Par Value	7,141,447
Class B Common Stock, $1.00 Par Value	2,171,702

COCA-COLA BOTTLING CO. CONSOLIDATED
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JULY 3, 2016

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Second Quarter		First Half	
In Thousands (Except Per Share Data)	**2016**	**2015**	**2016**	**2015**
Net sales	$ 840,384	$ 614,683	$ 1,465,840	$ 1,067,936
Cost of sales	520,677	377,366	902,235	646,246
Gross margin	319,707	237,317	563,605	421,690
Selling, delivery and administrative expenses	264,971	199,001	496,468	366,472
Income from operations	54,736	38,316	67,137	55,218
Interest expense, net	9,808	6,718	19,169	14,065
Other income (expense), net	(16,274)	6,078	(33,425)	989
Gain (loss) on exchange of franchise territory	(692)	8,807	(692)	8,807
Income before income taxes	27,962	46,483	13,851	50,949
Income tax expense	10,638	17,562	5,560	19,075
Net income	17,324	28,921	8,291	31,874
Less: Net income attributable to noncontrolling interest	1,672	1,987	2,680	2,716
Net income attributable to Coca-Cola Bottling Co. Consolidated	**$ 15,652**	**$ 26,934**	**$ 5,611**	**$ 29,158**
Basic net income per share based on net income attributable to Coca-Cola Bottling Co. Consolidated:				
Common Stock	$ 1.68	$ 2.90	$ 0.60	$ 3.14
Weighted average number of Common Stock shares outstanding	7,141	7,141	7,141	7,141
Class B Common Stock	$ 1.68	$ 2.90	$ 0.60	$ 3.14
Weighted average number of Class B Common Stock shares outstanding	2,172	2,151	2,164	2,143
Diluted net income per share based on net income attributable to Coca-Cola Bottling Co. Consolidated:				
Common Stock	$ 1.67	$ 2.89	$ 0.60	$ 3.13
Weighted average number of Common Stock shares outstanding – assuming dilution	9,353	9,332	9,345	9,324
Class B Common Stock	$ 1.67	$ 2.88	$ 0.59	$ 3.12
Weighted average number of Class B Common Stock shares outstanding – assuming dilution	2,212	2,191	2,204	2,183
Cash dividends per share:				
Common Stock	$ 0.25	$ 0.25	$ 0.50	$ 0.50
Class B Common Stock	$ 0.25	$ 0.25	$ 0.50	$ 0.50

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

In Thousands	Second Quarter		First Half	
	2016	**2015**	**2016**	**2015**
Net income	$ 17,324	$ 28,921	8,291	$ 31,874
Other comprehensive income, net of tax:				
Foreign currency translation adjustment	(6)	-	4	(4)
Defined benefit plans reclassification included in pension costs:				
Actuarial gains	455	488	910	977
Prior service benefits	5	6	9	11
Postretirement benefits reclassification included in benefits costs:				
Actuarial gains	361	441	721	881
Prior service costs	(516)	(516)	(1,032)	(1,032)
Other comprehensive income, net of tax	299	419	612	833
Comprehensive income	17,623	29,340	8,903	32,707
Less: Comprehensive income attributable to noncontrolling interest	1,672	1,987	2,680	2,716
Comprehensive income attributable to Coca-Cola Bottling Co. Consolidated	**$ 15,951**	**$ 27,353**	**$ 6,223**	**$ 29,991**

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
CONSOLIDATED BALANCE SHEETS
(Unaudited)

In Thousands (Except Share Data)	July 3, 2016	January 3, 2016	June 28, 2015
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 49,323	$ 55,498	$ 43,801
Accounts receivable, trade, less allowance for doubtful accounts of $2,678, $2,117 and $1,517 respectively	285,442	184,009	192,600
Accounts receivable from The Coca-Cola Company	51,620	28,564	41,324
Accounts receivable, other	24,173	24,047	19,467
Inventories (Note 3)	126,731	89,464	99,641
Prepaid expenses and other current assets	53,175	53,337	39,722
Total current assets	**590,464**	**434,919**	**436,555**
Property, plant and equipment, net (Note 4)	706,471	525,820	419,263
Leased property under capital leases, net	36,490	40,145	43,257
Other assets	79,062	63,739	64,218
Franchise rights (Note 5)	533,040	527,540	527,540
Goodwill (Note 5)	139,756	117,954	111,591
Other identifiable intangible assets, net (Note 6)	160,467	136,448	105,818
Total assets	**$ 2,245,750**	**$ 1,846,565**	**$ 1,708,242**
LIABILITIES AND EQUITY			
Current Liabilities:			
Current portion of obligations under capital leases	$ 7,270	$ 7,063	$ 6,859
Accounts payable, trade	125,261	82,937	79,327
Accounts payable to The Coca-Cola Company	130,452	79,065	92,004
Other accrued liabilities (Note 7)	129,652	104,168	97,268
Accrued compensation	36,622	49,839	32,724
Accrued interest payable	3,523	3,481	2,269
Total current liabilities	**432,780**	**326,553**	**310,451**
Deferred income taxes	136,841	146,944	137,402
Pension and postretirement benefit obligations	117,919	115,197	133,548
Other liabilities (Note 11)	352,957	267,090	225,202
Obligations under capital leases	45,026	48,721	52,294
Long-term debt (Note 8)	829,818	619,628	562,111
Total liabilities	**1,915,341**	**1,524,133**	**1,421,008**
Commitments and Contingencies (Note 12)			
Equity:			
Common Stock, $1.00 par value: authorized – 30,000,000 shares; issued – 10,203,821 shares	10,204	10,204	10,204
Class B Common Stock, $1.00 par value: authorized – 10,000,000 shares; issued – 2,799,816, 2,778,896 and 2,778,896 shares, respectively	2,798	2,777	2,777
Capital in excess of par value	116,769	113,064	113,064
Retained earnings	261,631	260,672	235,474
Accumulated other comprehensive loss (Note 14)	(81,795)	(82,407)	(89,081)
	309,607	304,310	272,438
Less-Treasury stock, at cost: Common Stock – 3,062,374 shares	60,845	60,845	60,845
Less-Treasury stock, at cost: Class B Common Stock – 628,114 shares	409	409	409
Total equity of Coca-Cola Bottling Co. Consolidated	248,353	243,056	211,184
Noncontrolling interest	82,056	79,376	76,050
Total equity	**330,409**	**322,432**	**287,234**
Total liabilities and equity	**$ 2,245,750**	**$ 1,846,565**	**$ 1,708,242**

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

In Thousands (Except Share Data)	Common Stock	Class B Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock - Common Stock	Treasury Stock - Class B Common Stock	Total Equity of Coca-Cola Bottling Co. Consolidated	Non-controlling Interest	Total Equity
Balance on December 28, 2014	**$ 10,204**	**$ 2,756**	**$ 110,860**	**$ 210,957**	**$ (89,914)**	**$ (60,845)**	**$ (409)**	**$ 183,609**	**$ 73,334**	**$ 256,943**
Net income	-	-	-	29,158	-	-	-	29,158	2,716	31,874
Other comprehensive income, net of tax	-	-	-	-	833	-	-	833	-	833
Cash dividends paid:										
Common ($0.50 per share)	-	-	-	(3,571)	-	-	-	(3,571)	-	(3,571)
Class B Common ($0.50 per share)	-	-	-	(1,070)	-	-	-	(1,070)	-	(1,070)
Issuance of 20,920 shares of Class B Common Stock	-	21	2,204	-	-	-	-	2,225	-	2,225
Balance on June 28, 2015	**$ 10,204**	**$ 2,777**	**$ 113,064**	**$ 235,474**	**$ (89,081)**	**$ (60,845)**	**$ (409)**	**$ 211,184**	**$ 76,050**	**$ 287,234**
Balance on January 3, 2016	**$ 10,204**	**$ 2,777**	**$ 113,064**	**$ 260,672**	**$ (82,407)**	**$ (60,845)**	**$ (409)**	**$ 243,056**	**$ 79,376**	**$ 322,432**
Net income	-	-	-	5,611	-	-	-	5,611	2,680	8,291
Other comprehensive income, net of tax	-	-	-	-	612	-	-	612	-	612
Cash dividends paid:										
Common ($0.50 per share)	-	-	-	(3,571)	-	-	-	(3,571)	-	(3,571)
Class B Common ($0.50 per share)	-	-	-	(1,081)	-	-	-	(1,081)	-	(1,081)
Issuance of 20,920 shares of Class B Common Stock	-	21	3,705	-	-	-	-	3,726	-	3,726
Balance on July 3, 2016	**$ 10,204**	**$ 2,798**	**$ 116,769**	**$ 261,631**	**$ (81,795)**	**$ (60,845)**	**$ (409)**	**$ 248,353**	**$ 82,056**	**$ 330,409**

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

In Thousands	First Half 2016	First Half 2015
Cash Flows from Operating Activities:		
Net income	$ 8,291	$ 31,874
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation expense	49,902	35,994
Amortization of intangibles	2,427	1,380
Deferred income taxes	(1,476)	(1,454)
Loss on sale of property, plant and equipment	1,356	449
Impairment of property, plant and equipment	382	148
Gain (loss) on exchange of franchise territory	692	(8,807)
Amortization of debt costs	1,166	996
Stock compensation expense	2,896	2,980
Fair value adjustment of acquisition related contingent consideration	33,425	(989)
Change in current assets less current liabilities (exclusive of acquisition)	(27,088)	(29,538)
Change in other noncurrent assets (exclusive of acquisition)	(9,014)	(4,106)
Change in other noncurrent liabilities (exclusive of acquisition)	(1,788)	4,183
Other	26	(142)
Total adjustments	52,906	1,094
Net cash provided by operating activities	**61,197**	**32,968**
Cash Flows from Investing Activities:		
Additions to property, plant and equipment (exclusive of acquisition)	(79,625)	(57,140)
Proceeds from the sale of property, plant and equipment	282	144
Investment in CONA Services LLC	(6,634)	-
Acquisition of Expansion Territories, net of cash acquired	(174,695)	(51,276)
Net cash used in investing activities	**(260,672)**	**(108,272)**
Cash Flows from Financing Activities:		
Borrowings under Term Loan Facility	300,000	-
Borrowings under Revolving Credit Facility	310,000	239,000
Payment of Revolving Credit Facility	(235,000)	(20,000)
Payment of Senior Notes	(164,757)	(100,000)
Cash dividends paid	(4,652)	(4,641)
Payment of acquisition related contingent consideration	(7,926)	(789)
Principal payments on capital lease obligations	(3,488)	(3,258)
Other	(877)	(302)
Net cash provided by financing activities	**193,300**	**110,010**
Net increase (decrease) in cash	(6,175)	34,706
Cash at beginning of period	55,498	9,095
Cash at end of period	**$ 49,323**	**$ 43,801**
Significant noncash investing and financing activities:		
Issuance of Class B Common Stock in connection with stock award	$ 3,726	$ 2,225
Capital lease obligations incurred	-	3,361
Additions to property, plant and equipment accrued and recorded in accounts payable, trade	9,086	6,997

See Accompanying Notes to Consolidated Financial Statements.

1. Significant Accounting Policies and New Accounting Pronouncements

The consolidated financial statements include the accounts of Coca-Cola Bottling Co. Consolidated and its majority-owned subsidiaries (the "Company" and "we"). All significant intercompany accounts and transactions have been eliminated. The consolidated financial statements reflect all adjustments, including normal, recurring accruals, which, in the opinion of management, are necessary for a fair statement of the results for the interim periods presented.

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial reporting and the instructions to Form 10-Q and Article 10 of Regulation S-X. The accounting policies followed in the presentation of interim financial results are consistent with those followed on an annual basis. These policies are presented in Note 1 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 2016 filed with the U.S. Securities and Exchange Commission.

The preparation of consolidated financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant Accounting Policies

In the ordinary course of business, the Company has made a number of estimates and assumptions relating to the reporting of results of operations and financial position in the preparation of its consolidated financial statements in conformity with GAAP. Actual results could differ significantly from those estimates under different assumptions and conditions. The Company included in its Annual Report on Form 10-K for the year ended January 3, 2016 under the caption "Discussion of Critical Accounting Policies, Estimates and New Accounting Pronouncements" in "Management's Discussion and Analysis of Financial Condition and Results of Operations," set forth in Part II, Item 7, a discussion of the Company's most significant accounting policies, which are those most important to the portrayal of the Company's financial condition and results of operations and require management's most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

The Company did not make changes in any significant accounting policies during the first half of 2016. Any changes in significant accounting policies and estimates are discussed with the Audit Committee of the Board of Directors of the Company during the quarter in which a change is made.

Recently Adopted Pronouncements

In April 2015, the FASB issued new guidance on accounting for debt issuance costs. The new guidance requires that all cost incurred to issue debt be presented in the balance sheet as a direct reduction from the carrying value of the debt. In August 2015, the FASB issued additional guidance which clarified that an entity can present debt issuance costs of a line-of-credit arrangement as an asset regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. The new guidance is effective for annual and interim periods beginning after December 15, 2015. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements. The standard was retrospectively adopted by the Company on January 4, 2016. As a result, $3.1 million and $1.1 million of debt issuance costs at January 3, 2016 were reclassified to long-term debt from other assets and prepaid expenses and other current assets, respectively. At June 28, 2015, $0.4 million and $1.3 million of debt issuance costs were reclassified to long-term debt from other assets and prepaid expenses and other current assets, respectively.

Recently Issued Pronouncements

In May 2014, the FASB issued new guidance on accounting for revenue from contracts with customers. The new guidance was to be effective for annual and interim periods beginning after December 15, 2016. In July 2015, the FASB deferred the effective date to annual and interim periods beginning after December 15, 2017. In March 2016, April 2016 and May 2016, the FASB issued new guidance that amends certain aspects of the May 2014 new guidance. The Company is in the process of evaluating the impact of the new guidance on the Company's consolidated financial statements.

In August 2014, the FASB issued new guidance that specifies the responsibility that an entity's management has to evaluate whether there is substantial doubt about the entity's ability to continue as a going concern. The new guidance is effective for annual and interim periods beginning after December 15, 2016. The Company does not expect the new guidance to have a material impact on the Company's consolidated financial statements.

In July 2015, the FASB issued new guidance on accounting for inventory. The new guidance requires entities to measure most inventory "at lower of cost and net realizable value" thereby simplifying the current guidance under which an entity must measure inventory at the lower of cost or market. The new guidance is effective for annual and interim periods beginning after December 15, 2016. The Company is in the process of evaluating the impact of the new guidance on the Company's consolidated financial statements.

In January 2016, the FASB issued new guidance which amends the guidance on the classification and measurement of financial instruments. The new guidance revises the classification and measurement of investments in equity securities and the presentation of certain fair value changes in financial liabilities measured at fair value. The new guidance is effective for annual and interim reporting periods beginning after December 31, 2017. The Company is in the process of evaluating the impact of the new guidance on the Company's consolidated financial statements.

In February 2016, the FASB issued new guidance on accounting for leases. The new guidance requires lessees to recognize a right-to-use asset and a lease liability for virtually all leases (other than leases that meet the definition of a short-term lease). The new guidance is effective for fiscal years beginning after December 15, 2019 and interim periods beginning the following year. The Company is in the process of evaluating the impact of the new guidance on the Company's consolidated financial statements.

In March 2016, the FASB issued new guidance which simplifies several aspects of the accounting for employee-share based transactions including the accounting for income taxes, forfeitures and statutory tax withholding requirements, as well as classification in the statement of cash flows. The new guidance is effective for annual and interim reporting periods beginning after December 15, 2016. The Company is in the process of evaluating the impact of the new guidance on the Company's consolidated financial statements.

2. Acquisitions and Divestitures

Since April 2013, as a part of The Coca-Cola Company's plans to refranchise its North American bottling territories, the Company has engaged in a series of transactions with The Coca-Cola Company and Coca-Cola Refreshments USA, Inc. ("CCR"), a wholly-owned subsidiary of The Coca-Cola Company, to expand the Company's distribution operations significantly through the acquisition of rights to serve additional distribution territories previously served by CCR (the "Expansion Territories") and of related distribution assets (the "Distribution Territory Expansion Transactions"). During 2015, the Company completed Distribution Territory Expansion Transactions announced as part of the April 2013 letter of intent signed with The Coca-Cola Company. These completed acquisitions include Expansion Territories in parts of Tennessee, Kentucky and Indiana.

On May 12, 2015, the Company and The Coca-Cola Company entered into a non-binding letter of intent (the "May 2015 LOI") pursuant to which CCR would (i) grant the Company in two phases certain exclusive rights for the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and -licensed products in additional territories served by CCR and (ii) sell the Company certain assets that included rights to distribute those cross-licensed brands distributed in the territories by CCR as well as the assets used by CCR in the distribution of the cross-licensed brands and The Coca-Cola Company brands. The major markets that would be served by the Company as part of the expansion contemplated by the May 2015 LOI include: Baltimore, Maryland; Alexandria, Norfolk and Richmond, Virginia; the District of Columbia; Cincinnati, Columbus and Dayton, Ohio; and Indianapolis, Indiana.

On September 23, 2015, the Company and CCR entered into an asset purchase agreement for the first phase of the additional distribution territory contemplated by the May 2015 LOI including: (i) eastern and northern Virginia, (ii) the entire state of Maryland, (iii) the District of Columbia, and (iv) parts of Delaware, North Carolina, Pennsylvania and West Virginia (the "Next Phase Territories"). The first closing for the series of Next Phase Territories transactions (the "Next Phase Territories Transactions") occurred on October 30, 2015, for territories served by distribution facilities in Norfolk, Fredericksburg and Staunton, Virginia and Elizabeth City, North Carolina. The second closing for the series of Next Phase Territories Transactions occurred on January 29, 2016, for territories served by distribution facilities in Easton and Salisbury, Maryland and Richmond and Yorktown, Virginia. The third closing for the series of Next Phase Territories Transactions occurred on April 1, 2016, for territories served by distribution facilities in Alexandria, Virginia and Capitol Heights and La Plata, Maryland. The final closing for the series of Next Phase Territories Transactions occurred on April 29, 2016, for territories served by distribution facilities in Baltimore, Hagerstown and Cumberland, Maryland.

At the closings of each of the Distribution Territory Expansion Transactions (excluding the exchange for the Lexington Expansion Territory, as described below), the Company signed a Comprehensive Beverage Agreement ("CBA") with The Coca-Cola Company and CCR for each of the territories which has a term of ten years and is automatically renewed for successive additional terms of ten years unless the Company gives notice to terminate at least one year prior to the expiration of a ten-year term or unless earlier terminated as provided therein. Under the CBAs, the Company makes a quarterly sub-bottling payment to CCR on a continuing basis for the grant of exclusive rights to distribute, promote, market and sell specified covered beverages and related products, as defined in the agreements. The quarterly sub-bottling payment, which is accounted for as contingent consideration, is based on sales of certain beverages and beverage products that are sold under the same trademarks that identify a covered beverage, related product or certain cross-licensed brands (as defined in the CBAs). The CBAs impose certain obligations on the Company with respect to serving the Expansion Territories and failure to meet these obligations could result in termination of a CBA if the Company fails to take corrective measures within a specified time frame.

The May 2015 LOI contemplated that The Coca-Cola Company would work collaboratively with the Company and certain other expanding participating bottlers in the U.S. ("EPBs") to implement a national product supply system. As a result of subsequent discussions among the EPBs and The Coca-Cola Company, on September 23, 2015, the Company and The Coca-Cola Company entered into a non-binding letter of intent (the "Manufacturing LOI") pursuant to which CCR would sell six manufacturing facilities ("Regional Manufacturing Facilities") and related manufacturing assets (collectively, "Manufacturing Assets") to the Company as the Company becomes a regional producing bottler ("Regional Producing Bottler") in the national product supply system (the "Manufacturing Facility Expansion Transactions" and, together with the Distribution Territory Expansion Transactions, the "Expansion Transactions"). Similar to, and as an integral part of, the Distribution Territory Expansion Transactions described in the May 2015 LOI, the sale of the Manufacturing Assets by CCR to the Company would be accomplished in two phases. The first phase includes three Regional Manufacturing Facilities located in Sandston, Virginia; Silver Spring, Maryland; and Baltimore, Maryland that serve the Next Phase Territories. The second phase includes three Regional Manufacturing Facilities located in Indianapolis, Indiana; Portland, Indiana; and Cincinnati, Ohio that serve the distribution territories in central and southern Ohio, northern Kentucky and parts of Indiana and Illinois. On October 30, 2015, the Company and CCR entered into a definitive purchase and sale agreement (the "October 2015 APA") for the Manufacturing Assets that comprise the three Regional Manufacturing Facilities located in Sandston, Virginia; Silver Spring, Maryland; and Baltimore, Maryland (the "Next Phase Manufacturing Transactions"). The first closing for the series of Next Phase Manufacturing Transactions occurred on January 29, 2016, for the Sandston, Virginia facility. The interim and final closings for the series of Next Phase Manufacturing Transactions occurred on April 29, 2016, for the Silver Spring, Maryland facility and the Baltimore, Maryland facility.

On February 8, 2016, the Company and The Coca-Cola Company entered into a non-binding letter of intent (the "February 2016 LOI") pursuant to which CCR would (i) grant the Company exclusive rights for the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and -licensed products in additional territories served by CCR in northern Ohio and northern West Virginia, (ii) sell the Company certain assets that included rights to distribute those cross-licensed brands distributed in the territories by CCR as well as the assets used by CCR in the distribution of the cross-licensed brands and The Coca-Cola Company brands, and (iii) sell to the Company an additional Regional Manufacturing Facility currently owned by CCR located in Twinsburg, Ohio and related Manufacturing Assets. The transactions proposed in the February 2016 LOI would provide exclusive distribution rights for the Company in the following major markets: Akron, Elyria, Toledo, Willoughby, and Youngstown County in Ohio.

On June 14, 2016, the Company and The Coca-Cola Company entered into a non-binding letter of intent (the "CCR June 2016 LOI") pursuant to which CCR would (i) grant the Company exclusive rights for the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and –licensed products in additional territories in northeastern Kentucky and southwestern West Virginia served by CCR's distribution center in Louisa, Kentucky, (ii) sell the Company certain assets that included rights to distribute those cross-licensed brands distributed in the territories by CCR as well as the assets used by CCR in the distribution of the cross-licensed brands and The Coca-Cola Company brands and (iii) exchange exclusive rights and associated distribution assets and working capital of CCR relating to the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and –licensed products and certain cross-licensed brands in territory in parts of Arkansas, southwestern Tennessee and northwestern Mississippi served by CCR and two additional Regional Manufacturing Facilities currently owned by CCR located in Memphis, Tennessee and West Memphis, Arkansas and related Manufacturing Assets for exclusive rights and associated distribution assets and working capital of the Company relating to the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and –licensed products and certain cross-licensed brands in territory in southern Alabama, southern Mississippi and southern Georgia currently served by the Company and a Regional Manufacturing Facility currently owned by the Company in Mobile, Alabama and related Manufacturing Assets. The transactions proposed by the CCR June 2016 LOI would provide exclusive distribution rights for the Company in the following major markets: Little Rock, West Memphis and southern Arkansas; Memphis, Tennessee; and Louisa, Kentucky.

On June 14, 2016, the Company and Coca-Cola Bottling Company United, Inc. ("United"), which is an independent bottler and unrelated to the Company, entered into a non-binding letter of intent pursuant to which the Company would exchange exclusive rights and associated distribution assets and working capital relating to the distribution, promotion, marketing and sale of

The Coca-Cola Company-owned and –licensed products and certain cross-licensed brands in certain territory in south-central Tennessee, northwest Alabama and northwest Florida currently served by the Company's distribution centers located in Florence, Alabama and Panama City, Florida, for certain of United's exclusive rights and associated distribution assets and working capital relating to the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and –licensed products and certain cross-licensed brands in certain territory in and around Spartanburg and Bluffton, South Carolina currently served by United's distribution centers located in Spartanburg, South Carolina and Savannah, Georgia.

2014 Expansion Territories

On May 23, 2014, the Company acquired distribution rights and related assets for the Johnson City and Morristown, Tennessee territory, and on October 24, 2014, the Company acquired distribution rights and related assets for the Knoxville, Tennessee territory (collectively the "2014 Expansion Territories") from CCR.

2015 Expansion Territories

During 2015, the Company acquired distribution rights and related assets for the following territories: Cleveland and Cookeville, Tennessee; Louisville, Kentucky and Evansville, Indiana; Paducah and Pikeville, Kentucky; Norfolk, Fredericksburg and Staunton, Virginia; and Elizabeth City, North Carolina (the "2015 Expansion Territories"). The Company also acquired a make-ready center in Annapolis, Maryland in 2015. During the fourth quarter of 2015, the Company made certain measurement period adjustments as a result of purchase price changes to reflect the revised opening balance sheets for the Cleveland and Cookeville, Tennessee and Louisville, Kentucky and Evansville, Indiana territories.

Cleveland and Cookeville, Tennessee Territory Acquisitions

On December 5, 2014, the Company and CCR entered into an asset purchase agreement related to the territory served by CCR through CCR's facilities and equipment located in Cleveland and Cookeville, Tennessee (the "January 2015 Expansion Territory"). The closing of this transaction occurred on January 30, 2015, for a cash purchase price after final adjustments of $13.2 million.

Louisville, Kentucky and Evansville, Indiana Territory Acquisitions

On December 17, 2014, the Company and CCR entered into an asset purchase agreement related to the territory served by CCR through CCR's facilities and equipment located in Louisville, Kentucky and Evansville, Indiana (the "February 2015 Expansion Territory"). The closing of this transaction occurred on February 27, 2015, for a cash purchase price after final adjustments of $18.0 million.

Paducah and Pikeville, Kentucky Territory Acquisitions

On February 13, 2015, the Company and CCR entered into an asset purchase agreement (the "February 2015 APA") related to the territory served by CCR through CCR's facilities and equipment located in Paducah and Pikeville, Kentucky (the "May 2015 Expansion Territory"). The closing of this transaction occurred on May 1, 2015, for a cash purchase price of $7.5 million, which will remain subject to adjustment in accordance with the terms and conditions of the February 2015 APA.

Norfolk, Fredericksburg and Staunton, Virginia; and Elizabeth City, North Carolina Territory Acquisitions

On September 23, 2015, the Company and CCR entered into an asset purchase agreement (the "September 2015 APA") related to the territory served by CCR through CCR's facilities and equipment located in Norfolk, Fredericksburg and Staunton, Virginia, and Elizabeth City, North Carolina (the "October 2015 Expansion Territory"). The closing of this transaction occurred on October 30, 2015, for a cash purchase price of $26.1 million, which will remain subject to adjustment in accordance with the terms and conditions of the September 2015 APA.

Annapolis, Maryland Make-Ready Center Acquisition

As a part of the Expansion Transactions, on October 30, 2015, the Company acquired from CCR a "make-ready center" in Annapolis, Maryland (the "Annapolis MRC") for approximately $5.3 million, subject to a final post-closing adjustment. The Company recorded a bargain purchase gain of approximately $2.0 million on this transaction after applying a deferred tax liability of approximately $1.3 million. The Company uses the make-ready center to deploy and refurbish vending and other sales equipment for use in the marketplace.

The fair value of acquired assets and assumed liabilities, which for the May 2015 Expansion Territory, the October 2015 Expansion Territory and the Annapolis MRC transaction remain subject to adjustment in accordance with the terms and conditions of each respective transaction's asset purchase agreement, of the 2015 Expansion Territories and the Annapolis MRC as of the acquisition dates is summarized as follows:

In Thousands	January 2015 Expansion Territory	February 2015 Expansion Territory	May 2015 Expansion Territory	October 2015 Expansion Territory	Annapolis MRC
Cash	$ 59	$ 105	$ 45	$ 160	$ -
Inventories	1,238	1,268	1,045	2,564	109
Prepaid expenses and other current assets	714	1,108	224	1,305	-
Accounts receivable from The Coca-Cola Company	322	740	294	-	-
Property, plant and equipment	6,291	15,656	6,210	24,832	8,492
Other assets (including deferred taxes)	336	1,354	510	4,272	-
Goodwill	1,388	1,517	1,010	7,657	-
Other identifiable intangible assets	12,950	20,350	1,700	49,100	-
Total acquired assets	**$ 23,298**	**$ 42,098**	**$ 11,038**	**$ 89,890**	**$ 8,601**
Current liabilities (acquisition related contingent consideration)	$ 843	$ 1,659	$ 281	$ 547	$ -
Other current liabilities	125	974	494	4,222	-
Other liabilities	-	823	10	-	1,265
Other liabilities (acquisition related contingent consideration)	9,131	20,625	2,748	58,925	-
Total assumed liabilities	**$ 10,099**	**$ 24,081**	**$ 3,533**	**$ 63,694**	**$ 1,265**

The fair value of the acquired identifiable intangible assets of the 2015 Expansion Territories as of the acquisition dates is as follows:

In Thousands	January 2015 Expansion Territory	February 2015 Expansion Territory	May 2015 Expansion Territory	October 2015 Expansion Territory	Estimated Useful Lives
Distribution agreements	$ 12,400	$ 19,200	$ 1,500	$ 47,900	40 years
Customer lists	550	1,150	200	1,200	12 years
Total acquired identifiable intangible assets	**$ 12,950**	**$ 20,350**	**$ 1,700**	**$ 49,100**	

The goodwill of $1.4 million, $1.5 million, $1.0 million and $7.7 million for the January 2015 Expansion Territory, February 2015 Expansion Territory, May 2015 Expansion Territory and October 2015 Expansion Territory, respectively, is primarily attributed to the workforce acquired. Goodwill of $1.1 million, $0.2 million and $1.1 million is expected to be deductible for tax purposes for the January 2015 Expansion Territory, May 2015 Expansion Territory and October 2015 Expansion Territory, respectively. No goodwill is expected to be deductible for tax purposes for the February 2015 Expansion Territory.

YTD 2016 Expansion Transactions

During the quarter ended April 3, 2016 ("Q1 2016"), the Company acquired distribution rights and related assets in Easton and Salisbury, Maryland and Richmond and Yorktown, Virginia on January 29, 2016, and Alexandria, Virginia and Capitol Heights and La Plata, Maryland on April 1, 2016, and acquired the Sandston, Virginia Regional Manufacturing Facility and related Manufacturing Assets on January 29, 2016 (the "Q1 2016 Expansion Transactions").

During the quarter ended July 3, 2016 ("Q2 2016"), the Company acquired distribution rights and related assets in Baltimore, Hagerstown and Cumberland, Maryland on April 29, 2016, and also acquired the Silver Spring, Maryland and Baltimore, Maryland Regional Manufacturing Facilities and related Manufacturing Assets on April 29, 2016 (the "Q2 2016 Expansion Transactions" and, together with the Q1 2016 Expansion Transactions, the "YTD 2016 Expansion Transactions").

Easton and Salisbury, Maryland and Richmond and Yorktown, Virginia Territory Acquisitions and Sandston, Virginia Regional Manufacturing Facility Acquisition

The September 2015 APA contemplated the Company's acquisition of distribution rights and related assets in the territory served by CCR through CCR's facilities and equipment located in Easton and Salisbury, Maryland and Richmond and Yorktown, Virginia and the October 2015 APA contemplated the Company's acquisition of the Regional Manufacturing Facility and related Manufacturing Assets in Sandston, Virginia (the "January 2016 Expansion Transactions"). The closing of the January 2016 Expansion Transactions occurred on January 29, 2016, for a cash purchase price of $65.7 million, which will remain subject to adjustment in accordance with the terms and conditions of the September 2015 APA and October 2015 APA.

Alexandria, Virginia and Capitol Heights and La Plata, Maryland Territory Acquisitions

The September 2015 APA also contemplated the Company's acquisition of distribution rights and related assets in the territory served by CCR through CCR's facilities and equipment located in Alexandria, Virginia and Capitol Heights and La Plata, Maryland (the "April 1, 2016 Expansion Transaction"). The closing of the April 1, 2016 Expansion Transaction occurred on April 1, 2016, for a cash purchase price of $35.6 million, which will remain subject to adjustment in accordance with the terms and conditions of the September 2015 APA.

Baltimore, Hagerstown and Cumberland, Maryland Territory Acquisitions and Silver Spring and Baltimore, Maryland Regional Manufacturing Facilities Acquisitions

On April 29, 2016, the Company completed the remaining transactions contemplated by (i) the September 2015 APA by acquiring distribution rights and related assets in Expansion Territories served by CCR through CCR's facilities and equipment located in Baltimore, Hagerstown and Cumberland, Maryland and (ii) the October 2015 APA by acquiring the Regional Manufacturing Facilities and related Manufacturing Assets in Silver Spring and Baltimore, Maryland (the "April 29, 2016 Expansion Transactions"). The closing of the April 29, 2016 Expansion Transactions occurred for a cash purchase price of $69.0 million, which will remain subject to adjustment in accordance with the terms and conditions of the September 2015 APA and October 2015 APA.

The fair value of acquired assets and assumed liabilities of the YTD 2016 Expansion Transactions as of the acquisition dates is summarized as follows:

In Thousands	**January 2016 Expansion Transactions**	**April 1, 2016 Expansion Transaction**	**April 29, 2016 Expansion Transactions**
Cash	$ 179	$ 219	$ 161
Inventories	10,159	3,748	13,850
Prepaid expenses and other current assets	2,775	1,736	3,749
Property, plant and equipment	46,100	54,149	58,783
Other assets (including deferred taxes)	2,359	1,434	5,372
Goodwill	10,564	1,943	8,021
Other identifiable intangible assets	1,300	-	23,450
Total acquired assets	**$ 73,436**	**$ 63,229**	**$ 113,386**
Current liabilities (acquisition related contingent consideration)	$ 361	$ 742	$ 1,307
Other current liabilities	591	2,702	4,391
Accounts payable to The Coca-Cola Company	650	-	-
Other liabilities	-	309	3,117
Other liabilities (acquisition related contingent consideration)	6,144	23,924	35,561
Total assumed liabilities	**$ 7,746**	**$ 27,677**	**$ 44,376**

The fair value of the acquired identifiable intangible assets as of the acquisition dates is as follows:

In Thousands	**January 2016 Expansion Transactions**	**April 29, 2016 Expansion Transactions**	**Estimated Useful Lives**
Distribution agreements	$ 750	$ 22,000	40 years
Customer lists	550	1,450	12 years
Total acquired identifiable intangible assets	**$ 1,300**	**$ 23,450**	

The goodwill of $10.6 million, $1.9 million and $8.0 million for the January 2016 Expansion Transactions, April 1, 2016 Expansion Transaction and April 29, 2016 Expansion Transactions, respectively, is primarily attributed to operational synergies and the workforce acquired. Goodwill of $7.1 million is expected to be deductible for tax purposes for the January 2016 Expansion Transactions. No goodwill is expected to be deductible for the April 1, 2016 Expansion Transaction or the April 29, 2016 Expansion Transactions.

The Company has preliminarily allocated the purchase price of the May 2015 Expansion Territory, the October 2015 Expansion Territory, the Annapolis MRC and the YTD 2016 Expansion Transactions to the individual acquired assets and assumed liabilities. The valuations are subject to adjustment as additional information is obtained.

The anticipated range of amounts the Company could pay annually under the acquisition related contingent consideration arrangements for the 2015 Expansion Territories and the YTD 2016 Expansion Transactions is between $10 million and $18 million.

2015 Asset Exchange Agreement

On October 17, 2014, the Company and CCR entered into an agreement (the "Asset Exchange Agreement") pursuant to which CCR agreed to exchange certain assets of CCR relating to the marketing, promotion, distribution and sale of Coca-Cola and other beverage products in the territory served by CCR's facilities and equipment located in Lexington, Kentucky (the "Lexington Expansion Territory"), including the rights to produce such beverages in the Lexington Expansion Territory, in exchange for certain assets of the Company relating to the marketing, promotion, distribution and sale of Coca-Cola and other beverage products in the territory served by the Company's facilities and equipment located in Jackson, Tennessee, including the rights to produce such beverages in that territory (the "Asset Exchange Transaction"). The Company and CCR closed the Asset Exchange Transaction on May 1, 2015. The net assets received by the Company in the exchange, after deducting the value of certain retained assets and retained liabilities, was approximately $15.3 million.

The fair value of acquired assets and assumed liabilities related to the Lexington Expansion Territory as of the exchange date is summarized as follows:

In Thousands		**Lexington Expansion Territory**
Cash	$	56
Inventories		2,231
Prepaid expenses and other current assets		345
Accounts receivable from The Coca-Cola Company		362
Property, plant and equipment		12,216
Other assets		48
Franchise rights		23,700
Goodwill		1,856
Other identifiable intangible assets		1,100
Total acquired assets	**$**	**41,914**
Current liabilities	$	926
Total assumed liabilities	**$**	**926**

The fair value of the acquired identifiable intangible assets related to the Lexington Expansion Territory as of the exchange date is as follows:

In Thousands		**Lexington Expansion Territory**	**Estimated Useful Lives**
Franchise rights	$	23,700	Indefinite
Distribution agreements		300	40 years
Customer lists		800	12 years
Total acquired identifiable intangible assets	**$**	**24,800**	

The goodwill of $1.9 million related to the Lexington Expansion Territory is primarily attributed to the workforce of the territories and is expected to be deductible for tax purposes.

During Q2 2016, the net assets received in the Asset Exchange Transaction, after deducting the value of certain retained assets and retained liabilities, increased by $4.2 million as a result of completing the post-closing adjustment under the Asset Exchange Agreement. In addition, the gain on the exchange was reduced by $0.7 million during the Q2 2016.

The carrying value of assets exchanged related to the Jackson, Tennessee territory exchanged in the Asset Exchange Transaction was $17.5 million, resulting in a gain on the exchange of $8.8 million in the second quarter of 2015.

The amount of goodwill and franchise rights allocated to the Jackson, Tennessee territory was determined using a relative fair value approach comparing the fair value of the Jackson, Tennessee territory to the fair value of the overall Nonalcoholic Beverages reporting unit.

YTD 2016 Expansion Transactions, 2015 Expansion Territories and 2015 Asset Exchange Agreement Financial Results

The financial results of the YTD 2016 Expansion Transactions, 2015 Expansion Territories and Lexington Expansion Territory have been included in the Company's consolidated financial statements from their respective acquisition dates. These territories contributed $287.1 million and $72.5 million in net sales and $16.0 million and $2.7 million in operating income during Q2 2016 and the quarter ended June 28, 2015 ("Q2 2015"), respectively. These territories contributed $429.6 million and $90.5 million in net sales and $17.3 million and $4.4 million in operating income during YTD 2016 and the first half of 2015 ("YTD 2015").

Pro Forma Financial Information

The following table represents the unaudited pro forma net sales for the Company for the 2015 Expansion Territories and the YTD 2016 Expansion Transactions. The pro forma combined net sales does not necessarily reflect what the combined Company's net sales would have been had the acquisitions occurred at the beginning of each period presented. It also may not be useful in predicting the future financial results of the combined company. The actual results may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

	Second Quarter		First Half	
In Thousands	**2016**	**2015**	**2016**	**2015**
Net sales as reported	$ 840,384	$ 614,683	$ 1,465,840	$ 1,067,936
Pro forma adjustments (unaudited)	19,482	198,795	147,185	446,338
Net sales pro forma (unaudited)	**$ 859,866**	**$ 813,478**	**$ 1,613,025**	**$ 1,514,274**

Sale of BYB Brands, Inc.

On August 24, 2015, the Company sold BYB Brands, Inc. ("BYB"), a wholly owned subsidiary of the Company to The Coca-Cola Company. Pursuant to the stock purchase agreement dated July 22, 2015, the Company sold all of the issued and outstanding shares of capital stock of BYB for a cash purchase price of $26.4 million. As a result of the sale, the Company recognized a gain of $22.7 million, which was recorded to Gain on sale of business in the consolidated financial statements in the third quarter of 2015. BYB contributed $9.8 million in net sales and $2.1 million in operating income during Q2 2015, and $16.7 million in net sales and $2.0 million in operating income during YTD 2015.

3. Inventories

Inventories consisted of the following:

In Thousands	**July 3, 2016**	**January 3, 2016**	**June 28, 2015**
Finished products	$ 84,279	$ 56,252	$ 67,936
Manufacturing materials	15,520	12,277	11,024
Plastic shells, plastic pallets and other inventories	26,932	20,935	20,681
Total inventories	**$ 126,731**	**$ 89,464**	**$ 99,641**

The growth in the inventory balance at July 3, 2016, as compared to January 3, 2016, and June 28, 2015, is primarily due to inventory acquired through the acquisitions of the 2015 Expansion Territories and the YTD 2016 Expansion Transactions.

4. Property, Plant and Equipment

The principal categories and estimated useful lives of property, plant and equipment were as follows:

In Thousands	July 3, 2016	January 3, 2016	June 28, 2015	Estimated Useful Lives
Land	$ 64,231	$ 24,731	$ 17,317	
Buildings	175,666	134,496	124,426	8-50 years
Machinery and equipment	197,283	165,733	159,713	5-20 years
Transportation equipment	280,939	251,712	204,768	4-20 years
Furniture and fixtures	68,829	59,500	50,815	3-10 years
Cold drink dispensing equipment	454,538	398,867	375,650	5-17 years
Leasehold and land improvements	103,763	94,208	81,660	5-20 years
Software for internal use	101,278	97,760	92,916	3-10 years
Construction in progress	19,768	24,632	13,411	
Total property, plant and equipment, at cost	1,466,295	1,251,639	1,120,676	
Less: Accumulated depreciation and amortization	759,824	725,819	701,413	
Property, plant and equipment, net	**$ 706,471**	**$ 525,820**	**$ 419,263**	

Depreciation and amortization expense was $26.5 million and $18.9 million in Q2 2016 and in Q2 2015, respectively. Depreciation and amortization expense was $49.9 million and $36.0 million in YTD 2016 and YTD 2015, respectively. These amounts included amortization expense for leased property under capital leases.

5. Franchise Rights and Goodwill

Franchise rights and goodwill consisted of the following:

In Thousands	July 3, 2016	January 3, 2016	June 28, 2015
Franchise rights	$ 533,040	$ 527,540	$ 527,540
Goodwill	139,756	117,954	111,591
Total franchise rights and goodwill	**$ 672,796**	**$ 645,494**	**$ 639,131**

A reconciliation of the activity for franchise rights and goodwill for YTD 2015 and YTD 2016 follows:

In Thousands	Franchise rights	Goodwill	Total
Balance on December 28, 2014	**$ 520,672**	**$ 106,220**	**$ 626,892**
YTD 2015 Expansion Territories	-	5,425	5,425
Asset Exchange Transaction	6,868	38	6,906
Measurement period adjustment	-	(92)	(92)
Balance on June 28, 2015	**$ 527,540**	**$ 111,591**	**$ 639,131**
Balance on January 3, 2016	**$ 527,540**	**$ 117,954**	**$ 645,494**
YTD 2016 Expansion Transactions	-	20,528	20,528
Asset Exchange Transaction	5,500	(682)	4,818
Measurement period adjustment	-	1,956	1,956
Balance on July 3, 2016	**$ 533,040**	**$ 139,756**	**$ 672,796**

The Company's goodwill and franchise rights reside entirely within the Nonalcoholic Beverage segment. The Company performs its annual impairment test of franchise rights and goodwill as of the first day of the fourth quarter. During YTD 2016, the Company did not experience any triggering events or changes in circumstances that indicated the carrying amounts of the Company's franchise rights or goodwill exceeded fair values.

In Q2 2016, the Company recorded $5.5 million in franchise rights for the Lexington Expansion Territory.

6. Other Identifiable Intangible Assets

Other identifiable intangible assets consisted of the following:

	July 3, 2016			
In Thousands	Cost	Accumulated Amortization	Total, net	Useful Lives
Distribution agreements	$ 157,555	$ 5,373	$ 152,182	20-40 years
Customer lists and other identifiable intangible assets	13,338	5,053	8,285	12-20 years
Total other identifiable intangible assets	**$ 170,893**	**$ 10,426**	**$ 160,467**	

	January 3, 2016			
In Thousands	Cost	Accumulated Amortization	Total, net	Useful Lives
Distribution agreements	$ 133,109	$ 3,323	$ 129,786	20-40 years
Customer lists and other identifiable intangible assets	11,338	4,676	6,662	12-20 years
Total other identifiable intangible assets	**$ 144,447**	**$ 7,999**	**$ 136,448**	

	June 28, 2015			
In Thousands	Cost	Accumulated Amortization	Total, net	Useful Lives
Distribution agreements	$ 102,209	$ 6,579	$ 95,630	20-40 years
Customer lists and other identifiable intangible assets	10,188	-	10,188	12-20 years
Total other identifiable intangible assets	**$ 112,397**	**$ 6,579**	**$ 105,818**	

During YTD 2016, the Company acquired $22.8 million of distribution agreement intangible assets and $2.0 million of customer lists intangible assets related to the YTD 2016 Expansion Transactions.

7. Other Accrued Liabilities

Other accrued liabilities consisted of the following:

In Thousands	July 3, 2016	January 3, 2016	June 28, 2015
Accrued marketing costs	$ 31,620	$ 24,959	$ 20,147
Accrued insurance costs	25,509	24,353	22,877
Accrued taxes (other than income taxes)	4,813	1,721	6,470
Employee benefit plan accruals	13,917	13,963	13,314
Checks and transfers yet to be presented for payment from zero balance cash accounts	17,609	8,980	14,335
Acquisition related contingent consideration	12,298	7,902	5,706
Commodity hedges mark-to-market accrual	291	3,442	569
All other accrued liabilities	23,595	18,848	13,850
Total other accrued liabilities	**$ 129,652**	**$ 104,168**	**$ 97,268**

8. Debt

Following is a summary of the Company's debt:

In Thousands	Maturity	Interest Rate	Interest Paid	July 3, 2016	January 3, 2016	June 28, 2015
Revolving credit facility	2019	Variable	Varies	$ 75,000	$ -	$ 290,000
Senior Notes	2016	5.00%	Semi-annually	-	164,757	164,757
Senior Notes	2019	7.00%	Semi-annually	110,000	110,000	110,000
Senior Notes	2025	3.80%	Semi-annually	350,000	350,000	-
Term Loan	2021	Variable	Varies	300,000	-	-
Unamortized discount on Senior Notes	2019			(683)	(792)	(897)
Unamortized discount on Senior Notes	2025			(82)	(86)	-
Debt issuance costs				(4,417)	(4,251)	(1,749)
Total debt				829,818	619,628	562,111
Less: Current portion of debt				-	-	-
Long-term debt				**$ 829,818**	**$ 619,628**	**$ 562,111**

The Company had capital lease obligations of $52.3 million, $55.8 million, and $59.2 million as of July 3, 2016, January 3, 2016, and June 28, 2015, respectively. The Company mitigates its financing risk by using multiple financial institutions and enters into credit arrangements only with institutions with investment grade credit ratings. The Company monitors counterparty credit ratings on an ongoing basis.

In October 2014, the Company entered into a $350 million five-year unsecured revolving credit facility (the "Revolving Credit Facility"). In April 2015, the Company exercised the accordion feature of the Revolving Credit Facility, thereby increasing the aggregate availability by $100 million to $450 million. The Revolving Credit Facility has a scheduled maturity date of October 16, 2019 and up to $50 million is available for the issuance of letters of credit. Borrowings under the Revolving Credit Facility bear interest at a floating base rate or a floating Eurodollar rate plus an applicable margin, dependent on the Company's credit rating at the time of borrowing. At the Company's current credit ratings, the Company must pay an annual facility fee of 0.15% of the lenders' aggregate commitments under the Revolving Credit Facility. The Revolving Credit Facility includes two financial covenants: a cash flow/fixed charges ratio and a funded indebtedness/cash flow ratio, each as defined in the agreement. The Company was in compliance with these covenants at July 3, 2016. These covenants do not currently, and the Company does not anticipate they will, restrict its liquidity or capital resources.

In November 2015, the Company issued $350 million of unsecured 3.8% Senior Notes due 2025. The notes were issued at 99.975% of par, which resulted in a discount on the notes of approximately $0.1 million. Total debt issuance costs for these notes totaled $3.2 million. The proceeds plus cash on hand were used to repay outstanding borrowings under the Revolving Credit Facility. The Company refinanced its $100 million of senior notes, which matured in April 2015, with borrowings under the Company's Revolving Credit Facility.

On June 7, 2016, the Company entered into a term loan agreement for a senior unsecured term loan facility (the "Term Loan Facility") in the aggregate principal amount of $300 million, maturing June 7, 2021. The Company may request additional term loans under the agreement, provided the Company's aggregate borrowings under the Term Loan Facility do not exceed $500 million. Borrowings under the Term Loan Facility bear interest at a floating base rate or a floating Eurodollar rate plus an applicable margin, dependent on the Company's credit rating, at the Company's option. The Term Loan Facility includes two financial covenants: a consolidated cash flow/fixed charges ratio and a consolidated funded indebtedness/cash flow ratio, each as defined in the agreement. The Company was in compliance with these covenants as of July 3, 2016. These covenants do not currently, and the Company does not anticipate they will, restrict its liquidity or capital resources. The Company used $210 million of the proceeds from the Term Loan Facility to repay outstanding indebtedness under the Revolving Credit Facility. The Company then used the remaining proceeds, as well as borrowings under the Revolving Credit Facility, to repay the $164.8 million of Senior Notes that matured on June 15, 2016.

9. Derivative Financial Instruments

The Company is subject to the risk of increased costs arising from adverse changes in certain commodity prices. In the normal course of business, the Company manages these risks through a variety of strategies, including the use of derivative instruments. The Company does not use derivative instruments for trading or speculative purposes. All derivative instruments are recorded at fair value as either assets or liabilities in the Company's consolidated balance sheets. These derivative instruments are not designated as hedging instruments under GAAP and are used as "economic hedges" to manage commodity price risk. Derivative instruments held are marked to market on

a monthly basis and recognized in earnings consistent with the expense classification of the underlying hedged item. Settlements of derivative agreements are included in cash flows from operating activities on the Company's consolidated statements of cash flows.

The Company uses several different financial institutions for commodity derivative instruments to minimize the concentration of credit risk. While the Company is exposed to credit loss in the event of nonperformance by these counterparties, the Company does not anticipate nonperformance by these parties.

The following summarizes Q2 2016, Q2 2015, YTD 2016 and YTD 2015 pre-tax changes in the fair value of the Company's commodity derivative financial instruments and the classification of such changes in the consolidated statements of operations.

		Second Quarter		First Half	
In Thousands	**Classification of Gain (Loss)**	**2016**	**2015**	**2016**	**2015**
Commodity hedges	Cost of sales	$ 1,452	$ (893)	$ 2,294	$ (681)
Commodity hedges	Selling, delivery and administrative expenses	1,318	144	1,516	575
Total		**$ 2,770**	**$ (749)**	**$ 3,810**	**$ (106)**

The following table summarizes the fair values and classification in the consolidated balance sheets of derivative instruments held by the Company:

In Thousands	**Balance Sheet Classification**	**July 3, 2016**	**January 3, 2016**	**June 28, 2015**
Assets:				
Commodity hedges at fair market value	Prepaid expenses and other current assets	$ 102	$ -	$ 428
Commodity hedges at fair market value	Other assets	560	3	147
Total assets		**$ 662**	**$ 3**	**$ 575**
Liabilities:				
Commodity hedges at fair market value	Other accrued liabilities	$ 291	$ 3,442	$ 569
Commodity hedges at fair market value	Other liabilities	-	-	112
Total liabilities		**$ 291**	**$ 3,442**	**$ 681**

The Company has master agreements with the counterparties to its derivative financial agreements that provide for net settlement of derivative transactions. Accordingly, the net amounts of derivative assets are recognized in either prepaid expenses and other current assets or other assets in the consolidated balance sheet and the net amounts of derivative liabilities are recognized in other accrued liabilities or other liabilities in the consolidated balance sheet. The Company had gross derivative assets of $1.2 million and gross derivative liabilities of $0.8 million as of July 3, 2016. The Company had gross derivative assets of $0.2 million and gross derivative liabilities of $3.6 million as of January 3, 2016. The Company had gross derivative assets of $1.8 million and gross derivative liabilities of $1.9 million as of June 28, 2015.

The Company's outstanding commodity derivative agreements as of July 3, 2016 had a notional amount of $39.3 million and a latest maturity date of December 2017. The Company's outstanding commodity derivative agreements as of January 3, 2016 had a notional amount of $64.9 million and a latest maturity date of December 2017. The Company's outstanding commodity derivative agreements as of June 28, 2015 had a notional amount of $85.6 million and a latest maturity date of December 2016.

10. Fair Value of Financial Instruments

The following methods and assumptions were used by the Company in estimating the fair values of its financial instruments:

Instrument	Method and Assumptions
Cash and Cash Equivalents, Accounts Receivable and Accounts Payable	The fair values of cash and cash equivalents, accounts receivable and accounts payable approximate carrying values due to the short maturity of these items.
Public Debt Securities	The fair values of the Company's public debt securities are based on estimated current market prices.
Non-Public Variable Rate Debt	The carrying amounts of the Company's variable rate borrowings approximate their fair values due to variable interest rates with short reset periods.
Deferred Compensation Plan Assets/Liabilities	The fair values of deferred compensation plan assets and liabilities, which are held in mutual funds, are based upon the quoted market value of the securities held within the mutual funds.
Acquisition Related Contingent Consideration	The fair values of acquisition related contingent consideration are based on internal forecasts and the weighted average cost of capital ("WACC") derived from market data.
Derivative Financial Instruments	The fair values for the Company's commodity hedging agreements are based on current settlement values at each balance sheet date. The fair values of the commodity hedging agreements at each balance sheet date represent the estimated amounts the Company would have received or paid upon termination of these agreements. Credit risk related to the derivative financial instruments is managed by requiring high standards for its counterparties and periodic settlements. The Company considers nonperformance risk in determining the fair value of derivative financial instruments.

The carrying amounts and fair values of the Company's debt, deferred compensation plan assets and liabilities, commodity hedging agreements and acquisition related contingent consideration were as follows:

	July 3, 2016		January 3, 2016		June 28, 2015	
In Thousands	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Deferred compensation plan assets	$ 22,308	$ 22,308	$ 20,755	$ 20,755	$ 20,466	$ 20,466
Deferred compensation plan liabilities	(22,308)	(22,308)	(20,755)	(20,755)	(20,466)	(20,466)
Commodity hedging agreements-assets	662	662	3	3	575	575
Commodity hedging agreements-liabilities	(291)	(291)	(3,442)	(3,442)	(681)	(681)
Public debt securities	(455,667)	(495,700)	(619,628)	(645,400)	(272,111)	(297,700)
Non-public variable rate debt	(374,151)	(375,000)	-	-	(290,000)	(290,000)
Acquisition related contingent consideration	(228,768)	(228,768)	(136,570)	(136,570)	(94,068)	(94,068)

GAAP requires that assets and liabilities carried at fair value be classified and disclosed in one of the following categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

The following table summarizes, by assets and liabilities, the valuation of the Company's deferred compensation plan, commodity hedging agreements and acquisition related contingent consideration:

	July 3, 2016			January 3, 2016			June 28, 2015		
In Thousands	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:									
Deferred compensation plan assets	$22,308	$ -	$ -	$20,755	$ -	$ -	$20,466	$ -	$ -
Commodity hedging agreements	-	662	-	-	3	-	-	575	-
Liabilities:									
Deferred compensation plan liabilities	22,308	-	-	20,755	-	-	20,466	-	-
Commodity hedging agreements	-	291	-	-	3,442	-	-	681	-
Public debt securities	-	495,700	-	-	645,400	-	-	297,700	-
Non-public variable rate debt	-	375,000	-	-	-	-	-	290,000	-
Acquisition related contingent consideration	-	-	228,768	-	-	136,570	-	-	94,068

The Company maintains a non-qualified deferred compensation plan for certain executives and other highly compensated employees. The investment assets are held in mutual funds. The fair value of the mutual funds is based on the quoted market value of the securities held within the funds (Level 1). The related deferred compensation liability represents the fair value of the investment assets.

The fair values of the Company's commodity hedging agreements are based upon rates from public commodity exchanges that are observable and quoted periodically over the full term of the agreement and are considered Level 2 items.

The fair value estimates of the Company's debt are classified as Level 2. Public and non-public debt is valued using quoted market prices of the debt or debt with similar characteristics.

Under the CBAs the Company entered into in 2016, 2015 and 2014, the Company makes a quarterly sub-bottling payment to CCR on a continuing basis for the grant of exclusive rights to distribute, promote, market and sell specified covered beverages and beverage products in the acquired territories. This acquisition related contingent consideration is valued using a probability weighted discounted cash flow model based on internal forecasts and the WACC derived from market data, which are considered Level 3 inputs. Each reporting period, the Company adjusts its acquisition related contingent consideration liability related to the territory expansion to fair value by discounting future expected sub-bottling payments required under the CBAs using the Company's estimated WACC. These future expected sub-bottling payments extend through the life of the related distribution assets acquired in each expansion territory, which is generally 40 years. As a result, the fair value of the acquisition related contingent consideration liability is impacted by the Company's WACC, management's estimate of the amounts that will be paid in the future under the CBAs, and current sub-bottling payments (all Level 3 inputs). Changes in any of these Level 3 inputs, particularly the underlying risk-free interest rate used to estimate the Company's WACC, could result in material changes to the fair value of the acquisition related contingent consideration and could materially impact the amount of noncash expense (or income) recorded each reporting period.

The acquisition related contingent consideration is the Company's only Level 3 asset or liability. A reconciliation of the activity is as follows:

	Second Quarter		First Half	
In Thousands	2016	2015	2016	2015
Opening balance	$ 177,933	$ 98,505	$ 136,570	$ 46,850
Increase due to acquisitions	36,868	3,029	68,039	50,312
Payments/accruals	(2,307)	(1,388)	(9,266)	(2,105)
Fair value adjustment - (income) expense	16,274	(6,078)	33,425	(989)
Ending balance	**$ 228,768**	**$ 94,068**	**$ 228,768**	**$ 94,068**

As of July 3, 2016 and June 28, 2015, the Company has recorded a liability of $228.8 million and $94.1 million, respectively, to reflect the estimated fair value of the contingent consideration related to the future sub-bottling payments. The contingent consideration was valued using a probability weighted discounted cash flow model based on internal forecasts and the WACC derived from market data. The contingent consideration is reassessed and adjusted to fair value each quarter through other income (expense) on the Company's consolidated statements of operations. During Q2 2016 and YTD 2016, the Company recorded an unfavorable fair value adjustment to the contingent consideration liability of $16.3 million and $33.4 million, respectively, primarily due to updated

projections and a change in the risk-free interest rate. During Q2 2015 and YTD 2015, the Company recorded a favorable fair value adjustment to the contingent consideration liability of $6.0 million and $1.0 million, respectively, primarily due to updated projections and a change in the risk-free interest rate.

There were no transfers of assets or liabilities between Levels in any period presented.

11. Other Liabilities

Other liabilities consisted of the following:

In Thousands	July 3, 2016	January 3, 2016	June 28, 2015
Accruals for executive benefit plans	$ 119,387	$ 122,077	$ 120,181
Acquisition related contingent consideration	216,470	128,668	88,362
Other	17,100	16,345	16,659
Total other liabilities	**$ 352,957**	**$ 267,090**	**$ 225,202**

12. Commitments and Contingencies

The Company is a member of South Atlantic Canners, Inc. ("SAC"), a manufacturing cooperative from which it is obligated to purchase 17.5 million cases of finished product on an annual basis through June 2024. The Company is also a member of Southeastern Container ("Southeastern"), a plastic bottle manufacturing cooperative from which it is obligated to purchase at least 80% of its requirements of plastic bottles for certain designated territories. The Company has an equity ownership in each of the entities.

The Company guarantees a portion of SAC's and Southeastern's debt. The amounts guaranteed were $32.5 million, $30.6 million and $33.7 million as of July 3, 2016, January 3, 2016 and June 28, 2015, respectively. The Company holds no assets as collateral against these guarantees, the fair value of which is immaterial. The guarantees relate to the debt of SAC and Southeastern, which resulted primarily from the purchase of production equipment and facilities. These guarantees expire at various dates through 2023. The members of both cooperatives consist solely of Coca-Cola bottlers. The Company does not anticipate either of these cooperatives will fail to fulfill its commitments. The Company further believes each of these cooperatives has sufficient assets, including production equipment, facilities and working capital, and the ability to adjust selling prices of its products to adequately mitigate the risk of material loss from the Company's guarantees. In the event either of these cooperatives fails to fulfill its commitments under the related debt, the Company would be responsible for payments to the lenders up to the level of the guarantees. If these cooperatives had borrowed up to their aggregate borrowing capacity, the Company's maximum exposure under these guarantees on July 3, 2016, would have been $23.9 million for SAC and $25.3 million for Southeastern. The Company's maximum total exposure, including its equity investment, would have been $28.0 million for SAC and $43.5 million for Southeastern.

The Company has standby letters of credit, primarily related to its property and casualty insurance programs. Letters of credit totaled $29.7 million, $26.9 million and $26.4 million on July 3, 2016, January 3, 2016 and June 28, 2015, respectively.

The Company participates in long-term marketing contractual arrangements with certain prestige properties, athletic venues and other locations. The future payments related to these contractual arrangements as of July 3, 2016 amounted to $72.6 million and expire at various dates through 2026.

The Company is involved in various claims and legal proceedings which have arisen in the ordinary course of its business. Although it is difficult to predict the ultimate outcome of these claims and legal proceedings, management believes the ultimate disposition of these matters will not have a material adverse effect on the financial condition, cash flows or results of operations of the Company. No material amount of loss in excess of recorded amounts is believed to be reasonably possible as a result of these claims and legal proceedings.

13. Income Taxes

The Company's effective tax rate, as calculated by dividing income tax expense by income before income taxes, for YTD 2016 and YTD 2015 was 40.1% and 37.4%, respectively. The increase in the effective tax rate was driven primarily by an increase in the state tax rate applied to the deferred tax assets and liabilities driven by the new territories, a decrease to the favorable manufacturing deduction (as a percentage of pre-tax income) caused by new territories which do not qualify for the deduction, and lower pre-tax book income. The Company's effective tax rate, as calculated by dividing income tax expense by income before income taxes minus net income attributable to noncontrolling interest, for YTD 2016 and YTD 2015 was 49.8% and 39.5%, respectively.

As of July 3, 2016, January 3, 2016 and June 28, 2015, the Company had $3.1 million, $2.9 million and $3.2 million, respectively, of uncertain tax positions, including accrued interest, all of which would affect the Company's effective tax rate if recognized. While it is expected that the amount of uncertain tax positions may change in the next 12 months, the Company does not expect any change to have a material impact on the consolidated financial statements.

Prior tax years beginning in year 2012 remain open to examination by the Internal Revenue Service, and various tax years beginning in year 1998 remain open to examination by certain state tax jurisdictions due to loss carryforwards.

During Q1 2016, the Company revalued its existing net deferred tax liabilities for the effects which resulted from the YTD 2016 Expansion Transactions. The YTD 2016 impact of this revaluation was an increase to the recorded income tax expense of $0.8 million.

14. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss is comprised of adjustments relative to the Company's pension and postretirement medical benefit plans and foreign currency translation adjustments required for a subsidiary of the Company that performs data analysis and provides consulting services outside the United States.

A summary of accumulated other comprehensive loss for Q2 2016 and Q2 2015 is as follows:

In Thousands	April 3, 2016	Pre-tax Activity	Tax Effect	July 3, 2016
Net pension activity:				
Actuarial loss	$ (67,788)	$ 740	$ (285)	$ (67,333)
Prior service costs	(74)	7	(2)	(69)
Net postretirement benefits activity:				
Actuarial loss	(19,465)	588	(227)	(19,104)
Prior service costs	5,228	(840)	324	4,712
Foreign currency translation adjustment	5	(8)	2	(1)
Total	**$ (82,094)**	**$ 487**	**$ (188)**	**$ (81,795)**

In Thousands	March 29, 2015	Pre-tax Activity	Tax Effect	June 28, 2015
Net pension activity:				
Actuarial loss	$ (74,378)	$ 795	$ (307)	$ (73,890)
Prior service costs	(94)	9	(3)	(88)
Net postretirement benefits activity:				
Actuarial loss	(22,319)	718	(277)	(21,878)
Prior service costs	7,296	(840)	324	6,780
Foreign currency translation adjustment	(5)	1	(1)	(5)
Total	**$ (89,500)**	**$ 683**	**$ (264)**	**$ (89,081)**

A summary of accumulated other comprehensive loss for YTD 2016 and YTD 2015 is as follows:

In Thousands	January 3, 2016	Pre-tax Activity	Tax Effect	July 3, 2016
Net pension activity:				
Actuarial loss	$ (68,243)	$ 1,481	$ (571)	$ (67,333)
Prior service costs	(78)	14	(5)	(69)
Net postretirement benefits activity:				
Actuarial loss	(19,825)	1,175	(454)	(19,104)
Prior service costs	5,744	(1,680)	648	4,712
Foreign currency translation adjustment	(5)	7	(3)	(1)
Total	**$ (82,407)**	**$ 997**	**$ (385)**	**$ (81,795)**

In Thousands	December 28, 2014	Pre-tax Activity	Tax Effect	June 28, 2015
Net pension activity:				
Actuarial loss	$ (74,867)	$ 1,591	$ (614)	$ (73,890)
Prior service costs	(99)	18	(7)	(88)
Net postretirement benefits activity:				
Actuarial loss	(22,759)	1,435	(554)	(21,878)
Prior service costs	7,812	(1,680)	648	6,780
Foreign currency translation adjustment	(1)	(6)	2	(5)
Total	**$ (89,914)**	**$ 1,358**	**$ (525)**	**$ (89,081)**

A summary of the impact on the income statement line items is as follows:

In Thousands	Net Pension Activity	Net Postretirement Benefits Activity	Total
Second Quarter 2016:			
Cost of sales	$ 75	$ (38)	$ 37
Selling, delivery & administrative expenses	672	(214)	458
Subtotal pre-tax	747	(252)	495
Income tax expense	287	(97)	190
Total after tax effect	**$ 460**	**$ (155)**	**$ 305**
Second Quarter 2015:			
Cost of sales	$ 88	$ (17)	$ 71
Selling, delivery & administrative expenses	716	(105)	611
Subtotal pre-tax	804	(122)	682
Income tax expense	310	(47)	263
Total after tax effect	**$ 494**	**$ (75)**	**$ 419**
First Half 2016:			
Cost of sales	$ 150	$ (76)	$ 74
Selling, delivery & administrative expenses	1,345	(429)	916
Subtotal pre-tax	1,495	(505)	990
Income tax expense	576	(194)	382
Total after tax effect	**$ 919**	**$ (311)**	**$ 608**
First Half 2015:			
Cost of sales	$ 169	$ (33)	$ 136
Selling, delivery & administrative expenses	1,440	(212)	1,228
Subtotal pre-tax	1,609	(245)	1,364
Income tax expense	621	(94)	527
Total after tax effect	**$ 988**	**$ (151)**	**$ 837**

15. Capital Transactions

On March 8, 2016, and March 3, 2015, the Compensation Committee of the Company's Board of Directors determined that 40,000 shares of the Company's Class B Common Stock should be issued in each year pursuant to a performance unit award agreement to J. Frank Harrison, III, in connection with his services in 2015 and 2014, respectively, as Chairman of the Board of Directors and Chief Executive Officer of the Company. As permitted under the terms of the performance unit award agreement, 19,080 of such shares were settled in cash in both 2016 and 2015 to satisfy tax withholding obligations in connection with the vesting of the performance units.

Compensation expense for the performance unit award agreement recognized in YTD 2016 was $2.9 million, which was based upon a Common Stock share price of $144.82 on July 1, 2016. Compensation expense for the performance unit award agreement recognized in YTD 2015 was $3.0 million, which was based upon a Common Stock share price of $148.98 on June 26, 2015.

The increase in the total number of shares outstanding in YTD 2016 and YTD 2015 was due to the issuance of the 20,920 shares of Class B Common Stock related to the performance unit award agreement during the first quarter of each year.

16. Benefit Plans

Pension Plans

All benefits under the primary Company-sponsored pension plan were frozen in 2006 and no benefits have accrued to participants after this date. The Company also sponsors a pension plan for certain employees under collective bargaining agreements. Benefits under the pension plan for collectively bargained employees are determined in accordance with negotiated formulas for the respective participants. Contributions to the plans are based on actuarial determined amounts and are limited to the amounts currently deductible for income tax purposes.

The components of net periodic pension cost were as follows:

	Second Quarter		First Half	
In Thousands	**2016**	**2015**	**2016**	**2015**
Service cost	$ 29	$ 35	$ 57	$ 70
Interest cost	3,031	2,973	6,062	5,947
Expected return on plan assets	(3,458)	(3,386)	(6,916)	(6,774)
Amortization of prior service cost	7	9	14	18
Recognized net actuarial loss	741	795	1,482	1,591
Net periodic pension cost	**$ 350**	**$ 426**	**$ 699**	**$ 852**

The Company did not make contributions to the Company-sponsored pension plans during YTD 2016. Anticipated contributions for the two Company-sponsored pension plans will be in the range of $10 million to $12 million during the remainder of 2016.

Postretirement Benefits

The Company provides postretirement benefits for a portion of its current employees. The Company recognizes the cost of postretirement benefits, which consist principally of medical benefits, during employees' periods of active service. The Company does not pre-fund these benefits and has the right to modify or terminate certain of these benefits in the future.

The components of net periodic postretirement benefit cost were as follows:

	Second Quarter		First Half	
In Thousands	**2016**	**2015**	**2016**	**2015**
Service cost	$ 350	$ 325	$ 700	$ 650
Interest cost	777	707	1,555	1,415
Recognized net actuarial loss	588	718	1,175	1,435
Amortization of prior service cost	(840)	(840)	(1,680)	(1,680)
Net periodic postretirement benefit cost	**$ 875**	**$ 910**	**$ 1,750**	**$ 1,820**

Multi-Employer Benefits

Certain employees of the Company participate in a multi-employer pension plan, the Employers-Teamsters Local Union Nos. 175 and 505 Pension Fund (the "Plan"), to which the Company makes monthly contributions on behalf of such employees. The Plan was certified by the Plan's actuary as being in "critical" status for the plan year beginning January 1, 2013. As a result, the Plan adopted a "Rehabilitation Plan" effective January 1, 2015. The Company agreed and incorporated such agreement in the renewal of the collective bargaining agreement with the union, effective April 28, 2014, to participate in the Rehabilitation Plan. The Company increased its contribution rates to the Plan effective January 2015 with additional increases occurring annually to support the Rehabilitation Plan.

There would likely be a withdrawal liability in the event the Company withdraws from its participation in the Plan. The Company's withdrawal liability was reported by the Plan's actuary to be approximately $4.5 million. The Company does not currently anticipate withdrawing from the Plan.

17. Related Party Transactions

The Company's business consists primarily of the production, marketing and distribution of nonalcoholic beverages of The Coca-Cola Company, which is the sole owner of the secret formulas under which the primary components (either concentrate or syrup) of its soft drink products are manufactured. As of July 3, 2016, The Coca-Cola Company owned approximately 35% of the Company's total outstanding Common Stock, representing approximately 5% of the total voting power of the Company's Common Stock and Class B Common Stock voting together as a single class. As long as The Coca-Cola Company holds the number of shares of Common Stock that it currently owns, it has the right to have its designee proposed by the Company for the nomination to the Company's Board of Directors, and J. Frank Harrison III, the Chairman of the Board and the Chief Executive Officer of the Company, and trustees of certain trusts established for the benefit of certain relatives of J. Frank Harrison, Jr., have agreed to vote their shares of the Company's Class B Common Stock which they control in favor of such designee. The Coca-Cola Company does not own any shares of Class B Common Stock of the Company.

The following table and the subsequent descriptions summarize the significant transactions between the Company and The Coca-Cola Company:

	First Half	
In Millions	**2016**	**2015**
Payments by the Company for concentrate, syrup, sweetener and other purchases	$ 308.2	$ 231.8
Less: marketing funding support payments to the Company	34.4	25.7
Payments by the Company net of marketing funding support	$ 273.8	$ 206.1
Payments by the Company for customer marketing programs	$ 49.4	$ 21.7
Payments by the Company for cold drink equipment parts	10.4	6.9
Fountain delivery and equipment repair fees paid to the Company	12.5	7.9
Presence marketing funding support provided by The Coca-Cola Company on the Company's behalf	1.8	0.6
Payments to the Company to facilitate the distribution of certain brands and packages to other Coca-Cola bottlers	3.3	2.1

The Company has a production arrangement with CCR to buy and sell finished products. Sales to CCR under this arrangement were $32.5 million and $17.3 million in YTD 2016 and YTD 2015, respectively. Purchases from CCR under this arrangement were $139.5 million and $94.1 million in YTD 2016 and YTD 2015, respectively. Prior to the sale of BYB to The Coca-Cola Company, CCR distributed one of the Company's brands ("Tum-E Yummies"). Total sales to CCR for Tum-E Yummies were $11.1 million in YTD 2015. During the third quarter of 2015, the Company sold BYB, the subsidiary that owned and distributed Tum-E Yummies, to The Coca-Cola Company and recorded a gain of $22.7 million on the sale. The Company continues to distribute Tum-E Yummies following the sale. In addition, the Company transports product for CCR to the Company's and other Coca-Cola bottlers' locations. Total sales to CCR for transporting CCR's product were $11.5 million and $6.7 million in YTD 2016 and YTD 2015, respectively.

The acquisitions and divestitures with CCR and The Coca-Cola Company described above in Note 2 to the consolidated financial statements are incorporated herein by reference. As described above in Note 2 to the consolidated financial statements, the Company and CCR have entered into and closed the following asset purchase agreements relating to certain territories previously served by CCR's facilities and equipment located in these territories:

Territory	Asset Agreement Date	Acquisition Closing Date
Johnson City and Morristown, Tennessee	May 7, 2014	May 23, 2014
Knoxville, Tennessee	August 28, 2014	October 24, 2014
Cleveland and Cookeville, Tennessee	December 5, 2014	January 30, 2015
Louisville, Kentucky and Evansville, Indiana	December 17, 2014	February 27, 2015
Paducah and Pikeville, Kentucky	February 13, 2015	May 1, 2015
Norfolk, Fredericksburg and Staunton, Virginia and Elizabeth City, North Carolina	September 23, 2015	October 30, 2015
Richmond and Yorktown, Virginia and Easton and Salisbury, Maryland	September 23, 2015	January 29, 2016
Sandston Regional Manufacturing Facility	October 30, 2015	January 29, 2016
Alexandria, Virginia and Capitol Heights and La Plata, Maryland	September 23, 2015	April 1, 2016
Baltimore, Hagerstown and Cumberland, Maryland	September 23, 2015	April 29, 2016
Silver Springs and Baltimore Regional Manufacturing Facility	October 30, 2015	April 29, 2016

As part of the distribution territory closings under these asset purchase agreements, the Company signed CBAs which have terms of ten years and are renewable by the Company indefinitely for successive additional terms of ten years each unless earlier terminated as provided therein. Under the CBAs, the Company makes a quarterly sub-bottling payment to CCR on a continuing basis for the grant of exclusive rights to distribute, promote, market and sell the authorized brands of The Coca-Cola Company and related products in the Expansion Territories. The quarterly sub-bottling payment is based on sales of certain beverages and beverage products that are sold under the same trademarks that identify a covered beverage, beverage product or certain cross-licensed brands. As of July 3, 2016, January 3, 2016 and June 28, 2015, the Company had recorded a liability of $228.8 million, $136.6 million and $94.1 million, respectively, to reflect the estimated fair value of the contingent consideration related to the future sub-bottling payments. Payments of $8.0 million and $0.8 million were made to CCR under the CBAs during YTD 2016 and YTD 2015, respectively.

On October 17, 2014, the Company entered into an asset exchange agreement with CCR, pursuant to which the Company exchanged its facilities and equipment located in Jackson, Tennessee for territory previously served by CCR's facilities and equipment located in Lexington, Kentucky. This transaction closed on May 1, 2015.

As part of the Expansion Transactions, on October 30, 2015, the Company acquired from CCR a "make-ready center" in Annapolis, Maryland for approximately $5.3 million, subject to a final post-closing adjustment. The Company recorded a bargain purchase gain of $2.0 million on this transaction after applying a deferred tax liability of approximately $1.3 million. The Company uses the make-ready center to deploy and refurbish vending and other sales equipment for use in the marketplace.

Along with all other Coca-Cola bottlers in the United States, the Company is a member in Coca-Cola Bottlers' Sales and Services Company, LLC ("CCBSS"), which was formed in 2003 for the purposes of facilitating various procurement functions and distributing certain specified beverage products of The Coca-Cola Company with the intention of enhancing the efficiency and competitiveness of the Coca-Cola bottling system in the United States. CCBSS negotiates the procurement for the majority of the Company's raw materials (excluding concentrate). The Company pays an administrative fee to CCBSS for its services. Administrative fees to CCBSS for its services were $0.5 million and $0.2 million in YTD 2016 and YTD 2015, respectively. Amounts due from CCBSS for rebates on raw materials were $6.4 million, $5.9 million and $4.9 million as of July 3, 2016, January 3, 2016, and June 28, 2015, respectively. CCR is also a member of CCBSS.

The Company is a member of SAC, a manufacturing cooperative. SAC sells finished products to the Company at cost. Purchases from SAC by the Company for finished products were $75.7 million and $68.7 million in YTD 2016 and YTD 2015, respectively. In addition, the Company transports product for SAC to the Company's and other Coca-Cola bottlers' locations. Total sales to SAC for transporting SAC's product were $4.6 million and $3.9 million in YTD 2016 and YTD 2015, respectively. The Company also manages the operations of SAC pursuant to a management agreement. Management fees earned from SAC were $1.1 million and $0.9 million in YTD 2016 and YTD 2015, respectively. The Company has also guaranteed a portion of debt for SAC. Such guarantee amounted to $23.9 million as of July 3, 2016. The Company's equity investment in SAC was $4.1 million as of July 3, 2016, January 3, 2016, and June 28, 2015, and was recorded in other assets on the Company's consolidated balance sheets.

The Company is a shareholder in two entities from which it purchases substantially all of its requirements for plastic bottles. Net purchases from these entities were $42.4 million in YTD 2016 and $37.8 million in YTD 2015. In conjunction with the Company's participation in one of these entities, Southeastern, the Company has guaranteed a portion of the entity's debt. Such guarantee amounted to $8.6 million as of July 3, 2016. The Company's equity investment in Southeastern was $18.2 million, $18.3 million and $18.3 million as of July 3, 2016, January 3, 2016 and June 28, 2015, respectively, and was recorded in other assets on the Company's consolidated balance sheets.

The Company holds no assets as collateral against the SAC or Southeastern guarantees, the fair value of which is immaterial to the Company's consolidated financial statements. The Company monitors its investments in SAC and Southeastern and would be required to write down its investment if an impairment is identified and the Company determined it to be other than temporary. No impairment of the Company's investments in SAC or Southeastern has been identified as of July 3, 2016 nor was there any impairment in 2015.

The Company leases from Harrison Limited Partnership One ("HLP") the Snyder Production Center ("SPC") and an adjacent sales facility, which are located in Charlotte, North Carolina. HLP is directly and indirectly owned by trusts of which J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer of the Company, and Sue Anne H. Wells, a director of the Company, are trustees and beneficiaries. Morgan H. Everett, a director of the Company, is a permissible, discretionary beneficiary of the trusts that directly or indirectly own HLP. The SPC lease expires on December 31, 2020. The principal balance outstanding under this capital lease as of July 3, 2016, January 3, 2016, and June 28, 2015, was $16.1 million $17.5 million and $18.8 million, respectively. Rental payments related to this lease were $2.0 million in YTD 2016 and $1.9 million in YTD 2015.

The Company leases from Beacon Investment Corporation ("Beacon") the Company's headquarters office facility and an adjacent office facility. The lease expires on December 31, 2021. Beacon's majority shareholder is J. Frank Harrison, III and

Morgan H. Everett is a minority shareholder. The principal balance outstanding under this capital lease as of July 3, 2016, January 3, 2016, and June 28, 2015, was $16.8 million, $18.1 million and $19.4 million, respectively. Rental payments related to this lease were $2.2 million and $2.1 million in YTD 2016 and YTD 2015, respectively.

CONA

The Company is a member of CONA Services LLC ("CONA"), an entity formed with The Coca-Cola Company and certain Coca-Cola bottlers to provide business process and information technology services to its members. Under the CONA limited liability agreement executed January 27, 2016 (as amended or restated from time to time, the "CONA LLC Agreement"), the Company and other members of CONA are required to make capital contributions to CONA if and when approved by CONA's board of directors, which is comprised of representatives of the members. The Company currently has the right to designate one of the members of CONA's board of directors and has a percentage interest in CONA of approximately 19%. During YTD 2016, the Company made $6.6 million of capital contributions to CONA.

The Company is a party to a Master Services Agreement (the "Master Services Agreement") with CONA, pursuant to which CONA agreed to make available, and the Company became authorized to use, the Coke One North America system (the "CONA System"), a uniform information technology system developed to promote operational efficiency and uniformity among North American Coca-Cola bottlers. Pursuant to the Master Services Agreement, CONA agreed to make available, and authorized the Company to use, the CONA System in connection with the distribution, sale, marketing and promotion of non-alcoholic beverages the Company is authorized to distribute under its comprehensive beverage agreement or any other agreement with The Coca-Cola Company (the "Beverages") in the territories the Company serves (the "Territories"), subject to the provisions of the CONA LLC Agreement and any licenses or other agreements relating to products or services provided by third-parties and used in connection with the CONA System. As part of making the CONA System available to the Company, CONA will provide certain business process and information technology services to the Company, including the planning, development, management and operation of the CONA System in connection with the Company's direct store delivery of products (collectively, the "CONA Services"). In exchange for the Company's right to use the CONA System and right to receive the CONA Services under the Master Services Agreement, the Company will be charged service fees by CONA on a quarterly basis based on the number of physical cases of Beverages distributed by the Company during the applicable period in the Territories where the CONA Services have been implemented (the "Service Fees"). Upon the earlier of (i) all members of CONA beginning to use the CONA System in all territories in which they distribute products of The Coca-Cola Company (excluding certain territories of CCR that are expected to be sold to bottlers that are neither members of CONA nor users of the CONA System), or (ii) December 31, 2018, the Service Fees will be changed to be an amount per physical case of Beverages distributed in any portion of the Territories that is equal to the aggregate costs incurred by CONA to maintain and operate the CONA System and provide the CONA Services divided by the total number of cases distributed by all of the members of CONA, subject to certain exceptions. The Company is obligated to pay the Service Fees under the Master Services Agreement even if it is not using the CONA System for all or any portion of its operations in the Territories. During YTD 2016, the Company incurred CONA Service Fees of $3.2 million.

NPSG

The Coca-Cola Company, the Company and three other Coca-Cola bottlers who are regional producing bottlers in The Coca-Cola Company's national product supply system (collectively, the "Regional Producing Bottlers") are parties to a national product supply governance agreement (the "NPSG Governance Agreement"), pursuant to which The Coca-Cola Company and the Regional Producing Bottlers have established a national product supply group (the "NPSG") and agreed to certain binding governance mechanisms, including a governing board (the "NPSG Board") comprised of a representative of (i) the Company, (ii) The Coca-Cola Company and (iii) each other Regional Producing Bottler. The stated objectives of the NPSG include, among others, (i) Coca-Cola system strategic infrastructure investment and divestment planning; (ii) network optimization of all plant to distribution center sourcing; and (iii) new product/packaging infrastructure planning. The NPSG Board makes and/or oversees and directs certain key decisions regarding the NPSG, including decisions regarding the management and staffing of the NPSG and the funding for the ongoing operations thereof. The Company is obligated to pay a certain portion of the costs of operating the NPSG. Pursuant to the decisions of the NPSG Board made from time to time and subject to the terms and conditions of the NPSG Governance Agreement, the Company and each other Regional Producing Bottler will make investments in their respective manufacturing assets and will implement Coca-Cola system strategic investment opportunities that are consistent with the NPSG Governance Agreement.

18. Net Income Per Share

The following table sets forth the computation of basic net income per share and diluted net income per share under the two-class method:

	Second Quarter		First Half	
In Thousands (Except Per Share Data)	**2016**	**2015**	**2016**	**2015**
Numerator for basic and diluted net income per Common Stock and Class B Common Stock share:				
Net income attributable to Coca-Cola Bottling Co. Consolidated	$ 15,652	$ 26,934	$ 5,611	$ 29,158
Less dividends:				
Common Stock	1,786	1,786	3,571	3,571
Class B Common Stock	543	538	1,081	1,070
Total undistributed earnings	**$ 13,323**	**$ 24,610**	**$ 959**	**$ 24,517**
Common Stock undistributed earnings – basic	$ 10,216	$ 18,913	$ 736	$ 18,858
Class B Common Stock undistributed earnings – basic	3,107	5,697	223	5,659
Total undistributed earnings – basic	**$ 13,323**	**$ 24,610**	**$ 959**	**$ 24,517**
Common Stock undistributed earnings – diluted	$ 10,172	$ 18,832	$ 733	$ 18,777
Class B Common Stock undistributed earnings – diluted	3,151	5,778	226	5,740
Total undistributed earnings – diluted	**$ 13,323**	**$ 24,610**	**$ 959**	**$ 24,517**
Numerator for basic net income per Common Stock share:				
Dividends on Common Stock	$ 1,786	$ 1,786	$ 3,571	$ 3,571
Common Stock undistributed earnings – basic	10,216	18,913	736	18,858
Numerator for basic net income per Common Stock share	**$ 12,002**	**$ 20,699**	**$ 4,307**	**$ 22,429**
Numerator for basic net income per Class B Common Stock share:				
Dividends on Class B Common Stock	$ 543	$ 538	$ 1,081	$ 1,070
Class B Common Stock undistributed earnings – basic	3,107	5,697	223	5,659
Numerator for basic net income per Class B Common Stock share	**$ 3,650**	**$ 6,235**	**$ 1,304**	**$ 6,729**
Numerator for diluted net income per Common Stock share:				
Dividends on Common Stock	$ 1,786	$ 1,786	$ 3,571	$ 3,571
Dividends on Class B Common Stock assumed converted to Common Stock	543	538	1,081	1,070
Common Stock undistributed earnings – diluted	13,323	24,610	959	24,517
Numerator for diluted net income per Common Stock share	**$ 15,652**	**$ 26,934**	**$ 5,611**	**$ 29,158**
Numerator for diluted net income per Class B Common Stock share:				
Dividends on Class B Common Stock	$ 543	$ 538	$ 1,081	$ 1,070
Class B Common Stock undistributed earnings – diluted	3,151	5,778	226	5,740
Numerator for diluted net income per Class B Common Stock share	**$ 3,694**	**$ 6,316**	**$ 1,307**	**$ 6,810**

In Thousands (Except Per Share Data)	Second Quarter 2016	Second Quarter 2015	First Half 2016	First Half 2015
Denominator for basic net income per Common Stock and Class B Common Stock share:				
Common Stock weighted average shares outstanding – basic	7,141	7,141	7,141	7,141
Class B Common Stock weighted average shares outstanding – basic	2,172	2,151	2,164	2,143
Denominator for diluted net income per Common Stock and Class B Common Stock share:				
Common Stock weighted average shares outstanding – diluted (assumes conversion of Class B Common Stock to Common Stock)	9,353	9,332	9,345	9,324
Class B Common Stock weighted average shares outstanding – diluted	2,212	2,191	2,204	2,183
Basic net income per share:				
Common Stock	$ 1.68	$ 2.90	$ 0.60	$ 3.14
Class B Common Stock	$ 1.68	$ 2.90	$ 0.60	$ 3.14
Diluted net income per share:				
Common Stock	$ 1.67	$ 2.89	$ 0.60	$ 3.13
Class B Common Stock	$ 1.67	$ 2.88	$ 0.59	$ 3.12

NOTES TO TABLE

(1) For purposes of the diluted net income per share computation for Common Stock, all shares of Class B Common Stock are assumed to be converted; therefore, 100% of undistributed earnings is allocated to Common Stock.

(2) For purposes of the diluted net income per share computation for Class B Common Stock, weighted average shares of Class B Common Stock are assumed to be outstanding for the entire period and not converted.

(3) Denominator for diluted net income per share for Common Stock and Class B Common Stock includes the dilutive effect of shares relative to the Performance Unit Award.

19. Supplemental Disclosures of Cash Flow Information

Changes in current assets and current liabilities affecting cash flows were as follows:

In Thousands	First Half 2016	First Half 2015
Accounts receivable, trade, net	$ (101,433)	$ (66,874)
Accounts receivable from The Coca-Cola Company	(20,871)	(18,583)
Accounts receivable, other	(126)	(4,936)
Inventories	(10,679)	(23,681)
Prepaid expenses and other current assets	8,101	6,532
Accounts payable, trade	47,244	23,105
Accounts payable to The Coca-Cola Company	49,546	40,777
Other accrued liabilities	13,475	22,215
Accrued compensation	(12,387)	(6,707)
Accrued interest payable	42	(1,386)
Change in current assets less current liabilities (exclusive of acquisition)	**$ (27,088)**	**$ (29,538)**

20. Segments

The Company evaluates segment reporting in accordance with the FASB Accounting Standards Codification 280, Segment Reporting each reporting period, including evaluating the reporting package reviewed by the Chief Operation Decision Maker ("CODM"). The Company has concluded the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, as a group, represent the CODM.

The Company believes four operating segments exist. Following the sale of BYB during the third quarter of fiscal 2015, two operating segments, Franchised Nonalcoholic Beverages and Internally-Developed Nonalcoholic Beverages (made up entirely of BYB), were

aggregated due to their similar economic characteristics as well as the similarity of products, production processes, types of customers, methods of distribution, and nature of the regulatory environment. This combined segment, Nonalcoholic Beverages, represents the vast majority of the Company's consolidated revenues, operating income, and assets. The remaining three operating segments do not meet the quantitative thresholds for separate reporting, either individually or in the aggregate. As a result, these three operating segments have been combined into an "All Other" reportable segment.

The Company's results for its two reportable segments are as follows:

	Second Quarter		First Half	
In Thousands	**2016**	**2015**	**2016**	**2015**
Net Sales:				
Nonalcoholic Beverages	$ 817,880	$ 599,607	$ 1,424,808	$ 1,041,290
All Other	58,397	40,693	104,106	74,508
Eliminations*	(35,893)	(25,617)	(63,074)	(47,862)
Consolidated net sales	**$ 840,384**	**$ 614,683**	**$ 1,465,840**	**$ 1,067,936**
Operating Income:				
Nonalcoholic Beverages	$ 52,878	$ 37,061	$ 63,846	$ 52,392
All Other	1,858	1,255	3,291	2,826
Consolidated operating income	**$ 54,736**	**$ 38,316**	**$ 67,137**	**$ 55,218**
Depreciation and Amortization:				
Nonalcoholic Beverages	$ 26,298	$ 18,638	$ 49,206	$ 35,343
All Other	1,642	1,079	3,123	2,031
Consolidated depreciation and amortization	**$ 27,940**	**$ 19,717**	**$ 52,329**	**$ 37,374**
Capital Expenditures:				
Nonalcoholic Beverages	$ 35,832	$ 26,226	$ 60,826	$ 45,478
All Other	7,221	2,334	13,879	9,474
Consolidated capital expenditures	**$ 43,053**	**$ 28,560**	**$ 74,705**	**$ 54,952**

In Thousands	**July 3, 2016**	**January 3, 2016**	**June 28, 2015**
Total Assets:			
Nonalcoholic Beverages	$ 2,155,339	$ 1,804,084	$ 1,656,957
All Other	96,133	75,842	58,535
Eliminations*	(5,722)	(33,361)	(7,250)
Consolidated total assets	**$ 2,245,750**	**$ 1,846,565**	**$ 1,708,242**

*NOTE: The entire net sales elimination for each year presented represents net sales from the All Other segment to the Nonalcoholic Beverages segment. Sales between these segments are either recognized at fair market value or cost depending on the nature of the transaction.

Net sales by product category were as follows:

In Thousands	Second Quarter 2016	Second Quarter 2015	First Half 2016	First Half 2015
Bottle/can sales*:				
Sparkling beverages (carbonated)	$ 464,859	$ 345,871	$ 816,925	$ 624,393
Still beverages (noncarbonated, including energy products)	246,371	162,088	413,165	251,973
Total bottle/can sales	**711,230**	**507,959**	**1,230,090**	**876,366**
Other sales:				
Sales to other Coca-Cola bottlers	61,045	48,560	111,255	86,406
Post-mix and other	68,109	58,164	124,495	105,164
Total other sales	**129,154**	**106,724**	**235,750**	**191,570**
Total net sales	**$ 840,384**	**$ 614,683**	**$ 1,465,840**	**$ 1,067,936**

*NOTE: In Q2 2016, energy products were moved from the category of sparkling beverages to still beverages, which has been reflected in all periods presented. Total bottle/can sales remain unchanged in prior periods.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introduction

The following Management's Discussion and Analysis of Financial Condition and Results of Operations of Coca-Cola Bottling Co. Consolidated (the "Company," "we" and "our") should be read in conjunction with the Company's consolidated financial statements and the accompanying notes to the consolidated financial statements.

The consolidated financial statements include the consolidated operations of the Company and its majority-owned subsidiaries including Piedmont Coca-Cola Bottling Partnership ("Piedmont"). The noncontrolling interest primarily consists of The Coca-Cola Company's interest in Piedmont, which was 22.7% for all periods presented.

Expansion Transactions

Since April 2013, as a part of The Coca-Cola Company's plans to refranchise its North American bottling territories, the Company has engaged in a series of transactions with The Coca-Cola Company and Coca-Cola Refreshments USA, Inc. ("CCR"), a wholly-owned subsidiary of The Coca-Cola Company, to expand the Company's distribution operations significantly through the acquisition of rights to serve additional distribution territories previously served by CCR (the "Expansion Territories") and of related distribution assets (the "Distribution Territory Expansion Transactions"). During 2015, the Company completed its acquisitions of Expansion Territories announced as part of the April 2013 letter of intent signed with The Coca-Cola Company which included Expansion Territories in parts of Tennessee, Kentucky and Indiana.

As a part of these transactions, in May 2015, the Company also completed an exchange transaction where it acquired certain assets of CCR relating to the marketing, promotion, distribution and sale of Coca-Cola and other beverage products in the territory previously served by CCR's facilities and equipment located in Lexington, Kentucky (including the rights to produce such beverages in the Lexington, Kentucky territory) in exchange for certain assets of the Company relating to the marketing, promotion, distribution and sale of Coca-Cola and other beverage products in the territory previously served by the Company's facilities and equipment located in Jackson, Tennessee (including the rights to produce such beverages in the Jackson, Tennessee territory). The net assets received by the Company in the Lexington-for-Jackson exchange transaction, after deducting the value of certain retained assets and retained liabilities, was approximately $15.3 million, which was paid in cash at closing. During the quarter ended July 3, 2016 ("Q2 2016"), the net assets received in the exchange, after deducting the value of certain retained assets and retained liabilities, increased by $4.2 million as a result of completing the post-closing adjustment under the Asset Exchange Agreement. In addition, the gain on the exchange was reduced by $0.7 million during Q2 2016.

On May 12, 2015, the Company and The Coca-Cola Company entered into a second non-binding letter of intent (the "May 2015 LOI") pursuant to which CCR would (i) grant the Company in two phases certain exclusive rights for the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and licensed products in additional territories served by CCR and (ii) sell the Company certain assets that included rights to distribute those cross-licensed brands distributed in the territories by CCR as well as the assets used by CCR in the distribution of the cross-licensed brands and The Coca-Cola Company brands. The major markets that would be served by the Company as part of the expansion contemplated by the May 2015 LOI include: Baltimore, Maryland; Alexandria, Norfolk and Richmond, Virginia; the District of Columbia; Cincinnati, Columbus and Dayton, Ohio; and Indianapolis, Indiana.

On September 23, 2015, the Company and CCR entered into an asset purchase agreement for the first phase of the additional Distribution Territory Expansion Transactions contemplated by the May 2015 LOI (the "September 2015 APA") including Expansion Territory in: (i) eastern and northern Virginia, (ii) the entire state of Maryland, (iii) the District of Columbia, and (iv) parts of Delaware, North Carolina, Pennsylvania and West Virginia (the "Next Phase Territories"). During Q2 2016, the Company completed the final transactions contemplated by the September 2015 APA. Following is a summary of key dates:

- October 30, 2015 – The first closing for the series of Next Phase Territories transactions (the "Next Phase Territories Transactions") occurred for territories served by distribution facilities in Norfolk, Fredericksburg and Staunton, Virginia and Elizabeth City, North Carolina.
- January 29, 2016 – The second closing for the series of Next Phase Territories Transactions occurred for territories served by distribution facilities in Easton and Salisbury, Maryland and Richmond and Yorktown, Virginia.
- April 1, 2016 – The third closing for the series of Next Phase Territories Transactions occurred for territories served by distribution facilities in Capitol Heights and La Plata, Maryland and Alexandria, Virginia.
- April 29, 2016 – The closings for the remainder of the Next Phase Territories Transactions occurred for territories served by distribution facilities in Baltimore, Cumberland and Hagerstown, Maryland.

At each of the closings for the Next Phase Territories Transactions, the Company entered into a comprehensive beverage agreement with CCR in substantially the same form as the form of comprehensive beverage agreement currently in effect in the territories acquired in the earlier Distribution Territory Expansion Transactions (the "Initial CBA") which requires the Company to make a quarterly sub-bottling payment to CCR on a continuing basis for the grant of exclusive rights to distribute, promote, market and sell the Covered Beverages and Related Products (as defined in the Initial CBA) in the applicable Next Phase Territories.

The Company is continuing to work towards a definitive agreement or agreements with The Coca-Cola Company for the remainder of the proposed distribution territory expansion described in the May 2015 LOI, including distribution territories in central and southern Ohio, northern Kentucky and parts of Indiana and Illinois (the "Subsequent Phase Territories").

The net cash purchase price for each of the Expansion Transactions, which include both Distribution Territory Expansion Transactions and Manufacturing Facility Expansion Transactions (as defined below), completed as of July 3, 2016 is as follows:

Territory	Acquisition / Exchange Date	Net Cash Purchase Price (In Millions)
Johnson City and Morristown, Tennessee	May 23, 2014	$ 12.2
Knoxville, Tennessee	October 24, 2014	30.9
Cleveland and Cookeville, Tennessee	January 30, 2015	13.2
Louisville, Kentucky and Evansville, Indiana	February 27, 2015	18.0
Paducah and Pikeville, Kentucky	May 1, 2015	7.5*
Lexington, Kentucky for Jackson, Tennessee Exchange	May 1, 2015	15.3
Norfolk, Fredericksburg and Staunton, Virginia and Elizabeth City, North Carolina	October 30, 2015	26.1*
Annapolis, Maryland Ready Made Center	October 30, 2015	5.3*
Easton and Salisbury, Maryland, Richmond and Yorktown, Virginia, and Sandston, Virginia Regional Manufacturing Facility	January 29, 2016	65.7*
Alexandria, Virginia and Capitol Heights and La Plata, Maryland	April 1, 2016	35.6*
Baltimore, Hagerstown and Cumberland, Maryland, and Silver Spring and Baltimore, Maryland Regional Manufacturing Facilities	April 29, 2016	69.0*

*NOTE: These cash purchase price amounts are subject to a final post-closing adjustment and, as a result, may either increase or decrease.

The financial results of the 2015 Expansion Territories and YTD 2016 Expansion Transactions have been included in the Company's consolidated financial statements from their respective acquisition dates. These territories contributed $287.1 million and $72.5 million in net sales and $16.0 million and $2.7 million in operating income during Q2 2016 and Q2 2015, respectively. These territories contributed $429.6 million and $90.5 million in net sales and $17.3 million and $4.4 million in operating income during YTD 2016 and YTD 2015, respectively.

Manufacturing Letter of Intent and Definitive Agreement for Manufacturing Facilities Serving Next Phase Territories

The May 2015 LOI contemplated, among other things, that The Coca-Cola Company would work collaboratively with the Company and certain other expanding participating bottlers in the U.S. ("EPBs") to implement a national product supply system. As a result of subsequent discussions among the EPBs and The Coca-Cola Company, on September 23, 2015, the Company and The Coca-Cola Company entered into a non-binding letter of intent (the "Manufacturing LOI") pursuant to which CCR would sell six manufacturing facilities ("Regional Manufacturing Facilities") and related manufacturing assets (collectively, "Manufacturing Assets") to the Company as the Company becomes a regional producing bottler ("Regional Producing Bottler") in the national product supply system (the "Manufacturing Facility Expansion Transactions"). Similar to, and as an integral part of, the Distribution Territory Expansion Transactions described in the May 2015 LOI, the sale of the Manufacturing Assets by CCR to the Company would be accomplished in two phases:

- First phase – The first phase includes three Regional Manufacturing Facilities located in Sandston, Virginia; Silver Spring, Maryland; and Baltimore, Maryland that serve the Next Phase Territories (the "Next Phase Manufacturing Transactions"). On October 30, 2015, the Company and CCR entered into a definitive purchase and sale agreement for the Manufacturing Assets that comprise the Next Phase Manufacturing Transactions.
    - January 29, 2016 – The first closing for the series of Next Phase Manufacturing Transactions occurred for the Sandston, Virginia facility.

- April 29, 2016 – The interim and final closings for the series of Next Phase Manufacturing Transactions occurred for the acquisition of Regional Manufacturing Facilities located in Silver Spring, Maryland and Baltimore, Maryland.

- Second phase – The second phase includes three Regional Manufacturing Facilities located in Indianapolis, Indiana; Portland, Indiana; and Cincinnati, Ohio that serve the Subsequent Phase Territories.

The rights for the manufacture, production and packaging of specified beverages at the Regional Manufacturing Facilities acquired by the Company have been granted by The Coca-Cola Company to the Company pursuant to an initial regional manufacturing agreement in the form disclosed in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 5, 2016 (the "Initial RMA"). Pursuant to its terms, the Initial RMA will be amended, restated and converted into a final form of regional manufacturing agreement (the "Final RMA") concurrent with the conversion of the Company's Bottling Agreements (as defined below) to the Final CBA as described in the description of the Territory Conversion Agreement (defined and described below). Under the Final RMA, the Company's aggregate business directly and primarily related to the manufacture of Authorized Covered Beverages, permitted cross-licensed brands and other beverages and beverage products for The Coca-Cola Company will be subject to the same agreed upon sale process provisions included in the Final CBA as described below, which include the need to obtain The Coca-Cola Company's prior approval of a potential purchaser of such manufacturing business. The Coca-Cola Company will also have the right to terminate the Final RMA in the event of an uncured default by the Company.

The Company is continuing to work towards a definitive agreement or agreements with The Coca-Cola Company for the remainder of the proposed Manufacturing Facility Expansion Transactions described in the Manufacturing LOI, which includes three Regional Manufacturing Facilities located in Indianapolis, Indiana; Portland, Indiana; and Cincinnati, Ohio.

On October 30, 2015, the Company, The Coca-Cola Company and the other EPBs who are considered Regional Producing Bottlers entered into a National Product Supply Governance Agreement (the "NPSG Governance Agreement"). Pursuant to the NPSG Governance Agreement, The Coca-Cola Company and the Regional Producing Bottlers have formed a national product supply group (the "NPSG") and agreed to certain binding governance mechanisms, including a governing board (the "NPSG Board") comprised of a representative of (i) the Company, (ii) The Coca-Cola Company and (iii) each other Regional Producing Bottler. The stated objectives of the NPSG include, among others, (i) Coca-Cola system strategic infrastructure investment and divestment planning; (ii) network optimization of all plant to distribution center sourcing; and (iii) new product/packaging infrastructure planning. The NPSG Board will make and/or oversee and direct certain key decisions regarding the NPSG, including decisions regarding the management and staffing of the NPSG and the funding for the ongoing operations thereof. Pursuant to the decisions of the NPSG Board made from time to time and subject to the terms and conditions of the NPSG Governance Agreement, the Company and each other Regional Producing Bottler will make investments in their respective manufacturing assets and will implement Coca-Cola system strategic investment opportunities that are consistent with the NPSG Governance Agreement.

2016 Letters of Intent for Additional Expansion Transactions

On February 8, 2016, the Company and The Coca-Cola Company entered into a non-binding letter of intent (the "February 2016 LOI") pursuant to which CCR would (i) grant the Company exclusive rights for the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and -licensed products in additional territories served by CCR in northern Ohio and northern West Virginia, (ii) sell the Company certain assets that included rights to distribute those cross-licensed brands distributed in the territories by CCR as well as the assets used by CCR in the distribution of the cross-licensed brands and The Coca-Cola Company brands, and (iii) sell to the Company an additional Regional Manufacturing Facility currently owned by CCR located in Twinsburg, Ohio and related Manufacturing Assets. The transactions proposed in the February 2016 LOI would provide exclusive distribution rights for the Company in following major markets: Akron, Elyria, Toledo, Willoughby, and Youngstown County in Ohio.

On June 14, 2016, the Company and The Coca-Cola Company entered into a non-binding letter of intent (the "CCR June 2016 LOI") pursuant to which CCR would (i) grant the Company exclusive rights for the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and –licensed products in additional territories in northeastern Kentucky and southwestern West Virginia served by CCR's distribution center in Louisa, Kentucky, (ii) sell the Company certain assets that included rights to distribute those cross-licensed brands distributed in the territories by CCR as well as the assets used by CCR in the distribution of the cross-licensed brands and The Coca-Cola Company brands and (iii) exchange exclusive rights and associated distribution assets and working capital of CCR relating to the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and –licensed products and certain cross-licensed brands in territory in parts of Arkansas, southwestern Tennessee and northwestern Mississippi served by CCR and two additional Regional Manufacturing Facilities currently owned by CCR located in Memphis, Tennessee and West Memphis, Arkansas and related Manufacturing Assets for exclusive rights and associated distribution assets and working capital of the Company relating to the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and –licensed products and certain cross-licensed brands in territory in southern Alabama, southern Mississippi and southern Georgia currently served by the Company and a Regional Manufacturing Facility currently owned by the Company in Mobile, Alabama and related Manufacturing

Assets. The transactions proposed by the CCR June 2016 LOI would provide exclusive distribution rights for the Company in the following major markets: Little Rock, West Memphis and southern Arkansas; Memphis, Tennessee; and Louisa, Kentucky.

On June 14, 2016, the Company and Coca-Cola Bottling Company United, Inc. ("United"), which is an independent bottler and unrelated to the Company, entered into a non-binding letter of intent pursuant to which the Company would exchange exclusive rights and associated distribution assets and working capital relating to the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and –licensed products and certain cross-licensed brands in certain territory in south-central Tennessee, northwest Alabama and northwest Florida currently served by the Company's distribution centers located in Florence, Alabama and Panama City, Florida, for certain of United's exclusive rights and associated distribution assets and working capital relating to the distribution, promotion, marketing and sale of The Coca-Cola Company-owned and –licensed products and certain cross-licensed brands in certain territory in and around Spartanburg and Bluffton, South Carolina currently served by United's distribution centers located in Spartanburg, South Carolina and Savannah, Georgia.

Territory Conversion Agreement

Concurrent with their execution of the September 2015 APA, the Company, CCR and The Coca-Cola Company executed a territory conversion agreement (as amended February 8, 2016, the "Territory Conversion Agreement"), which provides that, except as noted below, all of the Company's master bottle contracts, allied bottle contracts, Initial CBAs and other bottling agreements with The Coca-Cola Company or CCR that authorize the Company to produce and/or distribute the Covered Beverages or Related Products (as defined therein) (collectively, the "Bottling Agreements") would be amended, restated and converted (upon the occurrence of certain events described below) to a new and final comprehensive beverage agreement (the "Final CBA"). The conversion would include all of the Company's then existing Bottling Agreements in the Expansion Territories and in all other territories in the United States where the Company has rights to market, promote, distribute and sell beverage products owned or licensed by The Coca-Cola Company (the "Legacy Territory"), but would not affect any Bottling Agreements with respect to the greater Lexington, Kentucky territory. At the time of the conversion of the Bottling Agreements for the Legacy Territory to the Final CBA, CCR will pay a fee to the Company in cash (or another mutually agreed form of payment or credit) in an amount equivalent to 0.5 times the EBITDA the Company generates from sales in the Legacy Territory of Beverages (as defined in the Final CBA) either (i) owned by The Coca-Cola Company or licensed to The Coca-Cola Company and sublicensed to the Company, or (ii) owned by or licensed to Monster Energy Company on which the Company pays, and The Coca-Cola Company receives, a facilitation fee.

The Company may elect to cause the conversion of the Bottling Agreements to the Final CBA to occur at any time by giving written notice to The Coca-Cola Company. Further, now that the transactions contemplated by the September 2015 APA have been consummated, the conversion will occur automatically upon the earliest of (i) the consummation of all of the transactions described in the May 2015 LOI regarding the Subsequent Phase Territories (the "Subsequent Phase Territory Transactions"), (ii) January 1, 2020, as long as The Coca-Cola Company has satisfied certain obligations described in the Territory Conversion Agreement regarding its intent to complete the Subsequent Phase Territory Transactions, or (iii) 30 days following the Company's (a) termination of good faith negotiations of the Subsequent Phase Territory Transactions on terms similar to the Next Phase Territory Transactions or (b) notification that it no longer wants to pursue the Subsequent Phase Territory Transactions.

The Final CBA is similar to the Initial CBA in many respects, but also includes certain modifications and several new business, operational and governance provisions. For example, the Final CBA contains provisions that apply in the event of a potential sale of the Company or its aggregate businesses directly and primarily related to the marketing, promotion, distribution, and sale of Covered Beverages and Related Products (collectively, the "Business"). Under the Final CBA, the Company may only sell the Business to The Coca-Cola Company or third party buyers approved by The Coca-Cola Company. The Company annually can obtain a list of such approved third party buyers from The Coca-Cola Company or, upon receipt of a third party offer to purchase the Business, may seek approval of such buyer by The Coca-Cola Company. In addition, the Final CBA contains a sale process that would apply if the Company notifies The Coca-Cola Company that it wishes to sell the Business to The Coca-Cola Company. In such event, if the Company and The Coca-Cola Company are unable in good faith to negotiate terms and conditions of a binding purchase and sale agreement, including the purchase price for the Business, then the Company may either withdraw from negotiations with The Coca-Cola Company or initiate a third-party valuation process described in the Final CBA to determine the purchase price for the Business and, upon such third party's determination of the purchase price, may decide to continue with its potential sale of the Business to The Coca-Cola Company. The Coca-Cola Company would then have the option to (i) purchase the Business for such purchase price pursuant to defined terms and conditions set forth in the Final CBA (including, to the extent not otherwise agreed by the Company and The Coca-Cola Company, default non-price terms and conditions of the acquisition agreement) or (ii) elect not to purchase the Business, in which case the Final CBA would automatically be amended to, among other things, permit the Company to sell the Business to any third party without obtaining The Coca-Cola Company's prior approval of such third party.

The Final CBA also includes terms that would apply in the event The Coca-Cola Company terminates the Final CBA following the Company's default thereunder. These terms include a requirement that The Coca-Cola Company acquire the Business upon such

termination as well as the purchase price payable to the Company in such sale. The Final CBA specifies that the purchase price would be determined in accordance with a third-party valuation process equivalent to that employed if the Company notifies The Coca-Cola Company that it desires to sell the Business to The Coca-Cola Company; provided, the purchase price would be 85% of the valuation of the Business determined in the third-party valuation process if the Final CBA is terminated as a result of the Company's willful misconduct in violating certain obligations in the Final CBA with respect to dealing in other beverage products and other business activities, if a change in control occurs without the consent of The Coca-Cola Company or if the Company disposes of a majority of the voting power of any subsidiary of the Company that is a party to an agreement regarding the distribution or sale of Covered Beverages or Related Products.

Under the Final CBA, the Company will be required to ensure that it achieves an equivalent case volume per capita change rate that is not less than one standard deviation below the median of such rates for all U.S. Coca-Cola bottlers. If the Company fails to comply with the equivalent case volume per capita change rate obligation for two consecutive years, it would have a twelve-month cure period to achieve an equivalent case volume per capita change rate within such standard before it would be considered in breach under the Final CBA and the previously described termination provisions are triggered. The Final CBA also requires the Company to make minimum, ongoing capital expenditures at a specified level.

Monster Distribution Agreement

Prior to April 6, 2015, the Company distributed energy drink products packaged and/or marketed by MEC Energy Company ("MEC") under the primary brand name "Monster" ("MEC Products") in certain portions of the Company's territories. On March 26, 2015, the Company and MEC entered into a new distribution agreement granting the Company rights to distribute MEC Products throughout all of the geographic territory the Company currently services for the distribution of Coca-Cola products, commencing April 6, 2015.

Our Business and the Nonalcoholic Beverage Industry

The Company produces, markets and distributes nonalcoholic beverages, primarily products of The Coca-Cola Company, which include some of the most recognized and popular beverage brands in the world. The Company is the largest independent bottler of products of The Coca-Cola Company in the United States, distributing these products in fourteen states primarily in the Southeast. The Company also distributes several other beverage brands. These product offerings include both sparkling and still beverages. Sparkling beverages are carbonated beverages. Still beverages, including energy products, are noncarbonated beverages such as bottled water, tea, ready to drink coffee, enhanced water, juices and sports drinks.

The nonalcoholic beverage market is highly competitive. The Company's competitors include bottlers and distributors of nationally and regionally advertised and marketed products and private label products. In each region in which the Company operates, approximately 90% to 95% of sparkling beverage sales in bottles, cans and other containers are accounted for by the Company and its principal competitors, which in each region includes the local bottler of Pepsi-Cola and, in some regions, the local bottler of Dr Pepper, Royal Crown and/or 7-Up products. The sparkling beverage category represents approximately 66% of the Company's YTD 2016 bottle/can net sales to retail customers.

The principal methods of competition in the nonalcoholic beverage industry are point-of-sale merchandising, new product introductions, new vending and dispensing equipment, packaging changes, pricing, price promotions, product quality, retail space management, customer service, frequency of distribution and advertising. The Company believes it is competitive in its territories with respect to each of these methods.

Historically, operating results for the second quarter of the fiscal year have not been representative of results for the entire fiscal year. Business seasonality results primarily from higher unit sales of the Company's products in the second and third quarters versus the first and fourth quarters of the fiscal year. Fixed costs, such as depreciation expense, are not significantly impacted by business seasonality.

Net sales by product category were as follows:

In Thousands	Second Quarter 2016	Second Quarter 2015	First Half 2016	First Half 2015
Bottle/can sales*:				
Sparkling beverages (carbonated)	$ 464,859	$ 345,871	$ 816,925	$ 624,393
Still beverages (noncarbonated, including energy products)	246,371	162,088	413,165	251,973
Total bottle/can sales	**711,230**	**507,959**	**1,230,090**	**876,366**
Other sales:				
Sales to other Coca-Cola bottlers	61,045	48,560	111,255	86,406
Post-mix and other	68,109	58,164	124,495	105,164
Total other sales	**129,154**	**106,724**	**235,750**	**191,570**
Total net sales	**$ 840,384**	**$ 614,683**	**$ 1,465,840**	**$ 1,067,936**

*NOTE: In Q2 2016, energy products were moved from the category of sparkling beverages to still beverages, which has been reflected in all periods presented. Total bottle/can sales remain unchanged in prior periods.

Areas of Emphasis

Key priorities for the Company include territory and manufacturing expansion, revenue management, product innovation and beverage portfolio expansion, distribution cost management, and productivity.

Revenue Management

Revenue management requires a strategy that reflects consideration for pricing of brands and packages within product categories and channels, highly effective working relationships with customers and disciplined fact-based decision-making. Revenue management has been and continues to be a key driver which has a significant impact on the Company's results of operations.

Product Innovation and Beverage Portfolio Expansion

Innovation of both new brands and packages has been and is expected to continue to be important to the Company's overall revenue. New products and packaging introductions over the last several years include Coca-Cola Life, the 12-ounce sleek can, 253 ml single bottles and multi-packs, 15-pack configuration of 12 oz. cans, the 7.5-ounce sleek can in both singles and multi-packs, Yup milk beverages and Core Power protein drinks.

Distribution Cost Management

Distribution costs represent the costs of transporting finished goods from Company locations to customer outlets. Total distribution costs amounted to $144.6 million and $103.2 million in YTD 2016 and YTD 2015, respectively. Over the past several years, the Company has focused on converting its distribution system from a conventional routing system to a predictive system. This conversion to a predictive system has allowed the Company to more efficiently handle an increasing number of products. In addition, the Company has closed a number of smaller sales distribution centers reducing its fixed warehouse-related costs.

The Company has three primary delivery systems for its current business:

- bulk delivery for large supermarkets, mass merchandisers and club stores;
- advanced sales delivery for convenience stores, drug stores, small supermarkets and certain on-premise accounts; and
- full service delivery for its full service vending customers.

Distribution cost management will continue to be a key area of emphasis for the Company.

Productivity

A key driver in the Company's selling, delivery and administrative ("S,D&A") expense management relates to ongoing improvements in labor productivity and asset productivity.

Results of Operations

Second Quarter Results

Our results of operations for Q2 2016 and Q2 2015 are highlighted in the table below and discussed in the following paragraphs:

	Second Quarter			
In Thousands (Except Per Share Data)	**2016**	**2015**	**Change**	**% Change**
Net sales	$ 840,384	$ 614,683	$ 225,701	36.7%
Cost of sales	520,677	377,366	143,311	38.0
Gross margin	319,707	237,317	82,390	34.7
S,D&A expenses	264,971	199,001	65,970	33.2
Income from operations	54,736	38,316	16,420	42.9
Interest expense, net	9,808	6,718	3,090	46.0
Other income (expense), net	(16,274)	6,078	(22,352)	(367.8)
Gain (loss) on exchange of franchise territory	(692)	8,807	(9,499)	(107.9)
Income before taxes	27,962	46,483	(18,521)	(39.8)
Income tax expense	10,638	17,562	(6,924)	(39.4)
Net income	17,324	28,921	(11,597)	(40.1)
Less: Net income attributable to noncontrolling interest	1,672	1,987	(315)	(15.9)
Net income attributable to the Company	**$ 15,652**	**$ 26,934**	**$ (11,282)**	**(41.9)%**

Items Impacting Operations and Financial Condition

The following items affect the comparability of the Q2 2016 and Q2 2015 financial results:

Q2 2016

- $7.0 million of expenses related to acquiring and transitioning Expansion Territories;
- $287.1 million in net sales and $16.0 million of operating income related to the Expansion Territories; and
- $16.3 million recorded in other expense as a result of an unfavorable fair value adjustment to the Company's contingent consideration liability related to the Expansion Territories.

Q2 2015

- $72.5 million in net sales and $2.7 million of operating income related to the 2015 Expansion Territories;
- $8.8 million gain on the exchange of certain franchise territories and related assets and liabilities;
- $6.1 million recorded in other income as a result of a favorable fair value adjustment to the Company's contingent consideration liability related to the Expansion Territories acquired in previous years; and
- $4.3 million of expenses related to acquiring and transitioning new Expansion Territories.

Net Sales

Net sales increased $225.7 million, or 36.7%, to $840.4 million in Q2 2016 compared to $614.7 million in Q2 2015.

The increase in net sales was principally attributable to the following (in millions):

Q2 2016	Attributable to:
$ 211.7	Net sales increase related to the 2015 Expansion Territories and the YTD 2016 Expansion Transactions, partially offset by the 2015 comparable sales of the Legacy Territory exchanged for Expansion Territories in 2015
19.8	4.5% increase in bottle/can sales volume to retail customers in the Legacy Territory and 2014 Expansion Territories, primarily due to an increase in still beverages
(9.8)	Decrease in sales of the Company's own brand products primarily due to sale of BYB during the third quarter of 2015
7.6	Increase in external transportation revenue
(2.6)	0.6% decrease in bottle/can sales price per unit to retail customers in the Legacy Territory and 2014 Expansion Territories, primarily due to a decrease in sparkling beverage categories
1.0	3.8% increase in post-mix sales volume
(2.0)	Other
$ 225.7	**Total increase in net sales**

In Q2 2016, the Company's bottle/can sales to retail customers accounted for approximately 85% of the Company's total net sales. Bottle/can net pricing is based on the invoice price charged to customers reduced by promotional allowances. Bottle/can net pricing per unit is impacted by the price charged per package, the volume generated in each package and the channels in which those packages are sold.

Product category sales volume in Q2 2016 and Q2 2015 as a percentage of total bottle/can sales volume and the percentage change by product category were as follows:

	Bottle/Can Sales Volume		Bottle/Can Sales Volume
Product Category	**Q2 2016**	**Q2 2015**	**Increase**
Sparkling beverages	69.7%	71.5%	37.1%
Still beverages (including energy products)	30.3%	28.5%	49.2%
Total bottle/can sales volume	**100.0%**	**100.0%**	**40.6%**

Bottle/can volume to retail customers (excluding 2016 and 2015 Expansion Territories) increased 4.5%, which represented a 2.1% increase in sparkling beverages and an 10.6% increase in still beverages in Q2 2016 compared to Q2 2015. The increase in still beverages was primarily due to increases in energy beverages, which was primarily due to the Company's expanding its territories where the Company distributes MEC Products. The growth trajectory and driving factors of sparkling and still beverages are different. Sparkling beverages are in a mature state and have a lower growth trajectory, while still beverages, including energy beverages, have a higher growth trajectory primarily driven by changing customer preferences.

Cost of Sales

Cost of sales includes the following: raw material costs, manufacturing labor, manufacturing overhead including depreciation expense, manufacturing warehousing costs, shipping and handling costs related to the movement of finished goods from manufacturing locations to sales distribution centers and purchase of finished goods.

Cost of sales increased $143.3 million, or 38.0%, to $520.7 million in Q2 2016 compared to $377.4 million in Q2 2015.

The increase in cost of sales was principally attributable to the following (in millions):

Q2 2016		Attributable to:
$	134.9	Net sales increase related to the 2015 Expansion Territories and the YTD 2016 Expansion Transactions, partially offset by the 2015 comparable sales of the Legacy Territory exchanged for Expansion Territories in 2015
	11.3	4.5% increase in bottle/can sales volume to retail customers in the Legacy Territory and 2014 Expansion Territories, primarily due to an increase in still beverages
	5.1	Increase in external transportation costs of sales
	(4.7)	Decrease in cost of sales of the Company's own brand products primarily due to the sale of BYB during the third quarter of 2015
	2.7	Increase in raw material costs and increased purchases of finished products
	(3.8)	Increase in marketing funding support received for the Legacy Territory and 2014 Expansion Territories
	(1.9)	Decrease in cost as a result of the Company's commodity hedging program
	(0.3)	Other
$	**143.3**	**Total increase in cost of sales**

The following inputs represent a substantial portion of the Company's total cost of goods sold: (i) sweeteners, (ii) packaging materials, including plastic bottles and aluminum cans, and (iii) finished products purchased from other vendors.

The Company relies extensively on advertising and sales promotion in the marketing of its products. The Coca-Cola Company and other beverage companies that supply concentrates, syrups and finished products to the Company make substantial marketing and advertising expenditures to promote sales in the local territories served by the Company. The Company also benefits from national advertising programs conducted by The Coca-Cola Company and other beverage companies. Certain of the marketing expenditures by The Coca-Cola Company and other beverage companies are made pursuant to annual arrangements. Total marketing funding support from The Coca-Cola Company and other beverage companies, which includes direct payments to the Company and payments to customers for marketing programs, was $25.9 million in Q2 2016 compared to $18.4 million in Q2 2015.

S,D&A Expenses

S,D&A expenses include the following: sales management labor costs, distribution costs from sales distribution centers to customer locations, sales distribution center warehouse costs, depreciation expense related to sales centers, delivery vehicles and cold drink equipment, point-of-sale expenses, advertising expenses, cold drink equipment repair costs, amortization of intangibles and administrative support labor and operating costs.

S,D&A expenses increased by $66.0 million, or 33.2%, to $265.0 million in Q2 2016 from $199.0 million in Q2 2015. S,D&A expenses as a percentage of net sales decreased to 31.5% in Q2 2016 from 32.4% in Q2 2015.

The increase in S,D&A expenses was principally attributable to the following (in millions):

Q2 2016	Attributable to:
$ 35.4	Increase in employee salaries including bonus and incentives due to normal salary increases and additional personnel added from the Expansion Territories
5.8	Increase in depreciation and amortization of property, plant and equipment primarily due to depreciation for fleet and vending equipment in the Expansion Territories
3.4	Increase in employee benefit costs primarily due to additional medical expense and 401k employer matching contributions for employees from the Expansion Territories
3.2	Increase in employer payroll taxes primarily due to payroll in the Expansion Territories
2.8	Increase in expenses related to the Company's Expansion Transactions, primarily professional fees related to due diligence
2.7	Increase in marketing expense primarily due to increased spending for promotional items and media and cold drink sponsorships
1.8	Increase in vending and fountain parts expense due to the addition of the Expansion Territories
1.7	Increase in professional fees primarily due to additional compliance and technology expenses
1.2	Increase in software expenses primarily due to investment in technology for the Expansion Territories
1.1	Increase in property, vehicle and other taxes due to the Expansion Territories
1.1	Increase in facilities expenses due to additional facilities from the Expansion Territories
5.8	Other
$ 66.0	**Total increase in S,D&A expenses**

Shipping and handling costs related to the movement of finished goods from manufacturing locations to sales distribution centers are included in cost of sales. Shipping and handling costs related to the movement of finished goods from sales distribution centers to customer locations are included in S,D&A expenses and totaled $80.3 million and $45.9 million in Q2 2016 and Q2 2015, respectively.

Interest Expense

Net interest expense increased by $3.1 million or 46.0% in Q2 2016 compared to Q2 2015. The increase in Q2 2016, as compared to Q2 2015, was primarily due to additional borrowings to finance the territory expansion.

Other Income (Expense), Net

Other income (expense) included a noncash expense of $16.3 million in Q2 2016 and a noncash benefit of $6.1 million in Q2 2015 as a result of fair value adjustments of the Company's contingent consideration liability related to the Expansion Territories. The adjustment in Q2 2016 was primarily due to a change in the risk-free interest rates. As the contingent consideration is calculated using 40 years of discounted cash flows, any reductions in contingent consideration due to current payments of the liability are effectively marked to market at the next reporting period, assuming interest rates and future projections remain constant.

Each reporting period, the Company adjusts its contingent consideration liability related to the newly-acquired distribution territories to fair value. The fair value is determined by discounting future expected sub-bottling payments required under the CBAs using the Company's estimated weighted average cost of capital ("WACC"), which is impacted by many factors, including the risk-free interest rate. These future expected sub-bottling payments extend through the life of the related distribution asset acquired in each distribution territory expansion, which is generally 40 years. In addition, the Company is required to pay quarterly the current portion of the sub-bottling fee. As a result, the fair value of the acquisition related contingent consideration liability is impacted by the Company's estimated WACC, management's best estimate of the amounts of sub-bottling payments that will be paid in the future under the CBAs, and current period sub-bottling payments made. Changes in any of these factors, particularly the underlying risk-free interest rate used to estimate the Company's WACC, could materially impact the fair value of the acquisition-related contingent consideration and consequently the amount of noncash expense (or income) recorded each reporting period.

Income Tax Expense

The Company's effective tax rate, as calculated by dividing income tax expense by income before income taxes, for Q2 2016 and Q2 2015 was 38.0% and 37.8%, respectively. The increase in the effective tax rate was driven primarily by a decrease to the favorable manufacturing deduction (as a percentage of pre-tax income) caused by new Expansion Territories which do not qualify for the deduction. The Company's effective tax rate, as calculated by dividing income tax expense by income before income taxes minus net income attributable to noncontrolling interest, for Q2 2016 and Q2 2015 was 40.5% and 39.5%, respectively.

The Company's income tax assets and liabilities are subject to adjustment in future periods based on the Company's ongoing evaluations of such assets and liabilities and new information that becomes available to the Company.

Noncontrolling Interest

The Company recorded net income attributable to noncontrolling interest of $1.7 million and $2.0 million in Q2 2016 and Q2 2015, respectively, related to the portion of Piedmont owned by The Coca-Cola Company.

Year-to-date Results

Our results of operations for YTD 2016 and YTD 2015 are highlighted in the table below and discussed in the following paragraphs:

	First Half			%
In Thousands (Except Per Share Data)	**2016**	**2015**	**Change**	**Change**
Net sales	$ 1,465,840	$ 1,067,936	$ 397,904	37.3%
Cost of sales	902,235	646,246	255,989	39.6
Gross margin	563,605	421,690	141,915	33.7
S,D&A expenses	496,468	366,472	129,996	35.5
Income from operations	67,137	55,218	11,919	21.6
Interest expense, net	19,169	14,065	5,104	36.3
Other income (expense), net	(33,425)	989	(34,414)	(3,479.7)
Gain (loss) on exchange of franchise territory	(692)	8,807	(9,499)	(107.9)
Income before taxes	13,851	50,949	(37,098)	(72.8)
Income tax expense	5,560	19,075	(13,515)	(70.9)
Net income	8,291	31,874	(23,583)	(74.0)
Less: Net income attributable to noncontrolling interest	2,680	2,716	(36)	(1.3)
Net income attributable to the Company	**$ 5,611**	**$ 29,158**	**$ (23,547)**	**(80.8)%**

Items Impacting Operations and Financial Condition

The following items affect the comparability of the YTD 2016 and YTD 2015 financial results:

YTD 2016

- $13.4 million of expenses related to acquiring and transitioning Expansion Territories;
- $429.6 million in net sales and $17.3 million of operating income related to the Expansion Territories;
- $4.0 million of expense related to a charitable contribution; and
- $33.4 million recorded in other expense as a result of an unfavorable fair value adjustment to the Company's contingent consideration liability related to the Expansion Territories.

YTD 2015

- $90.5 million in net sales and $4.4 million of operating income related to the 2015 Expansion Territories;
- $8.8 million gain on the exchange of certain franchise territories and related assets and liabilities;
- $7.2 million of expenses related to acquiring and transitioning new Expansion Territories; and
- $1.0 million of other income as a result of a favorable fair value adjustment of the Company's acquisition contingent consideration liability related to Expansion Territories acquired in previous years.

Net Sales

Net sales increased $397.9 million, or 37.3%, to $1.47 billion in YTD 2016 compared to $1.07 billion in YTD 2015.

The increase in net sales was principally attributable to the following (in millions):

YTD 2016	Attributable to:
$ 329.4	Net sales increase related to the 2015 Expansion Territories and YTD 2016 Expansion Territories, partially offset by the 2015 comparable sales of the Legacy Territory exchanged for Expansion Territories in 2015
45.8	5.8% increase in bottle/can sales volume to retail customer in the Legacy Territory and 2014 Expansion Territories, primarily due to an increase in still beverages
16.5	2.0% increase in bottle/cans sales price per unit to retail customers in the Legacy Territory and 2014 Expansion Territories, primarily due to an increase in still beverages
(16.7)	Decrease in sales of the Company's own brand products, primarily due to the sale of BYB in the third quarter of 2015
14.4	Increase in external transportation revenue
4.2	4.8% increase in sales volume to other Coca-Cola bottlers for legacy manufacturing operations, primarily due to a volume increase in still beverages
2.1	4.5% increase in post-mix sales volume
1.7	3.5% increase in post-mix sales price per unit
0.5	Other
$ 397.9	**Total increase in net sales**

In YTD 2016, the Company's bottle/can sales to retail customers accounted for approximately 84% of the Company's total net sales. Bottle/can net pricing is based on the invoice price charged to customers reduced by promotional allowances. Bottle/can net pricing per unit is impacted by the price charged per package, the volume generated in each package and the channels in which those packages are sold.

Product category sales volume in YTD 2016 and YTD 2015 as a percentage of total bottle/can sales volume and the percentage change by product category were as follows:

	Bottle/Can Sales Volume		Bottle/Can Sales Volume
Product Category	**YTD 2016**	**YTD 2015**	**Increase**
Sparkling beverages	71.0%	74.0%	32.7%
Still beverages (including energy products)	29.0%	26.0%	53.6%
Total bottle/can sales volume	**100.0%**	**100.0%**	**38.1%**

Bottle/can volume to retail customers (excluding 2016 and 2015 Expansion Territories) increased 5.8%, which represented a 2.0% increase in sparkling beverages and a 16.7% increase in still beverages in YTD 2016 compared to YTD 2015. The increase in still beverages was primarily due to increases in energy beverages, which was primarily due to the Company's expanding its territories where the Company distributes MEC Products.

The Company's products are sold and distributed through various channels. They include selling directly to retail stores and other outlets such as food markets, institutional accounts and vending machine outlets. During YTD 2016, approximately 67% of the Company's bottle/can volume was sold for future consumption, while the remaining bottle/can volume of approximately 33% was sold for immediate consumption. All the Company's beverage sales are to customers in the United States. Following is a summary of volume and sales to the Company's largest customers:

Customer	YTD 2016	YTD 2015
Wal-Mart Stores, Inc.		
Approximate percent of Company's total Bottle/can volume	20%	22%
Approximate percent of Company's total Net sales	14%	15%
Food Lion, LLC		
Approximate percent of Company's total Bottle/can volume	8%	8%
Approximate percent of Company's total Net sales	6%	5%

Cost of Sales

Cost of sales includes the following: raw material costs, manufacturing labor, manufacturing overhead including depreciation expense, manufacturing warehousing costs, shipping and handling costs related to the movement of finished goods from manufacturing locations to sales distribution centers and purchase of finished goods.

Cost of sales increased 39.6%, or $256.0 million, to $902.2 million in YTD 2016 compared to $646.2 million in YTD 2015.

The increase in cost of sales was principally attributable to the following (in million):

YTD 2016		Attributable to:
$	211.1	Net sales increase related to the 2015 Expansion Territories and YTD 2016 Expansion Territories, partially offset by the 2015 comparable sales of the Legacy Territory exchanged for Expansion Territories in 2015
	25.9	5.8% increase in bottle/can sales volume to retail customers in the Legacy Territory, primarily due to an increase in still beverages
	19.0	Increase in raw material costs and increased purchases of finished products
	11.0	Increase in external transportation cost of sales
	(8.5)	Decrease in cost of sales of the Company's own brand products primarily due to the sale of BYB during the third quarter of 2015
	(7.6)	Increase in marketing funding support received for the Legacy Territory and 2014 Expansion Territories, primarily from The Coca-Cola Company
	4.0	4.8% increase in sales volume to other Coca-Cola bottlers for legacy manufacturing operations, primarily due to a volume increase in still beverages
	(1.8)	Decrease in cost due to the Company's commodity hedging program
	1.4	4.5% increase in post-mix sales volume
	1.5	Other
$	**256.0**	**Total increase in cost of sales**

Total marketing funding support from The Coca-Cola Company and other beverage companies, which includes direct payments to the Company and payments to customers for marketing programs, was $46.3 million in YTD 2016 compared to $32.4 million in YTD 2015.

S,D&A Expenses

S,D&A expenses increased by $130.0 million, or 35.5%, to $496.5 million in YTD 2016 from $366.5 million in YTD 2015. S,D&A expenses as a percentage of net sales decreased to 33.9% in YTD 2016 from 34.3% in YTD 2015.

The increase in S,D&A expenses was principally attributable to the following (in millions):

YTD 2016	Attributable to:
$ 62.7	Increase in employee salaries including bonus and incentives due to normal salary increases and additional personnel added from the Expansion Territories
11.0	Increase in depreciation and amortization of property, plant and equipment primarily due to depreciation for fleet and vending equipment in the Expansion Territories
7.4	Increase in employee benefit costs primarily due to additional medical expense and 401k employer matching contributions for employees from the Expansion Territories
6.2	Increase in expenses related to the Company's Expansion Transactions, primarily professional fees related to due diligence
5.8	Increase in employer payroll taxes primarily due to payroll in the Expansion Territories
4.4	Increase in marketing expense primarily due to increased spending for promotional items and media and cold drink sponsorships
4.0	Charitable contribution made during the first quarter of 2016
3.5	Increase in vending and fountain parts expense due to the addition of the Expansion Territories
2.4	Increase in software expenses primarily due to investment in technology for the Expansion Territories
2.3	Increase in professional fees primarily due to additional compliance and technology expenses
2.2	Increase in property, vehicle and other taxes due to the Expansion Territories
2.2	Increase in employee travel expenses primarily related to the Expansion Territories
2.0	Increase in facilities expenses due to additional facilities from the Expansion Territories
1.5	Increase in communication expense primarily due to increased use of mobile communication and communication expense in the Expansion Territories
1.2	Increase in property and casualty insurance expense primarily due to an increase in insurance premiums and insurance claims from the Expansion Territories
1.2	Increase in rental expense due primarily to equipment and facilities rent expense for new Expansion Territories
10.0	Other
$ 130.0	**Total increase in S,D&A expenses**

Shipping and handling costs related to the movement of finished goods from manufacturing locations to sales distribution centers are included in cost of sales. Shipping and handling costs related to the movement of finished goods from sales distribution centers to customer locations are included in S,D&A expenses and totaled $144.6 million and $103.2 million in YTD 2016 and YTD 2015, respectively.

Interest Expense

Net interest expense increased by $5.1 million or 36.3% in YTD 2016 compared to YTD 2015. The increase in YTD 2016, as compared to YTD 2015, was primarily due to additional borrowings to finance the territory expansion.

Other Income (Expense), Net

Other income (expense) included a noncash expense of $33.4 million in YTD 2016 and a noncash benefit of $1.0 million in YTD 2015 as a result of fair value adjustments of the Company’s contingent consideration liability related to the Expansion Territories. The adjustment was primarily due to updated projections and a change in the risk-free interest rates. As the contingent consideration is calculated using 40 years of discounted cash flows, any reductions in contingent consideration due to current payments of the liability are effectively marked to market at the next reporting period, assuming interest rates and future projections remain constant.

Income Tax Expense

The Company’s effective tax rate, as calculated by dividing income tax expense by income before income taxes, for YTD 2016 and YTD 2015 was 40.1% and 37.4%, respectively. The increase in the effective tax rate was driven primarily by an increase in the state tax rate applied to the deferred tax assets and liabilities driven by the new territories, a decrease to the favorable manufacturing deduction (as a percentage of pre-tax income) caused by new territories which do not qualify for the deduction, and lower pre-tax book income. The Company’s effective tax rate, as calculated by dividing income tax expense by income before income taxes minus net income attributable to noncontrolling interest, for YTD 2016 and YTD 2015 was 49.8% and 39.5%, respectively.

During Q1 2016, the Company revalued its existing net deferred tax liabilities for the effects which resulted from the YTD 2016 Expansion Transactions. The YTD 2016 impact was an increase to the recorded income tax expense of $0.8 million.

The Company's income tax assets and liabilities are subject to adjustment in future periods based on the Company's ongoing evaluations of such assets and liabilities and new information that becomes available to the Company.

Noncontrolling Interest

The Company recorded net income attributable to noncontrolling interest of $2.7 million in both YTD 2016 and YTD 2015, related to the portion of Piedmont owned by The Coca-Cola Company.

Comparable /Adjusted Results

The Company reports its financial results in accordance with GAAP. However, management believes certain non-GAAP financial measures provide users with additional meaningful financial information that should be considered when assessing the Company's ongoing performance. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP. The Company's non-GAAP financial information does not represent a comprehensive basis of accounting.

The following table reconciles reported GAAP results to comparable results for Q2 2016 and Q2 2015, and for YTD 2016 and YTD 2015:

In Thousands (Except Per Share Data)	Second Quarter 2016 Net sales	Income from operations	Income before income taxes	Net income	Basic net income per share
Reported results (GAAP)	**$ 840,384**	**$ 54,736**	**$ 27,962**	**$ 15,652**	**$ 1.68**
Fair value adjustments for commodity hedges	-	(2,770)	(2,770)	(1,701)	(0.18)
2016 & 2015 acquisitions impact	(287,092)	(15,974)	(15,974)	(9,808)	(1.05)
Territory expansion expenses	-	7,005	7,005	4,301	0.46
Exchange of franchise territories	-	-	692	425	0.05
Fair value adjustment of acquisition related contingent consideration	-	-	16,274	9,992	1.07
Total reconciling items	**(287,092)**	**(11,739)**	**5,227**	**3,209**	**0.35**
Comparable results (non-GAAP)	**$ 553,292**	**$ 42,997**	**$ 33,189**	**$ 18,861**	**$ 2.03**

In Thousands (Except Per Share Data)	Second Quarter 2015 Net sales	Income from operations	Income before income taxes	Net income	Basic net income per share
Reported results (GAAP)	**$ 614,683**	**$ 38,316**	**$ 46,483**	**$ 26,934**	**$ 2.90**
Fair value adjustments for commodity hedges	-	749	749	460	0.05
2015 acquisitions impact	(72,457)	(2,672)	(2,672)	(1,641)	(0.18)
2015 divestitures impact	(12,775)	(2,395)	(2,395)	(1,471)	(0.16)
Territory expansion expenses	-	4,252	4,252	2,611	0.28
Exchange of franchise territories	-	-	(8,807)	(5,407)	(0.58)
Fair value adjustment of acquisition related contingent consideration	-	-	(6,078)	(3,732)	(0.40)
Total reconciling items	**(85,232)**	**(66)**	**(14,951)**	**(9,180)**	**(0.99)**
Comparable results (non-GAAP)	**$ 529,451**	**$ 38,250**	**$ 31,532**	**$ 17,754**	**$ 1.91**

In Thousands (Except Per Share Data)	First Half 2016 Net sales	Income from operations	Income before income taxes	Net income	Basic net income per share
Reported results (GAAP)	**$ 1,465,840**	**$ 67,137**	**$ 13,851**	**$ 5,611**	**$ 0.60**
Fair value adjustments for commodity hedges	-	(3,810)	(3,810)	(2,339)	(0.25)
2016 & 2015 acquisitions impact	(429,561)	(17,260)	(17,260)	(10,598)	(1.14)
Territory expansion expenses	-	13,427	13,427	8,244	0.89
Special charitable contribution	-	4,000	4,000	2,456	0.26
Exchange of franchise territories	-	-	692	425	0.05
Fair value adjustment of acquisition related contingent consideration	-	-	33,425	20,523	2.21
Total reconciling items	**(429,561)**	**(3,643)**	**30,474**	**18,711**	**2.02**
Comparable results (non-GAAP)	**$ 1,036,279**	**$ 63,494**	**$ 44,325**	**$ 24,322**	**$ 2.62**

In Thousands (Except Per Share Data)	First Half 2015 Net sales	Income from operations	Income before income taxes	Net income	Basic net income per share
Reported results (GAAP)	**$ 1,067,936**	**$ 55,218**	**$ 50,949**	**$ 29,158**	**$ 3.14**
Fair value adjustments for commodity hedges	-	106	106	65	0.01
2015 acquisitions impact	(90,506)	(4,436)	(4,436)	(2,724)	(0.29)
2015 divestitures impact	(26,348)	(3,529)	(3,529)	(2,167)	(0.23)
Territory expansion expenses	-	7,247	7,247	4,450	0.48
Exchange of franchise territories	-	-	(8,807)	(5,407)	(0.58)
Fair value adjustment of acquisition related contingent consideration	-	-	(989)	(608)	(0.07)
Total reconciling items	**(116,854)**	**(612)**	**(10,408)**	**(6,391)**	**(0.68)**
Comparable results (non-GAAP)	**$ 951,082**	**$ 54,606**	**$ 40,541**	**$ 22,767**	**$ 2.46**

Segment Operating Results

The Company evaluates segment reporting in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification 280, Segment Reporting each reporting period, including evaluating the reporting package reviewed by the Chief Operation Decision Maker ("CODM"). The Company has concluded the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, as a group, represent the CODM.

The Company believes four operating segments exist. Following the sale of BYB during the third quarter of fiscal 2015, two operating segments, Franchised Nonalcoholic Beverages and Internally-Developed Nonalcoholic Beverages (made up entirely of BYB), were aggregated due to their similar economic characteristics as well as the similarity of products, production processes, types of customers, methods of distribution, and nature of the regulatory environment. This combined segment, Nonalcoholic Beverages, represents the vast majority of the Company's consolidated revenues, operating income, and assets. The remaining three operating segments do not meet the quantitative thresholds for separate reporting, either individually or in the aggregate. As a result, these three operating segments have been combined into an "All Other" reportable segment.

The Company's results for its two reportable segments are as follows:

	Second Quarter		First Half	
In Thousands	**2016**	**2015**	**2016**	**2015**
Net Sales:				
Nonalcoholic Beverages	$ 817,880	$ 599,607	$ 1,424,808	$ 1,041,290
All Other	58,397	40,693	104,106	74,508
Eliminations*	(35,893)	(25,617)	(63,074)	(47,862)
Consolidated net sales	**$ 840,384**	**$ 614,683**	**$ 1,465,840**	**$ 1,067,936**
Operating Income:				
Nonalcoholic Beverages	$ 52,878	$ 37,061	$ 63,846	$ 52,392
All Other	1,858	1,255	3,291	2,826
Consolidated operating income	**$ 54,736**	**$ 38,316**	**$ 67,137**	**$ 55,218**

*NOTE: The entire net sales elimination for each year presented represents net sales from the All Other segment to the Nonalcoholic Beverages segment. Sales between these segments are either recognized at fair market value or cost depending on the nature of the transaction.

Financial Condition

Total assets increased to $2.25 billion at July 3, 2016, from $1.85 billion at January 3, 2016 and $1.71 billion at June 28, 2015. The increase in total assets is primarily attributable to the acquisition of the YTD 2016 Expansion Territories and 2015 Expansion Territories, contributing to an increase in total assets of $250.1 million from January 3, 2016 and $348.5 million from June 28, 2015. In addition, the Company had capital expenditures of $79.6 million during YTD 2016.

Net working capital, defined as current assets less current liabilities, increased by $49.3 million to $157.7 million at July 3, 2016 from January 3, 2016 and increased by $31.6 million at July 3, 2016 from June 28, 2015.

Significant changes in net working capital from January 3, 2016 were as follows:

- A decrease in cash and cash equivalents of $6.2 million primarily due to purchases of new Expansion Territories in 2016.
- An increase in accounts receivable, trade of $101.4 million primarily due to normal seasonal sales increases and accounts receivable from newly-acquired Expansion Territories in 2016.
- An increase in accounts receivable from The Coca-Cola Company and increase in accounts payable to The Coca-Cola Company of $23.1 million and $51.4 million, respectively, primarily due to activity from newly acquired Expansion Territories in 2016 and the timing of payments.
- An increase in inventories of $37.3 million primarily due to a normal seasonal increase and inventories from newly acquired Expansion Territories in 2016.
- An increase in accounts payable, trade of $42.3 million primarily due to a normal seasonal increase in purchases and purchases from newly acquired Expansion Territories in 2016.

- An increase in other accrued liabilities of $25.5 million primarily due to timing of payments.
- A decrease in accrued compensation of $13.2 million primarily due to payment of bonuses in March 2016.

Significant changes in net working capital from June 28, 2015 were as follows:

- An increase in cash and cash equivalents of $5.5 million primarily due to cash flows generated from operations.
- An increase in accounts receivable, trade of $92.8 million primarily due to accounts receivable from newly-acquired Expansion Territories in 2016 and 2015.
- An increase in accounts receivable from The Coca-Cola Company and increase in accounts payable to The Coca-Cola Company of $10.3 million and $38.4 million, respectively, primarily due to activity from newly acquired Expansion Territories in 2016 and 2015 and the timing of payments.
- An increase in inventories of $27.1 million primarily due to inventories from newly acquired Expansion Territories in 2016 and 2015 plus inventory required for the execution of future marketing strategies.
- An increase in prepaid expenses and other current assets of $13.5 million primarily due to overpayment of federal and state income taxes in 2015.
- An increase in accounts payable, trade of $45.9 million primarily due to accounts payable from the newly acquired Expansion Territories in 2016 and 2015.
- An increase in other accrued liabilities of $32.4 million primarily due to the timing of payments.

Liquidity and Capital Resources

Capital Resources

The Company's sources of capital include cash flows from operations, available credit facilities and the issuance of debt and equity securities. The Company has obtained the majority of its long-term debt, other than capital leases, from the public markets. Management believes the Company has sufficient sources of capital available to refinance its maturing debt, finance its business plan, including the proposed acquisition of previously announced additional Expansion Territories and Regional Manufacturing Facilities, meet its working capital requirements and maintain an appropriate level of capital spending for at least the next 12 months. The amount and frequency of future dividends will be determined by the Company's Board of Directors in light of the earnings and financial condition of the Company at such time, and no assurance can be given that dividends will be declared or paid in the future.

In October 2014, the Company entered into a $350 million five-year unsecured revolving credit facility (the "Revolving Credit Facility"). In April 2015, the Company exercised the accordion feature of the Revolving Credit Facility thereby increasing the aggregate availability by $100 million to $450 million. The Revolving Credit Facility has a scheduled maturity date of October 16, 2019 and up to $50 million is available for the issuance of letters of credit. Borrowings under the Revolving Credit Facility bear interest at a floating base rate or a floating Eurodollar rate plus an applicable margin, dependent on the Company's credit rating at the time of borrowing. At the Company's current credit ratings, the Company must pay an annual facility fee of 0.15% of the lenders' aggregate commitments under the Revolving Credit Facility. The Revolving Credit Facility includes two financial covenants: a cash flow/fixed charges ratio and a funded indebtedness/cash flow ratio, each as defined in the agreement. The Company was in compliance with these covenants as of July 3, 2016. These covenants do not currently, and the Company does not anticipate they will, restrict its liquidity or capital resources.

The Company currently believes all banks participating in the Company's Revolving Credit Facility have the ability to and will meet any funding requests from the Company. On July 3, 2016, the Company had $75.0 million of outstanding borrowings on the Revolving Credit Facility and had $375.0 million available to meet its cash requirements. On January 3, 2016, the Company had no outstanding borrowings on the Revolving Credit Facility. On June 28, 2015, the Company had $290.0 million of outstanding borrowings on the Revolving Credit Facility.

In November 2015, the Company issued $350 million of unsecured 3.8% Senior Notes due 2025. The notes were issued at 99.975% of par, which resulted in a discount on the notes of approximately $0.1 million. Total debt issuance costs for these notes totaled $3.2 million. The proceeds plus cash on hand were used to repay outstanding borrowings under the Revolving Credit Facility. The Company refinanced its $100 million of Senior Notes, which matured in April 2015, with borrowings under the Company's Revolving Credit Facility.

On June 7, 2016, the Company entered into a term loan agreement for a senior unsecured term loan facility (the "Term Loan Facility") in the aggregate principal amount of $300 million, maturing June 7, 2021. The Company may request additional term loans under the agreement, provided the Company's aggregate borrowings under the Term Loan Facility do not exceed $500 million. Borrowings under the Term Loan Facility bear interest at a floating base rate or a floating Eurodollar rate plus an applicable margin, dependent on the Company's credit rating, at the Company's option. The Term Loan Facility includes two financial covenants: a consolidated cash

flow/fixed charges ratio and a consolidated funded indebtedness/cash flow ratio, each as defined in the agreement. The Company was in compliance with these covenants as of July 3, 2016. These covenants do not currently, and the Company does not anticipate they will, restrict its liquidity or capital resources. The Company used $210 million of the proceeds from the Term Loan Facility to repay outstanding indebtedness under the Revolving Credit Facility. The Company then used the remaining proceeds, as well as borrowings under the Revolving Credit Facility, to repay the $164.8 million of Senior Notes that matured on June 15, 2016.

As of July 3, 2016, the Company's total outstanding balance of debt and capital lease obligations was $882.1 million, of which $455.7 million was financed through publicly offered debt. The Company had capital lease obligations of $52.3 million as of July 3, 2016. As of January 3, 2016, the Company's total outstanding balance of debt and capital lease obligations was $675.4 million, of which $619.6 million was financed through publicly offered debt. The Company had capital lease obligations of $55.8 million as of January 3, 2016. As of June 28, 2015, the Company's total outstanding balance of debt and capital lease obligations was $621.3 million, of which $272.1 million was financed through publicly offered debt. The Company had capital lease obligations of $59.2 million as of June 28, 2016.

All of the outstanding long-term debt on the Company's balance sheet has been issued by the Company with none having been issued by any of the Company's subsidiaries. There are no guarantees of the Company's debt.

At July 3, 2016, the Company's credit ratings were as follows:

	Long-Term Debt
Standard & Poor's	BBB
Moody's	Baa2

The Company's credit ratings, which the Company is disclosing to enhance understanding of the Company's sources of liquidity and the effect of the Company's rating on the Company's cost of funds, are reviewed periodically by the respective rating agencies. Changes in the Company's operating results or financial position could result in changes in the Company's credit ratings. Lower credit ratings could result in higher borrowing costs for the Company or reduced access to capital markets, which could have a material impact on the Company's financial position or results of operations. There were no changes in these credit ratings from the prior year and the credit ratings are currently stable.

The indentures under which the Company's public debt was issued do not include financial covenants but do limit the incurrence of certain liens and encumbrances as well as indebtedness by the Company's subsidiaries in excess of certain amounts.

Net debt and capital lease obligations were summarized as follows:

In Thousands	July 3, 2016	January 3, 2016	June 28, 2015
Debt	$ 829,818	$ 619,628	$ 562,111
Capital lease obligations	52,296	55,784	59,153
Total debt and capital lease obligations	882,114	675,412	621,264
Less: Cash and cash equivalents	49,323	55,498	43,801
Total net debt and capital lease obligations (1)	**$ 832,791**	**$ 619,914**	**$ 577,463**

(1) The non-GAAP measure "Total net debt and capital lease obligations" is used to provide investors with additional information which management believes is helpful in the evaluation of the Company's capital structure and financial leverage. This non-GAAP financial information is not presented elsewhere in this report and may not be comparable to the similarly titled measures used by other companies. Additionally, this information should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

As a result of new guidance on accounting for debt issuance costs, $4.4 million, $4.3 million and $1.7 million of debt issuance costs as of July 3, 2016, January 3, 2016 and June 28, 2015, respectively, were classified as a reduction to long-term debt.

The Company's only Level 3 asset or liability is the contingent consideration liability incurred as a result of the Expansion Transactions. There were no transfers from Level 1 or Level 2. Fair value adjustments were non-cash, therefore did not impact the Company's liquidity or capital resources. Following is a summary of the Level 3 activity:

In Thousands	Second Quarter 2016	Second Quarter 2015	First Half 2016	First Half 2015
Opening balance	$ 177,933	$ 98,505	$ 136,570	$ 46,850
Increase due to acquisitions	36,868	3,029	68,039	50,312
Payments/accruals	(2,307)	(1,388)	(9,266)	(2,105)
Fair value adjustment - (income) expense	16,274	(6,078)	33,425	(989)
Ending balance	**$ 228,768**	**$ 94,068**	**$ 228,768**	**$ 94,068**

Cash Sources and Uses

The primary sources of cash for the Company in YTD 2016 and YTD 2015 were borrowings under credit facilities and cash flows from operating activities. The primary uses of cash in YTD 2016 and YTD 2015 were debt repayments, acquisitions of Expansion Territories and capital expenditures.

A summary of activity for YTD 2016 and YTD 2015 follows:

In Millions	First Half 2016	First Half 2015
Cash Sources:		
Borrowings under Revolving Credit Facility	$ 310.0	$ 239.0
Borrowings under Term Loan Facility	300.0	-
Cash provided by operating activities (excluding income tax payments)	52.5	41.7
Refund of income tax payments	8.7	-
Other	0.3	0.1
Total cash sources	**$ 671.5**	**$ 280.8**
Cash Uses:		
Payment of Revolving Credit Facility	$ 235.0	$ 20.0
Acquisition of Expansion Territories, net of cash acquired	174.7	51.3
Payment of Senior Notes	164.8	100.0
Additions to property, plant and equipment (exclusive of acquisition)	79.6	57.1
Payment of acquisition related contingent consideration	7.9	0.8
Investment in CONA Services LLC	6.6	-
Cash dividends paid	4.7	4.6
Principal payments on capital lease obligations	3.5	3.3
Income tax payments	-	8.7
Other	0.9	0.3
Total cash uses	**$ 677.7**	**$ 246.1**
Increase (decrease) in cash	**$ (6.2)**	**$ 34.7**

Cash Flows From Operating Activities

During YTD 2016, cash provided by operating activities was $61.2 million, which was an increase of $28.2 million compared to YTD 2015. The increase was driven primarily by growth in comparable income from operations and cash generated from acquired Expansion Territories.

Cash Flows From Investing Activities

During YTD 2016, cash used in investing activities was $260.7 million, which was an increase of $152.4 million compared to YTD 2015. The increase was driven by Expansion Transactions and higher levels of capital expenditures.

Additions to property, plant and equipment during YTD 2016 were $79.6 million, of which $9.1 million were accrued in accounts payable, trade. The YTD 2016 additions exclude $159.0 million in property, plant and equipment acquired in the Expansion Transactions completed in YTD 2016. This compares to $57.1 million in additions to property, plant and equipment during YTD 2015 of which $7.0 million were accrued in accounts payable, trade. The YTD 2015 additions exclude $39.7 million in property, plant and equipment acquired in the Expansion Transactions in YTD 2015.

Capital expenditures during YTD 2016 were funded with cash flows from operations an d borrowings under available credit facilities. The Company anticipates that additions to property, plant and equipment in 2016 will be in the range of $175 million to $225 million, excluding any additional Expansion Transactions expected to close in 2016.

During YTD 2016, the Company completed the YTD 2016 Expansion Transactions to acquire rights to distribution territory in Richmond, Yorktown and Alexandria, Virginia; and Easton, Salisbury, Capital Heights, La Plata, Baltimore, Hagerstown and Cumberland Maryland, and to acquire Regional Manufacturing Facilities in Sandston, Virginia; and Silver Spring and Baltimore, Maryland. Cash used to acquire these Expansion Territories and Regional Manufacturing Facilities, as well as an additional settlement for the Lexington Expansion Territory, was $174.7 million during YTD 2016.

Cash used to acquire rights to distribution territory during YTD 2015, including Cleveland and Cookeville, Tennessee; Louisville, Kentucky and Evansville, Indiana; Paducah and Pikeville, Kentucky; and the Lexington Expansion Territory, was $51.3 million. Refer to Note 2 for additional information on acquisitions.

Cash Flows From Financing Activities

During YTD 2016, cash provided by financing activities was $193.3 million, which was an increase of $83.3 million compared to YTD 2015. The increase was primarily a result of providing funding for the acquisitions of Expansion Territories and Regional Manufacturing Facilities and associated capital expenditures. During Q2 2016, the Company entered into a term loan agreement for a senior unsecured term loan facility in the aggregate principal amount of $300 million and had net borrowings on revolving credit facilities of $75.0 million. These increases in debt were partially offset by the repayment of $164.8 million of senior notes in Q2 2016. In YTD 2015, the Company had net borrowings on revolving credit facilities of $219.0 million, partially offset by $100.0 million repayment of debt.

Significant Accounting Policies

See Note 1 to the consolidated financial statements for information on the Company's significant accounting policies.

Off-Balance Sheet Arrangements

The Company is a member of two manufacturing cooperatives and has guaranteed $32.5 million of debt for these entities as of July 3, 2016. In addition, the Company has an equity ownership in each of the entities. The members of both cooperatives consist solely of Coca-Cola bottlers. The Company does not anticipate either of these cooperatives will fail to fulfill their commitments. The Company further believes each of these cooperatives has sufficient assets, including production equipment, facilities and working capital, and the ability to adjust selling prices of their products to adequately mitigate the risk of material loss from the Company's guarantees. As of July 3, 2016, the Company's maximum exposure, if the entities borrowed up to their borrowing capacity, would have been $71.5 million including the Company's equity interests. See Note 12 and Note 17 to the consolidated financial statements for additional information about these entities.

Hedging Activities

The Company entered into derivative instruments to hedge certain commodity purchases for 2017, 2016 and 2015. Fees paid by the Company for derivative instruments are amortized over the corresponding period of the instrument. The Company accounts for its commodity hedges on a mark-to-market basis with any expense or income reflected as an adjustment of cost of sales or S,D&A expenses.

The Company uses several different financial institutions for commodity derivative instruments to minimize the concentration of credit risk. The Company has master agreements with the counterparties to its derivative financial agreements that provide for net settlement of derivative transactions.

The net impact of the commodity hedges was to decrease cost of sales by $1.2 million in YTD 2016 and to increase cost of sales by $0.7 million in YTD 2015 and to decrease S,D&A expenses by $0.7 million in YTD 2016 and to decrease S,D&A expenses by $0.6 million in YTD 2015.

Cautionary Information Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, as well as information included in future filings by the Company with the Securities and Exchange Commission and information contained in written material, press releases and oral statements issued by or on behalf of the Company, contains, or may contain, forward-looking management comments and other statements that reflect management's current outlook for future periods. These statements include, among others, statements relating to:

- the Company's belief that the undiscounted amounts to be paid under the acquisition related contingent consideration arrangements for the 2015 Expansion Territories and YTD 2016 Expansion Territories will be between $10 million and $18 million per year;
- the Company's belief that the covenants on the Company's Revolving Credit Facility and Term Loan Facility will not restrict its liquidity or capital resources;
- the Company's belief that other parties to certain contractual arrangements will perform their obligations;
- the Company's expectation that certain amounts of goodwill will be deductible for tax purposes;
- the Company's belief that disposition of certain claims and legal proceedings will not have a material adverse effect on its financial condition, cash flows or results of operations and that no material amount of loss in excess of recorded amounts is reasonably possible as a result of these claims and legal proceedings;
- the Company's belief that it has sufficient sources of capital available to refinance its maturing debt, finance its business plan, including the proposed acquisition of additional Expansion Territories and Regional Manufacturing Facilities, meet its working capital requirements and maintain an appropriate level of capital spending for the next twelve months;
- the Company's belief that the cooperatives whose debt the Company guarantees have sufficient assets and the ability to adjust selling prices of their products to adequately mitigate the risk of material loss and that the cooperatives will perform their obligations under their debt commitments;
- the Company's key priorities include territory and manufacturing expansion, revenue management, product innovation and beverage portfolio expansion, distribution cost management and productivity;
- the Company's belief that contributions to the two Company-sponsored pension plans will be in the range of $10 million to $12 million for the remainder of 2016;
- the Company's expectation that additions to property, plant and equipment in 2016 will be in the range of $175 million to $225 million, excluding any additional Expansion Transactions expected to close in 2016;
- the Company's beliefs and estimates regarding the impact of the adoption of certain new accounting pronouncements;
- the Company's belief that all of the banks participating in the Company's Revolving Credit Facility have the ability to and will meet any funding requests from the Company;
- the Company's belief that it is competitive in its territories with respect to the principal methods of competition in the nonalcoholic beverage industry;
- the Company's estimate that a 10% increase in the market price of certain commodities over the current market prices would cumulatively increase costs during the next 12 months by approximately $38 million assuming no change in volume;
- the Company's belief that innovation of new brands and packages will continue to be important to the Company's overall revenue;
- the Company's expectation that uncertain tax positions may change over the next 12 months but will not have a material impact on the consolidated financial statements; and
- the Company's hypothetical calculation that, if market interest rates average 1% more over the next twelve months than the interest rates as of July 3, 2016, interest expense for the next twelve months would increase by approximately $3.8 million.

These statements and expectations are based on currently available competitive, financial and economic data along with the Company's operating plans, and are subject to future events and uncertainties that could cause anticipated events not to occur or actual results to differ materially from historical or anticipated results. Factors that could impact those statements and expectations or adversely affect future periods include, but are not limited to, the factors set forth in Part I, Item 1A. Risk Factors of the Company's Annual Report on Form 10-K for the year ended January 3, 2016.

Caution should be taken not to place undue reliance on the Company's forward-looking statements, which reflect the expectations of management of the Company only as of the time such statements are made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company is exposed to certain market risks that arise in the ordinary course of business. The Company may enter into derivative financial instrument transactions to manage or reduce market risk. The Company does not enter into derivative financial instrument transactions for trading purposes. A discussion of the Company's primary market risk exposure and interest rate risk is presented below.

Debt and Derivative Financial Instruments

The Company is subject to interest rate risk on its fixed and floating rate debt, including the Company's $450 million revolving credit facility and its $300 million term loan. As of July 3, 2016, $375.0 million of the Company's debt and capital lease obligations of $882.1 million were subject to changes in short-term interest rates.

As it relates to the Company's variable rate debt, assuming no changes in the Company's financial structure, if market interest rates average 1% more over the next twelve months than the interest rates as of July 3, 2016, interest expense for the next twelve months would increase by approximately $3.8 million. This amount was determined by calculating the effect of the hypothetical interest rate on the Company's variable rate debt. This calculated, hypothetical increase in interest expense for the following twelve months may be different from the actual increase in interest expense from a 1% increase in interest rates due to varying interest rate reset dates on the Company's floating debt.

The Company's acquisition related contingent consideration, which is adjusted to fair value at each reporting period, is also impacted by changes in interest rates. The risk free interest rate used to estimate the Company's WACC is a component of the discount rate used to calculate the present value of future cash flows due under the CBAs related to the Expansion Territories. As a result, any changes in the underlying risk-free interest rates will impact the fair value of the acquisition related contingent consideration and could materially impact the amount of noncash expense (or income) recorded each reporting period.

Raw Material and Commodity Price Risk

The Company is also subject to commodity price risk arising from price movements for certain commodities included as part of its raw materials and distribution system. The Company manages this commodity price risk in some cases by entering into contracts with adjustable prices. The Company periodically uses derivative commodity instruments in the management of this risk. The Company estimates that a 10% increase in the market prices of these commodities over the current market prices would cumulatively increase costs during the next 12 months by approximately $38 million assuming no change in volume.

The Company entered into agreements to hedge a portion of the Company's 2017, 2016 and 2015 commodity purchases.

Fees paid by the Company for agreements to hedge commodity purchases are amortized over the corresponding period of the instruments. The Company accounts for commodity hedges on a mark-to-market basis with any expense or income being reflected as an adjustment to cost of sales or S,D&A expenses.

Effects of Changing Prices

The annual rate of inflation in the United States, as measured by year-over-year changes in the consumer price index, was 0.7% in 2015 compared to 0.8% in 2014 and 1.5% in 2013. Inflation in the prices of those commodities important to the Company's business is reflected in changes in the consumer price index, but commodity prices are volatile and in recent years have moved at a faster rate of change than the consumer price index.

The principal effect of inflation in both commodity and consumer prices on the Company's operating results is to increase costs, both of goods sold and S,D&A. Although the Company can offset these cost increases by increasing selling prices for its products, consumers may not have the buying power to cover these increased costs and may reduce their volume of purchases of those products. In that event, selling price increases may not be sufficient to offset completely the Company's cost increases.

Item 4. Controls and Procedures.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")), pursuant to Rule 13a-15(b) of the Exchange Act. Based upon that evaluation,

the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of July 3, 2016.

There has been no change in the Company's internal control over financial reporting during the quarter ended July 3, 2016 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1A. Risk Factors.

There have been no material changes to the factors disclosed in Part I, Item 1A Risk Factors in the Company's Annual Report on Form 10-K for the year ended January 3, 2016.

Item 6. Exhibits.

Exhibit

Number	Description
4.1	The registrant, by signing this report, agrees to furnish the Securities and Exchange Commission, upon its request, a copy of any instrument which defines the rights of holders of long-term debt of the registrant and its consolidated subsidiaries which authorizes a total amount of securities not in excess of 10 percent of the total assets of the registrant and its subsidiaries on a consolidated basis.
10.1	Term Loan Agreement, dated June 7, 2016, by and among the Company, the lenders named therein, JPMorgan Chase Bank, N.A., as administrative agent, and PNC Bank, National Association and Branch Banking and Trust Company as co-syndication agents (filed herewith).
10.2*	CONA Services LLC Limited Liability Company Agreement, dated January 27, 2016, by and among the Company, The Coca-Cola Company, Coca-Cola Refreshments USA, Inc. and the other bottlers named therein (filed herewith).
10.3*	Amendment No. 1 to the CONA Services LLC Limited Liability Company Agreement, dated as of April 6, 2016 and effective as of April 2, 2016, by and among the Company, The Coca-Cola Company, Coca-Cola Refreshments USA, Inc. and the other bottlers name therein (filed herewith).
10.4*	Master Services Agreement, dated as of April 6, 2016 and effective as of April 2, 2016, between the Company and CONA Services LLC (filed herewith).
12	Ratio of earnings to fixed charges (filed herewith).
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished (and not filed) herewith pursuant to Item 601(b)(32)(ii) of Regulation S-K).
101	Financial statements (unaudited) from the quarterly report on Form 10-Q of Coca-Cola Bottling Co. Consolidated for the quarter ended July 3, 2016, filed on August 12, 2016, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Operations; (ii) the Consolidated Statements of Comprehensive Income; (iii) the Consolidated Balance Sheets; (iv) the Consolidated Statements of Changes in Equity; (v) the Consolidated Statements of Cash Flows and (vi) the Notes to the Consolidated Financial Statements.

*Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COCA-COLA BOTTLING CO. CONSOLIDATED
(REGISTRANT)

Date: August 12, 2016 By: /s/ Clifford M. Deal, III
Clifford M. Deal, III
Senior Vice President, Chief Financial Officer
(Principal Financial Officer of the Registrant)

Date: August 12, 2016 By: /s/ William J. Billiard
William J. Billiard
Vice President, Chief Accounting Officer
(Principal Accounting Officer of the Registrant)

Exhibit 10.1

EXECUTION COPY

LOAN AGREEMENT

Dated as of June 7, 2016

Among

COCA-COLA BOTTLING CO. CONSOLIDATED
as Borrower

THE LENDERS NAMED HEREIN

JPMORGAN CHASE BANK, N.A. and
PNC CAPITAL MARKETS LLC
as Joint Lead Arrangers and Joint Bookrunners

BRANCH BANKING AND TRUST COMPANY
as Joint Lead Arranger

PNC BANK, NATIONAL ASSOCIATION and
BRANCH BANKING AND TRUST COMPANY
as Co-Syndication Agents

and

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

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SCHEDULES

EXHIBITS

LOAN AGREEMENT dated as of June 7, 2016 among COCA-COLA BOTTLING CO. CONSOLIDATED, a corporation organized under the laws of Delaware (the "Borrower"), the Lenders from time to time party hereto, PNC BANK, NATIONAL ASSOCIATION, a national banking association, and BRANCH BANKING AND TRUST COMPANY, as co-syndication agents, and JPMORGAN CHASE BANK, N.A., a national banking association, as administrative agent (in such capacity, the "Administrative Agent").

WHEREAS, the Borrower has requested that the initial Lenders provide a term loan facility for the purposes set forth herein, and such Lenders are willing to do so on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Acquisition Cash Flow" means, with respect to any Person or assets, franchises or businesses acquired by the Borrower or any of its Consolidated Subsidiaries, operating income for any period of determination plus any amounts deducted for depreciation, amortization and operating lease expense in determining operating income during such period (to the extent not included in Consolidated Operating Income for such period), all determined using historical financial statements of such Person, assets, franchises or businesses acquired with appropriate adjustments thereto in order to reflect such operating income, depreciation, amortization and operating lease expense on an actual historical combined pro forma basis as if such Person, assets, franchises or businesses acquired had been owned by the Borrower or one of its Consolidated Subsidiaries during the applicable period. Operating income as used in the preceding sentence will be determined for the acquired Person, assets, franchises or businesses using the same method prescribed for determining Consolidated Operating Income.

"Administrative Agent" has the meaning set forth in the introduction hereto.

"Advance" means an advance by a Lender and refers to a Base Rate Advance or a Eurodollar Rate Advance (each of which shall be a "Type" of Advance).

"Affiliate" means, as to any Person, any other Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors or other persons performing similar functions of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agreement" means this Loan Agreement, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Affiliates from time to time concerning or relating to bribery or corruption.

"Applicable Lending Office" means, with respect to any Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance.

"Applicable Rate" means, for any day, with respect to any Base Rate Advance or Eurodollar Rate Advance, as the case may be, the applicable rate per annum set forth below under the caption "Base Rate Spread" or "Eurodollar Spread", as the case may be, based upon the Ratings by Moody's, S&P and Fitch, respectively, applicable on such date:

Level	Ratings S&P/Moody's/Fitch	Eurodollar Spread	Base Rate Spread
1	A-/A3/A- or above	0.875%	0%
2	BBB+/Baa1/BBB+	1.00%	0%
3	BBB/Baa2/BBB	1.125%	0.125%
4	BBB-/Baa3/BBB-	1.25%	0.25%
5	BB+/Ba1/BB+ or lower	1.50%	0.50%

For purposes of the foregoing:

If the Borrower shall maintain a Rating from only two of Moody's, S&P and Fitch and there is a one-notch split between the two Ratings, then the Level corresponding to the higher Rating shall apply, but if there is a more than one notch split in the two Ratings, then the Rating that is one notch higher than the lowest Rating shall apply. If the Borrower shall maintain a Rating from all three of Moody's, S&P and Fitch and there is a difference in such Ratings, (i) if there is a one-notch split between the Ratings, then the Level corresponding to the higher Rating shall apply and (ii) if there is greater than a one-notch split between the Ratings, then the Level shall be based upon one Level higher than the Level corresponding to the lowest of the three Ratings shall apply. If any of Moody's, S&P or Fitch shall not have in effect a Rating for the long-term senior unsecured non-credit-enhanced debt obligations of the Borrower then outstanding (other than by reason of the circumstances referred to in the last sentence of this paragraph), then such rating agency shall be deemed to have established a Rating in Level 5. If the Ratings established or deemed to have been established by Moody's, S&P and Fitch shall be changed (other than as a result of a change in the rating system of Moody's, S&P or Fitch), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by the Borrower to the Administrative Agent and the Lenders pursuant to Section 5.01(c) or otherwise. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's, S&P or Fitch shall change, or if any such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to

amend the definition of Applicable Rate to reflect such changed rating system or the unavailability of Ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the Rating most recently in effect prior to such change or cessation.

"Arrangers" means JPMorgan, PNC Capital Markets LLC and Branch Banking and Trust Company, as Joint Lead Arrangers, and JPMorgan and PNC Capital Markets LLC, as Joint Bookrunners.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of Exhibit B hereto.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Base Rate" means, for any day, a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the highest of:

(a) the Prime Rate in effect on such day;

(b) 1/2 of one percent per annum above the NYFRB Rate in effect on such day; and

(c) the Eurodollar Rate for a one month Interest Period in Dollars on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that the Eurodollar Rate for any day shall be based on the LIBOR Rate at approximately 11:00 a.m. London time on such day, subject to the interest rate floors set forth therein.

Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Rate or the LIBOR Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Rate or the LIBOR Rate, respectively.

"Base Rate Advance" means, at any time, an Advance which bears interest at rates based upon the Base Rate.

"Borrower" has the meaning set forth in the introduction hereto.

"Borrowing" means a borrowing consisting of simultaneous Advances of the same Type made by each of the Lenders pursuant to Section 2.01(a).

"Business Day" means a day of the year on which banks are not required or authorized to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advance, on which dealings are carried on in the London interbank market.

"Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

"Change in Control" means that:

(a) The Coca-Cola Company and any of its wholly-owned Subsidiaries shall cease to own, beneficially and of record, at least 10% of the outstanding capital stock of the Borrower; or

(b) any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable, except that for purposes of this paragraph (b) such person or group shall be deemed to have "beneficial ownership" of all shares that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), other than (i) The Coca-Cola Company, (ii) other shareholders of the Borrower as of the date hereof and (iii) J. Frank Harrison III, his spouse and the lineal descendants of either of the foregoing (or trusts, corporations, partnerships, limited partnerships, limited liability companies or other estate planning vehicles for the benefit thereof), is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 promulgated pursuant to the Exchange Act), directly or indirectly, of more than 50% of the aggregate voting power of all voting shares of the Borrower; or

(c) during any period of 25 consecutive calendar months, a majority of the Board of Directors of the Borrower shall no longer be composed of individuals (i) who were members of said Board on the first day of such period, (ii) whose election or nomination to said Board was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of said Board and (iii) whose election or nomination to said Board was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of said Board.

"Change in Law" means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change

in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided, however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law" regardless of the date enacted, adopted, issued or implemented.

"Closing Date" means the date as of which the Administrative Agent notifies the Borrower that the conditions precedent set forth in Section 3.01 have been satisfied or waived.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means, as to each Lender, its obligation to make Advances to the Borrower pursuant to Section 2.01 in an aggregate principal amount not to exceed the amount set forth opposite such Lender's name on Schedule I under the caption "Commitment".

"Communications" means all information, documents and other materials that the Borrower is obligated to furnish to the Administrative Agent pursuant to this Agreement, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (ii) provides notice of any Default or Event of Default under this Agreement or (iii) is required to be delivered to satisfy any condition precedent to the occurrence of the Closing Date and/or any borrowing.

"Compliance Certificate" mean a certificate in substantially the form of Exhibit D.

"Consolidated" refers to the consolidation of accounts of the Borrower and its Subsidiaries in accordance with GAAP.

"Consolidated Cash Flow" means, for any period, Consolidated Operating Income for such period plus (i) any amounts deducted for depreciation, amortization and operating lease expense, plus (ii) any impairment charges or asset write-down or write off related to intangible assets, long-lived assets and property, plant and equipment, solely to the extent that any such charges, write-down or write off described in this clause (ii) are non-cash items, in each case in determining Consolidated Operating Income, plus (iii) any non-cash pension charges related to benefit plan amendments or non-recurring or infrequent transactions, minus (iv) the amount of the sub-bottling fee payments made to The Coca-Cola Company or one of its Subsidiaries in consideration for exclusive distribution rights to the Borrower or one of its Consolidated Subsidiaries during such applicable period.

"Consolidated Cash Flow/Fixed Charges Ratio" means, at any time, the ratio of (i) Consolidated Cash Flow for the then most recently concluded period of four consecutive fiscal quarters of the Borrower to (ii) Consolidated Fixed Charges for such period.

"Consolidated Fixed Charges" shall mean, for any period, the sum of (i) Consolidated Net Interest Expense for such period, (ii) the amount of obligations of the Borrower and its Consolidated Subsidiaries as lessees, on leases other than Capitalized Leases, accrued during such period and (iii) payments made or required to be made by the Borrower and its Consolidated Subsidiaries during such period under agreements providing for or containing covenants not to compete.

"Consolidated Funded Indebtedness" shall mean, at any time, the aggregate outstanding principal amount of all Funded Indebtedness (other than (i) deferred compensation liabilities of the Borrower and its Consolidated Subsidiaries, (ii) Unfunded Benefit Liabilities of the Borrower and its Consolidated Subsidiaries and (iii) the amount of the sub-bottling fee liabilities to The Coca-Cola Company or one of its Subsidiaries in consideration for exclusive distribution rights to the Borrower or one of its Consolidated Subsidiaries) of the Borrower and its Consolidated Subsidiaries, determined and consolidated in accordance with GAAP.

"Consolidated Funded Indebtedness/Cash Flow Ratio" shall mean, at any time, the ratio of (a) the aggregate amount of (i) Consolidated Funded Indebtedness and (ii) 50% of every Contingent Obligation of the Borrower and its Consolidated Subsidiaries, determined and consolidated in accordance with GAAP to (b) the aggregate of (i) Consolidated Cash Flow for the then most recently concluded period of four consecutive fiscal quarters of the Borrower and (ii) Acquisition Cash Flow for such period.

"Consolidated Net Interest Expense" shall mean, for any period, the aggregate net amount of interest payments of the Borrower and its Consolidated Subsidiaries, determined and consolidated in accordance with GAAP, excluding, however, such amounts as arise from the amortization of capitalized interest, discount and fees reflected as an asset on the Borrower's books and records on the Closing Date.

"Consolidated Operating Income" shall mean, for any period, the net income of the Borrower and its Consolidated Subsidiaries, before any deduction in respect of interest or taxes, determined and consolidated in accordance with GAAP, excluding, however, extraordinary items in accordance with GAAP (which shall include without limitation, in any event, any income, net of expenses, or loss realized by the Borrower or any Consolidated Subsidiary from any sale of assets outside the ordinary course of business, whether tangible or intangible, including franchise territories and securities).

"Consolidated Total Assets" means, as of the date of any determination thereof, total assets of the Borrower and its Subsidiaries calculated in accordance with GAAP on a consolidated basis as of such date.

"Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the financial obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or application for a letter of credit, but excluding the endorsement of instruments for deposit or collection in the ordinary course of business.

"Continuation", "Continue" and "Continued" each refers to a continuation of Eurodollar Rate Advances from one Interest Period to the next Interest Period pursuant to Section 2.10(b).

"Controlled Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"Convert", "Conversion" and "Converted" each refers to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.09 or Section 2.10(a).

"Credit Party" means the Administrative Agent or any other Lender.

"Default" means an event that, with notice or lapse of time or both, would become an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Advances or (ii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Advances under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action.

"Dollars" means the lawful currency of the United States of America.

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" as such Lender may from time to time specify to the Borrower and the Administrative Agent.

"EEA Financial Institution" means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Electronic Signature" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Eligible Assignee" means:

(a) a Lender and any Affiliate of such Lender;

(b) a commercial bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $1,000,000,000;

(c) a savings bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $500,000,000;

(d) a commercial bank organized under the laws of any other country which is a member of the OECD or a political subdivision of any such country, and having total assets in excess of $1,000,000,000; and

(e) a finance company or other financial institution or fund (whether a corporation, partnership or other Person) which is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business, and having total assets in excess of $500,000,000;

provided that no Ineligible Institution may be an Eligible Assignee.

"Environmental Law" means any Federal, state or local governmental law, rule, regulation, order, writ, judgment, injunction or decree relating to pollution or protection of the environment or the treatment, storage, disposal, release, threatened release or handling of Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Clean Water Act, the Toxic Substances Control Act, the Clean Air Act, the Safe Drinking Water Act, the Atomic Energy Act and the Federal Insecticide, Fungicide and Rodenticide Act, in each case, as amended from time to time.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Eurocurrency Liabilities" has the meaning set forth in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" in Schedule I or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic

Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

"Eurodollar Rate" means, with respect to any Eurodollar Rate Advance for any Interest Period, a rate per annum obtained by dividing (i) the rate per annum (rounded upward to the nearest whole multiple of 1/16 of 1% per annum) equal to the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for Dollars for a period equal in length to such Interest Period as displayed on page LIBOR01 of the Reuters screen or, in the event such rate does not appear on either of such Reuters pages, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion (in each case the "LIBOR Screen Rate") at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period; provided that, if the LIBOR Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; provided, further, that if a LIBOR Screen Rate shall not be available at such time for such Interest Period (the "Impacted Interest Period"), then the Eurodollar Rate for such Interest Period shall be the Interpolated Rate; provided, that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement, by (ii) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period. It is understood and agreed that all of the terms and conditions of this definition of "Eurodollar Rate" shall be subject to Section 2.09.

"Eurodollar Rate Advance" means, at any time, an Advance which bears interest at rates based upon the Eurodollar Rate.

"Eurodollar Rate Reserve Percentage" of any Lender for any Interest Period for any Eurodollar Rate Advance means the maximum reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Events of Default" has the meaning set forth in Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Existing Credit Agreement" means that certain Amended and Restated Credit Agreement, dated as of October 16, 2014, among the Borrower, the lenders party thereto and JPMorgan, as administrative agent thereunder, as the same may be amended, restated, supplemented or otherwise modified or refinanced or replaced from time to time.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

"Federal Funds Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions (as determined in such manner as the NYFRB shall set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate.

"Fitch" means Fitch Ratings and its successors.

"Fitch Rating" means, at any time, the rating of the long-term senior unsecured non-credit-enhanced debt obligations of the Borrower then outstanding most recently announced by Fitch.

"Funded Indebtedness" of a Person shall mean (i) all liabilities of such Person of the kinds referred to in clauses (i), (ii), (iii), (iv) and (v) of the definition of "Indebtedness" herein, including without limitation commercial paper, of any maturity, and (ii) other indebtedness (including the current portion thereof) of such Person which would be classified in whole or part as a long-term liability of such Person in accordance with GAAP, and shall in any event include (i) any Indebtedness having a final maturity more than one year from the date of creation of such Indebtedness and (ii) any Indebtedness, regardless of its term, which is renewable or extendable by such Person (pursuant to the terms thereof or pursuant to a revolving credit or similar agreement or otherwise) to a date more than one year from the date of creation of such Indebtedness or any date of determination of Funded Indebtedness.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time.

"Governmental Authority" means the federal government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Hazardous Materials" means petroleum or petroleum products, natural or synthetic gas, asbestos in any form that is or could become friable, and radon gas, any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", "contaminants" or "pollutants", or words of similar meaning and regulatory effect, under any Environmental Law and any other substance exposure to which is regulated under any Environmental Law.

"Impacted Interest Period" has the meaning assigned to such term in the definition of "Eurodollar Rate".

"Incremental Term Loan Amendment" has the meaning set forth in Section 2.19(a).

"Indebtedness" of a Person means, without duplication, such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of Property or services (excluding accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, acceptances, or similar instruments, (v) Capitalized Lease Obligations, (vi) net Rate Hedging Obligations, (vii) Contingent Obligations in respect of Indebtedness, (viii) obligations for which such Person is obligated

pursuant to or in respect of a letter of credit and (ix) repurchase obligations or liabilities of such Person with respect to accounts, notes receivable or securities sold by such Person.

"Ineligible Institution" means (a) a natural person, (b) a Defaulting Lender, (c) the Borrower, any of its Subsidiaries or any of its Affiliates, or (d) a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof.

"Interest Period" means, with respect to any Eurodollar Rate Advance, the period beginning on the date such Eurodollar Rate Advance is made or Continued, or Converted from a Base Rate Advance, and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each Interest Period shall be one, two, three or six months or (if available to the Lenders in the opinion of the Lenders) twelve months, as the Borrower may, upon notice received by the Administrative Agent not later than 12:00 noon (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided that:

(i) any Interest Period that would otherwise end after the Maturity Date shall end on the Maturity Date;

(ii) each Interest Period that begins on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month; and

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day.

"Interpolated Rate" means, at any time, for any Interest Period, the rate per annum determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBOR Screen Rate for the longest period (for which the LIBOR Screen Rate is available) that is shorter than the Impacted Interest Period and (b) the LIBOR Screen Rate for the shortest period (for which the LIBOR Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

"JPMorgan" means JPMorgan Chase Bank, N.A., a national banking association.

"Lenders" means the Persons listed on Schedule I and any other Person that shall have become a Lender hereunder pursuant to Sections 2.19(a) and 8.06(a), (b) and (c), other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance.

"LIBOR Rate" means the rate per annum described in clause (i) of the definition of "Eurodollar Rate".

"LIBOR Screen Rate" has the meaning assigned to such term in the definition of "Eurodollar Rate".

"Lien" means any lien, mortgage, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement having substantially the same effect as a lien, including, without limitation, the lien or retained security title of a conditional vendor.

"Loan Documents" means this Agreement and any promissory notes issued pursuant to Section 2.18(d) of this Agreement. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Majority Lenders" means, subject to Section 2.19, at any time, Lenders having Commitments representing more than 50% of the aggregate Commitments at such time; provided that, upon the funding of the Advances on the Closing Date, "Majority Lenders" shall mean, at any time, Lenders holding more than 50% of the aggregate outstanding principal amount of all of the Advances at such time.

"Margin Stock" means margin stock within the meaning of Regulation U.

"Material Adverse Change" or "Material Adverse Effect" means a material adverse change in or, as the case may be, effect on (i) the business, condition (financial or otherwise), or operations of the Borrower and its Consolidated Subsidiaries taken as a whole, (ii) the legality, validity or enforceability of this Agreement or (iii) the ability of the Borrower to pay and perform its obligations hereunder.

"Material Indebtedness" has the meaning set forth in Section 6.01(d).

"Material Subsidiary" shall mean a Subsidiary which (i) owns, leases or occupies any building, structure or other facility used primarily for the bottling, canning or packaging of soft drinks or soft drink products or warehousing and distributing of such products, other than any such building, structure or other facility or portion thereof, which is not of material importance to the total business conducted by the Borrower and its Subsidiaries as an entirety, (ii) is a party to any contract with respect to the bottling, canning, packaging or distribution of soft drinks or soft drink products, other than any such contract which is not of material importance to the total business conducted by the Borrower and its Subsidiaries as an entirety, and in any event includes each of the Subsidiaries indicated as Material Subsidiaries listed in Schedule IV as of the date hereof, and (iii) any Subsidiary of the Borrower that would qualify as a "significant subsidiary" under Regulation S-X of the Securities and Exchange Commission (or its successor agency).

"Maturity Date" shall mean June 7, 2021.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Moody's Rating" means, at any time, the rating of the long-term senior unsecured non-credit-enhanced debt obligations of the Borrower then outstanding most recently announced by Moody's.

"Multiemployer Plan" means any employee benefit plan which is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA and to which the Borrower or any member of a Controlled Group has or had an obligation to contribute.

"Note" has the meaning set forth in Section 2.18.

"Notice of Borrowing" has the meaning set forth in Section 2.02(a).

"NYFRB" means the Federal Reserve Bank of New York.

"NYFRB Rate" means, for any day, the greater of (a) the Federal Funds Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m., New York City time, on such day received by the Administrative Agent from a Federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"OECD" means the Organization for Economic Cooperation and Development.

"OFAC" means the Office of Foreign Assets Control of the U.S. Department of Treasury.

"Other Taxes" has the meaning set forth in Section 2.15(b).

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar borrowings by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate).

"Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Participant Register" has the meaning specified in Section 8.06(e).

"Payment Default" means an event that, with notice or lapse of time or both, would become an Event of Default under Section 6.01(a).

"PBGC" means the Pension Benefit Guaranty Corporation or any successor.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Plan" means an employee pension benefit plan (other than a Multiemployer Plan) to which Section 4021 of ERISA applies and (i) which is maintained for employees of the Borrower or any member of a Controlled Group or (ii) to which the Borrower or any member of a Controlled Group made, or was required to make, contributions at any time within the preceding five years.

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Ratable Share" of any amount means, with respect to any Lender at any time, the product of (a) a fraction the numerator of which is the amount of such Lender's Commitment at such time and the denominator of which is the aggregate Commitments at such time and (b) such amount; provided that, in the case of Section 2.20 when a Defaulting Lender shall exist, "Ratable Share" shall mean the percentage of the aggregate Commitments (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If the Commitments have terminated or expired, the Ratable Shares shall be determined based upon the percentage obtained by dividing such Lender's outstanding Advances by the aggregate outstanding principal amount of all of the Advances at such time, giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

"Rate Hedging Obligations" of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, exchange rates or forward rates applicable to such party's assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and (b) any and all cancellations, buybacks, reversals, terminations or assignments of any of the foregoing.

"Rating" means a Moody's Rating, a S&P Rating or a Fitch Rating, as applicable.

"Register" has the meaning set forth in Section 8.06(d).

"Regulations T, U and X" means Regulations T, U and X issued by the Board of Governors of the Federal Reserve System, as from time to time amended.

"Reportable Event" means (i) a reportable event described in Section 4043 of ERISA and regulations thereunder (other than reportable events for which notice has been waived pursuant to PBGC regulations), (ii) a withdrawal by a substantial employer from a Plan to which more than one employer contributes, as referred to in Section 4063(b) of ERISA, or (iii) a cessation of operations at a facility causing more than 20% of Plan participants to be separated from employment, as referred to in Section 4062(e) of ERISA.

"Responsible Officer" means the President, the Chief Accounting Officer or the Chief Financial Officer of the Borrower.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and its successors.

"S&P Rating" means, at any time, the rating of the long-term senior unsecured, non-credit-enhanced debt obligations of the Borrower then outstanding most recently announced by S&P.

"Sanctioned Country" means, at any time, a country or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, Cuba, Iran, North Korea, Sudan and Syria).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

"Sanctions" means, with respect to any Person, any international economic sanctions administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom, in each case, to the extent applicable to such Person.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person; provided that, notwithstanding the foregoing, Piedmont Coca-Cola Bottling Partnership, a Delaware general partnership, shall be deemed to be a Subsidiary of the Borrower so long as the Borrower owns a greater than 50% economic interest therein.

"Taxes" has the meaning set forth in Section 2.15(a).

"Termination Event" means, with respect to a Plan which is subject to Title IV of ERISA, (a) a Reportable Event, (b) the withdrawal of the Borrower or any other member of the Controlled Group from such Plan during a plan year in which the Borrower or any other member of the Controlled Group was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or was deemed such under any other provision of Title IV of ERISA, (c) the termination of such Plan, the filing of a notice of intent to terminate such Plan or the treatment of an amendment of such Plan as a termination under Section 4041 of ERISA or (d) the institution by the PBGC of proceedings to terminate such Plan, in each case which could reasonably be expected to have a Material Adverse Effect.

"Type" refers to whether an Advance is a Base Rate Advance or a Eurodollar Rate Advance.

"Unfunded Benefit Liabilities" means the sum of (i) the amount (if any) by which the present value of all vested and unvested accrued benefits under a single employer plan, as defined in Section 4001(a)(15) of ERISA, exceeds the fair market value of assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans using the PBGC actuarial assumptions utilized for purposes of determining the current liability for purposes of such valuation and (ii) the accrued liabilities for benefits under the post-retirement benefit plan of the Borrower and its Consolidated Subsidiaries, determined in accordance with GAAP.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" mean "to but excluding".

SECTION 1.03. Accounting Terms.

(a) All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e).

(b) Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein, (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof and (iii) by excluding from Consolidated Cash Flow all non-cash credits or charges resulting from commodity hedging transactions.

(c) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth herein, and the Borrower so requests, the Administrative Agent, the Lenders and the Borrower will negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP as in effect prior to such change therein. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the financial statements referred to in Section 4.01(e) for all purposes of this Agreement, notwithstanding any change in GAAP related thereto, unless the parties thereto shall enter into a mutually acceptable amendment addressing such change as provided for above.

ARTICLE 2
AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Advances.

(a) Each Lender severally (and not jointly) agrees, on and subject to the terms and conditions hereinafter set forth, to make an advance to the Borrower (each, an "Advance") on the Closing Date in the amount set forth under the heading "Commitment" opposite such Lender's name on Schedule I. Each Borrowing and each Conversion or Continuation thereof (i) shall be in an aggregate amount not less than $1,000,000 or an integral multiple of $500,000 in excess thereof and (ii) shall consist of Advances of the same Type (and, if such Advances are Eurodollar Rate Advances, having the same Interest Period) made, Continued or Converted on the same day by the Lenders ratably according to their respective Commitments, except in each case as otherwise provided in Sections 2.09(e) and (f), as applicable. Amounts borrowed under this Section 2.01(a) and then repaid or prepaid may not be reborrowed.

SECTION 2.02. Making the Advances.

(a) (i) Each Borrowing shall be made on notice, given not later than 12:00 noon (New York City time) on the third Business Day prior to the date of such Borrowing (in the case of a Borrowing consisting of Eurodollar Rate Advances) or given not later than 12:00 noon (New York City time) on the Business Day of such Borrowing (in the case of a Borrowing consisting of Base Rate Advances), by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice thereof.

(ii) Each such notice of a Borrowing (a "Notice of Borrowing") shall be in writing in substantially the form of Exhibit A hereto, specifying therein the requested (i) date of such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) amount of such Borrowing, and (iv) in the case of a Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Advance.

(iii) Each Lender shall, before 1:00 p.m. (New York City time) on the date of such Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at its address referred to in Section 8.02, in same day funds, such Lender's ratable portion of such Borrowing.

(iv) Upon the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article 3, the Administrative Agent will make such funds available to the Borrower at the Administrative Agent's aforesaid address.

(b) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing which the related Notice of Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Lender against any loss, cost or expense (excluding loss of profit) reasonably incurred by such Lender as a result of any failure to make such Borrowing (including, without limitation, as a result of any failure to fulfill, on or before the date specified in such Notice of Borrowing, the applicable conditions set forth in Article 3) and the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing. A certificate as to the amount of such losses, costs and expenses, submitted to the Borrower and the Administrative Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.02 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand (but without duplication) such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement (and such Advance shall be deemed to have been made by such Lender on the date on which such amount is so repaid to the Administrative Agent).

(d) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve the other Lenders of their obligations hereunder to make an Advance on the date of such Borrowing, and no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.03. [Intentionally Omitted].

SECTION 2.04. Administrative Agent's Fees. The Borrower agrees to pay to the Administrative Agent, for the Administrative Agent's own account, an administrative agency fee at the times and in the amounts heretofore agreed between the Borrower and the Administrative Agent.

SECTION 2.05. Termination of the Commitments. The Commitments shall be automatically terminated upon the funding of the Advances on the Closing Date, and once so terminated may not be reinstated.

SECTION 2.06. Amortization; Repayment of Advances.

(a) Amortization. The Borrower shall repay Advances on each date set forth below in the aggregate principal amount set forth opposite such date:

Date	Amount
September 30, 2018	$7,500,000
December 31, 2018	$7,500,000
March 31, 2019	$7,500,000
June 30, 2019	$7,500,000
September 30, 2019	$7,500,000
December 31, 2019	$7,500,000
March 31, 2020	$7,500,000
June 30, 2020	$7,500,000
September 30, 2020	$11,250,000
December 31, 2020	$11,250,000
March 31, 2021	$11,250,000

(b) Repayment. To the extent not previously repaid, all unpaid Advances shall be paid in full in Dollars by the Borrower on the Maturity Date.

SECTION 2.07. Interest.

(a) Ordinary Interest. The Borrower shall pay interest on the unpaid principal amount of each Advance made by each Lender, from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances. While such Advance is a Base Rate Advance, a rate per annum equal to the Base Rate in effect from time to time plus the Applicable Rate for Base Rate Advances as in effect from time to time, payable quarterly in arrears on the last Business Day of each March, June, September and December and on the date such Base Rate Advance shall be Converted, on the Maturity Date and on the date of payment in full.

(ii) Eurodollar Rate Advances. While such Advance is a Eurodollar Rate Advance, a rate per annum for each Interest Period for such Advance equal to the sum of the

Eurodollar Rate for such Interest Period plus the Applicable Rate for Eurodollar Rate Advances as in effect from time to time, payable on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day which occurs at three-month intervals after the first day of such Interest Period, and on each date on which such Eurodollar Rate Advance shall be Continued, Converted, on the Maturity Date and on the date of payment in full.

(b) Default Interest. Notwithstanding the foregoing, if any Payment Default shall have occurred and be continuing, the Borrower shall pay interest on:

(i) the unpaid principal amount of each Advance owing to each Lender, payable on demand (and in any event in arrears on the dates referred to in Section 2.07(a)(i) or (a)(ii) above), at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on such Advance pursuant to said Section 2.07(a)(i) or (a)(ii), as applicable; provided that if such Payment Default shall be continuing at the end of any Interest Period for any Eurodollar Rate Advance, such Advance shall forthwith be Converted to a Base Rate Advance bearing interest as aforesaid in this Section 2.07(b)(i); and

(ii) the amount of any interest, fee or other amount payable hereunder that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable on demand (and in any event in arrears on the date such amount shall be paid in full), at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on Base Rate Advances pursuant to Section 2.07(a)(i) above.

SECTION 2.08. [Intentionally Omitted].

SECTION 2.09. Interest Rate Determinations; Changes in Rating Systems.

(a) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rates determined by the Administrative Agent for the purposes of Section 2.07.

(b) If the relevant rates do not appear on Reuters Screen LIBOR01, and the Eurodollar Rate cannot be determined on the basis set forth in the second proviso to clause (i) of the definition of "Eurodollar Rate":

(i) the Administrative Agent shall forthwith notify the Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances for such Interest Period,

(ii) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and

(iii) the obligation of the Lenders to make or Continue, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(c) If, with respect to any Eurodollar Rate Advances, the Majority Lenders notify the Administrative Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Majority Lenders of making, funding or maintaining their respective

Eurodollar Rate Advances for such Interest Period, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon:

(i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and

(ii) the obligation of the Lenders to make or Continue, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and such Lenders that the circumstances causing such suspension no longer exist.

(d) If the Borrower shall fail to select the duration of any ensuing Interest Period for any outstanding Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and the Borrower will automatically be deemed to have selected an Interest Period of one month therefor.

(e) On the date on which the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than $1,000,000, such Advances shall automatically Convert into Base Rate Advances.

(f) Upon the occurrence and during the continuance of any Event of Default, (x) each Eurodollar Rate Advance shall automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (y) the obligation of the Lenders to make or Continue, or to Convert Advances into, Eurodollar Rate Advances shall automatically be suspended until such Event of Default shall be cured or waived.

SECTION 2.10. Voluntary Conversion and Continuation of Advances.

(a) Optional Conversion. The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 12:00 noon (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.09 and 2.13, Convert all or any portion of the outstanding Advances of one Type comprising part of the same Borrowing into Advances of the other Type; provided that (i) any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.01(a) and (ii) in the case of any such Conversion of a Eurodollar Rate Advance into a Base Rate Advance on a day other than the last day of an Interest Period therefor, the Borrower shall reimburse the Lenders in respect thereof pursuant to Section 8.04(c). Each such notice of a Conversion shall, within the restrictions specified above, specify (x) the date of such Conversion, (y) the Advances to be Converted, and (z) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

(b) Continuations. The Borrower may, on any Business Day, upon notice given to the Administrative Agent not later than 12:00 noon (New York City time) on the third Business Day prior to the date of the proposed Continuation and subject to the provisions of Sections 2.09 and 2.13, Continue all or any portion of the outstanding Eurodollar Rate Advances comprising part of the same Borrowing for one or more Interest Periods; provided that (i) Eurodollar Rate Advances so Continued and having the same Interest Period shall be in an amount not less than the minimum amount specified in Section 2.01(a) and (ii) in the case of any such Continuation on a day other than the last day of an Interest Period therefor, the Borrower shall reimburse the Lenders in respect thereof pursuant to Section 8.04(c). Each such notice of a Continuation shall, within the restrictions specified above, specify (x) the date of such Continuation,

(y) the Eurodollar Rate Advances to be Continued and (y) the duration of the initial Interest Period (or Interest Periods) for the Eurodollar Rate Advances subject to such Continuation. Each notice of Continuation shall be irrevocable and binding on the Borrower.

SECTION 2.11. Prepayments of Advances. The Borrower may, on notice given not later than 12:00 noon (New York City time) on the second Business Day prior to the date of the proposed prepayment of Advances (in the case of Eurodollar Rate Advances) or given not later than 12:00 noon (New York City time) on the Business Day of the proposed prepayment of Advances (in the case of Base Rate Advances), stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay, without penalty or premium, the outstanding principal amounts of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount not less than $5,000,000 or integral multiples of $1,000,000 in excess thereof and (y) in the case of any such prepayment of a Eurodollar Rate Advance on a day other than the last day of an Interest Period therefor, the Borrower shall reimburse the Lenders in respect thereof pursuant to Section 8.04(c). The Borrower shall have no right to prepay the Advances except as provided in this Section 2.11 (or as required pursuant to the other provisions of this Agreement). Each prepayment of a Borrowing shall be applied ratably to the Advances included in the prepaid Borrowing in such order of application as directed by the Borrower. Prepayments of Advances may not be reborrowed.

SECTION 2.12. Increased Costs.

(a) If, due to a Change in Law, there shall be any increase in the cost to any Person of agreeing to make or making, funding or maintaining Advances or any Person shall be subjected to any reserve, special deposit, taxes, duties, levies, imposts, deductions, assessments (including any compulsory loan requirement, insurance charge or other assessment), fees, charges, withholdings, liquidity or similar requirement, and any and all liabilities with respect to the foregoing, (other than Taxes, Other Taxes, and amounts excluded from "Taxes" as defined in Section 2.15(a)) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, then the Borrower shall from time to time, upon demand by such Person (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Person additional amounts sufficient to compensate such Person for such increased cost. A certificate as to the amount of such increased cost, prepared in good faith and submitted to the Borrower and the Administrative Agent by such Person, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital or liquidity required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital or liquidity is increased by or based upon the existence of such Lender's commitment to lend (or Continue or Convert any Advance) hereunder and other commitments of this type, then, upon demand by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall immediately pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital or liquidity to be allocable to the existence of such Lender's commitment to lend hereunder. A certificate as to such amounts, prepared in good faith and submitted to the Borrower and the Administrative Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.13. Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Administrative Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for such Lender or its Eurodollar Lending Office to perform its obligations hereunder to make or Continue Eurodollar Rate Advances or to fund or otherwise maintain Eurodollar Rate Advances hereunder, (i) the obligation of such Lender to make or Continue, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist and (ii) each Eurodollar Rate Advance of such Lender shall convert into a Base Rate Advance at the end of the then current Interest Period for such Eurodollar Rate Advance.

SECTION 2.14. Payments and Computations.

(a) The Borrower shall make each payment hereunder without set-off or counterclaim not later than 1:00 p.m. (New York City time) on the day when due in Dollars to the Administrative Agent at its address referred to in Section 8.02 in same day funds. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest ratably (other than amounts payable pursuant to Section 2.02(b), 2.12, 2.15 or 8.04(c)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.06(d), from and after the Closing Date specified in such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such Closing Date directly between themselves.

(b) All computations of interest based on the Prime Rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable. All computations of interest based on the Eurodollar Rate or the Federal Funds Rate shall be made by the Administrative Agent on the basis of a year of 360 days, for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fee is payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Whenever any payment hereunder would be due on a day other than a Business Day, such due date shall be extended to the next succeeding Business Day, and any such extension of such due date shall in such case be included in the computation of payment of interest; provided, however, that if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to fall due in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such

amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 2.15. Taxes.

(a) Any and all payments by the Borrower hereunder shall be made, in accordance with Section 2.14, free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Administrative Agent, (i) taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Lender or the Administrative Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof, and (ii) any U.S. federal withholding taxes imposed by FATCA (all such non-excluded taxes, duties, levies, imposts, deductions, assessments, fees, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.15) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement (hereinafter referred to as "Other Taxes").

(c) The Borrower will indemnify each Lender and the Administrative Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.15) paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within thirty (30) days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor. A certificate as to the amount of such Taxes and Other Taxes, submitted to the Borrower and the Administrative Agent by such Lender, shall be conclusive and binding (as between the Borrower, the Lenders and the Administrative Agent) for all purposes, absent manifest error.

(d) Within thirty (30) days after the date of any payment of Taxes, the Borrower will furnish to the Administrative Agent, at its address referred to in Section 8.02, the original or a certified copy of a receipt evidencing payment thereof or other proof of payment of such Taxes reasonably satisfactory to the relevant Lender(s). If no Taxes are payable in respect of any payment hereunder, upon the request of the Administrative Agent the Borrower will furnish to the Administrative Agent, at such address, a statement to such effect with respect to each jurisdiction designated by the Administrative Agent.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement (in the case of each Lender) and on the date of the Assignment and Acceptance pursuant to which it becomes a Lender (in the case of each

other Lender), and from time to time thereafter if requested in writing by the Borrower (but only so long as such Lender remains lawfully able to do so), shall provide the Borrower with Internal Revenue Service Form W-8BEN, W-8BEN-E or W-8ECI, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender is entitled to benefits under an income tax treaty to which the United States is a party which reduces the rate of withholding tax on payments of interest (or that such Lender is eligible for the portfolio interest exemption) or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from "Taxes" as defined in Section 2.15(a).

(f) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form described in Section 2.15(e) (other than if such failure is due to a change in law occurring subsequent to the date on which a form originally was required to be provided, or if such form otherwise is not required under the first sentence of subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.15(a) or (c) with respect to Taxes imposed by the United States; provided, however, that should a Lender become subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as the Lender may reasonably request to assist the Lender to recover such Taxes.

(g) Any Lender claiming any additional amounts payable pursuant to this Section 2.15 shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Applicable Lending Office(s) if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(h) Each Lender shall severally indemnify the Administrative Agent for any taxes, duties, levies, imposts, deductions, assessments, fees, charges or withholdings, and any and all liabilities with respect to the foregoing (but, in the case of any Taxes or Other Taxes, only to the extent that the Borrower has not already indemnified the Administrative Agent for such Taxes or Other Taxes and without limiting the obligation of the Borrower to do so) attributable to such Lender that are paid or payable by the Administrative Agent in connection with this Agreement and any reasonable expenses arising therefrom or with respect thereto, whether or not such amounts were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.15(h) shall be paid within thirty (30) days after the Administrative Agent delivers to the applicable Lender a certificate stating the amount so paid or payable by the Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(i) If a payment made to a Lender under this Agreement would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA and, as necessary, to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.15(i), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

SECTION 2.16. Set-Off; Sharing of Payments, Etc.

(a) Without limiting any of the obligations of the Borrower or the rights of the Lenders hereunder, if the Borrower shall fail to pay when due (whether at stated maturity, by acceleration or otherwise) any amount payable by it hereunder or under any Note each Lender may, without prior notice to the Borrower (which notice is expressly waived by it to the fullest extent permitted by applicable law), set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final, in any currency, matured or unmatured) and other obligations and liabilities at any time held or owing by such Lender or any branch or agency thereof to or for the credit or account of the Borrower. Each Lender shall promptly provide notice of such set-off to the Borrower, provided that failure by such Lender to provide such notice shall not affect the validity of such set-off and application.

(b) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances made by it (other than pursuant to Section 2.02(b), 2.12, 2.15 or 8.04(c)) in excess of its Ratable Share of payments on account of the Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Advances made by them or make such other adjustments as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.16 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.17. Right to Replace a Lender. If (i) the Borrower is required to make any additional payment pursuant to Section 2.12 or 2.15 to any Lender, (ii) any Lender's obligation to make or Continue, or to Convert Advances into, Eurodollar Rate Advances shall be suspended pursuant to Section 2.13 or (iii) if in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender", the consent of the Majority Lenders is obtained, but the consent of other necessary Lenders is not obtained (in each case, such Lender being an "Affected Person"), the Borrower may elect, if such amounts continue to be charged or such suspension is still effective, to replace such Affected Person as a party to this Agreement; provided that, no Default or Event of Default shall have occurred and be continuing at the time of such replacement; and provided further that, concurrently with such replacement, (i) another financial institution which is an Eligible Assignee and is reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase for cash the Advances of the Affected Person pursuant to an Assignment and Acceptance and to become a Lender for all purposes under this Agreement and to assume all obligations (including all outstanding Advances) of the Affected Person to be terminated as of such date and to comply with the requirements of Section 8.06 applicable to assignments, and (ii) the Borrower shall pay to such Affected Person in same day funds on the day of such replacement all accrued interest, accrued fees and other amounts then owing to such Affected Person by the Borrower hereunder to and including the date of termination, including without limitation payments due such Affected Person under Section 2.12 and 2.15.

SECTION 2.18. Evidence of Indebtedness.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Advance made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall maintain accounts in which it shall record (i) the date, amount, Type, interest rate and duration of Interest Period (if applicable) of each Advance made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to clause (a) or (b) of this Section 2.18 shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Advances in accordance with the terms of this Agreement.

(d) Any Lender may request that its Advances be evidenced by a promissory note. In such event, the Borrower will promptly prepare, execute and deliver to such Lender a promissory note (a "Note") payable to the order of such Lender, in a form approved by the Administrative Agent, in a principal amount equal to the amount of such Lender's Commitment and otherwise duly completed.

SECTION 2.19. Incremental Term Loans.

(a) The Borrower shall have the right at any time after the Closing Date to request that additional term loans be made hereunder (each such tranche of additional term loans, an "Incremental Term Loan") in accordance with the following provisions and subject to the following conditions:

(i) The Borrower shall give the Administrative Agent, which shall promptly deliver a copy thereof to each of the Lenders, at least twenty (20) Business Days' prior written notice (a "Notice of Incremental Term Loan") of any such requested Incremental Term Loan specifying the aggregate amount of such Incremental Term Loan (the "Requested Incremental Term Loan Amount"), which shall be at least $10,000,000, the requested date of such Incremental Term Loan (the "Requested Incremental Term Loan Date") and the date by which the Lenders wishing to participate in such Incremental Term Loan must commit to provide a portion of such Incremental Term Loan (the "Commitment Date"). Each Lender that is willing in its sole discretion to participate in such requested Incremental Term Loan (each an "Incremental Term Loan Lender") shall give written notice to the Administrative Agent on or prior to the Commitment Date of the amount of such Incremental Term Loan it is willing to provide.

(ii) Promptly following each Commitment Date, the Administrative Agent shall notify the Borrower as to the amount, if any, the Lenders are willing to provide in respect of the requested Incremental Term Loan. In addition, the Borrower may extend offers to one or more Eligible Assignees, each of which must be reasonably satisfactory to the Administrative Agent, to participate in any portion of the requested Incremental Term Loan; provided, however, that the amount of such Incremental Term Loan provided by each such Eligible Assignee shall be in an amount of not less than $1,000,000 or an integral multiple of $1,000,000 in excess thereof. Any such Eligible Assignee that agrees to provide all or a portion of an Incremental Term Loan pursuant hereto is herein called an "Additional Lender".

(iii) Effective on the Requested Incremental Term Loan Date, subject to the terms and conditions hereof, (x) the commitment of each Incremental Term Loan Lender in respect of the applicable Incremental Term Loan shall be an amount determined by the Administrative Agent and the Borrower (but in no event greater than the amount of such Incremental Term Loan which such Lender is willing to provide), (y) each Additional Lender shall enter into an agreement in form and substance satisfactory to the Borrower and the Administrative Agent pursuant to which it shall undertake, as of such Requested Incremental Term Loan Date, a commitment in respect of the applicable Incremental Term Loan in an amount determined by the Administrative Agent and the Borrower (but in no event greater than the amount of such Incremental Term Loan which such Lender is willing to provide), and such Additional Lender shall thereupon be deemed to be a Lender for all purposes of this Agreement, and (z) each Incremental Term Loan Lender and each Additional Lender referenced in the immediately foregoing clauses (x) and (y) shall advance to the Borrower on the Requested Incremental Term Loan Date a term loan in an amount equal to its commitment in respect of the applicable Incremental Term Loan as described above, and each such term loan shall be an Advance for all purposes under this Agreement. Each Additional Lender may request a Note in accordance with Section 2.18(d).

(iv) The Incremental Term Loans (a) shall rank pari passu in right of payment with the initial Advances made on the Closing Date, (b) shall not mature earlier than the Maturity Date (but may have amortization prior to such date) and (c) shall be treated substantially the same as (and in any event no more favorably than) the initial Advances made on the Closing Date; provided that (i) the terms and conditions applicable to any tranche of Incremental Term Loans maturing after the Maturity Date may provide for material additional or different financial or other covenants or prepayment requirements applicable only during periods after the Maturity Date and (ii) the Incremental Term Loans may be priced differently than the initial Advances made on the Closing Date. Incremental Term Loans may be made hereunder pursuant to an amendment or restatement (an "Incremental Term Loan Amendment") of this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Incremental Term Loan Lender participating in such tranche of Incremental Term Loans, each Additional Lender participating in such tranche of Incremental Term Loans, if any, and the Administrative Agent. The Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.19.

(v) On and after each Requested Incremental Term Loan Date, the Ratable Share of each Lender's Advances shall be calculated after giving effect to each such Incremental Term Loan.

(vi) The Borrower may not exercise its rights under this Section 2.19 more than once in each successive annual period commencing on the Closing Date.

(b) Anything in this Section 2.19 to the contrary notwithstanding, no Incremental Term Loan hereunder pursuant to this Section 2.19 shall be effective unless:

(i) as of the date of the relevant Notice of Increase and on the relevant Requested Incremental Term Loan Date and after giving effect to such increase, (x) no Default or Event of Default shall have occurred and be continuing and (y) the representations and warranties of the Borrower in Article 4 (subject to updating in the case of Section 4.01(n)) shall be true and correct in all material respects as if made on and as of such date (unless expressly stated to relate

to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date);

(ii) the Administrative Agent shall have received on or before the relevant Requested Incremental Term Loan Date: (A) certified copies of resolutions of the Board of Directors of the Borrower approving the Incremental Term Loan and (B) an opinion of counsel for the Borrower reasonably satisfactory to the Administrative Agent;

(iii) on and as of the date of the relevant Notice of Increase and on the relevant Requested Incremental Term Loan Date and after giving effect to such increase, the Moody's Rating and the S&P Rating shall be at least equal to Baa3 and BBB- respectively; and

after giving effect to any such increase the aggregate amount of the Advances made from and after the Closing Date during the term of this Agreement shall not exceed $500,000,000.

SECTION 2.20. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then, for so long as such Lender is a Defaulting Lender, the outstanding Advances held by such Defaulting Lender shall not be included in determining whether the Majority Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 8.01); provided, that, except as otherwise provided in Section 8.01, this Section 2.20 shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby.

ARTICLE 3
CONDITIONS OF LENDING

SECTION 3.01. Conditions Precedent to Closing. This Agreement and the obligation of each Lender to make an Advance on the Closing Date shall not become effective until the date on which the Administrative Agent shall have received executed counterparts of this Agreement by each of the parties hereto and each of the following, each (unless otherwise specified below) dated the Closing Date, in form and substance satisfactory to the Administrative Agent and (except for the items in clauses (a), (b) and (c)) in sufficient copies for each Lender:

(a) Certified copies of (x) the certificate of incorporation and by-laws of the Borrower, (y) the resolutions of the Board of Directors of the Borrower authorizing the making and performance by the Borrower of this Agreement and the transactions contemplated hereby, and (z) documents evidencing all other necessary corporate action and governmental approvals, if any, with respect to this Agreement.

(b) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered hereunder.

(c) A certificate from the Secretary of State of the State of Delaware dated a date reasonably close to the Closing Date as to the good standing of and certificate of incorporation filed by the Borrower.

(d) A favorable opinion of Moore & Van Allen, PLLC, special counsel to the Borrower, substantially in the form of Exhibit C hereto.

(e) A certificate of a Responsible Officer of the Borrower certifying that (i) no Default or Event of Default as of the date thereof has occurred and is continuing, and (ii) the representations and warranties contained in Section 4.01 are true and correct on and as of the date thereof as if made on and as of such date.

(f) Notes, payable to the order of the respective Lenders that have requested the same prior to the Closing Date, duly completed and executed.

(g) Such other documents relating to this Agreement and the transactions contemplated hereby as the Administrative Agent may reasonably request and as further described in the list of closing documents attached as Exhibit E.

Furthermore, the Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

The Administrative Agent shall notify the Borrower and the Lenders of the Closing Date, and such notice shall be conclusive and binding.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) The Borrower and each of its Material Subsidiaries (i) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) is duly qualified and in good standing in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed and where, in each case, failure so to qualify and be in good standing could have a Material Adverse Effect and (iii) has all requisite power and authority to own or lease and operate its Property and to carry on its business as now conducted and as proposed to be conducted.

(b) The making and performance by the Borrower of this Agreement are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not violate (i) any provision of the Borrower's certificate of incorporation or by-laws, (ii) any agreement, indenture or other contractual restriction binding on the Borrower, (iii) any law, rule or regulation (including, without limitation, the Securities Act of 1933 and the Exchange Act and the regulations thereunder, and Regulations T, U or X), or (iv) any order, writ, judgment, injunction, decree, determination or award binding on the Borrower. The Borrower is not in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or in breach of any contractual restriction binding upon it, except for such violation or breach which would not have a Material Adverse Effect.

(c) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required (other than those which have been obtained) for the making and performance by the Borrower of this Agreement or for the legality, validity, binding effect or enforceability thereof.

(d) This Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as may be limited by bankruptcy,

insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally and except as the enforceability of this Agreement is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, (i) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (ii) concepts of materiality, reasonableness, good faith and fair dealing.

(e) (i) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at January 3, 2016, and the related consolidated statements of operations, cash flows and changes in stockholders' equity for the fiscal year ended on such date, audited by PricewaterhouseCoopers LLP, copies of which have heretofore been furnished to each Lender, are complete and correct in all material respects and present fairly the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as of such date, and the consolidated results of their operations, cash flows and changes in stockholders' equity for the fiscal year then ended.

(ii) All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP for the periods involved.

(iii) As of the date hereof, neither the Borrower nor any of its Consolidated Subsidiaries has any material Contingent Obligation or liability for taxes, long-term lease or unusual forward or long-term commitment which is not reflected herein or in the schedules and exhibits hereto or in the foregoing financial statements or in the notes thereto.

(f) Since January 3, 2016, no Material Adverse Change has occurred.

(g) Except as disclosed in Schedule III, no litigation, investigation or proceeding of or before any court or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower or any of its Material Subsidiaries or against any of its or their respective Property or revenues (i) with respect to this Agreement or the Notes or any of the transactions contemplated hereby or (ii) which, in the reasonable judgment of the Borrower, would have a Material Adverse Effect.

(h) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Advance will be used for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock, or for any purpose that violates or would be inconsistent with the provisions of Regulations T, U and X.

(i) The Borrower is not an "investment company", or a Person "controlled by" an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended.

(j) All information that has been made available by the Borrower or any of its representatives to the Administrative Agent or any Lender in connection with the negotiation of this Agreement was, on or as of the dates on which such information was made available, complete and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a fact necessary to make the statements contained therein not misleading in light of the time and circumstances under which such statements were made.

(k) A copy of the most recent Annual Report (5500 Series Form), including all attachments thereto, filed with the Internal Revenue Service for each Plan, has been provided to the Administrative Agent and fairly presents the funding status of each Plan as of the date of each such Annual Report. There has been no deterioration in any single Plan's funding status, or, collectively, all of the Plan's funding status since the date of such Annual Report that could reasonably be expected to have a

Material Adverse Effect. The Borrower has provided the Administrative Agent with a list of all Plans and Multiemployer Plans and all available information with respect to direct, indirect, or potential withdrawal liability to any Multiemployer Plan of the Borrower or any member of a Controlled Group.

(l) The Borrower and each of its Material Subsidiaries is in compliance with all laws, statutes, rules, regulations and orders binding on or applicable to the Borrower or such Material Subsidiary (including, without limitation, ERISA and all Environmental Laws) and all of their respective Property, subject to the possible implications of the litigation and proceedings described in Schedule III and except to the extent failure to so comply could not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(m) Each of the Borrower and its Subsidiaries has filed or caused to be filed all tax returns which to the knowledge of the Borrower are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its Property and all other material taxes, duties, levies, imposts, deductions, assessments, fees or other charges or withholdings imposed on it or any of its Property by any Governmental Authority (other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or its Subsidiaries, as the case may be, or those the failure to pay which, in the aggregate, would not have a Material Adverse Effect); and (i) no material tax liens have been filed and (ii) to the knowledge of the Borrower, no claims are being asserted with respect to any such taxes, fees or other charges that would, if assessed, have a Material Adverse Effect, other than as disclosed in Schedule III.

(n) As of the Closing Date, Schedule IV contains an accurate list of all of the presently existing Subsidiaries and Material Subsidiaries, setting forth their respective jurisdictions of incorporation and the percentage of their respective outstanding capital stock or other equity interests owned by the Borrower or other Subsidiaries and all of the issued and outstanding shares of capital stock or other equity interests of the Subsidiaries have been duly authorized and issued and are fully paid and non-assessable.

(o) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers and employees with all laws, rules and regulations (federal, state and local), and the Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of the Borrower its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the loan facility established hereby, is a Sanctioned Person. No Borrowing, use of proceeds or other transactions contemplated by the Loan Documents will violate any Anti-Corruption Law or applicable Sanctions.

(p) The Borrower is not an EEA Financial Institution.

ARTICLE 5
COVENANTS OF THE BORROWER

SECTION 5.01. Covenants. So long as any Commitment shall remain in effect and until payment in full of all amounts payable by the Borrower hereunder, unless the Majority Lenders shall otherwise consent in writing:

(a) Financial Statements. The Borrower will furnish to each Lender:

(i) as soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Borrower, copies of the consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such year and of the related consolidated statements of operations, cash flows and changes in stockholders' equity for such year, setting forth in each case in comparative form the figures for the previous year, certified without qualification arising out of the scope of the audit, by independent certified public accountants of nationally recognized standing;

(ii) as soon as available, but in any event not later than forty-five (45) days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, copies of the unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such quarter and of the related unaudited consolidated statements of operations, cash flows and changes in stockholders' equity of the Borrower and its Consolidated Subsidiaries for such quarterly period and the portion of the fiscal year through such date, setting forth in each case in comparative form figures for the previous year, certified by a Responsible Officer (subject to normal year-end audit adjustments);

(iii) concurrently with the delivery of the financial statements referred to in clauses (i) and (ii) above, a Compliance Certificate;

(iv) promptly upon the filing thereof, copies of all registration statements and annual and quarterly reports which the Borrower files with the Securities and Exchange Commission; and

(v) such other information relating to the Borrower and its Subsidiaries as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to clauses (i) and (ii) of this Section 5.01(a) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such documents are filed for public availability on the Securities and Exchange Commission's Electronic Data Gathering and Retrieval System; provided that the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the filing of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents.

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as approved by such accountants or officer, as the case may be, and disclosed therein).

(b) Use of Proceeds. The Borrower will, and will cause each Subsidiary to, use the proceeds of the Advances solely for its general corporate purposes; provided that neither the Administrative Agent nor any Lender shall have any responsibility as to the use of any such proceeds. The Borrower will not request any Borrowing, and the Borrower shall not use, and shall procure that its

Subsidiaries shall not use, the proceeds of any Borrowing (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(c) Certain Notices.

(1) The Borrower will give notice in writing to the Administrative Agent and the Lenders of (i) the occurrence of any Default or Event of Default and (ii) any change in the rating of the long-term senior unsecured non-credit-enhanced debt obligations of the Borrower by Moody's S&P or Fitch, each such notice to be given promptly and in any event within five (5) days after occurrence thereof.

(2) Promptly after the Borrower, any member of a Controlled Group or any administrator of a Plan:

(i) receives the notification referred to in clauses (i), (iv) or (vii) of Section 6.01(h),

(ii) has knowledge of (A) the occurrence of a Reportable Event with respect to a Plan; (B) any event which has occurred or any action which has been taken to amend or terminate a Plan as referred to in clauses (ii) and (vi) of Section 6.01(h); (C) any event which has occurred or any action which has been taken which could result in complete withdrawal, partial withdrawal, or secondary liability for withdrawal liability payments with respect to a Multiemployer Plan as referred to in clause (vii) of Section 6.01(h); or (D) any action which has been taken in furtherance of, any agreement which has been entered into for, or any petition which has been filed with a United States district court for, the appointment of a trustee for a Plan as referred to in clause (iii) of Section 6.01(h), or

(iii) files a notice of intent to terminate a Plan with the Internal Revenue Service or the PBGC; or files with the Internal Revenue Service a request pursuant to Section 412(d) of the Code for a variance from the minimum funding standard for a Plan; or files a return with the Internal Revenue Service with respect to the tax imposed under Section 4971(a) of the Code for failure to meet the minimum funding standards established under Section 412 of the Code for a Plan,

the Borrower will furnish to the Administrative Agent a copy of any notice received, request or petition filed and agreement entered into; the most recent Annual Report (Form 5500 Series) and attachments thereto for the Plan; the most recent actuarial report for the Plan; any notice, return or materials required to be filed with the Internal Revenue Service in connection with the event, action or filing; and a written statement of a Responsible Officer describing the event or the action taken and the reasons therefor.

(d) Conduct of Business. The Borrower will, and will cause each Material Subsidiary to, do all things necessary (if applicable) to remain duly incorporated, validly existing and in good standing as a domestic corporation in its jurisdiction of incorporation and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted except where such failure to remain in good standing or to maintain such authority may not reasonably be expected to have a Material Adverse Effect. The Borrower will continue to engage in its business substantially as conducted on the Closing Date, and, except where such failure may not reasonably be expected to have a Material

Adverse Effect, will cause its Subsidiaries to continue to engage in their business substantially as conducted on the Closing Date.

(e) Taxes. The Borrower will, and will cause each Subsidiary to, pay when due all material taxes, duties, imposts, deductions, assessments, fees and governmental charges, withholdings and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside.

(f) Insurance. The Borrower will, and will cause each Material Subsidiary to, maintain with financially sound and reputable insurance companies insurance on all or substantially all of its Property, in such amounts and covering such risks as is consistent with sound business practice for Persons in substantially the same industry as the Borrower or such Subsidiary, and the Borrower will furnish to any Lender upon request full information as to the insurance carried.

(g) Compliance with Laws. The Borrower will, and will cause each Subsidiary to, comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject (including ERISA and applicable Environmental Laws), except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers and employees and agents with all laws, rules and regulations (federal, state and local).

(h) Maintenance of Properties. The Borrower will, and will cause each Material Subsidiary to, do all things necessary to maintain, preserve, protect and keep its Property in good repair, working order and condition, and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times, except where the failure to so maintain, preserve, protect and repair could not reasonably be expected to have a Material Adverse Effect.

(i) Inspection. The Borrower will, and will cause each Subsidiary to, permit the Administrative Agent and the Lenders (coordinated through the Administrative Agent), at their sole cost and expense (except that if an Event of Default has occurred and is continuing, the Borrower will indemnify the Administrative Agent and the Lenders against such cost and expense), to inspect any of the Property, corporate books and financial records of the Borrower and such Subsidiary, to examine and make copies of the books of account and other financial records of the Borrower and each Subsidiary, and to discuss the affairs, finances and accounts of the Borrower and each Subsidiary with, and to be advised as to the same by, their respective officers upon reasonable notice and at such reasonable times during the Borrower's normal business hours and intervals as the Lenders may designate.

(j) Merger. The Borrower will not, and will not permit any Material Subsidiary to, merge or consolidate with or into any other Person, except that (a) a Material Subsidiary may merge into the Borrower or another Material Subsidiary and (b) the Borrower or any Material Subsidiary may merge or consolidate with any other Person, provided that (1) in the case of such a merger or consolidation involving the Borrower, the Borrower shall be the continuing or surviving corporation and (2) in the case of such a merger or consolidation involving a Material Subsidiary, a Material Subsidiary shall be the continuing or surviving corporation, provided further that nothing herein shall be deemed to prohibit a merger or consolidation by a Subsidiary with or into another Person (other than the Borrower) in connection with an exchange or restructuring of bottling territories permitted under Section 5.01(n)(vii), and provided further that in each case, prior to and after giving effect to any such merger or consolidation, no Default or Event of Default shall exist.

(k) Preservation of Material Agreements. Except in connection with dispositions of assets or other transactions permitted by this Agreement, the Borrower will, and will cause its Subsidiaries to, use commercially reasonable efforts to maintain in full force and effect all material agreements necessary for the conduct of the Borrower's business, except where such failure to so use such commercially reasonable efforts could not reasonably be expected to have a Material Adverse Effect.

(l) Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur, or suffer to exist any Lien in or on the Property of the Borrower or any of its Subsidiaries, whether now owned or hereafter acquired, except:

(i) the existing Liens listed in Schedule II hereto and other Liens existing on the Closing Date securing an obligation in an amount, in the case of each such obligation, of less than $5,000,000 (and extension, renewal and replacement Liens upon the same Property previously subject to such an existing Lien, provided the amount secured by each Lien constituting such an extension, renewal or replacement Lien shall not exceed the amount secured by the Lien previously existing);

(ii) Liens arising from taxes, assessments, or claims described in Section 5.01(o) hereof that are not yet due or that remain payable without penalty or to the extent permitted to remain unpaid under the proviso to such Section 5.01(o);

(iii) deposits or pledges to secure worker's compensation, unemployment insurance, old age benefits or other social security obligations, or in connection with or to secure the performance of bids, tenders, trade contracts or leases, or to secure statutory obligations, or stay, surety or appeal bonds, or other pledges or deposits of like nature and all in the ordinary course of business;

(iv) Liens on Property securing all or part of the purchase price thereof (including without limitation Liens in respect of leases of personal or real Property) and Liens (whether or not assumed) existing in Property at the time of purchase thereof by the Borrower or a Subsidiary, as the case may be (and extension, renewal and replacement Liens upon the same property previously subject to a Lien described in this clause (iv), provided the amount secured by each Lien constituting such extension, renewal or replacement shall not exceed the amount secured by the Lien previously existing), provided that each such Lien is confined solely to the Property so purchased, improvements thereto and proceeds thereof;

(v) Liens resulting from progress payments or partial payments under United States Government contracts or subcontracts thereunder;

(vi) Liens arising from legal proceedings, so long as such proceedings are being contested in good faith by appropriate proceedings diligently conducted and execution is stayed on all judgments resulting from any such proceedings;

(vii) zoning restrictions, easements, minor restrictions on the use of real property, minor irregularities in title thereto and other minor Liens that do not in the aggregate materially detract from the value of a Property to, or materially impair its use in the business of, the Borrower or such Subsidiary; and

(viii) other Liens securing Indebtedness in an aggregate amount, as to all Liens under this clause (viii), not exceeding, when aggregated with the aggregate amount of Indebtedness permitted by Section 5.01(p)(ii), $100,000,000 at any time outstanding.

(m) [Intentionally Omitted].

(n) Asset Dispositions. The Borrower will not, and will not permit any Subsidiary to, sell, convey, assign, abandon or otherwise transfer or dispose of, voluntarily or involuntarily (any of the foregoing being referred to in this clause (n) as a "transaction" and any series of related transactions constituting but a single transaction), any of its Property, tangible or intangible, except:

(i) transactions (including sales of trucks, vending machines and other equipment) in the ordinary course of business;

(ii) transactions between Consolidated Subsidiaries or between the Borrower and Consolidated Subsidiaries;

(iii) any sale of real property not used in the current operations of the Borrower, provided that the aggregate proceeds of sales pursuant to this clause (iii) shall not exceed $25,000,000 in any fiscal year of the Borrower;

(iv) other sales, conveyances, assignments or other transfers or dispositions in immediate exchange for cash or tangible assets, subject to prior approval in each case by the Majority Lenders;

(v) other sales, conveyances, assignments or other transfers or dispositions during any fiscal year of the Borrower of assets with a book value that do not exceed an aggregate of fifteen percent (15.0%) of the book value of Consolidated Total Assets of the Borrower (determined at the time of making such sale, conveyance, assignment or other transfer or disposition by reference to the Borrower's financial statements most recently delivered pursuant to Section 5.01(a) (i) or (ii));

(vi) the sale for cash of any and all accounts receivable in a face amount not to exceed $50,000,000;

(vii) dispositions of Persons, assets, franchises and businesses after the Closing Date in connection with an exchange or restructuring of bottling territories; provided that on a pro forma basis after giving effect to any such restructuring of, or to any such disposition and the related acquisition of bottling territories by the Borrower or its Subsidiaries, the Borrower remains in compliance with the covenants set forth in Sections 5.01(q) and (r); and

(viii) transfers or dispositions for cash, other than as provided by clauses (i) through (vii) above, if (x) on the date of the consummation thereof, the Borrower permanently reduces the revolving credit commitment amount under the Existing Credit Agreement in an amount equal to the cash proceeds of such transfers or dispositions less the amount of transaction costs and income taxes incurred by the Borrower or one of its Subsidiaries in connection with such transfer or disposition and (y) after giving effect to such transfer or disposition, the proceeds from all such transfers and dispositions under this clause (viii) would not exceed $250,000,000; provided, that the foregoing limitations and restrictions shall not apply if the proceeds of any such transfer or disposition are used to repay the outstanding principal amount of all Advances.

(o) Payment of Claims. The Borrower will, and will cause each Subsidiary to, pay or discharge any of the following described taxes, assessments, charges, levies, claims and liabilities which are material to the Borrower and its Subsidiaries when taken as a whole:

(i) on or prior to the date on which penalties attach thereto, all taxes, assessments and other governmental charges or levies imposed upon it or any of its Property or income;

(ii) on or prior to the date when due, all lawful claims of materialmen, mechanics, carriers, warehousemen, landlords and other like Persons which, if unpaid, might result in the creation of a Lien upon any such Property; and

(iii) on or prior to the date when due, all other lawful claims which, if unpaid, might result in the creation of a Lien upon any such Property (other than Liens not forbidden by Section 5.01(l) hereof) or which, if unpaid, might give rise to a claim entitled to priority over general creditors of the Borrower or such Subsidiary in a case under Title 11 (Bankruptcy) of the United States Code, as amended, or in any insolvency proceeding or dissolution or winding-up involving the Borrower or such Subsidiary;

provided that unless and until foreclosure, distraint, levy, sale or similar proceedings shall have been commenced, the Borrower or such Subsidiary need not pay or discharge any such tax, assessment, charge, levy, claim or current liability so long as the validity thereof is contested in good faith and by appropriate proceedings diligently conducted and so long as such reserves or other appropriate provisions as may be required by GAAP shall have been made therefor and so long as such failure to pay or discharge does not have a Material Adverse Effect.

(p) Subsidiary Debt. Except as disclosed in Schedule V, the Borrower will not permit any Subsidiary to incur or permit to exist any Indebtedness except (i) Indebtedness to the Borrower or another Subsidiary and (ii) other Indebtedness in an aggregate amount not exceeding, when aggregated with the aggregate amount of Indebtedness permitted by Section 5.01(l)(viii), $100,000,000 at any time outstanding.

(q) Consolidated Cash Flow/Fixed Charges Ratio. The Borrower will not permit the Consolidated Cash Flow/Fixed Charges Ratio, as determined quarterly as of the last day of each fiscal quarter of the Borrower (and treating such fiscal quarter as having been completed), to be less than 1.5 to 1.0.

(r) Consolidated Funded Indebtedness/Cash Flow Ratio. The Borrower will not permit the Consolidated Funded Indebtedness/Cash Flow Ratio, as determined quarterly as of the last day of each fiscal quarter of the Borrower (and treating such fiscal quarter as having been completed), to exceed 6.0 to 1.0.

ARTICLE 6
EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable; or the Borrower shall fail to pay any interest on any Advance or any other amount payable hereunder when due and such failure remains unremedied for three (3) Business Days; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in any certificate delivered in connection with this Agreement shall prove to have been incorrect in any material respect when made or deemed made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Sections 5.01(b), (c)(1), (j), (q) or (r), (ii) the Borrower shall fail to perform or observe the covenant contained in Section 5.01(a) and such failure remains unremedied for five (5) Business Days or (iii) Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed, and such failure, in the case of this clause (iii), remains unremedied for thirty (30) days after notice thereof shall have been given to the Borrower by the Administrative Agent; or

(d) The Borrower or any of its Subsidiaries shall fail to pay any principal of or interest on any other Indebtedness which is outstanding in an aggregate principal amount of at least $50,000,000, or its equivalent in other currencies (in this clause (d) called "Material Indebtedness"), in the aggregate when the same becomes due and payable (whether at scheduled maturity, by required prepayment, acceleration, demand or otherwise); or any other event shall occur or condition shall exist under any agreement or instrument relating to any Material Indebtedness and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Material Indebtedness, or to require the same to be prepaid or defeased (other than by a regularly required payment); or

(e) The Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its Property and such proceeding shall remain undismissed or unstayed for a period of sixty (60) days; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) (i) The Borrower or any of its Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition with respect to it or its debts under any such law, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its Property, or the Borrower or any of its Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower or any of its Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of ninety (90) days; or (iii) there shall be commenced against the Borrower or any of its Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its Property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Borrower or any of its Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above;

(g) A Change in Control shall occur; or

(h) The Majority Lenders shall determine in good faith (which determination shall be conclusive) that the potential liabilities associated with the events set forth in clauses (i) through (vii) below, individually or in the aggregate, could have a Material Adverse Effect:

(i) The PBGC notifies a Plan pursuant to Section 4042 of ERISA by service of a complaint, threat of filing a law suit or otherwise of its determination that an event described in Section 4042(a) of ERISA has occurred, a Plan should be terminated or a trustee should be appointed for a Plan; or

(ii) Any action is taken to terminate a Plan pursuant to its provisions or the plan administrator files with the PBGC a notice of intent to terminate a Plan in accordance with Section 4041 of ERISA; or

(iii) Any action is taken by a plan administrator to have a trustee appointed for a Plan pursuant to Section 4042 of ERISA; or

(iv) A return is filed with the Internal Revenue Service, or a Plan is notified by the Secretary of the Treasury that a notice of deficiency under Section 6212 of the Code has been mailed, with respect to the tax imposed under Section 4971(a) of the Code for failure to meet the minimum funding standards established under Section 412 of the Code; or

(v) A Reportable Event occurs with respect to a Plan; or

(vi) Any action is taken to amend a Plan to become an employee benefit plan described in Section 4021(b)(1) of ERISA, causing a Plan termination under Section 4041(e) of ERISA; or

(vii) The Borrower or any member of a Controlled Group receives a notice of liability or demand for payment on account of complete withdrawal under Section 4203 of ERISA, partial withdrawal under Section 4205 of ERISA or on account of becoming secondarily liable for withdrawal liability payments under Section 4204 of ERISA (sale of assets); or

(i) The Borrower or any of its Subsidiaries shall fail within thirty (30) days to pay, bond or otherwise discharge any judgment or order for the payment of money, either singly or in the aggregate, in excess of $50,000,000, which is not stayed on appeal or otherwise being appropriately contested in good faith;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare the Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Advances, all such interest and all such other amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that in the event of an Event of Default with respect to the Borrower of the kind referred to in clause (e) or (f) above (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the Advances, all such interest and all such other amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE 7
THE ADMINISTRATIVE AGENT

SECTION 7.01. Authorization and Action. Each Lender hereby appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Advances), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all Lenders; provided, however, that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement or applicable law. The Administrative Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02. Administrative Agent's Reliance, Etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Lenders for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable to the Lenders for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of the Borrower or to inspect the property (including the books and records) of the Borrower or any of its Subsidiaries; (iv) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (v) shall incur no liability to the Lenders under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram, cable, telex or other electronic communication) believed by it to be genuine and signed or sent by the proper party or parties; (vi) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing; (vii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 8.01); and (vii) shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity.

SECTION 7.03. JPMorgan and Affiliates. With respect to its Commitment and the Advances made by it, JPMorgan shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include JPMorgan in its individual capacity. JPMorgan and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Borrower, any of its Subsidiaries and any Person who may do business with or own securities of the Borrower or any such Subsidiary, all as if JPMorgan were not the Administrative Agent and without any duty to account therefor to the Lenders.

SECTION 7.04. Lender Credit Decision. Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Advances hereunder. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and in deciding whether or to the extent to which it will continue as a lender or assign or otherwise transfer its rights, interests and obligations hereunder.

SECTION 7.05. Indemnification. The Lenders agree to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower), ratably according to the respective amounts of their Commitments (or, if the Commitments have expired or terminated, the amount of their outstanding Advances), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Administrative Agent under this Agreement, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements found in a final-non-appealable judgment by a court of competent jurisdiction to have resulted from the Administrative Agent's gross negligence or willful misconduct. Without limiting the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Administrative Agent is not reimbursed for such expenses by the Borrower.

SECTION 7.06. Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower. Upon any such resignation, the Majority Lenders shall have the right to appoint a successor Administrative Agent that, unless a Default or Event of Default shall have occurred and then be continuing, is reasonably acceptable to the Borrower. If no successor Administrative Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a commercial bank organized under the laws of the United States of America or of any State thereof and having total assets of at least $1,000,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article 7 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

SECTION 7.07. Arrangers. Each Arranger, in its capacity as such, shall have no obligation or responsibility hereunder and shall not become liable in any manner hereunder to any party hereto.

ARTICLE 8
MISCELLANEOUS

SECTION 8.01. Amendments, Etc. Except as provided in Section 2.19 with respect to an Incremental Term Loan Amendment, no amendment or waiver of any provision of this Agreement or the Notes, nor consent to any departure by the Borrower therefrom, shall be effective unless the same shall be in writing and signed by the Borrower and the Majority Lenders, or by the Borrower and the Administrative Agent on behalf of the Majority Lenders; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by the Lenders required by the following or by the Administrative Agent with the consent of such Lenders, do any of the following: (a) increase or extend the Commitment of any Lender without the consent of such Lender, (b) reduce the principal of, or interest on, the Advances or any fees (other than the Administrative Agent's fee referred to in Section 2.04) or other amounts payable hereunder or under the other Loan Documents to any Lender without the consent of such Lender, (c) postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees (other than the Administrative Agent's fee referred to in Section 2.04) or other amounts payable hereunder in each case payable to a Lender without the consent of such Lender, (d) change the second sentence of Section 2.14(a) without the consent of each Lender, (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Advances which shall be required for the Lenders or any of them to take any action hereunder without the consent of each Lender (it being understood that, solely with the consent of the parties prescribed by Section 2.19 to be parties to an Incremental Term Loan Amendment, Incremental Term Loans may be included in the determination of Majority Lenders on substantially the same basis as the Commitments and the Advances are included on Closing Date) or (f) amend this Section 8.01 without the consent of each Lender; provided further that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement (it being understood that any change to Section 2.20 shall require the consent of the Administrative Agent). Notwithstanding the foregoing, no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (a), (b) or (c) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification. This Agreement and the agreement referred to in Section 2.04 and the Notes constitute the entire agreement of the parties with respect to the subject matter hereof and thereof. Notwithstanding the foregoing, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Majority Lenders, the Administrative Agent and the Borrower (x) to add one or more credit facilities to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Advances and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Majority Lenders and Lenders. Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

SECTION 8.02. Notices, Etc.

(a) Subject to clauses (b) through (e) below, all notices and other communications provided for hereunder shall be in writing (including telecopier) and mailed, telecopied or delivered by hand:

(i) if to the Borrower:

Coca-Cola Bottling Co. Consolidated
4100 Coca-Cola Plaza
Charlotte, NC 28211
Attention: Senior Vice President and Chief Financial Officer

Telephone No.: (704) 557-4633
Telecopier No.: (704) 285-6780

(ii) if to the Administrative Agent:

JPMorgan Chase Bank, N.A.
10 South Dearborn, L2
Chicago, Illinois 60603
Attention: Nan Wilson

Telephone No.: (312) 385-7084
Telecopier No.: (888) 292-9533

(iii) if to any Lender, at the Domestic Lending Office of such Lender; or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall be deemed to have been duly given or made (i) in the case of hand deliveries, when delivered by hand, (ii) in the case of mailed notices, three (3) Business Days after being deposited in the mail, postage prepaid, and (iii) in the case of telecopier notice, when transmitted and confirmed during normal business hours (or, if delivered after the close of normal business hours, at the beginning of business hours on the next Business Day), except that notices and communications to the Administrative Agent pursuant to Article 2 or 7 shall not be effective until received by the Administrative Agent.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through the Platform, to the extent provided in paragraph (c) below, shall be effective as provided in said paragraph (c).

(b) The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to the Platform shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Borrower agrees that the Administrative Agent may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission system (the "Platform"). THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, THE " AGENT PARTIES") HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND , INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(d) Each Lender agrees that notice to it (as provided in the next sentence) specifying that any Communications have been posted to the Platform shall constitute effective delivery of such Communications to such Lender for purposes hereof. Each Lender agrees (i) to provide to the Administrative Agent in writing (including by electronic communication), promptly after the date of this Agreement, an e-mail address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address.

(e) Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant hereto in any other manner specified herein.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, and no course of dealing with respect to, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs, Expenses and Indemnification.

(a) The Borrower agrees to pay and reimburse on demand (i) all reasonable costs and expenses of the Administrative Agent and each Arranger in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement and the other documents to be delivered hereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement and (ii) all costs and expenses, if any (including, without limitation, reasonable counsel fees and expenses of the Administrative Agent and each of the Lenders), incurred by the Administrative Agent or any Lender in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable counsel fees and expenses in connection with the enforcement of rights under this Section 8.04(a). Such reasonable fees and out-of-pocket expenses shall be reimbursed by the Borrower upon presentation to the Borrower of a statement of account, regardless of whether this Agreement is executed and delivered by the parties hereto or the transactions contemplated by this Agreement are consummated.

(b) (i) The Borrower hereby agrees to indemnify the Administrative Agent, each Arranger, each Lender and each of their respective Affiliates and their respective officers, directors, employees, agents, advisors and representatives (each, an "Indemnified Party") from and against any and all direct claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel), joint or several, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defense with respect thereto arising out of or in connection with or relating to this Agreement or the transactions contemplated hereby or thereby or any use made or proposed to be made with the proceeds of the Advances, whether or not such investigation, litigation or proceeding is brought by the Borrower, any of its shareholders or creditors, an Indemnified Party or any other Person, or an Indemnified Party is otherwise a party thereto, and whether or not any of the conditions precedent set forth in Article 3 are satisfied or the other transactions contemplated by this Agreement are consummated, except to the extent such direct claim, damage, loss, liability or expense (x) is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct, or (y) results from a claim brought by the Borrower against an Indemnified Party for breach in bad faith, or a material breach, of such Indemnified Party's express obligations hereunder or (z) arises out of, or result from, any investigation, litigation or proceeding that does not involve an act or omission by the Borrower or any of the Borrower's Affiliates and that is brought by an Indemnified Party against any other Indemnified Party (other than in its capacity as the Administrative Agent, an Arranger, a Co-Syndication Agent or any other similar role with respect to the loan facility evidenced by this Agreement).

(ii) The Borrower hereby further agrees that (i) no Indemnified Party shall have any liability to the Borrower for or in connection with or relating to this Agreement or the transactions contemplated hereby or thereby or any use made or proposed to be made with the proceeds of the Advances, except to the extent such liability is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct and (ii) the Borrower will not assert any claim against the Administrative Agent or any Lender, any of their respective Affiliates, or any of their respective directors, officers, employees, attorneys or agents, on any theory of liability, for consequential, indirect, special or punitive damages arising out of or relating to this Agreement or the actual or proposed use of any Advance.

(c) If any payment of principal of, or Conversion or Continuation of, any Eurodollar Rate Advance of a Lender is made on a day other than the last day of an Interest Period for such Advance as a result of any optional or mandatory prepayment, acceleration of the maturity of the Advances pursuant to Section 6.01 or for any other reason, the Borrower shall pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses (other than loss of profit) which it may reasonably incur as a result of such payment, Continuation or Conversion and the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain such Advance. A certificate as to the amount of such losses, costs and expenses, submitted to the Borrower and the Administrative Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

SECTION 8.05. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and permitted assigns, provided that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

SECTION 8.06. Assignments and Participations.

(a) Each Lender may, with notice to and the consent of the Administrative Agent and, unless an Event of Default shall have occurred and be continuing, the Borrower (provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof) (such consents not to be unreasonably withheld), assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Advances owing to it); provided that:

(i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations of the assigning Lender under this Agreement,

(ii) except in the case of an assignment by a Lender to one of its Affiliates or to another Lender, the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event (unless the Borrower and the Administrative Agent otherwise agree) be less than the lesser of (x) such Lender's Commitment hereunder and (y) $1,000,000 or an integral multiple of $1,000,000 in excess thereof,

(iii) each such assignment shall be to an Eligible Assignee,

(iv) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, and

(v) the parties to each such assignment (other than the Borrower) shall deliver to the Administrative Agent a processing and recordation fee of $3,500.

Upon such execution, delivery, acceptance and recording, from and after the Closing Date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this

Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, the Administrative Agent shall, if such Assignment and Acceptance has been completed (and the Borrower and the Administrative Agent shall have consented to the relevant assignment) and is in substantially the form of Exhibit B hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(d) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of each of the Lenders and, with respect to Lenders, the Commitment of, and principal amount (and stated interest) of the Advances owing to, each such Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for the purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Each Lender may sell participations to one or more Persons (other than any Ineligible Institution) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Advances owing to it); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, (iv) in any proceeding under

the Federal Bankruptcy Code in respect of the Borrower, such Lender shall remain and be, to the fullest extent permitted by law, the sole representative with respect to the rights and obligations held in the name of such Lender (whether such rights or obligations are for such Lender's own account or for the account of any participant), (v) no participant under any such participation agreement shall have any right to approve any amendment or waiver of any provision of this Agreement, or to consent to any departure by the Borrower therefrom, except to the extent that any such amendment, waiver or consent would (x) reduce the principal of, or interest on, the Notes, in each case to the extent the same are subject to such participation, or (y) postpone any date fixed for the payment of principal of, or interest on, the Advances, in each case to the extent the same are subject to such participation and (vi) each participant shall be entitled to the benefits of, and subject to the limitations of, Sections 2.12 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment, provided that no participant shall be entitled to the benefits of Section 2.15 unless such participant complies with Section 2.15(e) as if it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any participant or any information relating to a participant's interest in the obligations under this Agreement) except to the extent that such disclosure is necessary to establish that such interest is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(f) Any Lender may, in connection with any permitted assignment or participation or proposed assignment or participation pursuant to this Section 8.06 and subject to the provisions of Section 8.12, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower or any of its Subsidiaries or Affiliates furnished to such Lender by or on behalf of the Borrower.

(g) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time, without the consent of the Administrative Agent or the Borrower, create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

(h) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time, without the consent of the Administrative Agent or the Borrower, assign to an Affiliate of such Lender all or any portion of its rights (but not its obligations) under this Agreement.

SECTION 8.07. Governing Law; Submission to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York. The Borrower hereby submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court, in each case sitting in the Borough of Manhattan, for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Borrower hereby irrevocably appoints CT Corporation System (the "Process Agent"), with an office on the date hereof at 111 8th Avenue, 13th Floor, New York, New York 10011, as its agent and true and lawful attorney-in-fact in its name, place and stead to accept on behalf of the Borrower and its Property service of the copies of the summons and complaint and any other process which may be served in any such legal proceedings brought in any such court, and the Borrower agrees that the failure of the Process Agent to give any notice of any such service of process to the Borrower shall not impair or affect

the validity of such service or, to the extent permitted by applicable law, the enforcement of any judgment based thereon. The Borrower irrevocably waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 8.08. Severability. In case any provision in this Agreement shall be held to be invalid, illegal or unenforceable, such provision shall be severable from the rest of this Agreement, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 8.09. Execution in Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 8.10. Survival. The obligations of the Borrower under Sections 2.02(b), 2.12, 2.15 and 8.04, and the obligations of the Lenders under Section 7.05, shall survive the repayment of the Advances and the termination of the Commitments. In addition, each representation and warranty made, or deemed to be made by any Notice of Borrowing, herein or pursuant hereto shall survive the making of such representation and warranty, and no Lender shall be deemed to have waived, by reason of making any Advance, any Default or Event of Default that may arise by reason of such representation or warranty proving to have been false or misleading.

SECTION 8.11. Waiver of Jury Trial. EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 8.12. Confidentiality. Each Lender agrees to hold any confidential information which it may receive from the Borrower or any of its Subsidiaries or Affiliates pursuant to this Agreement in confidence and for use in connection with this Agreement (collectively, "Information"; provided that "Information" shall not include information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry), including without limitation for use in connection with its rights and remedies hereunder, except for disclosure (a) to other Lenders and their respective Affiliates, (b) to legal counsel, accountants, and other professional advisors to such Lender, (c) to regulatory officials, (d) as requested pursuant to or as required by law, regulation, or legal process, (e) in connection with any legal proceeding to which such Lender is a party and (f) to a proposed assignee or participant permitted under Section 8.06 which shall have agreed in writing to keep such disclosed confidential information confidential in accordance with this Section.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THE IMMEDIATELY PRECEDING PARAGRAPH FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS AFFILIATES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER AND ITS AFFILIATES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

SECTION 8.13. Nonliability of Lenders; No Advisory or Fiduciary Responsibility. The relationship between the Borrower and the Lenders and the Administrative Agent shall be solely that of borrower and lender and neither the Administrative Agent nor any Lender shall have any fiduciary responsibilities to the Borrower. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Lenders and their Affiliates, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Lenders and their Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) no Lender or any of its Affiliates has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 8.14. USA PATRIOT Act . Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the " Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

SECTION 8.15. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Advance, together with all fees, charges and other amounts which are treated as interest on such Advance under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Advance in accordance with applicable law, the rate of interest payable in respect of such Advance hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Advance but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Advances or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Rate to the date of repayment, shall have been received by such Lender.

SECTION 8.16. Acknowledgement and Consent to Bail-In of EEA Financial Institutions.

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(A) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(B) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

COCA-COLA BOTTLING CO. CONSOLIDATED,
as the Borrower

By /s/ Clifford M. Deal, III
Name: Clifford M. Deal, III
Title: SVP & CFO

JPMORGAN CHASE BANK, N.A., individually as a Lender and as Administrative Agent

By /s/ Antje Focke
Name: Antje Focke
Title: Executive Director

BRANCH BANKING AND TRUST COMPANY, individually as a Lender and as a Co-Syndication Agent

By /s/ Stuart M. Jones
Name: Stuart M. Jones
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION,
individually as a Lender and as a Co-Syndication Agent

By /s/ Benjamin C. Brown
Name: Benjamin C. Brown
Title: Assistant Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By /s/ Ashley Walsh
Name: Ashley Walsh
Title: Director

SOUTH STATE BANK, as a Lender

By /s/ Cutter D. Davis Jr.
Name: Cutter D. Davis Jr.
Title: Senior Vice President

THE NORTHERN TRUST COMPANY, as a Lender

By /s/ John C. Canty
Name: John C. Canty
Title: Senior Vice President

SCHEDULE I

Lenders and Commitments

Lender	Commitment
JPMORGAN CHASE BANK, N.A.	$75,000,000
PNC BANK, NATIONAL ASSOCIATION	$75,000,000
BRANCH BANKING AND TRUST COMPANY	$60,000,000
WELLS FARGO BANK, NATIONAL ASSOCIATION	$50,000,000
SOUTH STATE BANK	$20,000,000
THE NORTHERN TRUST COMPANY	$20,000,000
Total	$300,000,000

SCHEDULE II

Existing Liens Securing Indebtedness,
in each case, of $5,000,000 or more

NONE

SCHEDULE III

Litigation

NONE

SCHEDULE IV

Subsidiaries

Entity's Legal Name	Incorporated/ Organized	Ownership By	Percent Owned
Material Subsidiaries:			
CCBCC Operations, LLC	DE	Coca-Cola Bottling Co. Consolidated	100%
CCBC of Wilmington, Inc.	DE	Piedmont Coca-Cola Bottling Partnership	100%
Coca-Cola Ventures, Inc.	DE	Coca-Cola Bottling Co. Consolidated	100%
Piedmont Coca-Cola Bottling Partnership	DE	Coca-Cola Ventures, Inc.	77%
Red Classic Transportation Services, LLC	NC	Red Classic Services, LLC	100%
Tennessee Soft Drink Production Company	TN	CCBCC Operations, LLC	100%
Other Subsidiaries:			
CCBCC, Inc.	DE	Coca-Cola Bottling Co. Consolidated	100%
Chesapeake Treatment Company, LLC	NC	CCBCC Operations, LLC	100%
Consolidated Beverage Co.	DE	Coca-Cola Bottling Co. Consolidated	100%
Consolidated Real Estate Group, LLC	NC	Coca-Cola Bottling Co. Consolidated	100%
Data Ventures, Inc.	NC	Coca-Cola Bottling Co. Consolidated	100%
Heath Oil Co., Inc.	SC	CCBCC Operations, LLC	100%
TXN, Inc.	DE	Data Ventures, Inc.	100%
Swift Water Logistics, Inc.	NC	Coca-Cola Bottling Co. Consolidated	100%
Data Ventures Europe, BV	Netherlands	Data Ventures, Inc.	100%

Entity's Legal Name	Incorporated/ Organized	Ownership By	Percent Owned
Equipment Reutilization Solutions, LLC	NC	CCBCC Operations, LLC	100%
Red Classic Services, LLC	NC	Coca-Cola Bottling Co. Consolidated	100%
Red Classic Equipment, LLC	NC	Red Classic Services, LLC	100%
Red Classic Transit, LLC	NC	Red Classic Transportation Services, LLC	100%
Red Classic Contractor, LLC	NC	Red Classic Transportation Services, LLC	100%

SCHEDULE V

Permitted Subsidiary Indebtedness

1. Lease Agreement, dated as of December 18, 2006, between the CCBCC Operations, LLC and Beacon Investment Corporation, related to the Borrower's corporate headquarters and an adjacent office building in Charlotte, North Carolina.

2. Lease Agreement, dated as of December 15, 2000, between the Borrower and Harrison Limited Partnership One, related to the Snyder Production Center in Charlotte, North Carolina and a distribution center adjacent thereto. The Borrower reserves the right to assign this lease to a Subsidiary.

3. Lease Agreement, dated as of January 3, 2011, between the Borrower and Crown-Raleigh III, LLC, related to the Borrower's sales distribution facility in Clayton, North Carolina. The Borrower reserves the right to assign this lease to a Subsidiary.

4. Lease Agreement, dated as of January 13, 2011, between the Borrower and DCT Mid South Logistics V LP, related to the Borrower's sales distribution facility in LaVergne, Tennessee. The Borrower reserves the right to assign this lease to a Subsidiary.

EXHIBIT A

NOTICE OF BORROWING

JPMorgan Chase Bank, N.A., as Administrative
Agent for the Lenders parties
to the Loan Agreement
referred to below
10 South Dearborn, L2
Chicago, Illinois 60603
Attention: Nan Wilson

[Date]

Ladies and Gentlemen:

The undersigned, Coca-Cola Bottling Co. Consolidated (the "Borrower"), refers to the Loan Agreement, dated as of June 7, 2016 (as from time to time amended, the "Loan Agreement", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto and JPMorgan Chase Bank, N.A., as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Loan Agreement that the undersigned hereby requests a Borrowing (the "Proposed Borrowing") under the Loan Agreement, and in that connection sets forth below the information relating to such Borrowing as required by Section 2.02(a) of the Loan Agreement:

(i) The Business Day of the Proposed Borrowing is _____ __, _____.

(ii) The Type of Advances initially comprising the Proposed Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iii) The amount of the Proposed Borrowing is $_____.

[(iv) The initial Interest Period for each Advance made as part of the Proposed Borrowing is _____ month[s]][1].

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(a) the representations and warranties contained in Section 4.01 of the Loan Agreement are correct in all material respects, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on and as of such date (unless expressly stated to relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date);

(b) no event has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom, which constitutes an Event of Default or a Default.

1 For Eurodollar Rate Advances only.

Very truly yours,

COCA-COLA BOTTLING CO. CONSOLIDATED

By_____
Title:

EXHIBIT B

ASSIGNMENT AND ACCEPTANCE

Dated _____ __, _____

Reference is made to the Loan Agreement dated as of June 7, 2016 (as from time to time amended, the "Loan Agreement") among Coca-Cola Bottling Co. Consolidated, a Delaware corporation (the "Borrower"), the Lenders (as defined in the Loan Agreement) and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders (the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning.

_____ (the "Assignor") and _____ (the "Assignee") agree as follows:

1.Effective on the Effective Date (as defined below), and subject to payment to the Assignor specified in Schedule 1, the Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor's rights and obligations under the Loan Agreement as of the date hereof which represents the percentage interest specified on Schedule 1 of all outstanding rights and obligations under the Loan Agreement, including, without limitation, such interest in the Assignor's Commitment and the Advances owing to the Assignor. After giving effect to such sale and assignment, the Assignee's Commitment and the amount of the Advances owing to the Assignee will be as set forth in Schedule 1.

2.Effective on the Effective Date, Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Loan Agreement or any other instrument or document furnished pursuant thereto.

3.The Assignee (i) confirms that it has received a copy of the Loan Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender; [and] (vi) specifies as its Domestic Lending Office (and address for notices) and Eurodollar Lending Office the offices set forth beneath its name on the signature pages hereof [and (vii) attaches the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Loan Agreement or

such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty].[1]

4.Following the execution of this Assignment and Acceptance by the Assignor and the Assignee and the consent of the Borrower, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The Effective Date of this Assignment and Acceptance shall be the date of acceptance thereof by the Administrative Agent, unless otherwise specified on Schedule 1 hereto (the "Effective Date").

5.Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Loan Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Loan Agreement.

6.Upon such acceptance and recording by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments under the Loan Agreement in respect of the interest assigned hereby to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Loan Agreement for periods prior to the Effective Date directly between themselves.

7.This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Acceptance and adoption of the terms of this Assignment and Acceptance by the Assignee and the Assignor by Electronic Signature or delivery of an executed counterpart of a signature page of this Assignment and Acceptance by any Electronic System shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Schedule 1 hereto.

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1 If the Assignee is organized under the laws of a jurisdiction outside the United States.

SCHEDULE 1
to
ASSIGNMENT AND ACCEPTANCE

Percentage assigned to Assignee_____%

Assignee's Commitment $_____

Aggregate outstanding principal
amount of Advances assigned $_____

Consideration payable by
Assignee to Assignor$_____

Effective Date (if other than
date of acceptance by
Administrative Agent)[1]_____ __, _____

[NAME OF ASSIGNOR], as Assignor

By_____
Title:

[1] This date should be no earlier than the date of acceptance by the Administrative Agent.

[NAME OF ASSIGNEE], as Assignee

By_____
Title:

Domestic Lending Office:

Eurodollar Lending Office:

Accepted this ____ day
of _____, _____

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By _____
Title:

CONSENTED TO:

COCA-COLA BOTTLING CO. CONSOLIDATED

By _____
Title:

EXHIBIT C

FORM OF OPINION OF SPECIAL COUNSEL TO THE BORROWER

Attached

June 7, 2016

Moore&VanAllen

Moore & Van Allen PLLC
Attorneys at Law

Suite 4700
100 North Tryon Street
Charlotte, NC 28202-4003

T 704 331 1000
F 704 331 1159
www.mvalaw.com

JPMorgan Chase Bank, N.A., as Agent (as defined below)
10 South Dearborn Street, L2
Chicago, Illinois 60603

The Lenders identified on Schedule I attached hereto

Re: Loan Agreement

Ladies and Gentlemen:

We have acted as counsel to Coca-Cola Bottling Co. Consolidated, a Delaware corporation (the "Borrower"), in connection with that certain Loan Agreement (the "Loan Agreement") dated as of the date hereof, among the Borrower, the lenders named therein (the "Lenders"), and JPMorgan Chase Bank, N.A., as Administrative Agent (in such capacity, the "Agent"). This opinion letter is delivered to you pursuant to Section 3.01(d) of the Loan Agreement. Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in the Loan Agreement.

In rendering this opinion, we have examined the following documents (items (a) and (b) below are referred to as the "Loan Documents"), all dated the date hereof unless otherwise indicated:

(a) the Loan Agreement; and

(b) the Notes.

We have also examined the originals, or copies certified or otherwise identified to our satisfaction, of such other records of the Borrower, certificates of public officials, officers of the Borrower, and other persons, and agreements, instruments and other documents, and have made such other investigation, as we have deemed necessary as a basis for the opinions expressed below. As to various questions of fact material to our opinion, we have relied upon, and assumed without independent investigation the accuracy of, the representations made by the parties to the Loan Documents (other than those which are expressed as our opinions).

In rendering the opinions expressed herein, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as conformed or photostatic copies and the authenticity of the originals of such copies. For the purposes of the opinions hereinafter expressed, we have further assumed (i) the legal capacity of all natural persons executing any Loan Document; (ii) that there is no oral or written statement or agreement, course of performance, course of dealing or usage of trade that modifies, amends or varies any of the terms of any Loan Document; (iii) that as to factual matters any certificate, representation or other document upon which we have relied and which was given or dated earlier than the date of this letter, continues to remain accurate, insofar as relevant to the opinions contained herein, from such earlier date through and including the date hereof; (iv) that there has been no mutual mistake of fact, or misrepresentation, fraud or deceit in connection with the execution, delivery, performance under, or transactions contemplated by, the Loan Documents; (v) due authorization, execution and delivery of the Loan Documents by all parties thereto other than the Borrower, and that each such Loan Document is

valid, binding and enforceable against all parties thereto other than the Borrower; (vi) that each of the parties to the Loan Documents other than the Borrower has the power and authority to execute and deliver the Loan Documents to which it is party, and to perform its obligations thereunder; (vii) that the execution and delivery by the Borrower of the Loan Documents and the performance by the Borrower of its obligations thereunder will not violate any of the terms, conditions or provisions of any law or regulation (other than any law or regulation of the State of North Carolina, the Delaware General Corporation Law or federal law or regulation), order, writ, injunction or decree of any governmental authority; and (viii) that if any party to any Loan Document other than the Borrower seeks to enforce its rights thereunder, such enforcement shall occur only under circumstances which are consistent with applicable law and provisions of the relevant Loan Document.

The opinions set forth herein are limited to matters governed by the laws of North Carolina, the Delaware General Corporation Law and the federal laws of the United States, and no opinion is expressed herein as to the laws of any other jurisdiction. We express no opinion concerning any matter respecting or affected by any laws other than laws that a lawyer admitted to practice law in North Carolina exercising customary professional diligence would reasonably recognize as being directly applicable to the Borrower or the transactions contemplated in the Loan Documents. Without limiting the generality of the foregoing, we express no opinion concerning the following legal issues or the application of any such laws or regulations to the matters on which our opinions are referenced:

(i) other than as expressly set forth in paragraph 8 below, federal and state securities laws and regulations;

(ii) Federal Reserve Board margin regulations;

(iii) pension and employee benefit laws and regulations;

(iv) federal and state antitrust and unfair competition laws and regulations, including without limitation the Hart-Scott-Rodino Antitrust Improvements Act of 1976;

(v) federal and state laws and regulations concerning document filing requirements and notice;

(vi) compliance with fiduciary duty requirements;

(vii) the statutes, administrative decisions, and rules and regulations of county, municipal and special political subdivisions, whether state-level, regional or otherwise;

(viii) fraudulent transfer laws;

(ix) federal and state environmental laws and regulations;

(x) federal and state tax laws and regulations;

(xi) federal and state land use and subdivision laws and regulations;

(xii) federal patent, copyright and trademark, state trademark, and other federal and state intellectual property laws and regulations;

(xiii) federal and state laws, regulations and policies concerning national and local emergency;

(xiv) state and federal regulatory laws or regulations specifically applicable to any entity solely because of the business in which it is engaged;

(xv) federal and state laws and regulations concerning the condition of title to any property, the priority of any security interest or lien, or the perfection of a lien or security interest in personal property;

(xvi) laws, rules and regulations relating to money laundering and terrorist groups, including without limitation the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA Patriot Act"), Public Law 107-56, 115 Stat. 380 (October 26, 2001), as amended, Executive Order 13224, the Trading with the Enemy Act, 50 App. U.S.C. 1, et. seq., any similar or related law and the rules and regulations (temporary or permanent) promulgated under the foregoing or by the Office of Foreign Assets Control of the United States Department of Treasury, as each is amended from time to time; or

(xvii) the Wall Street Transparency and Accountability Act of 2010, Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law No. 111-203, 124 Stat. 1376 (2010) and the rules and regulations issued in connection therewith ("Dodd-Frank").

Based on the foregoing, and subject to the qualifications, assumptions and limitations set forth herein, we are of the opinion that:

1. Based solely upon a good standing certificate issued by the Delaware Secretary of State, the Borrower is a corporation in good standing under the laws of the State of Delaware.

2. The Borrower has adequate corporate power to execute, deliver and perform its obligations under the Loan Documents.

3. The execution and delivery by the Borrower of the Loan Documents and the performance by it of its agreements under such documents have been duly authorized by all requisite corporate action on the part of the Borrower. The Borrower has duly executed and delivered the Loan Documents.

4. The Loan Documents provide that they shall be governed by, and construed in accordance with, New York law. If, notwithstanding such choice of law provision, a North Carolina court were to hold that any such Loan Document is governed by, and to be construed in accordance with, the internal laws of the State of North Carolina, such Loan Document would be, under the internal laws of the State of North Carolina, the valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

5. The execution and delivery by the Borrower of the Loan Documents, and the performance by the Borrower of its agreements under such documents, do not (a) violate the Borrower's certificate of incorporation or bylaws, (b) violate any (i) North Carolina statute, rule or regulation, (ii) the Delaware General Corporation Law or (iii) any federal statute, rule or regulation, in each case that a lawyer admitted to practice law in North Carolina exercising customary professional diligence would reasonably recognize as being directly applicable to the Borrower or the transactions contemplated in the Loan Documents or (c) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under the agreements set forth on Schedule II hereto or cause the creation of any security interest or lien upon any of the property of the Borrower pursuant to any such agreements (except that we express no opinion with respect to matters which require the performance of a mathematical calculation or the making of a financial or accounting determination).

6. The Borrower is not required to obtain any consent, approval, authorization, or make any filing (a) with, any United States federal or State of North Carolina governmental or regulatory agency or (b) under the Delaware General Corporation Law, to authorize its execution and delivery of, or to make valid and binding, the Loan Documents, except for those (i) obtained or made prior to the date hereof and (ii) specified in the Loan Documents.

7. We do not represent the Borrower in any action, suit or proceeding before any court, governmental agency or arbitrator, pending or overtly threatened in writing against the Borrower, which seeks to affect the enforceability of any of the Loan Documents.

8. Based on the factual certifications in an officer's certificate delivered to our firm in connection with this letter, the Borrower is not required to register as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

The opinion set forth in paragraph 4 is subject to the following qualifications:

(a) enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or similar laws affecting the enforcement of creditors' rights generally;

(b) enforcement of the Loan Documents is subject both to general principles of equity and to considerations of public policy, including the requirement that the parties thereto act with commercial reasonableness and in good faith to the extent required by applicable law, the application of which may deny certain rights and may be applied by a court of proper jurisdiction, regardless of whether such enforceability is considered in a proceeding in equity or at law. For purposes of this paragraph, the terms "general principles of equity" and "considerations of public policy" may include, but are not limited to, issues related to the right to or obligation of the appointment of a receiver in certain circumstances; the ability of an entity to appoint an attorney-in-fact; fiduciary obligations of attorneys-in-fact; the enforceability of usury savings clauses; the enforceability of confessions of judgment; waiver of procedural, substantive, or constitutional rights, including, without limitation, the right of statutory or equitable redemption; disclaimers or limitations of liability; waiver of defenses; waiver of acceleration rights through historical acceptance of late payments; the exercise of self-help or other remedies without judicial process; accounting for rent or sale proceeds; requirements of mitigation of damages; and

enforcement of default interest provisions. Any provision waiving a right to jury trial is unenforceable as against public policy pursuant to N.C. Gen. Stat. § 22B-10;

(c) the enforceability and availability of certain remedies, rights and waiver provisions may be limited or rendered ineffective by applicable law, although the inclusion of such provisions does not affect the validity or lien of any Loan Document as a whole, and subject to the other exceptions noted herein, there exist legally adequate remedies for the realization of the principal benefits afforded thereby;

(d) we call to your attention that N.C. Gen. Stat. § 6-21.2 sets forth the procedures and limitations applicable to the collection of attorneys' fees and accordingly, any provision in the Loan Documents relating to the ability to collect attorneys' fees upon default are subject to those limitations;

(e) we express no opinion as to the enforceability of any provision of the Loan Documents denying the holder of any lien inferior to the liens created by the Loan Documents the ability to require the Agent to marshal assets;

(f) we express no opinion as to the right to obtain a receiver, which determination is subject to equitable principles;

(g) we express no opinion with respect to any provision of the Loan Documents providing that the acceptance by the Agent of a past due installment or other performance by a party shall not be deemed a waiver of its right to accelerate the loan or other payment obligation. A North Carolina Court of Appeals has held that when the holder of a promissory note regularly accepted late payments, such holder is deemed to have waived its right to accelerate the debt because of late payments until it notifies the maker that prompt payments are again required. Driftwood Manor Investors v. City Federal Savings & Loan Association, 63 N.C. App. 459, 305 S.E. 2d 204 (1983);

(h) we express no opinion with respect to any provision of the Loan Documents which requires that any amendments or waivers to the Loan Documents must be in writing;

(i) we express no opinion as to the enforceability of any provision of the Loan Documents which directs the application of sale proceeds other than as required by N.C. Gen. Stat. § 25-9-615;

(j) we express no opinion with respect to any consent to venue, jurisdiction or service of process provisions;

(k) we express no opinion with respect to any choice of law provision;

(l) we express no opinion with respect to any severability provision;

(m) we express no opinion with respect to any provision of the Loan Documents purporting to require a party to pay or reimburse attorneys' fees incurred by another party or to indemnify another party therefor which may be limited by applicable law and public policy;

(n) we express no opinion with respect to any waiver of the statute of limitations contained in the Loan Documents;

(o) we express no opinion as to the enforceability of any provision in the Loan Documents that purports to excuse a party for liability for its own acts;

(p) we express no opinion as to the enforceability of any provision in the Loan Documents that purports to make void any act done in contravention thereof;

(q) we express no opinion with respect to any provision purporting to prohibit, restrict, or condition the assignment of rights to the extent such restriction on assignability is governed by the Uniform Commercial Code;

(r) we express no opinion as to the enforceability of any provision in the Loan Documents that purports to authorize a party to act in its sole discretion, that imposes liquidated damages, penalties, late payment charges or an increase in interest rate after default (in the event such late payment charges or increase in interest rate is deemed to be a penalty or is otherwise contrary to public policy) or that relates to evidentiary standards or other standards by which any of the Loan Documents is to be construed;

(s) we express no opinion as to the enforceability of provisions of the Loan Documents providing for the indemnification of or contribution to a party with respect to such party's own negligence or willful misconduct or where such indemnification or contribution is otherwise contrary to public policy; and

(t) we express no opinion with respect to the effectiveness, validity or enforceability of any provision of the Loan Documents which relates to European Union Directive 2014/59/EU, the associated EU implementing legislation, or any law or regulation of any relevant member of the European Economic Area which implements such directive.

Our opinion is rendered solely in connection with the transactions contemplated under the Loan Documents and may not be relied upon for any other purpose or in any manner by any person or entity other than the addressees hereof, except that we hereby consent to reliance hereon by any future assignee (collectively, the "Reliance Parties") of your rights and obligations under the Loan Agreement pursuant to an assignment that is made and consented to in accordance with the express provisions of Section 8.06(a) of the Loan Agreement, on the condition and understanding that (i) this letter speaks only as of the date hereof, (ii) we have no responsibility or obligation to update this letter, to consider its applicability or correctness to any person other than its addressee(s), or to take into account changes in law, facts or any other developments of which we may later become aware, (iii) any such reliance by a Reliance Party must be actual and reasonable under the circumstances existing at the time of assignment, including any changes in law, facts or any other developments known to or reasonably knowable by the Reliance Party at such time, (iv) in no event shall any such assignee have any greater rights with respect hereto than did

the addressees, and (v) our consent to such reliance shall in no event constitute a reissuance of the opinions expressed herein or otherwise extend any statute of limitations applicable hereto on the date hereof.

No copies of this opinion may be delivered or furnished to any other party other than a Reliance Party, nor may all or portions of this opinion be quoted, circulated or referred to in any other document without our prior written consent, except that copies of this opinion may be provided to any regulatory agency having supervisory authority over a Reliance Party and except that this opinion may be used in connection with the assertion of a defense as to which this opinion is relevant and necessary or in response to a court order or other legal process. The opinions expressed in this letter are rendered as of the date hereof and we express no opinion as to circumstances or events or change in applicable law that may occur subsequent to such date.

Very truly yours,

MOORE & VAN ALLEN PLLC

Schedule I

Lenders

JPMORGAN CHASE BANK, N.A.

BRANCH BANKING AND TRUST COMPANY

PNC BANK, NATIONAL ASSOCIATION

WELLS FARGO BANK, NATIONAL ASSOCIATION

SOUTH STATE BANK

THE NORTHERN TRUST COMPANY

Schedule II

Reviewed Agreements

Supplemental Indenture, dated as of March 3, 1995, between the Borrower and Citibank, N.A. (as successor to NationsBank of Georgia, National Association, the initial trustee)

Second Supplemental Indenture, dated as of November 25, 2015, between the Borrower and The Bank of New York Mellon Trust Company, N.A., as successor trustee

5.00% Senior Notes due 2016

7.00% Senior Notes due 2019

3.800% Senior Notes due 2025

Fourth Amended and Restated Promissory Note, dated as of December 11, 2015, by and between the Borrower and Piedmont Coca-Cola Bottling Partnership

Amended and Restated Guaranty Agreement, effective as of July 15, 1993, made by the Borrower and each of the other guarantor parties thereto in favor of Trust Company Bank and Teachers Insurance and Annuity Association of America

Amended and Restated Guaranty Agreement, dated as of May 18, 2000, made by the Borrower in favor of Wachovia Bank, N.A.

Guaranty Agreement, dated as of December 1, 2001, made by the Borrower in favor of Wachovia Bank, N.A.

EXHIBIT D

COMPLIANCE CERTIFICATE

To: The Lenders parties to the
Loan Agreement Described Below

This Compliance Certificate is furnished pursuant to that certain Loan Agreement dated as of June 7, 2016 (as amended, modified, renewed or extended from time to time, the "Agreement") among Coca-Cola Bottling Co. Consolidated, certain Lenders and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected Chief Financial Officer of the Borrower;

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements;

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Default or an Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below; and

4. Schedule I attached hereto sets forth financial data and computations evidencing the Borrower's compliance with certain covenants of the Agreement, all of which data and computations are true, complete and correct.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this ___ day of_____, 20__.

EXHIBIT E

LIST OF CLOSING DOCUMENTS

COCA-COLA BOTTLING CO. CONSOLIDATED

CREDIT FACILITIES

June 7, 2016

LIST OF CLOSING DOCUMENTS[1]

A. **LOAN DOCUMENTS**

1. Loan Agreement (the "Loan Agreement") by and among Coca-Cola Bottling Co. Consolidated, a Delaware corporation (the "Borrower"), the institutions from time to time parties thereto as Lenders (the "Lenders") and JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent for itself and the other Lenders (the "Administrative Agent"), evidencing a term loan facility to the Borrower from the Lenders in an initial aggregate principal amount of $300,000,000.

SCHEDULES

Schedule I	--	Lenders and Commitments
Schedule II	***--***	***Existing Liens Securing Indebtedness of $5,000,000 or more***
Schedule III	***--***	***Litigation***
Schedule IV	***--***	***Subsidiaries***
Schedule V	***--***	***Permitted Subsidiary Indebtedness***

EXHIBITS

Exhibit A	--	Form of Notice of Borrowing
Exhibit B	--	Form of Assignment and Acceptance
Exhibit C	--	Form of Opinion of Special Counsel to the Borrower
Exhibit D	--	Form of Compliance Certificate of the Borrower
Exhibit E	--	List of Closing Documents

2. Notes executed by the Borrower in favor of each of the Lenders, if any, which has requested a note pursuant to Section 2.18(d) of the Loan Agreement.

B. **CORPORATE DOCUMENTS**

3. ***Certificate of the Secretary or an Assistant Secretary of the Borrower certifying (i) that there have been no changes in the Certificate of Incorporation or other charter document of the Borrower, as attached thereto and as certified as of a recent date by the Secretary of State of Delaware, since the date of the certification thereof by such Secretary of State, (ii) the By-Laws***

[1] Each capitalized term used herein and not defined herein shall have the meaning assigned to such term in the above-defined Loan Agreement. Items appearing in **bold** and *italics* shall be prepared and/or provided by the Borrower and/or Borrower's counsel.

or other applicable organizational document, as attached thereto, of the Borrower as in effect on the date of such certification, (iii) resolutions of the Board of Directors or other governing body of the Borrower authorizing the execution, delivery and performance of each Loan Document to which it is a party, and (iv) the names and true signatures of the incumbent officers of the Borrower authorized to sign the Loan Documents to which it is a party, and authorized to request a Borrowing under the Loan Agreement.

4. ***Good Standing Certificate for the Borrower from the Secretary of State of Delaware***.

C. **OPINION**

5. ***Opinion of Moore & Van Allen, PLLC, counsel for the Borrower***.

D. **CLOSING CERTIFICATES AND MISCELLANEOUS**

6. ***A Certificate signed by the President, a Vice President or a Financial Officer of the Borrower certifying the following: (i) all of the representations and warranties of the Borrower set forth in Section 4.01 of the Loan Agreement are true and correct and (ii) no Default or Event of Default has occurred and is then continuing.***

Exhibit 10.2

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETED ASTERISKS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

EXECUTION COPY

CONA SERVICES LLC

LIMITED LIABILITY COMPANY AGREEMENT

Dated as of January 27, 2016

THE COMPANY INTERESTS REPRESENTED BY THIS LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH INTERESTS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM AND COMPLIANCE WITH THE OTHER SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

THE COMPANY INTERESTS REPRESENTED BY THIS LIMITED LIABILITY COMPANY AGREEMENT ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SET FORTH IN THIS AGREEMENT.

TABLE OF CONTENTS

[***] – THIS CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

[***] – THIS CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

LIMITED LIABILITY COMPANY AGREEMENT
OF
CONA SERVICES LLC

This LIMITED LIABILITY COMPANY AGREEMENT (this " Agreement") of CONA SERVICES LLC (the "Company"), dated and effective as of January 27, 2016 (the "Effective Date"), is adopted, executed and agreed to, for good and valuable consideration, by and among each Person who is or at any time becomes a Member in accordance with the terms of this Agreement and the Act.

RECITALS:

WHEREAS, the Company was formed as a limited liability company pursuant to § 18-201 of the Act by the filing of its Certificate of Formation with the Secretary of State of the State of Delaware on December 17, 2015 (the "Certificate of Formation");

WHEREAS, Coca-Cola Refreshments USA, Inc. ("CCR") and the Company will enter into an asset purchase agreement (the "CONA Purchase Agreement") pursuant to which the Company will acquire CCR's entire right, title and interest in and to the Coke One North America (CONA) information technology platform, on terms and conditions to be mutually agreed upon by the Company and CCR and set forth in the CONA Purchase Agreement; the assets to be transferred by CCR to the Company under the CONA Purchase Agreement will include a perpetual, royalty-free license from The Coca-Cola Company ("TCCC") to CCR with respect to the "Coke One" information technology platform;

WHEREAS, in connection with the transaction provided for in the CONA Purchase Agreement, the Company will (i) issue to CCR a promissory note (the "CCR Note") pursuant to which the Company will be obligated to make to CCR, on a quarterly basis, certain payments, and (ii) agree to make certain additional payments in consideration for certain investments made by CCR in the CONA Information Technology Platform, as described in more detail in the Financial Matters Agreement, in each case, on terms to be mutually agreed by the Company and all of the Members and set forth in the CCR Note and the CONA Purchase Agreement;

WHEREAS, the Company will enter into a Master Services Agreement (each, a "Master Services Agreement", and, collectively, the "Master Services Agreements") with each of CCR, Coca-Cola Bottling Company United, Inc. ("Coke United"), Coca-Cola Bottling Co. Consolidated ("Coke Consolidated"), Swire Coca-Cola USA ("Swire"), Great Lakes Coca-Cola Distribution, L.L.C. ("Great Lakes"), and Coca-Cola Beverages Florida, LLC ("CCB Florida") (each, a "Founding Member" and, collectively, the "Founding Members"), pursuant to which the Company will provide information technology services to such parties and their respective affiliates, on the terms and conditions specified in the Master Services Agreements (the Master Services Agreement with each Founding Member will contain **[***]**);

WHEREAS, the Company and the Founding Members will enter into a Financial Matters Agreement (the "Financial Matters Agreement") that will set forth certain understandings of the Company and the Founding Members with respect to certain financial matters relating to the Company;

WHEREAS, the Company and the Founding Members are entering into this Agreement with the express understanding that the parties will use good faith efforts to reach agreement upon and execute the CONA Purchase Agreement, the CCR Note, the Master Services Agreements, and the Financial Matters Agreement as soon as practicable, and that startup of the operations of the Company will not commence until such agreements are mutually agreed upon by all Members and are executed and delivered by all parties thereto;

[***] – THIS CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

WHEREAS, the Founding Members are each making an initial capital contribution commitment and a future capital commitment to the Company in exchange for a Membership Interest in the Company; and

WHEREAS, the Company, TCCC and the Founding Members desire to enter into this Agreement to set forth the rights, powers and interests of the Members with respect to the Company and their Membership Interests therein and to provide for the management of the business and operations of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto, each intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. Unless the context otherwise requires, the following terms have the following meanings for purposes of this Agreement:

"Act" means the Delaware Limited Liability Company Act, 6 Del. L. Sections 18-101, *et seq*.

"Additional Member" means any Person that has been admitted to the Company as a Member after the Effective Date pursuant to Section 3.2(b) by virtue of having received its Membership Interest from the Company and not from any other Member or Assignee.

"Adjusted Capital Account Deficit" means, with respect to any Person's Capital Account as of the end of any taxable year, the amount by which the balance in such Capital Account is less than zero. For this purpose, such Capital Account balance shall be (a) reduced for any items described in Regulations Section 1.704-1(b)(2)(ii)*(d)(4)*, *(5)* and *(6)*, and (b) increased for any amount such Person is obligated to contribute or is treated as being obligated to contribute to the Company pursuant to Regulations Sections 1.704-1(b)(2)(ii)*(c)* (relating to partner liabilities to a partnership) or 1.704-2(g)(1) and 1.704-2(i) (relating to minimum gain).

"Affiliate" when used with reference to another Person means any Person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with, such other Person. In addition, Affiliates of a Member shall include all its shareholders, members, officers and employees in their capacities as such.

"Agreement" has the meaning set forth in the preamble.

"Anticipated Volume" has the meaning set forth in Section 11.2.

"Assignee" means any Transferee to which a Member or another Assignee has Transferred all or a portion of its interest in the Company in accordance with the terms of this Agreement, but that is not a Member.

"Assumed Tax Rate" means, for any taxable year, the highest marginal effective rate of federal, state and local income tax applicable to a corporation doing business in Atlanta, Georgia.

"At-Large Voting Members" means those Members who do not have the right to separately designate a member of the Board of Directors pursuant to Section 6.2.

"Bankruptcy" means, with respect to any Person, the occurrence of any of the following events: (a) the filing of an application by such Person for, or a consent to, the appointment of a trustee or custodian of such Person's assets; (b) the filing by such Person of a voluntary petition in Bankruptcy or the seeking of relief under Title 11 of the United States Code, as now constituted or hereafter amended, or the filing of a pleading in any court of record admitting in writing such Person's inability to pay its debts as they become due; (c) the failure of such Person to pay its debts as such debts become due; (d) the making by such Person of a general assignment for the benefit of creditors; (e) the filing by such Person of an answer admitting the material allegations of, or such Person's consenting to, or defaulting in answering, a Bankruptcy petition filed against it in any Bankruptcy proceeding or petition seeking relief under Title 11 of the United States Code, as now constituted or as hereafter amended; or (f) the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such Person bankrupt or insolvent or for relief in respect of such Person or appointing a trustee or custodian of such Person's assets and the continuance of such order, judgment or decree unstayed and in effect for a period of 60 consecutive calendar days.

"Beverage" means a non-alcoholic beverage.

"Board of Directors" has the meaning set forth in Section 7.1(a).

"Board Participant" has the meaning specified in Section 6.2(i).

"Business Day" means any calendar day other than a Saturday, Sunday or other day on which commercial banks in Atlanta, Georgia are authorized or required to close.

"Capital Account" has the meaning set forth in Section 3.3(a).

"Capital Contributions" means any cash, cash equivalents or the Fair Market Value of other property that a Member contributes to the Company with respect to its Membership Interest (net of liabilities assumed by the Company or to which such property is subject).

"Capital Contribution Commitment" means, with respect to each Member, such Member's Initial Capital Contribution Commitment, plus any additional Capital Contributions that such Member is obligated to make under Section 3.1(b).

"CBA Permitted Transfer" has the meaning set forth in Section 9.1.

"CCB Florida" has the meaning set forth in the recitals.

"CCR" has the meaning set forth in the recitals.

"CCR Note" has the meaning set forth in the recitals.

"CCR Refranchising Transactions" has the meaning set forth in Section 11.2(a).

"Certificate of Formation" has the meaning set forth in the recitals.

"Chief Executive Officer" has the meaning set forth in Section 7.3(b)(i).

"Chief Financial Officer" has the meaning set forth in Section 7.3(b)(ii).

"Coke Consolidated" has the meaning set forth in the recitals.

"Coke United" has the meaning set forth in the recitals.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Company" has the meaning set forth in the preamble.

"Company Minimum Gain" has the meaning set forth for the term "partnership minimum gain" in Regulations Section 1.704-2(d).

"CONA Purchase Agreement" has the meaning set forth in the recitals.

"CONA Services" means the services provided by the Company pursuant to the Master Services Agreements.

"CONA Volume " means the number of physical cases of Beverage products distributed by a Member in the United States using the CONA Services and for which a Member is invoiced under its Master Services Agreement for a given period. **[***]**.

"Control" means, when used with reference to any Person, the power to direct the management or policies of such Person, directly or indirectly, by or through stock or other equity ownership, agency or otherwise, or pursuant to or in connection with an agreement, arrangement or other understanding (written or oral); and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Default" has the meaning set forth in Section 3.1(e).

"Defaulting Member" has the meaning set forth in Section 3.1(e).

"Depreciation" has the meaning set forth in the definition of "Net Income" or "Net Loss" under paragraph (e) therein.

"Directors" has the meaning set forth in Section 7.1(a).

"Dissolution Date IP" has the meaning set forth in Section 10.2(b).

"Distribution" means each distribution after the Effective Date made by the Company to a Member in respect of its Membership Interest, whether in cash, property or securities of the Company, pursuant to, or in respect of, Article IV or Article X.

"Economic Interest" means the right to allocations of items of income, gain, loss, deduction, credit or similar items and the right to Distributions of cash and other property as provided in Article IV and Article X of this Agreement and the Act, but shall not include any right to participate in the management or affairs of the Company, including the right to designate Directors, vote on, consent to or otherwise participate in any decision of the Members or Directors, or any right to receive information concerning the business and affairs of the Company, in each case, except as expressly otherwise provided in this Agreement or required by the Act.

"Effective Date" has the meaning set forth in the preamble.

"Equity Securities" means, as applicable, (a) any capital stock, membership interests or other share capital, (b) any securities directly or indirectly convertible into or exchangeable for any capital stock, membership interests or other share capital or containing any profit participation features, (c) any rights or options directly or indirectly to subscribe for or to purchase any capital stock, membership interests, other share capital or securities containing any profit participation features or to subscribe for or

to purchase any securities directly or indirectly convertible into or exchangeable for any capital stock, membership interests, other share capital or securities containing any profit participation features, (d) any share appreciation rights, phantom share rights or other similar rights, or (e) any Equity Securities issued or issuable with respect to the securities referred to in clauses (a) through (d) above in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization.

"Event of Withdrawal" means the Bankruptcy or dissolution of a Member or the occurrence of any other event that terminates the continued membership of a Member in the Company.

"Excess Funding Member" has the meaning set forth in Section 11.2.

"Fair Market Value" means, with respect to any asset or securities, the fair market value for such assets or securities as between a willing buyer and a willing seller in an arm's-length transaction occurring on the date of valuation, taking into account all relevant factors determinative of value, as determined in good faith by the Board of Directors.

"Financial Matters Agreement" has the meaning set forth in the recitals.

"Fiscal Year" means the fiscal year of the Company and its Subsidiaries, ending on December 31 of each calendar year.

"Founding Member" has the meaning set forth in the recitals.

"GAAP" means accounting principles generally accepted in the United States of America as in effect from time to time, consistently applied throughout the applicable periods both as to classification of items and amounts.

"Governmental Entity" means the United States of America or any other nation, any state or other political subdivision thereof, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of government, including any court, in each case, having jurisdiction over the Company or any of its Subsidiaries or any of the property or other assets of the Company or any of its Subsidiaries.

"Great Lakes" has the meaning set forth in the recitals.

"Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross Fair Market Value of such asset on the date of the contribution;

(b) the Gross Asset Values of all Company assets may be adjusted to equal their respective gross Fair Market Values as of the following times:

(i) the acquisition of an additional interest in the Company after the Effective Date by a new or existing Member in exchange for more than a *de minimis* Capital Contribution, if the Board of Directors reasonably determines that such adjustment is necessary or appropriate to reflect the relative Economic Interests of the Members in the Company;

(ii) the grant of an interest in the Company (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Company by an existing

or a new Member acting in a "partner capacity," or in anticipation of becoming a "partner" (in each case within the meaning of Regulations Section 1.704-1(b)(2)(iv)*(d)*);

(iii) the Distribution by the Company to a Member of more than a *de minimis* amount of Company property as consideration for an interest in the Company, if the Board of Directors reasonably determines that such adjustment is necessary or appropriate to reflect the relative Economic Interests of the Members in the Company;

(iv) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)*(g)*; and

(v) such other times as the Board of Directors shall reasonably determine to be necessary or advisable in order to comply with Regulations promulgated under Subchapter K of Chapter 1 of the Code;

(c) the Gross Asset Value of any Company asset distributed to a Member shall be the gross Fair Market Value of such asset on the date of Distribution;

(d) the Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)*(m)*; provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that the Board of Directors determines that an adjustment pursuant to subparagraph (b) of this definition of Gross Asset Value is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d); and

(e) with respect to any asset that has a Gross Asset Value that differs from its adjusted tax basis, Gross Asset Value shall be adjusted by the amount of Depreciation rather than any other depreciation, amortization or other cost recovery method.

"Income" means individual items of Company income and gain determined in accordance with the definitions of Net Income and Net Loss.

"Initial Capital Contribution Commitment" with respect to any Member means the aggregate amount specified for such Member on Schedule I.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof), any sale of receivables with recourse against the Company or any of its Subsidiaries, any filing or agreement to file a financing statement as a debtor under the Uniform Commercial Code or any similar statute other than to reflect ownership by a third Person of property leased to the Company or any of its Subsidiaries under a lease that is not in the nature of a conditional sale or title retention agreement, or any subordination arrangement in favor of another Person.

"Loss" means individual items of Company loss and deduction determined in accordance with the definitions of Net Income and Net Loss.

"Manufacturing Platform" has the meaning set forth in Section 7.8.

"Master Services Agreement" has the meaning set forth in the recitals.

"Member" means each Person listed on the Schedule of Members attached hereto as Schedule II and each other Person who is hereafter admitted as a Member in accordance with the terms of this Agreement and the Act. The Members shall constitute the "members" (as such term is defined in the Act) of the Company. Notwithstanding any provision of this Agreement, **[***]**.

"Member Minimum Gain" means minimum gain attributable to Member Nonrecourse Debt determined in accordance with Regulations Section 1.704-2(i).

"Member Nonrecourse Debt" has the meaning set forth for the term "partner nonrecourse debt" in Regulations Section 1.704-2(b)(4).

"Membership Interest" means, with respect to each Member, such Member's Economic Interest and rights as a Member.

"Net Income" or "Net Loss" means, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such Fiscal Year or other period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in such taxable income or loss), with the following adjustments:

(a) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition of Net Income or Net Loss shall be added to such taxable income or loss;

(b) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(*i*), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition of Net Income or Net Loss shall be subtracted from such taxable income or loss;

(c) in the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain (if the adjustment increases the Gross Asset Value of the asset) or loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset for purposes of computing Net Income or Net Loss;

(d) gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(e) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, with respect to a Company asset having a Gross Asset Value that differs from its adjusted basis for tax purposes, "Depreciation" with respect to such asset shall be computed by reference to the asset's Gross Asset Value in accordance with Regulations Section 1.704-1(b)(2)(iv)(*g*); and

(f) to the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)*(m)* to be taken into account in determining Capital Accounts, the amount of

such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Income or Net Loss.

"Officers" has the meaning set forth in Section 7.3(a).

"Ordinary Course of Business" means the ordinary course of the business consistent with past custom and practice (including with respect to quantity, quality and frequency).

"Partnership Representative" has the meaning set forth in Section 8.7.

"Permitted Transferee" has the meaning set forth in Section 9.1.

"Percentage Interest" means, with respect to each Member, the Percentage Interest for such Member set forth on Schedule II, as adjusted from time to time in accordance with the provisions of this Agreement.

"Person" means an individual, a partnership (including a limited partnership), a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, association or other entity or a Governmental Entity.

"Proceeding" has the meaning set forth in Section 7.7(a).

"Producing Member" means a Member that is a member of the National Product Supply Group.

"Producing Member Director" means a Director appointed by a Producing Member in accordance with Section 6.2(c).

"Regulations" means the regulations, including temporary regulations, promulgated by the United States Treasury Department under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Regulatory Allocations" has the meaning set forth in Section 5.2(f).

"Remaining Directors" means the Directors to be designated by the Members under Section 6.2, other than the Directors appointed under Section 6.2(c).

"Secretary" has the meaning set forth in Section 7.3(b)(iv).

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing member, general partner or

analogous controlling Person of such limited liability company, partnership, association or other business entity. For purposes hereof, references to a "Subsidiary" of any Person shall be given effect only at such times that such Person has one or more Subsidiaries and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

"Substituted Member" means any Person that has been admitted to the Company as a Member pursuant to Section 9.3 by virtue of such Person receiving all or a portion of a Membership Interest from a Member or its Assignee and not from the Company.

"Swire" has the meaning set forth in the recitals.

"Tax Matters Member" shall be the Person specified in Section 8.3 and, for taxable years of the Company beginning before January 1, 2018, has the meaning set forth in Section 6231 of the Code.

"TCCC" has the meaning set forth in the recitals.

"TCCC Member" means TCCC or its permitted transferee.

"Territory Non-Sale" has the meaning set forth in Section 11.2(a).

"Transfer" means any sale, transfer, assignment, pledge, mortgage, exchange, hypothecation, grant of a security interest or other direct or indirect disposition or encumbrance of an interest (whether with or without consideration, whether voluntarily or involuntarily or by operation of law). The terms "Transferee," "Transferor," "Transferred," and other forms of the word "Transfer" have the correlative meanings.

"Vice President" has the meaning set forth in Section 7.3(b)(iii).

"Withdrawal Notice" has the meaning set forth in Section 11.3.

"Withdrawing Member" has the meaning set forth in Section 11.3.

1.2 Interpretative Matters. In this Agreement, unless otherwise specified or where the context otherwise requires:

(a) the headings of particular provisions of this Agreement are inserted for convenience only and will not be construed as a part of this Agreement or serve as a limitation or expansion on the scope of any term or provision of this Agreement;

(b) words importing any gender shall include other genders;

(c) words importing the singular only shall include the plural and vice versa;

(d) the words "include," "includes" or "including" shall be deemed to be followed by the words "without limitation";

(e) the words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement;

(f) references to "Articles," "Exhibits," "Sections" or "Schedules" shall be to Articles, Exhibits, Sections or Schedules of or to this Agreement;

(g) references to any Person include the successors and permitted assigns of such Person;

(h) the use of the words "or," "either" and "any" shall not be exclusive;

(i) wherever a conflict exists between this Agreement and any other agreement, this Agreement shall control but solely to the extent of such conflict;

(j) references to "$" or "dollars" means the lawful currency of the United States of America;

(k) references to any agreement, contract or schedule, unless otherwise stated, are to such agreement, contract or schedule as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; and

(l) the parties hereto have participated jointly in the negotiation and drafting of this Agreement; accordingly, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

ARTICLE II
ORGANIZATIONAL MATTERS

2.1 Formation of the Company. The Company was formed on December 17, 2015 pursuant to the provisions of the Act by the filing of its Certificate of Formation. The Members hereby ratify the filing of the Certificate of Formation as an authorized act by and on behalf of the Company.

2.2 Limited Liability Company Agreement. The Members agree to continue the Company as a limited liability company under the Act, upon the terms and subject to the conditions set forth in this

Agreement. During the term of the Company set forth in Section 2.6, the rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Members are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

2.3 Name. The name of the Company is "CONA Services LLC." The Board of Directors may change the name of the Company at any time and from time to time. Prompt notification of any such change shall be given to all Members. The Company's business may be conducted under its name or any other name or names deemed advisable by the Board of Directors.

2.4 Purpose; Powers.

(a) General Powers. The purpose of the Company is to provide advantaged business process and information technology services to the Members at the lowest optimal cost for the agreed service levels. The Company will provide a complete service catalog that includes software development, support processes, IT operations services and innovation for the sales and delivery (DSD) aspects of the bottling business. The services to be provided by the Company from time to time will be determined by the Board of Directors.

(b) Purposes. The Company is authorized to perform all lawful business purposes for a Delaware limited liability company, as determined by the Board of Directors, subject to this Section 2.4. **[***]**. Subject to approval of the Board of Directors, the Company will be free to expand its services into additional areas in the future, beyond those specified in Section 2.4(a) (e.g., IT support of manufacturing activities of Members, **[***]**.

(c) Company Action. Subject to the provisions of this Agreement and except as prohibited by applicable law, (i) the Company may, with the approval of the Board of Directors, enter into and perform any and all documents, agreements and instruments, all without any further act, vote or approval of any Member, and (ii) the Board of Directors may authorize any Person (including any Member or Officer) to enter into and perform any document on behalf of the Company.

2.5 Principal Office; Registered Office. The registered office of the Company required by the Act to be maintained in the State of Delaware shall be the office of the initial registered agent named in the Certificate of Formation or such other office (which need not be a place of business of the Company) as the Board of Directors may designate from time to time in the manner provided by law. The initial principal office of the Company shall be located at SunTrust Plaza, Atlanta, Georgia 30308 and may be any such other place as the Board of Directors may from time to time designate, which need not be in the State of Delaware, and the Company shall maintain records at such place. The Company may maintain offices at such other place or places as the Board of Directors deems advisable. Prompt notice of any change in the principal office shall be given to all Members.

2.6 Term. The term of the Company commenced on December 17, 2015 by filing the Certificate of Formation with the office of the Secretary of State of the State of Delaware and shall continue in existence perpetually until termination or dissolution in accordance with the provisions of Article X.

2.7 Foreign Qualification. The Company shall comply, to the extent procedures are available and those matters are reasonably within the control of the Officers, with all requirements necessary to

qualify the Company as a foreign limited liability company in each jurisdiction where its assets or operations require it to be so qualified.

2.8 No State Law Partnership. The Members intend that the Company shall not be a partnership (including a limited partnership) or joint venture, and that no Member, Director or Officer shall be a partner or joint venturer of any other Member, Director or Officer by virtue of this Agreement, for any purposes other than as is set forth in the last sentence of this Section 2.8, and this Agreement shall not be construed to the contrary. The Members intend that the Company shall be treated as a partnership for federal and, if applicable, state or local income tax purposes, and each Member and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment.

ARTICLE III
CAPITAL CONTRIBUTION COMMITMENTS; ADMISSION OF MEMBERS; CAPITAL ACCOUNTS

3.1 Capital Contribution Commitments

(a) Initial Capital Contribution Commitment. Each Founding Member has made an Initial Capital Contribution Commitment to the Company in the amount specified on Schedule I.

(b) Additional Capital Contributions. In addition to the Initial Capital Contribution Commitments, each Member **[***]** will make additional Capital Contributions as determined by the Board of Directors from time to time, in accordance with each Member's respective Percentage Interest, subject to Section 7.1(c).

(c) Capital Calls. The Board of Directors may at any time on or after the date hereof, upon at least thirty (30) days prior notice of the date upon which an amount is to be due, demand payment of all or any portion of any balance of a Member's Initial Capital Contribution Commitment or any additional Capital Contributions approved by the Board of Directors as contemplated under Section 3.1(b). Notwithstanding anything herein to the contrary, the Board of Directors will not demand payment of a Capital Contribution Commitment from a Member unless such demand is made on all such Members, pro rata, based upon the relative unpaid balances of their respective Capital Contribution Commitments.

(d) **[***]**

(e) Default by a Member. The failure of a Member to pay all or any portion of such Member's Capital Contribution Commitment when due or the commencement of a proceeding in bankruptcy or insolvency by or against a Member when there are still unpaid amounts of such Member's Capital Contribution Commitment, which proceeding, if involuntary, is not dismissed within ninety (90) days of the commencement thereof, shall constitute an event of default ("Default"). The Company shall give notice of the Default to such Member (the "Defaulting Member"). If the Defaulting Member fails to pay the amount due within ten (10) days following the date of such notice sent by the Company to the Defaulting Member, the Board of Directors may, at its option, and without further notice, and in the case of a Default resulting from a bankruptcy or insolvency proceeding having been commenced as referred to above, the Board of Directors shall, cause the Company, without further notice, to take one or more of the following actions:

(A) accelerate and declare to be immediately due and payable the full unpaid amount of such Defaulting Member's then-existing and unpaid Capital Contribution Commitment;

(B) charge interest on the unpaid balance of any overdue Capital Contribution Commitment at an individual rate equal to the applicable prime rate plus five percent (5%), from the date such balance was due and payable through the date full payment for such Capital Contribution Commitment is actually made; and/or

(C) exercise all rights at law or in equity including the right to sell all or a portion of the Membership Interest held by the Defaulting Member to the Company or another Person (including an existing Member) at such price and on such other terms as the Board of Directors deems appropriate, with the proceeds from such sale to be applied in the following order: first, to the payment of the expenses of the sale; second, to the payment of the expenses of the Company resulting from the Default, including court costs and penalties, if any, and reasonable attorneys' fees and costs; third, to the payment of all amounts due from the Defaulting Member to the Company as a Capital Contribution Commitment (and interest due thereon pursuant to Section 3.1(e)(B); fourth, to the Defaulting Member, an amount up to fifty percent (50%) of the amount the Defaulting Member previously contributed to the Company less any distributions previously made to the Defaulting Member; and thereafter, any remainder to the Company.

(f) Additional Default Provisions. Upon Default by a Member, all rights and benefits attributable to the Membership Interest held by such Defaulting Member will be suspended until such Defaulting Member has cured its Default or the purchaser of such Membership Interest has been admitted to the Company as a Member (such purchaser not to be deemed a Defaulting Member with respect to the Default of the Defaulting Member from whom such Membership Interest was purchased). During the suspension period, neither the Defaulting Member nor its representative on the Board of Directors, if any, will have any voting or other rights attributable to its Membership Interest.

(g) Indemnification. Each Member agrees that it shall be liable to the Company and the non-Defaulting Members for, and shall indemnify and hold harmless such parties and their respective officers, directors, shareholders, managers, members, partners, employees, agents, representatives and affiliates, against, all damages that may result to such parties from a Default by such Member, including reasonable attorneys' fees and court costs, and that such Defaulting

Member shall continue to be liable for such damages regardless of whether such Defaulting Member's Membership Interest is purchased.

(h) Assumption of Remaining Capital Contribution Commitment Upon Adjustment of Percentage Interests. Each Member acknowledges and agrees that if such Member's Percentage Interest is adjusted following the date hereof pursuant to the adjustment mechanism set forth in Section 11.2, such Member shall be obligated to assume, or shall be released from, as applicable, the Capital Contribution obligations associated with the adjusted portion of such Member's Percentage Interest.

(i) Issuance of Additional Membership Interests. Subject to Section 3.2(b) and Section 7.1(c)(iii), the Board of Directors shall have the right to cause the Company to issue at any time after the Effective Date, and for such amount and form of consideration as the Board of Directors may determine, a Membership Interest to any Additional Member approved in accordance with the provisions of Section 3.2(b).

3.2 Admission of Members; Additional Members.

(a) Schedule of Members. The Company shall maintain and keep at its principal executive office a Schedule of Members on which it shall set forth the name and address of each Member, the Percentage Interest of each Member, and the aggregate amount of cash Capital Contributions that have been made by such Member at any time, and, if applicable, the Fair Market Value of any property other than cash contributed by such Member (including, if applicable, a description and the amount of any liability assumed by the Company or to which contributed property is subject). The Company shall prepare and distribute to the Members an updated Schedule of Members whenever any information provided therein has changed or otherwise needs to be updated.

(b) Additional Members. Subject to Section 7.1(c) and the last sentence of this Section 3.2(b), the Board of Directors may admit Additional Members, issue each such Member a Membership Interest, and determine the price and terms thereof (including assumption of a portion of the Members' Capital Contribution Commitment and/or a repayment of prior Capital Contributions); provided, however, that any such Additional Member must be a current or anticipated future user of the Coke One North America (CONA) information technology platform and have entered into a Master Services Agreement with the Company related thereto. A Person may be admitted to the Company as an Additional Member upon furnishing to the Board of Directors (i) an executed joinder agreement, in form satisfactory to the Board of Directors, pursuant to which such Person agrees to be bound by all the terms and conditions of this Agreement, (ii) an executed Master Services Agreement, and (iii) such other documents or instruments as may be necessary or appropriate to effect such Person's admission as a Member (including entering into such other documents as the Board of Directors may deem appropriate). Such admission shall become effective on the date on which the Board of Directors determines that all of the conditions of this Section 3.2(b) have been satisfied and when any such admission is shown on the books and records of the Company. Upon the admission of an Additional Member, the Schedule of Members attached hereto as Schedule II shall be amended to reflect the name, address, Percentage Interest, and Capital Contribution Commitment of such Additional Member. In addition, the prior written approval of the TCCC Member shall be required for the admission of Additional Members (such approval not to be unreasonably withheld, conditioned or delayed).

(c) **[***]**

3.3 Capital Accounts.

(a) The Company shall maintain a separate capital account for each Member **[***]** according to the rules of Regulations Section 1.704-1(b)(2)(iv) (each a "Capital Account"). The Capital Account of each Member shall be credited initially with an amount equal to such Member's cash contributions and, if applicable, the Fair Market Value of property contributed or deemed to be contributed to the Company by the Member (net of any liabilities securing such contributed property that the Company is considered to assume or take subject to).

(b) The Capital Account of each Member shall (i) be credited with all Income allocated to such Member pursuant to Section 5.1 and Section 5.2, and with the amount equal to such Member's cash contributions and, if applicable, the Fair Market Value of property contributed to the Company by the Member (net of any liabilities securing such contributed property that the Company is considered to assume or take subject to) following the Effective Date, and (ii) be debited with all Loss allocated to such Member pursuant to Section 5.1 and Section 5.2, and with the amount of cash and, if applicable, the Gross Asset Value of any property (net of liabilities assumed by such Member and liabilities to which such property is subject) distributed by the Company to such Member.

(c) The Company may, upon the occurrence of the events specified in Regulations Section 1.704-1(b)(2)(iv)*(f)*, increase or decrease the Capital Accounts of the Members in accordance with the rules of such Regulations and Regulations Section 1.704-1(b)(2)(iv)*(g)* to reflect a revaluation of Company property.

(d) If all or part of a Membership Interest in the Company is Transferred in accordance with Article IX, then, as provided in Section 9.4, the Transferee will succeed to the Capital Account of the Transferor to the extent it relates to the Transferred Membership Interest.

3.4 Negative Capital Accounts. No Member shall be required to pay to any other Member or the Company any deficit or negative balance that may exist from time to time in such Member's Capital Account (including upon and after dissolution of the Company).

3.5 No Withdrawal. No Person shall be entitled to withdraw any part of such Person's Capital Contributions or Capital Account or to receive any Distribution from the Company, except as expressly provided in this Agreement, including as set forth in Section 11.3.

3.6 Loans From Members. Loans by Members to the Company shall not be considered Capital Contributions. If any Member shall loan funds to the Company, then the making of such loans shall not result in any increase in the Capital Account balance of such Member. The amount of any such loans shall be a debt of the Company to such Member and shall be payable or collectible in accordance with the terms and conditions upon which such loans are made, in each instance, as approved by the Board of Directors (subject to Section 7.1(c)(xi)).

3.7 No Right of Partition. No Member shall have the right to seek or obtain partition by court decree or operation of law of any property of the Company or any of its Subsidiaries or the right to own or use particular or individual assets of the Company or any of its Subsidiaries, or, except as expressly provided in this Agreement, be entitled to Distributions of specific assets of the Company or any of its Subsidiaries.

ARTICLE IV
DISTRIBUTIONS

4.1 Distributions. The Board of Directors shall have sole discretion regarding the amount and timing of Distributions to the Members, subject to Section 4.3. All such Distributions shall be made to the Members **[***]** ratably in accordance with their relative Capital Accounts, subject to Section 10.2(b).

4.2 Distributions In-Kind. To the extent that the Company distributes property in-kind to the Members, for purposes of Section 4.1, the Company shall be treated as making a Distribution equal to the Fair Market Value of such property, and such property shall be treated as if it were sold for an amount equal to its Fair Market Value. Any resulting gain or loss shall be allocated to the Members' Capital Accounts in accordance with Section 5.1 and Section 5.2.

4.3 Tax Distributions

To the extent that the aggregate cumulative taxable net income allocated by the Company to the Members exceeds prior Distributions to the Members, the Board of Directors may, but shall not be required to, cause the Company to make tax distributions to the Members based on the Assumed Tax Rate and subject to available cash flow.

ARTICLE V
ALLOCATIONS

5.1 Allocations. Net Income and Net Loss (and, if necessary, individual items of Income and Loss) shall be allocated annually (and at such other times as the Board of Directors determines) to the Members in accordance with their relative Percentage Interests, except as provided in Section 5.2 or Section 5.6.

5.2 Special Allocations.

(a) Loss attributable to Member Nonrecourse Debt shall be allocated in the manner required by Regulations Section 1.704-2(i). If there is a net decrease during a taxable year in Member Minimum Gain, Income for such taxable year (and, if necessary, for subsequent taxable years) shall be allocated to the Members in the amounts and of such character as is determined according to Regulations Section 1.704-2(i)(4). This Section 5.2(a) is intended to be a "partner nonrecourse debt minimum gain chargeback" provision that complies with the requirements of Regulations Section 1.704-2(i)(4), and shall be interpreted in a manner consistent therewith.

(b) Except as otherwise provided in Section 5.2(a), if there is a net decrease in Company Minimum Gain during any taxable year, each Member shall be allocated Income for such taxable year (and, if necessary, for subsequent taxable years) in the amounts and of such character as is determined according to Regulations Section 1.704-2(f). This Section 5.2(b) is intended to be a "minimum gain chargeback" provision that complies with the requirements of Regulations Section 1.704-2(f), and shall be interpreted in a manner consistent therewith.

(c) If any Member that unexpectedly receives an adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii)(*d*)(*4*), (*5*) or (*6*) has an Adjusted Capital Account Deficit as of the end of any taxable year, computed after the application of

(d) Section 5.2(a) and Section 5.2(b) but before the application of any other provision of Section 5.1, Section 5.2 and Section 5.3, then Income for such taxable year shall be allocated to such Member in proportion to, and to the extent of, such Adjusted Capital Account Deficit. This Section 5.2(c) is intended to be a "qualified income offset" provision as described in Regulations Section 1.704-1(b)(2)(ii)(*d*) and shall be interpreted in a manner consistent therewith.

(e) Income and Loss described in clause (d) of the definition of Gross Asset Value shall be allocated in a manner consistent with the manner that the adjustments to the Capital Accounts are required to be made pursuant to Regulations Section 1.704-1(b)(2)(iv)(*m*).

(f) Net Losses will not be allocated to a Member if such allocation would cause or increase an Adjusted Capital Account Deficit with respect to such Member's Capital Account. If one or more Members would have an Adjusted Capital Account Deficit as a result of an allocation of Net Losses, then Net Losses will be allocated to the other Members in proportion to the amounts of Net Losses that otherwise would be allocated among them for the related Fiscal Year. If Net Losses are specially allocated to other Members pursuant to the preceding sentence, then items of Income in subsequent periods will be specially allocated to offset, to the extent possible, such special allocations of Net Losses.

(g) The allocations set forth in Section 5.2(a) through Section 5.2(d) inclusive (the "Regulatory Allocations") are intended to comply with certain requirements of Section 1.704-1(b) and 1.704-2 of the Regulations. The Regulatory Allocations may not be consistent with the manner in which the Members intend to allocate Income and Loss of the Company or to make Distributions. Accordingly, notwithstanding the other provisions of Section 5.1, Section 5.2 and Section 5.3, but subject to the Regulatory Allocations, items of Income and Loss of the Company shall be allocated among the Members so as to eliminate the effect of the Regulatory Allocations and thereby cause the respective Capital Account balances of the Members to be in the amounts (or as close thereto as possible) they would have been if Income and Loss had been allocated without reference to the Regulatory Allocations. In general, the Members anticipate that this shall be accomplished by specially allocating other Income and Loss among the Members so that the net amount of Regulatory Allocations and such special allocations to each such Member is zero.

5.3 Tax Allocations.

(a) The income, gains, losses and deductions of the Company shall be allocated for federal, state and local income tax purposes among the Members in accordance with the allocation of such income, gains, losses and deductions among the Members for purposes of computing their Capital Accounts; except that if any such allocation is not permitted by the Code or other applicable law, then the Company's subsequent income, gains, losses and deductions for tax purposes shall be allocated among the Members so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) Items of Company taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Members in accordance with Code Section 704(c) so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Gross Asset Value; the Tax Matters Member shall have the authority to select, in its sole and absolute discretion, any method of making such allocations that is allowed under Code Section 704(c) and the Treasury regulations thereunder.

(c) If the Gross Asset Value of any Company asset is adjusted pursuant to the requirements of Regulations Section 1.704-1(b)(2)(iv)(*e*) or (*f*), subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c); the Tax Matters Member shall have the authority to select, in its sole and absolute discretion, any method of making such allocations that is allowed under Code Section 704(c) and the Treasury regulations thereunder.

(d) Tax credits, tax credit recapture and any items related thereto shall be allocated to the Members according to their interests in such items as reasonably determined by the Board of Directors taking into account the principles of Regulations Sections 1.704-1(b)(4)(ii) and 1.704-1T(b)(4)(xi).

(e) Allocations pursuant to this Section 5.3 are solely for the purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Income, Loss, Distributions or other Company items pursuant to any provision of this Agreement.

5.4 Members' Tax Reporting. The Members acknowledge and are aware of the income tax consequences of the allocations made pursuant to this Article V and, except as may otherwise be required by applicable law or regulatory requirements, hereby agree to be bound by the provisions of this Article V in reporting their shares of Company income, gain, loss, deduction and credit for federal, state and local income tax purposes.

5.5 Withholding; Indemnification and Reimbursement for Payments on Behalf of a Member

. The Board of Directors is authorized to cause the Company to withhold from Distributions to the Members and to pay over to the appropriate federal, state, local or foreign government any amounts required under any applicable law to be so withheld. Any such withheld amounts shall be treated for purposes of this Agreement as having been distributed to such Members pursuant to the provisions of Article IV or Section 10.2. If the Company is required by applicable law to make any payment to a Governmental Entity that is specifically attributable to a Member or a Member's status as such (including withholding taxes, state or local personal property taxes and state or local unincorporated business taxes), then such Member shall indemnify the Company in full for the entire amount paid (including interest, penalties and related expenses), in each instance reduced by any portion of such paid amount that the Company had previously withheld from Distributions otherwise payable to such Member. The Board of Directors may offset Distributions to which a Person is otherwise entitled under this Agreement against such Person's obligation to indemnify the Company under this Section 5.5. A Member's obligation to indemnify the Company under this Section 5.5 shall survive termination, dissolution, liquidation and winding up of the Company, and for purposes of this Section 5.5, the Company shall be treated as continuing in existence. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 5.5, including instituting a lawsuit to collect such indemnification, with interest calculated at a rate equal to ten (10) percentage points per annum (but not in excess of the highest rate per annum permitted by applicable law).

5.6 **[***]**

ARTICLE VI
RIGHTS AND DUTIES OF MEMBERS

6.1 Power and Authority of Members. Unless delegated such power in accordance with Section 7.4, no Member shall, in its capacity as such, have the authority or power to act for or on behalf of the Company in any manner, to do any act that would be (or could be construed as) binding on the Company, or to make any expenditures on behalf of the Company, and the Members hereby consent to the exercise by the Board of Directors of the powers and rights conferred on it by applicable law and by this Agreement.

6.2 Voting Rights; Designation of Board Members.

(a) Voting Rights. Members shall not have any voting rights on any matter, except as provided in this Section 6.2 with respect to the designation or election of Directors, or as otherwise required by applicable law. If a vote of the Members is required under applicable law, then the Members shall vote together as a single class, and each Member **[***]** shall be entitled to one vote (regardless of the Percentage Interest of such Member). **[***]**.

(b) Designation of Board Members. Each Member agrees that the authorized number of Directors of the Company shall initially be established at six (6), and the Founding Members have each designated a Director as follows:

(i) CCR designated Dominic Wheeler;

(ii) Coke United designated Eric Steadman;

(iii) Coke Consolidated designated Jamie Harris;

(iv) Swire designated Jeff Edwards;

(v) CCB Florida designated Terence Gee; and

(vi) Great Lakes designated Mark Booth.

(c) From the date hereof through December 31, 2025, (i) each Founding Member will have the right to designate a Director, and (ii) subject to Section 6.2(f)(i), each Producing Member (other than the Founding Members) will have the right to designate a Director. After December 31, 2025, (i) each Founding Member will have the right to designate a Director so long as such Founding Member remains a Producing Member, and (ii) subject to Section 6.2(f)(i), each Producing Member (other than the Founding Members) will have the right to designate a Director.

(d) The right to designate the Remaining Directors will be held by the Members **[***]** (other than the Members who have the right to designate a Director under Section 6.2(c)), and each such Member will have the right to designate **[***]**

(e) **[***]**

(f) Additional Directors.

(i) The number of Directors automatically will increase upon the admission of Additional Members or Substituted Members, up to a total of **[***]** Directors. If the Board of Directors wishes to increase the number of Directors to more than **[***]** Directors in total, then such increase will require **[***]**.

(ii) If the number of Directors is increased in connection with the admission of Additional Members or Substituted Members, then the vacancy created by such increase in the number of Directors will be filled by **[***]**.

(g) Removal. Any Director shall be removed from the Board of Directors or any committee of the Board of Directors (with or without cause) at the written request of the Member(s) that designated or elected such Director under this Section 6.2, but only upon such written request and under no other circumstances; provided that a Director that was designated pursuant to Section 6.2(c) or Section 6.2(d) by a Withdrawing Member shall be deemed to have been automatically removed at the written request of such Withdrawing Member upon the effective date of the withdrawal from the Company by such Withdrawing Member.

(h) Replacement. If any Director for any reason ceases to serve as a member of the Board of Directors, whether as a result of death, resignation, removal or otherwise, the resulting vacancy on the Board of Directors shall be filled by a Director designated or elected by the Member(s) that designated or elected such Director initially under this Section 6.2; provided that in connection with a CBA Permitted Transfer of a Member's entire Membership Interest, if at the time of the Transfer a then-serving Director had been designated by the Transferor pursuant to this Section 6.2, then such Permitted Transferee shall be entitled to immediately replace the Director originally designated by such Transferor; provided, further, that if such Permitted Transferee is a Member that holds the right to designate a Director on the effective date of the Transfer, then its right to designate a Director with respect to the Transferred Membership Interest will be deemed waived (i.e., no Member may designate more than one Director), and the Member with the next highest Percentage Interest will have the right to designate the Director.

(i) TCCC Board Participant. TCCC has the right to appoint a participant in meetings of the Board of Directors (the "Board Participant"). The initial Board Participant is Michael Mathews. The Board Participant will have the right to attend each meeting of the Board of Directors in a non-voting capacity and **[***]**

6.3 Liability of Members.

(a) No Personal Liability. Except as otherwise required by applicable law or as expressly set forth in this Agreement, no Member shall have any personal liability whatsoever in such Member's capacity as a Member, whether to the Company, to any of the other Members, to the creditors of the Company or to any other third Person for the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise (including those arising as a Member or an equityholder, an owner or a shareholder of another Person). Each Member shall be liable only to satisfy such Member's Capital Contribution Commitment to the Company, if applicable, and the other payments provided for expressly herein.

(b) Return of Distributions. Under the Act, a Member of a limited liability company may, under certain circumstances, be required to return amounts previously distributed to such Member. It is the intent of the Members that no Distribution to any Member pursuant to Article IV or Article X shall be deemed to constitute money or other property paid or distributed in violation of the Act, and the Members agree that each such Distribution shall constitute a compromise of the Members within the meaning of § 18-502(b) of the Act, and the Member receiving such Distribution shall not be required to return to any Person any such money or property, except as otherwise expressly set forth herein. If, however, any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Member is obligated to make any such payment, such obligation shall be the obligation of such Member and not of the other Members.

6.4 Performance of Duties. In performing its duties, each of the Members shall be entitled to rely in good faith on the provisions of this Agreement and on information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, profits or losses of the Company and its Subsidiaries), of the following other Persons or groups: (i) one or more officers or employees of the Company or any of its Subsidiaries, (ii) any attorney, independent accountant or other Person employed or engaged by the Company or any of its Subsidiaries, or (iii) any other Person who has been selected with reasonable care by or on behalf of such Member or the Company or any of its Subsidiaries, in each case, as to matters which such relying Person reasonably believes to be within such other Person's professional or expert competence. The preceding sentence shall in no way limit any Person's right to rely on information to the extent provided in § 18-406 of the Act.

ARTICLE VII
MANAGEMENT OF THE COMPANY

7.1 Board of Directors

(a) Establishment. There is hereby established a committee of Member representatives (the "Board of Directors") comprised of natural Persons (the "Directors") having the authority and duties set forth in this Agreement. Any decisions to be made by the Board of Directors will require the approval of the members of the Board of Directors present and voting at a meeting, in each instance as required by Section 7.1(f)(i). No Director acting alone, or with any other Directors (including as a member of any committee of the Board of Directors), shall have the power to act for or on behalf of, or to bind the Company, except as such power is delegated by the number of Directors as would be required to approve such action in accordance with Section 7.1(f)(i). Each Director shall be a "manager" (as such term is defined in the Act) of the Company but, notwithstanding the foregoing, no Director shall have any rights or powers beyond the rights and powers granted to such Director in this Agreement.

(b) Powers. The business and affairs of the Company shall be managed by or under the direction of the Board of Directors, except as otherwise expressly provided in this Agreement. The Board of Directors shall have the power on behalf and in the name of the Company to carry out any and all of the objectives and purposes of the Company contemplated by Section 2.4 and to perform all acts that the Board of Directors may deem necessary or advisable in connection therewith. Without limiting the generality of the foregoing, the Board of Directors shall have the power and authority to:

(i) determine the location of the principal place of business of the Company;

(ii) adjust the Percentage Interest of each Member in accordance with Section 11.2;

(iii) make capital calls from the Members in accordance with Section 3.1(c);

(iv) approve the annual and long range business plans of the Company;

(v) remove the Chief Executive Officer and other officers of the Company;

(vi) determine the scope of the products and services to be provided by the Company (including services to support manufacturing activities of the Members, **[***]**), all on such terms and conditions and pursuant to such delegations of authority (to Board Committees or otherwise) as the Board of Directors may determine from time to time with regard to governance, funding, development, implementation and use of such additional services;

(vii) oversee and manage the development and delivery of products and services of the Company at a strategic level (including the strategic capabilities roadmap and system architecture), project prioritization and strategic vendor performance and sourcing guidelines; and

(viii) determine whether excess available cash should be distributed to the Members or set aside as a reserve for future expenses or capital expenditures.

(c) The approval of the following matters shall require the approval of at least eighty percent (80%) of the Directors present at a meeting (e.g., at least five (5) Directors if six (6) Directors are present at the meeting, and at least six (6) Directors if seven (7) Directors are present at the meeting):

(i) **[***]**;

(ii) **[***]**;

(iii) **[***]**;

(iv) **[***]**;

(v) **[***]**;

(vi) approve the annual operating and capital budgets for the Company;

(vii) capital expenditures that have not already been approved as part of an approved budget under item (vi) above, in excess of $**[***]** individually or $**[***]** in the aggregate per annum;

(viii) **[***]**;

(ix) **[***]**;

(x) require that Members make additional Capital Contributions under Section 3.1(b); and

(xi) **[***]**.

(d) The approval of the following matters shall require the approval of **[***]** of the Directors (whether or not present and voting at a meeting):

(i) **[***]**;

(ii) **[***]**;

(iii) **[***]**;

(iv) **[***]**;

(v) **[***]**; and

(vi) **[***]**.

(e) Composition of the Board of Directors; Voting.

(i) The number of Directors shall initially be six (6) and automatically will increase upon the admission of Additional Members or Substituted Members, up to a total of **[***]** Directors. If the Board of Directors wishes to increase the number of Directors to more than **[***]** Directors in total, then such increase will require **[***]**. Each Director shall be entitled to cast one (1) vote with respect to each matter brought before the Board of Directors (or any committee of the Board of Directors) for approval.

(ii) Directors shall be designated or elected, as the case may be, in accordance with Section 6.2. Each Director designated or elected in accordance with Section 6.2 shall hold office until a successor is duly designated or elected in accordance with Section 6.2 and qualified or until his or her earlier death, resignation or removal as herein provided.

(iii) Any Director may resign at any time by giving written notice to the members of the Board of Directors and the Chief Executive Officer of the Company. The resignation of any Director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Subject to, and as limited by the express provisions of this Agreement, any vacancy or vacancies in the Board of Directors caused by any such resignation shall be filled in accordance with Section 6.2.

(iv) If any Member fails to designate or group of Members fails to elect a representative to fill a directorship pursuant to the terms of Section 6.2, neither the Board of Directors nor the Members may elect, and the Board of Directors and Members shall not vote to elect, any person to fill such vacant directorship without the prior written consent of the Member(s) originally entitled to designate or elect, as the case may be, such Director pursuant to Section 6.2.

(v) If the voting rights of a Director are suspended in accordance with Section 3.1(f) or Section 11.3 or if, as contemplated in Section 7.1(e)(iv), a Member or Members fail to designate or elect, as the case may be, a representative to fill a directorship, then voting requirements will be applied as if that Director position did not exist (e.g., if there are 6 Director seats, and the vote of the Board of Directors is required for any purpose, then it will be assumed that there are 5 Director seats, and a matter requiring approval of a majority of Directors will require approval of at least 3 Directors, and a matter requiring approval under Section 7.1(c) will require approval of at least 4 Directors).

(f) Meetings of the Board. Regular meetings of the Board of Directors may be held at such place, within or without the State of Delaware, as shall from time to time be determined by the Board of Directors, but in no event less than four (4) times during any twelve (12) month period. Regular meetings will be held in accordance with a meeting schedule approved by the Board of Directors. Special meetings of the Board of Directors may be called by or at the request of the Chief Executive Officer, and in any event shall be called by the Chief Executive Officer upon the written request of a majority of the Directors. Notice of each such special meeting shall be provided to each Director in accordance with the notice information (including address of record and e-mail address) provided by the Director to the Company from time to time, at least five (5) Business Days before the day on which the meeting is to be held. Each such notice shall state the time and place of the meeting and, as may be required, the purposes thereof.

(i) Unless otherwise provided by applicable law or this Agreement, the presence of Directors constituting a majority of the number of Directors shall be necessary to constitute a quorum for the transaction of business. Notwithstanding any provision to the contrary contained herein, (A) at all meetings of Directors, a quorum being present, all matters shall be decided by the affirmative vote of a majority of the votes held by all Directors present at the meeting, except as otherwise required by applicable law or by this Agreement (including Section 7.1(c) and Section 7.1(d)) (that is, approval of any matter identified in Section 7.1(c) would require the approval of 80% of all Directors present at the meeting, and a matter identified in Section 7.1(d) would require the approval of **[***]** Directors, whether or not present and voting at the meeting), and (B) interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee that authorizes any interested party contract or transaction.

(ii) Any member of the Board of Directors or any member of a committee of the Board of Directors who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting or abstaining at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent or abstention shall be entered in the minutes of the meeting or unless his or her written dissent or abstention to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the Secretary of the Company immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to any member who voted in favor of such action.

(iii) Members of the Board of Directors and any member of a committee of the Board of Directors may participate in and act at any meeting of the Board of Directors or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this Section 7.1(f)(iii) shall constitute presence in person at the meeting.

(iv) A Director may vote at a meeting of the Board of Directors or any committee thereof either in person or by proxy executed in writing by such Director. An email or similar transmission by the Director, or other writing, shall be accepted as a proxy executed in writing for purposes hereof. Proxies shall be filed with the Board of Directors, before or at the time of the meeting or execution of the written consent, as the case may be. A proxy shall be revocable in writing. A Director who has given a proxy in the manner set forth in this Section 7.1(f)(iv) for a vote at any meeting of the Board of Directors or any committee thereof shall be deemed to be present at such meeting for all purposes, including for purposes of determining the presence of a quorum and determining the number of votes required to take action at such meeting.

(v) Unless otherwise restricted by this Agreement or the Act, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee of the Board of Directors, may be taken without a meeting if all the Directors or members of such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

(g) Compensation of Directors; Expense Reimbursement. Directors shall not receive any stated salary for services in their capacity as Directors; and Directors shall not be reimbursed for expenses related to attendance at any regular or special meeting of the Board of Directors or any committees thereof.

(h) Subsidiary Boards. Unless otherwise determined by the Board of Directors, the Company shall, and shall cause each of its Subsidiaries to, cause the composition of the boards of directors of each of the Subsidiaries of the Company to be the same as the Board of Directors of the Company.

7.2 Committees of the Board.

(a) Creation. The Board of Directors may by resolution designate one or more committees, including the following committees: executive compensation, human resources, finance and audit, governance, IT matters, and operations. Each committee shall be comprised of three or more Directors, and the Board of Directors may designate one or more of the Directors as alternate members of any committee, who may, subject to any limitations imposed by the Board of Directors, replace absent or disqualified Directors at any meeting of that committee. Any decisions to be made by a committee of the Board of Directors shall require the approval of a majority of the votes of such committee of the Board of Directors. Any committee of the Board of Directors, to the extent provided in any resolution of the Board of Directors, shall have and may exercise all of the authority of the Board of Directors, subject to the limitations set forth in the Act, in Section 7.2(b) or in the establishment of such committee. Any committee members may be removed, or any authority granted thereto may be revoked, at any time for any reason by the Board of Directors. Each committee of Directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided in this

Agreement or by a resolution of the Board of Directors designating such committee. Committees of the Board of Directors may include members of the Company's management team and other persons who are not members of the Board of Directors, as determined by the Board of Directors or the applicable committee.

(b) Limitation of Authority. Notwithstanding the resolutions creating any committee or authorizing any committee action or anything contained in this Agreement to the contrary, no committee of the Board of Directors shall have the authority to take any action unless such action is approved by the required number of Directors as set forth in Section 7.1(f)(i).

7.3 Officers.

(a) The Company shall have such individuals as officers ("Officers") as may be elected by the Board of Directors. The Officers of the Company may consist of a Chief Executive Officer, Chief Financial Officer, one or more Senior Vice Presidents, one or more Vice Presidents, one or more Assistant Vice Presidents, a Secretary, one or more Assistant Secretaries, or such other Officers as may be appointed by the Board of Directors. One person may hold, and perform the duties of, any two or more of such offices. Compensation of Officers shall be fixed by the Board of Directors or the executive compensation committee (if any) from time to time. Any Officer may be removed, with or without cause, at any time by the Board of Directors. In its discretion, the Board of Directors may choose not to fill any office for any period as it may deem advisable. No Officer need be a Member or a Director.

(b) Each Officer shall be a "manager" (as such term is defined in the Act) of the Company but, notwithstanding the foregoing, no Officer shall have any rights or powers beyond the rights and powers granted to such Officers in this Agreement. The Chief Executive Officer, Chief Financial Officer, Vice Presidents and Secretary shall have the following duties and responsibilities:

(i) Chief Executive Officer. The chief executive officer of the Company (the "Chief Executive Officer") shall perform such duties as may be assigned to him or her from time to time by the Board of Directors, including presiding at meetings of the Members. Subject to the direction of the Board of Directors, he or she shall perform all duties incident to the office of a chief executive officer in a corporation organized under the Delaware General Corporation Law. The Chief Executive Officer shall see that all resolutions and orders of the Board of Directors are carried into effect, and in connection with the foregoing, shall be authorized to delegate to the Chief Financial Officer or a Vice President and the other Officers such of his or her powers and such of his or her duties as the Board of Directors may deem to be advisable.

(ii) Chief Financial Officer and Treasurer. The chief financial officer and treasurer of the Company (the "Chief Financial Officer") shall have the custody of the Company's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all monies and other valuable effects in the name and to the credit of the Company, in such depositories as may be designated by the Board of Directors or by any Officer authorized by the Board of Directors to make such designation. In case of the absence or disability of the Chief Executive Officer, the duties of the office shall, if the Board of Directors or the Chief Executive Officer has so authorized, be performed by the Chief Financial Officer. The Chief Financial Officer shall exercise such powers and perform such duties as generally pertain or are necessarily incident to his or her office and shall perform such other duties

as may be specifically assigned to him or her from time to time by the Board of Directors or the Chief Executive Officer.

(iii) Vice Presidents. The Vice President of the Company (a "Vice President"), or if there be more than one, the Vice Presidents, shall perform such duties as may be assigned to them from time to time by the Board of Directors or as may be designated by the Chief Executive Officer or the Chief Financial Officer. In case of the absence or disability of the Chief Executive Officer and the Chief Financial Officer, the duties of the office of Chief Executive Officer shall, if the Board of Directors or the Chief Executive Officer has so authorized, be performed by the Vice President, or if there be more than one Vice President, by such Vice President as the Board of Directors or Chief Executive Officer shall designate.

(iv) Secretary. The Secretary of the Company (the "Secretary") shall attend all meetings of the Board of Directors and each committee of the Board of Directors and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committee when required. He or she shall give, or cause to be given, notice of all meetings of the Members and, when necessary, of the Board of Directors. The Secretary shall exercise such powers and perform such duties as generally pertain or are necessarily incident to his or her office, and he or she shall perform such other duties as may be assigned to him or her from time to time by the Board of Directors, the Chief Executive Officer, the Chief Financial Officer or by any Vice President.

(c) The individuals listed below shall serve in the following offices until resignation or removal or replacement by the Board of Directors:

Name	Office
Reinhard Meister	Chief Executive Officer
Scott Armstrong	Chief Financial Officer
Robert Hadley	Chief Product Officer
Steven Hauser	General Counsel & Secretary
Brett Findley	Chief Services Officer
Robert Shank	Chief Technology Officer
Saurabh Parikh	Vice President, Innovation & Architecture
David McClure	Vice President, Risk & Security
Baron Jordan	Vice President, Sales & Operations Solutions
Steve Priestley	Vice President, Customer Solutions
Carl Carson	Vice President, Enabling Solutions
Rajen Raval	Vice President, Manufacturing Solutions

7.4 Further Delegation of Authority. The Board of Directors may, from time to time, delegate to any Person (including any Member, Officer or Director) such authority and powers to act on behalf of the Company as it shall deem advisable in its discretion, except that the Board of Directors may not delegate its authority with respect to the matters set forth in Section 7.1(b), Section 7.1(c) and Section 7.1(d). Any delegation pursuant to this Section 7.4 may be revoked at any time and for any reason or no reason by the Board of Directors.

7.5 Exculpation; Fiduciary Duties.

(a) No Director or Officer shall be liable to the Company or any Member for any action taken or omitted to be taken by it or by any other Member or other Person with respect to the Company, including any negligent act or failure to act, except (i) in the case of a liability resulting from such Person's own fraud, gross negligence, willful misconduct, intentional and material breach of this Agreement or conduct that is the subject of a criminal proceeding (where such Person has a reasonable cause to believe that such conduct was unlawful), and (ii) in the case of any Officer who is a Company employee, a liability resulting from such Officer's breach of the duty of loyalty.

(b) This Agreement is not intended to, and does not, create or impose any fiduciary duty on any Member or Director. Furthermore, each of the Members and the Company hereby disclaims and waives any and all fiduciary duties that, absent such waiver, may be specified or implied by applicable law, and in doing so, acknowledges and agrees that the duties and obligations of each Member and Director to each other and to the Company are only as may be expressly set forth in this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of any Member or Director otherwise existing at law or in equity, are agreed by the Company and the Members to replace such other duties and liabilities of such Members and Directors.

7.6 Performance of Duties; Liability of Directors and Officers. In performing his or her duties, each of the Directors and the Officers shall be entitled to rely in good faith on the provisions of this Agreement and on information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, profits or losses of the Company and its Subsidiaries or any facts pertinent to the existence and amount of assets from which Distributions to Members might properly be paid), of the following other Persons or groups: (a) one or more Officers or employees of the Company or any of its Subsidiaries, (b) any attorney, independent accountant or other Person employed or engaged by the Company or any of its Subsidiaries, or (c) any other Person who has been selected with reasonable care by or on behalf of the Company or any of its Subsidiaries, in each case, as to matters which such relying Person reasonably believes to be within such other Person's professional or expert competence. No individual who is a Director or an Officer, or any combination of the foregoing, shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation or liability of the Company, whether that liability or obligation arises in contract, tort or otherwise solely by reason of being a Director or an Officer or any combination of the foregoing.

7.7 Indemnification.

(a) Third Person Actions, Suits and Proceedings. The Company shall indemnify each Person who was or is made a party or is threatened to be made a party to or is involved in or participates as a witness with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company), by reason of the fact that he or she, or a Person of whom he or she is the legal representative, is or was a

Member, Director or an Officer, or is or was serving at the request of the Company as a manager, director, officer, employee, fiduciary or agent of another limited liability company or of a corporation, partnership, joint venture, trust or other enterprise (each, a "Proceeding"), against all expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Person in connection with such Proceeding if (i) such Person acted in good faith and in a manner such Person reasonably believed to be in or not opposed to the best interests of the Company, (ii) such Person's conduct did not constitute fraud, gross negligence, willful misconduct, or intentional and material breach of this Agreement, and (iii) with respect to any criminal Proceeding, such Person had no reasonable cause to believe such Person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the Person did not act in good faith and in a manner which such Person reasonably believed to be in or not opposed to the best interests of the Company, or, with respect to any criminal Proceeding that the Person had reasonable cause to believe that his or her conduct was unlawful.

(b) Actions by the Company. The Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that such Person, or a Person of whom he or she is the legal representative, is or was a Director or an Officer, or is or was serving at the request of the Company as a manager or director, officer, employee, partner, fiduciary, trustee, agent or similar functionary of another limited liability company or of a corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such Person in connection with the defense or settlement of such action or suit if (i) such Person acted in good faith and in a manner such Person reasonably believed to be in or not opposed to the best interests of the Company, and (ii) such Person's conduct did not constitute fraud, gross negligence, willful misconduct, or intentional and material breach of this Agreement, except that no indemnification shall be made in respect of any claim, issue or matter as to which such Person shall have been adjudged to be liable to the Company unless and only to the extent that a court of competent jurisdiction determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnification for such expenses which such court shall deem proper.

(c) Rights Non-Exclusive. The rights to indemnification and the payment of expenses incurred in defending a Proceeding in advance of its final disposition conferred in this Section 7.7, shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of this Agreement, any other agreement, any vote of Members or disinterested Directors or otherwise.

(d) Insurance. The Board of Directors will cause the Company to maintain insurance, at its expense, on behalf of the Company and on behalf of any person who is or was at any time after the Effective Date a Director or Officer of the Company or any of its Subsidiaries against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the Company would have the power to indemnify such person against such liability under this Section 7.7. The Board of Directors may, in its discretion, also cause the Company to maintain insurance, at its expense, on behalf of the Company and on behalf of any person who is or was at any time after the Effective Date an employee, fiduciary, agent or representative of the Company or any of its Subsidiaries against any liability asserted against him or her and incurred by him or her in any such capacity.

(e) Expenses. Expenses incurred by any Person described in Section 7.7(a) or Section 7.7(b) in defending a Proceeding shall be paid by the Company in advance of such Proceeding's final disposition upon receipt of an undertaking by or on behalf of such Person to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Company. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

(f) Employees and Agents. Persons who are not covered by the foregoing provisions of this Section 7.7 and who are or were Members, employees or agents of the Company, or who are or were serving at the request of the Company as managers or directors, officers, employees, partners, fiduciaries, trustees, agents or similar functionaries of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the Board of Directors.

(g) Contract Rights. The provisions of this Section 7.7 shall be deemed to be a contract right between the Company and each Person described in Section 7.7(a) or Section 7.7(b) who serves in any such capacity at any time while this Section 7.7 and the relevant provisions of the Act or other applicable law are in effect, and any repeal or modification of this Section 7.7 or any such law shall not affect any rights or obligations then existing with respect to any state of facts or Proceeding then existing. The indemnification and other rights provided for in this Section 7.7 shall inure to the benefit of the heirs, executors and administrators of any Person entitled to such indemnification. Except as provided in Section 7.7(a) or Section 7.7(b), the Company shall indemnify any such Person seeking indemnification in connection with a Proceeding initiated by such Person only if such Proceeding was authorized by the Board of Directors.

(h) Merger or Consolidation; Other Enterprises. For purposes of this Section 7.7, references to "the Company" shall include, in addition to the resulting company, any constituent company (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its managers, directors, officers, employees or agents, so that any Person who is or was a manager, director, officer, employee or agent of such constituent company, or is or was serving at the request of such constituent company as a manager, director, officer, employee or agent of another company, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Section 7.7 with respect to the resulting or surviving company as he or she would have with respect to such constituent company if its separate existence had continued. For purposes of this Section 7.7, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a Person with respect to any employee benefit plan; and references to "serving at the request of the Company" shall include any service as a manager, director, officer, employee or agent of the Company that imposes duties on, or involves services by, such manager, director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a Person who acted in good faith and in a manner such Person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Section 7.7.

(i) No Member Recourse. Anything herein to the contrary notwithstanding, any indemnity by the Company relating to the matters covered in this Section 7.7 shall be provided out of and to the extent of Company assets only and no Member (unless such Member otherwise agrees in writing or is found in a final decision of a court of competent jurisdiction to have personal liability on account thereof) shall have personal liability on account thereof or shall be

required to make additional Capital Contributions (beyond any then-existing and unpaid Capital Contribution Commitment) to help satisfy such indemnity of the Company.

(j) Primacy of Obligations. In furtherance of this Section 7.7, the Company acknowledges that certain Persons entitled to indemnification under this Section 7.7 may have rights to indemnification, advancement of expenses and/or insurance provided by Persons other than the Company (collectively, the "Outside Indemnitors"). The Company hereby agrees (i) that it (and any of its insurers) is the indemnitor of first resort (i.e., its obligations to such indemnified Persons under this Section 7.7 are primary, and any obligation of the Outside Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Indemnified Persons are secondary), (ii) that the Company shall be required to advance the full amount of expenses incurred by such indemnified Persons and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement (or any other agreement between the Company and such indemnified Persons), without regard to any rights such indemnified Persons may have against the respective Outside Indemnitors, and (iii) that the Company irrevocably waives, relinquishes and releases the Outside Indemnitors from any and all claims against the Outside Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Outside Indemnitors on behalf of any such indemnified Person with respect to any claim for which such indemnified Person has sought indemnification from the Company shall affect the foregoing, and the Outside Indemnitors shall have a right of contribution and/or be subrogated to the extent of any such advancement or payment to all of the rights of recovery of such indemnified Person against the Company. The Company agrees that the Outside Indemnitors are express third party beneficiaries of the terms of this Section 7.7(j).

7.8 Manufacturing Platform. The Members acknowledge and agree that the Board may, in its discretion, elect to design, build and operate a manufacturing platform (the "Manufacturing Platform") that will provide services that support the manufacturing activities of Producing Members, subject to the provisions of this Section 7.8.

(a) Any and all governance decisions regarding the Manufacturing Platform (including the decision to establish the Manufacturing Platform and decisions regarding the design, build and operation of the Manufacturing Platform) will be made solely by the Producing Member Directors, in a manner consistent with the governance provisions of this Article VII (except that, for this purpose, the Producing Member Directors will be deemed to be the only members of the Board of Directors).

(b) All costs and expenses incurred by the Company in connection with the design, build and operation of the Manufacturing Platform will be borne solely by the Producing Members. The basis on which the Producing Members will share costs and expenses associated with the Manufacturing Platform (including design, build and operating costs) will be determined by the Producing Member Directors, consistent with Section 7.8(a). **[***]**. If a Member that is not a Producing Member as of the date of this Agreement subsequently becomes a Producing Member, that Member will be deemed to be a Producing Member for all purposes hereof and will be entitled to participate in the Manufacturing Platform on the same economic and governance terms as an original Producing Member, including by bearing its respective pro rata share of the design, build and operating costs referred to in this Section 7.8(b) based upon its relative production volumes. **[***]**. The Company will ensure that (i) costs related to the Distribution Platform and the Manufacturing Platform, respectively, are properly allocated and that such costs

are accurately reflected in the fees charged to Members pursuant to the applicable Master Services Agreements, and (ii) **[***]**.

(c) If the Producing Member Directors elect to establish the Manufacturing Platform as contemplated under this Section 7.8, any provisions of this Agreement inconsistent with the provisions of this Section 7.8 will be adjusted as necessary to make them consistent with the provisions of this Section 7.8 (e.g., Capital Contributions required to be made in connection with the Manufacturing Platform will be made solely by the Producing Members, on the basis determined by the Producing Member Directors, and not by all Members in accordance with their Percentage Interests), and Profits and Losses associated with the design, build and operation of the Manufacturing Platform will be allocated solely to the Producing Members on a basis consistent with their funding of the expenses of the Manufacturing Platform (and not by all Members in accordance with their Percentage Interests).

(d) The Company and each of the Producing Members will enter into a separate Master Services Agreement with respect to Services relating to the Manufacturing Platform.

7.9 **[***]**.

ARTICLE VIII
TAX MATTERS

8.1 Preparation of Tax Returns. The Tax Matters Member shall arrange (at the Company's expense) for the preparation and timely filing of all income tax returns required to be filed by the Company. Each Member and the Company will upon request supply to the Tax Matters Member all pertinent information in its possession relating to the operations of the Company necessary to enable the Company's income tax returns to be prepared and filed. In connection with the filing of the Company's United States federal income Tax Return, the Company shall provide to each Member a Schedule K-1.

8.2 Tax Elections. The Tax Matters Member shall determine whether to make or revoke any available election pursuant to the Code; provided, however, that upon the request of any Member holding a Percentage Interest of at least thirty percent (30%), the Company shall file an election under Section 754 of the Code; and provided further, that the Company shall not elect to be treated as a corporation for any federal, state or local tax purpose without the prior unanimous written consent of the Members; and provided further that the Company will use the "traditional method" (as set forth in Regulations Section 1.704-3(b)) for purposes of eliminating any book-tax differences with respect to any property contributed to the Company by a Member. Each Member will upon request supply any information necessary to give proper effect to such election.

8.3 Tax Controversies. Coke Consolidated is hereby designated as the Tax Matters Member and is authorized and required to represent the Company (at the Company's expense) in connection with all income tax examinations of the Company's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services reasonably incurred in connection therewith. Each Member agrees to cooperate reasonably with the Company and to do or refrain from doing any or all things reasonably requested by the Company with respect to the conduct of such proceedings. The Tax Matters Members shall keep the Members reasonably informed of the progress of any examinations, audits or other proceedings, and shall provide the Members with information on a full and timely basis.

8.4 Tax Allocations. All matters concerning allocations for United States federal, state and local and non-United States income tax purposes, including accounting procedures, not expressly provided for by the terms of this Agreement shall be determined in good faith by the Board of Directors.

8.5 Fiscal Year; Taxable Year. Each of the Fiscal Year and the taxable year of the Company shall end on December 31 of each calendar year, unless the Board of Directors shall determine otherwise in compliance with applicable laws; provided that the taxable year of the Company shall end on a different date if necessary to comply with Section 706 of the Code.

8.6 Tax Matters Member Indemnity. The Company shall indemnify, defend and hold harmless the Tax Matters Member and its Affiliates for any and all losses, damages, liabilities, claims, expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement that are brought against or actually and reasonably incurred by the Tax Matters Member and its Affiliates that arise out of or relate to the performance by the Tax Matters Member (or any of its Affiliates) of its services as the Tax Matters Member pursuant to this Agreement, except that neither the Tax Matters Member nor any of its Affiliates shall be entitled to be indemnified under this Section 8.6 in respect of any loss, damage, liability, claim, expense, judgment, fine or settlement amount incurred by such Person as a result of its fraud, gross negligence or willful misconduct or intentional and material breach of this Agreement.

8.7 Amendments to Address the Bipartisan Budget Act of 2015. This Article VIII shall be amended on or before December 31, 2017 in order to give effect to Section 6223(a) of the Code as amended by the Bipartisan Budget Act of 2015 and any regulation promulgated thereunder. Absent such an amendment, the Tax Matters Member shall be designated the Partnership Representative (as defined in Section 6223(a) of the Code, as amended by the Bipartisan Budget Act of 2015) and shall have the authority to make any elections or statements permitted or required to made under the Code; provided further that absent such an amendment, the provisions of this Article VIII shall continue to apply as if the Partnership Representative were the Tax Matters Member, *mutatis mutandis*.

ARTICLE IX
TRANSFER OF MEMBERSHIP INTERESTS; SUBSTITUTED MEMBERS

9.1 Restrictions on Transfers. From and after the date of this Agreement, no Member may Transfer any Membership Interest or portion thereof (including any Economic Interest), except in the case of a Transfer of a Membership Interest or portion thereof to a purchaser of the Transferor's bottling business (or portion thereof) as permitted under the terms of its Comprehensive Beverage Agreement (CBA) (a "CBA Permitted Transfer"); in the case of a CBA Permitted Transfer, the Person to whom such Membership Interest (or portion thereof) is Transferred must (a) agree in writing to be bound by the provisions of this Agreement, and (b) enter into a Master Services Agreement with respect to the territory acquired by such Transferee (or assume all of the Transferor's obligations under its Master Services Agreement with respect to the acquired territory, or amend its existing Master Services Agreement as necessary to include the acquired territory). Each such Transferee is referred to herein as a "Permitted Transferee". Notwithstanding the foregoing, a Member may pledge its Membership Interest as collateral to the Member's obligations to a lender under the Member's senior financing arrangements, but any Transfer of the Membership Interest resulting from a foreclosure of the pledge will be subject to the prior written approval of the Board of Directors (in the sole discretion of the Board of Directors). The parties acknowledge that if a Member transfers some, but not all of its territories under a CBA in a CBA Permitted Transfer, then the Transferor may Transfer the portion of its Membership Interest attributable to the transferred territory, and retain the remainder of its Membership Interest attributable to retained

territories. The parties further acknowledge that a Member may Transfer its Membership Interest to an Affiliate of that Member, so long as the Transferee Affiliate agrees in writing to be bound by the terms of this Agreement; provided however, that such Transfer will not relieve the Transferor from any of its obligations under this Agreement, including its obligations with respect to its Capital Contribution Commitment.

9.2 Void Transfers. To the greatest extent permitted by the Act and other applicable law, any Transfer by any Member of any Membership Interest or portion thereof (including any Economic Interest) or other interest in the Company in contravention of this Agreement shall be void and ineffective and shall not bind or be recognized by the Company or any other Person. In the event of any Transfer in contravention of this Agreement, the purported Transferee shall have no right to any profits, losses or Distributions of the Company or any other rights of a Member.

9.3 Substituted Member

(a) Each Person to whom a Membership Interest is Transferred in accordance with the provisions of this Article IX must agree in writing to be bound by the provisions of this Agreement, and (b) the Transferor and such Permitted Transferee shall have executed, delivered and acknowledged such other documents as the Board of Directors of the Company may reasonably deem necessary to effect such Transfer and to admit such Permitted Transferee as a Member. Upon satisfaction of these conditions, such Person shall become a Substituted Member entitled to all the rights of a Member with respect to such Membership Interest, and the Schedule of Members shall be amended to reflect the name, address, and Percentage Interest of such Substituted Member and to eliminate, as applicable, the name and address of, and other information relating to, the Transferor with regard to the Transferred Membership Interest.

9.4 Effect of Transfer. Following a Transfer that is permitted under this Article IX, the Transferee shall be treated as having made all of the Capital Contributions in respect of, and received all of the allocations and Distributions received in respect of, such Transferred Membership Interest, and shall receive allocations and Distributions under Article IV and Article X in respect of such Membership Interest as if such Transferee were a Member. In the event of a CBA Permitted Transfer of a Member's entire Membership Interest, if the Transferor had the right under Section 6.2 to designate a Director, then such Permitted Transferee shall be entitled to designate a Director, subject to Section 6.2; provided, that if such Permitted Transferee is a Member that holds the right to designate a Director on the effective date of the Transfer, then its right to designate a Director with respect to the Transferred Membership Interest will be deemed waived (i.e., no Member may designate more than one Director).

9.5 Additional Transfer Restrictions. Notwithstanding any other provisions of this Article IX, no Transfer of a Membership Interest or any other interest in the Company may be made unless in the opinion of counsel (who may be counsel for the Company), satisfactory in form and substance to the Board of Directors and counsel for the Company (which opinion requirement may be waived, in whole or in part, at the discretion of the Board of Directors), such Transfer would not (a) violate any federal securities laws or any state securities or "blue sky" laws (including any investor suitability standards) applicable to the Company or the interest to be Transferred, (b) cause the Company to be required to register as an "investment company" under the United States Investment Company Act of 1940, or (c) cause the Company to have more than 100 partners (within the meaning of Regulations Section 1.7704-1(h), including the look-through rule in Regulations Section 1.7704-1(h)(3)).

9.6 Transfer Fees and Expenses. The Transferor and Transferee of any Membership Interest or other interest in the Company shall be jointly and severally obligated to reimburse the Company for all reasonable expenses (including attorneys' fees and expenses) incurred on behalf of the Company in connection with any Transfer or proposed Transfer, whether or not consummated.

9.7 Effective Date. Any Transfer and any related admission of a Person as a Member in compliance with this Article IX shall be deemed effective on such date that the Transferee or successor in interest complies with the requirements of this Agreement.

ARTICLE X
DISSOLUTION AND LIQUIDATION

10.1 Dissolution. The Company shall not be dissolved by the admission of Additional Members or Substituted Members. The Company shall dissolve, and its affairs shall be wound up upon the first of the following to occur:

(a) the affirmative approval of all of the Directors; or

(b) the entry of a decree of judicial dissolution of the Company under § 8-802 of the Act.

Except as otherwise set forth in this Section 10.1, the Company is intended to have perpetual existence. An Event of Withdrawal shall not cause a dissolution of the Company, and the Company shall continue in existence subject to the terms and conditions of this Agreement.

10.2 Liquidation and Termination.

(a) Upon the dissolution of the Company, the Board of Directors shall act as liquidator or (in its sole discretion) may appoint one (1) or more representatives, Members or other Persons as liquidator(s). The liquidators shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidators shall continue to operate the Company with all of the power and authority of the Board of Directors. The steps to be accomplished by the liquidators are as follows:

(i) the liquidators shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including the establishment of a cash fund for contingent liabilities in such amount and for such term as the liquidators may reasonably determine);

(ii) after payment or provision for payment of all of the Company's liabilities has been made in accordance with Section 10.2(a)(i), all remaining assets of the Company shall be distributed in accordance with Section 4.1, and a final allocation of all items of income, gain, loss and expense shall be made in in accordance with Section 5.1; and

(iii) the Gross Asset Value of any non-cash assets will first be written up or down to their Fair Market Value as provided in subsection (b)(iv) of the definition of "Gross Asset Value", thus creating Net Income or Net Loss (if any), which shall be allocated to the Members' Capital Accounts in accordance with Section 5.1. In making

such distributions, the liquidators shall allocate each type of asset (e.g., cash or cash equivalents, securities or other property) among the Members ratably based upon the aggregate amounts to be distributed with respect to the Membership Interests held by each Member.

(b) Notwithstanding any provision of this Agreement, including the provisions of this Section 10.2, upon any liquidation or dissolution of the Company, (i) all right, title and interest in and to (A) the assets transferred to the Company pursuant to the CONA Purchase Agreement, (B) any improvements thereto owned or otherwise assignable by the Company as of the date of its liquidation or dissolution, and (C) any other know-how, ideas, works of authorship, software, hardware, and other technology that are owned or otherwise assignable by the Company and/or its Subsidiaries as of the date of its liquidation or dissolution and used by the Company and/or its Subsidiaries to provide their products and services (clauses (i), (A), (B) and (C) collectively referred to as the "Dissolution Date IP"), will be **[***]** In addition, the Members acknowledge and agree that they will use good faith efforts to complete and execute any documents that are required to implement the intent of this Section 10.2(b).

10.3 Complete Distribution. The distribution to a Member in accordance with the provisions of Section 10.2 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its interest in the Company and all of the Company's property, and constitutes a compromise to which all Members have consented within the meaning of the Act.

10.4 Certificate of Dissolution. Upon completion of the distribution of Company assets as provided herein, the Company is terminated (and the Company shall not be terminated prior to such time), and the Board of Directors (or such other Person or Persons as the Act may require or permit) shall file a certificate of cancellation with the Secretary of State of the State of Delaware, cancel any other filings made pursuant to this Agreement that are or should be canceled and take such other actions as may be necessary to terminate the Company. The Company shall be deemed to continue in existence for all purposes of this Agreement until it is terminated pursuant to this Section 10.4.

10.5 Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets pursuant to Section 10.2 to minimize any losses otherwise attendant upon such winding up.

10.6 Return of Capital. The liquidators shall not be personally liable for the return of Capital Contributions or any portion thereof to the Members (it being understood that any such return shall be made solely from Company assets).

ARTICLE XI
CERTAIN AGREEMENTS

11.1 Information Rights

(a) The Company shall keep (i) correct and complete books and records of account, (ii) minutes of the proceedings of meetings of the Members, the Board of Directors and any committee of the Board of Directors, and (iii) a current list of the Directors and Officers and their notice information, including address of record and e-mail address. Any of the foregoing books, minutes or records may be in written form or in any other form capable of being converted into written form within a reasonable time. Any Member or any of its respective designated representatives, in person or by attorney or other agent, shall, upon written demand stating the

purpose thereof, have the right during the usual hours for business to inspect for any proper purpose any of the foregoing books, minutes or records; provided that, for purposes of this sentence, a proper purpose means any purpose reasonably related to such Person's interest as a Member; **[***]**. In every instance where an attorney or other agent shall be the Person who seeks the right to inspection, the demand shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent to so act on behalf of the Member. The demand shall be directed to the Company at its registered office in the State of Delaware or at its principal place of business.

(b) The Company shall cause to be provided to each Member copies of the annual audited consolidated financial statements of the Company and its Subsidiaries, as soon as practicable, but in any event, within one hundred twenty (120) days of the end of the applicable Fiscal Year. Additionally, the Company shall cause to be provided to each Member copies of the unaudited quarterly financial statements of the Company and its Subsidiaries, as soon as practicable, but in any event, within thirty (30) days of the end of the applicable quarterly period.

11.2 Required Adjustment of Percentage Interests of Members

(a) The Company and the Members acknowledge, agree and confirm that the Percentage Interest of each Founding Member as of the Effective Date has been determined based on each such Founding Member's **[***]**

(b) The Percentage Interest of each Member will be adjusted annually as of September 30 of each year, beginning in September 2019, based upon **[***]**. The adjustments (if any) under this Section 11.2(b) will be applied effective as of the following January 1, with effect until the following January 1 (subject to interim adjustments under Section 11.2(c), if applicable).

(c) The Percentage Interest of each Member will be adjusted as necessary to reflect (i) the admission of an Additional Member, (ii) the admission of a Substituted Member (if the Transferor retains a portion of its Membership Interest) or (iii) transfer of distribution territories from one Member to another existing Member (other than transfers already taken into account in **[***]**). Such adjustment will be made at the time of admission of the Additional Member or Substituted Member or transfer of a distribution territory from one Member to an existing Member.

(d) Following any adjustment pursuant to this Section 11.2, an updated Schedule of Members will be prepared to reflect the adjusted Percentage Interest of each Member, and such updated Schedule will be distributed by the Company to the Members.

11.3 Withdrawals At any time on or after January 1, 2020, a Member may elect to withdraw as a Member of the Company (a "Withdrawing Member") by delivery of a written notice to the Board of Directors (the "Withdrawal Notice"), provided that (i) the Withdrawing Member is not in breach or default of this Agreement or its Master Services Agreement at the time of withdrawal; (ii) the Withdrawing Member has provided the Company and the other Members with at least one (1) year prior written notice of the Withdrawing Member's desire to withdraw from the Company; and (iii) the Board of Directors has determined, in good faith, that (x) the withdrawal by the Withdrawing Member is necessitated by a material change in the Withdrawing Member's financial condition or that the Withdrawing Member suffered prolonged and consistent service problems under its Master Services Agreement, and (y) a withdrawal by the Withdrawing Member would not reasonably be anticipated to result in undue hardship to the remaining Members. The Board of Directors will notify the Withdrawing

Member whether it has made the determination required under clause (iii) of the preceding sentence within 90 days following receipt of the Withdrawal Notice. Upon delivery of the Withdrawal Notice to the Board of Directors by such Withdrawing Member, all rights and benefits attributable to the Membership Interest held by such Withdrawing Member will be suspended unless and until such Withdrawing Member delivers a written notice to the Board of Directors that it no longer desires to withdraw from the Company. During the suspension period, (A) neither the Withdrawing Member nor its representative on the Board of Directors, if any, will have any voting or other rights attributable to its Membership Interest (other than (i) its rights under Section 12.2 to approve any amendments, modifications or waivers to this Agreement that would adversely affect in any material respect the Withdrawing Member disproportionately to any other Member similarly situated, and (ii) its right to receive its share of Distributions under Article IV), and (B) the Withdrawing Member will not be required to make any Capital Contributions required under Section 3.1 that are first approved by the Board of Directors during the suspension period. Upon a withdrawal pursuant to this Section 11.3, the Withdrawing Member shall be entitled to receive an aggregate amount equal to the positive balance in its Capital Account, if any; less the cost associated with descaling the Company's business and other exit costs incurred in connection with such withdrawal, as determined by the Board of Directors, in good faith. Upon any such withdrawal, the Withdrawing Member will be required to cease using the Coke One North America (CONA) information technology platform (and any other services provided by the Company at such time) and shall have no right, title or interest in any software or other intellectual property related thereto; provided, however, that the Board of Directors may, in its discretion, elect to continue to provide the Withdrawing Member with access to the Company's services on such terms and conditions as the Board of Directors may determine in its sole discretion. The Board of Directors may, in its sole discretion, direct the Officers of the Company to use reasonable efforts to assist a Withdrawing Member in connection with the transition to a new information technology system (if applicable), provided that the Company shall not be required to incur any out-of-pocket expenses unless reimbursed by the Withdrawing Member or to devote significant man-hours unless approved by the Board of Directors.

11.4 Master Services Agreements

The Company shall enter into a Master Services Agreement with each Member (other than the TCCC Member) on terms and conditions to be mutually agreed upon by the Company and such Member. The Master Services Agreement of each Founding Member will contain **[***]**.

ARTICLE XII
GENERAL **PROVISIONS**

12.1 Power of Attorney. Each Member hereby constitutes and appoints the Board of Directors and the liquidators, with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, to execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (i) this Agreement, all certificates and other instruments and all amendments thereof in accordance with the terms hereof that the Board of Directors deems appropriate or necessary to form, qualify, or continue the qualification of, the Company as a limited liability company in the State of Delaware and in all other jurisdictions in which the Company may conduct business or own property; (ii) all instruments that the Board of Directors deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (iii) all conveyances and other instruments or documents that the Board of Directors or the liquidators deem appropriate or necessary to reflect the dissolution and liquidation of the Company pursuant to the terms of this Agreement, including a certificate of cancellation; and (iv) all instruments relating to the admission, withdrawal or substitution of any Member pursuant to Article III or Article IV. The foregoing power of attorney is irrevocable and coupled with an interest, and shall survive the dissolution, bankruptcy,

insolvency or termination of any Member and the Transfer of all or any portion of its Membership Interest and shall extend to such Member's successors and assigns.

12.2 Amendments. Except as otherwise expressly provided herein, this Agreement may be amended, modified, or waived only upon the approval of **[***]** of the Directors in accordance with **[***]**; provided, that (i) if any such amendment, modification or waiver would adversely affect in any material respect any Member disproportionately to any other Member similarly situated, such amendment, modification or waiver shall also require the written consent of the Member so adversely affected, and (ii) any amendment to **[***]** will require the approval of **[***]** Directors.

12.3 Remedies. Each Member shall have all rights and remedies set forth in this Agreement and all rights and remedies that such Person has been granted at any time under any other agreement or contract and all of the rights that such Person has under any applicable law. Any Person having any rights under any provision of this Agreement or any other agreements contemplated hereby shall be entitled to enforce such rights specifically (without posting a bond or other security) to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by applicable law.

12.4 Successors and Assigns. All covenants and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that no Person claiming by, through or under a Member (whether as such Member's Successor in Interest or otherwise), as distinct from such Member itself, shall have any rights as, or in respect to, a Member (including the right to approve or vote on any matter or to notice thereof).

12.5 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

12.6 Counterparts. This Agreement may be executed simultaneously in two (2) or more separate counterparts, any one (1) of which need not contain the signatures of more than one party, but each of which shall be an original and all of which together shall constitute one and the same agreement binding on all the parties hereto.

12.7 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. Any dispute relating hereto shall be heard in the state or federal courts of Delaware, and the parties agree to jurisdiction and venue therein.

12.8 Addresses and Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement must be in writing and will be deemed to have been given or made when (a) delivered personally to the recipient, (b) sent by e-mail to the recipient (with hard copy sent to the recipient by reputable overnight courier service (charges prepaid) that same day) if sent by e-mail before 5:00 p.m. Atlanta, Georgia time on a Business Day, and otherwise on the next Business Day, or (c) one Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid). Such notices, demands and other communications shall be sent to the address for such recipient set forth on the Schedule of Members attached hereto, or in the Company's

books and records, or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Any notice to the Board of Directors or the Company shall be deemed given if received by the Board of Directors at the principal office of the Company designated pursuant to Section 2.5.

12.9 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

12.10 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

12.11 Further Action. The parties agree to execute and deliver all documents, provide all information and take or refrain from taking such actions as may be necessary or appropriate to achieve the purposes of this Agreement.

12.12 Entire Agreement. This Agreement, those documents expressly referred to herein and other documents dated as of the Effective Date related to the subject matter hereof embody the complete agreement and understanding among the parties hereto and supersede and preempt any prior understandings, agreements or representations by or among the parties hereto, written or oral, that may have related to the subject matter hereof in any way, including, without limitation, that certain "white paper" related to the terms hereof.

12.13 Delivery by E-mail. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of e-mail with scan or facsimile attachment, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of e-mail to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of e-mail as a defense to the formation or enforceability of a contract, and each such party forever waives any such defense.

12.14 Survival. Sections 3.1(g), 5.4, 5.5, 6.3, 7.5, 7.6, 7.7, 8.3, 10.2(b), 12.13, 12.14, and 12.15 shall survive and continue in full force in accordance with its terms, notwithstanding any termination of this Agreement or the filing of a certificate of cancellation with Secretary of State of the State of Delaware on behalf of the Company.

12.15 Confidentiality. Each Member expressly agrees to maintain, for so long as such Person is a Member and for two (2) years thereafter, the confidentiality of, and not to disclose to any Person other than the Company (and any successor of the Company or any Person acquiring (whether by merger, consolidation, sale, exchange or otherwise) all or a material portion of the assets or Equity Securities of the Company or any of its Subsidiaries), another Member or a Person designated by the Company or any of their respective accountants, attorneys or other advisors, any information relating to the business, financial structure, financial position or financial results, customers or affairs of the Company or any of its Subsidiaries that shall not be generally known to the public, except as otherwise required by applicable law or legal process, or by any regulatory or self-regulatory organization having jurisdiction over the Company or any Member or its assets (including the rules and requirements of any securities exchange)

or by order of a court of competent jurisdiction, in which case (except with respect to disclosure that is required in connection with the filing of federal, state and local tax returns) prior to making such disclosure such Member shall give written notice to the Company describing in reasonable detail the proposed content of such disclosure and shall permit the Company to review and comment upon the form and substance of such disclosure and, if applicable, allow the Company to seek confidential treatment therefor; provided, however, that a Member may report to its stockholders, limited partners, members or other owners, as the case may be, regarding the general status of its investment in the Company (without disclosing specific confidential information). Notwithstanding the provisions of this Section 12.15 to the contrary, if any holder of a Membership Interest desires to undertake any Transfer of all or a portion of its Membership Interest permitted by this Agreement, such holder may, upon the execution of a confidentiality agreement (in form reasonably acceptable to the Company's legal counsel) by any *bona fide* potential Transferee, disclose to such potential Transferee information of the sort otherwise restricted by this Section 12.15 if such holder reasonably believes such disclosure is necessary for the purpose of Transferring such Membership Interest to the *bona fide* potential Transferee.

[END OF PAGE]
[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO
LIMITED LIABILITY COMPANY AGREEMENT

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Agreement as of the date first written above.

THE COCA-COLA COMPANY

By: /s/ J. Alexander M. Douglas, Jr.
Name: J. Alexander M. Douglas, Jr.
Title: President, Coca-Cola North America

COCA-COLA REFRESHMENTS USA, INC.

By: /s/ Paul Mulligan
Name: Paul Mulligan
Title: President

COCA-COLA BOTTLING COMPANY UNITED, INC.

By: /s/ Claude B. Nielsen
Name: Claude B. Nielsen
Title: Chairman and Chief Executive Officer

COCA-COLA BOTTLING CO. CONSOLIDATED

By: /s/ James E. Harris
Name: James E. Harris
Title: Senior Vice President

SWIRE PACIFIC HOLDINGS INC. D/B/A SWIRE COCA-COLA USA

By: /s/ John E. Pelo
Name: John E. Pelo
Title: Vice President

COCA-COLA BEVERAGES FLORIDA, LLC

By: /s/ Troy D. Taylor
Name: Troy D. Taylor
Title: Chief Executive Officer

GREAT LAKES COCA-COLA DISTRIBUTION, L.L.C.

By: /s/ Mark Booth
Name: Mark Booth
Title: Senior Vice President

SCHEDULE I

Initial Capital Contribution Commitments of Founding Members*

Founding Member	**[***]**	**[***]**	**[***]**
CCR	**[***]**	**[***]**	**[***]**
Coke United	**[***]**	**[***]**	**[***]**
Coke Consolidated	**[***]**	**[***]**	**[***]**
Swire	**[***]**	**[***]**	**[***]**
CCB Florida	**[***]**	**[***]**	**[***]**
Great Lakes	**[***]**	**[***]**	**[***]**

[***]
[***]

[***] – THIS CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

SCHEDULE II

SCHEDULE OF MEMBERS*

Name and Address of Member	[***]	Percentage Interest	[***]
Coca-Cola Refreshments USA, Inc. 1 Coca-Cola Plaza Atlanta, GA 30313	[***]	[***]	[***]
Coca-Cola Bottling Company United, Inc. 4600 East Lake Boulevard Birmingham, AL 35217-4032	[***]	[***]	[***]
Coca-Cola Bottling Co. Consolidated 4100 Coca-Cola Plaza Charlotte, NC 28211	[***]	19.3%	[***]
Swire Pacific Holdings Inc. d/b/a Swire Coca-Cola, USA 12634 South 265 West Draper, UT 84020-7930	[***]	[***]	[***]
Coca-Cola Beverages Florida LLC 10117 Princess Palm Avenue, Suite 400 Tampa, FL 33610	[***]	[***]	[***]
Great Lakes Coca-Cola Distribution, L.L.C. 6250 N. River Road Suite 9000 Rosemont, Illinois 60018	[***]	[***]	[***]
The Coca-Cola Company 1 Coca-Cola Plaza Atlanta, GA 30313	[***]	[***]	[***]
TOTAL	[***]	[***]	[***]

[***] – THIS CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

Exhibit 10.3

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETED ASTERISKS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

EXECUTION VERSION

AMENDMENT NO. 1 TO LIMITED LIABILITY COMPANY AGREEMENT OF CONA SERVICES LLC

This AMENDMENT NO. 1 TO LIMITED LIABILITY COMPANY AGREEMENT OF CONA SERVICES LLC (this "Amendment"), is entered into this 6th day of April, 2016 by each Person listed on the signature page hereto (individually, a "Party" and collectively, the "Parties") and made effective as of April 2, 2016.

BACKGROUND

The Parties are parties to that certain Limited Liability Company Agreement of CONA Services LLC (the "Company"), dated as of January 27, 2016 (the "LLC Agreement").

The Company is entering into an asset purchase agreement with Coca-Cola Refreshments USA, Inc., dated as of the date hereof (the "Asset Purchase Agreement"), under the terms of which the Company will deliver the CCR Note.

The Parties have agreed to amend the LLC Agreement to provide that the Company will **[***]**, and to make the other changes to the LLC Agreement set forth below.

All capitalized terms used but not defined in this Amendment have the meanings given to such terms in the LLC Agreement.

In consideration of the premises and the mutual covenants contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the LLC Agreement is amended as follows:

1. **[***]**. Section 3.2(c) of the LLC Agreement is hereby deleted and replaced in its entirety with the following:

   (c) **[***]**.

2. **[***]**. A new sentence is hereby added to the end of Section 6.2(g) of the LLC Agreement as follows:

   Notwithstanding the foregoing, the Director designated by **[***]**.

3. Dissolution. Section 10.1(a) of the LLC Agreement is hereby deleted and replaced in its entirety with the following:

   (a) the affirmative approval of all of the Directors **[***]**.

4. Transfers of Territory by CCR to Certain Third Parties. A new Section 11.5 is hereby added to the LLC Agreement as follows:

11.5 Transfers of Territory by CCR to Certain Third Parties. If, pursuant to any transaction occurring after the effective date of the CONA Purchase Agreement, CCR grants to any major bottler of Coca-Cola products **[***]**, or any new entrant that will become a major bottler of Coca-Cola products, that operates within North America (other than any Member) rights to (i) manufacture, produce and package, or (ii) market, promote, distribute and sell Coca-Cola products, CCR shall require such bottler or new entrant, as applicable, to implement in such bottler's operations the CokeOne North America (CONA) information technology platform and enter into a Master Services Agreement with CONA on terms consistent with the provisions of Section 11.4 and will require that the transferee become a Member. **[***]**.

5. **[***]**. A new Section 11.6 is hereby added to the LLC Agreement as follows:

11.6 **[***]**.

6. No Other Modifications. Except as expressly set forth in this Amendment, the LLC Agreement shall remain in full force and effect with no further modifications.

7. Entire Agreement. This Amendment embodies the complete agreement and understanding among the Parties with respect to the subject matter hereof, and supersedes and preempts any prior understandings, agreements or representations by or among the Parties, written or oral, that may have related to the subject matter hereof in any way.

8. Counterparts. This Amendment may be executed simultaneously in two (2) or more separate counterparts, any one (1) of which need not contain the signatures of more than one party, but each of which shall be an original and all of which together shall constitute one and the same agreement binding on all the parties hereto.

9. Applicable Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. Any dispute relating hereto shall be heard in the state or federal courts of Delaware, and the parties agree to jurisdiction and venue therein.

[signature pages follow]

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed this Amendment No. 1 to the Limited Liability Company Agreement of CONA Services LLC as of the date first written above.

THE COCA-COLA COMPANY

By: /s/ J. Alexander M. Douglas, Jr
Name: J. Alexander M. Douglas, Jr.
Title: President, Coca-Cola North America

COCA-COLA REFRESHMENTS USA, INC.

By: /s/ Paul Mulligan
Name: Paul Mulligan
Title: President

COCA-COLA BOTTLING COMPANY UNITED, INC.

By: /s/ M. Williams Goodwyn, Jr.
Name: M. Williams Goodwyn, Jr.
Title: Vice Chairman and Secretary

COCA-COLA BOTTLING COMPANY UNITED, INC.

By: /s/ James E. Harris
Name: James E. Harris
Title: Executive Vice President, Business Transformation

[Signature Page to Amendment No. 1 to Limited Liability Company Agreement]

SWIRE PACIFIC HOLDINGS INC. D/B/A SWIRE COCA-COLA USA

By: /s/ Jack Pelo
Name: Jack Pelo
Title: Vice President

COCA-COLA BEVERAGES FLORIDA, LLC

By: /s/ Thomas N. Benford
Name: Thomas N. Benford
Title: Vice President

GREAT LAKES COCA-COLA DISTRIBUTION, L.L.C.

By: /s/ Jeff Laschen
Name: Jeff Laschen
Title: Chief Executive Officer

[Signature Page to Amendment No. 1 to Limited Liability Company Agreement]

Exhibit 10.4

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETED ASTERISKS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

CONA SERVICES LLC
MASTER SERVICES AGREEMENT
(DSD Functionality)

This MASTER SERVICES AGREEMENT (DSD) (this "Master Agreement") is dated April 6, 2016 and made effective as of April 2, 2016 (the "Effective Date") by and between Coca-Cola Bottling Co. Consolidated, a Delaware corporation ("Bottler"); and CONA Services LLC, a Delaware limited liability company ("CONA").

B A C K G R O U N D :

The Coca-Cola Company ("TCCC") and Coca-Cola Refreshments USA, Inc. ("CCR") have developed a uniform information technology system called the Coke One North America system (the "CONA System") to promote efficiency in the operations of participating North American bottlers and long-term uniformity and efficiency among North American bottlers of Coca-Cola, including CCR.

CONA has licensed and acquired certain assets relating to the CONA System.

CONA has acquired or entered into, or intends to enter into, certain agreements with third-party subcontractors, vendors and licensors (each, a "Vendor") relevant to the CONA System, and Bottler and CONA desire for CONA to assume responsibility for managing the relationship with Vendors and to pass the cost of software licenses and services described in these agreements through to Bottler (or allow Bottler to use the Vendor's software licenses and services), and Bottler desires to receive or use those software licenses and services.

Bottler is a member of CONA and has entered into the Limited Liability Company Agreement of CONA, dated as of January 27, 2016 (as amended from time to time), which governs the operations of CONA (the "CONA LLC Agreement").

On the terms and subject to the conditions of this Master Agreement and the Services Exhibits (as defined below), the parties mutually desire that Bottler implement and use the CONA System in connection with Bottler's operation of its business in Bottler's Territories.

Certain terms used in this Master Agreement have the definitions set forth in Appendix 1.

Based upon these premises, Bottler and CONA hereby agree as follows:

ARTICLE 1. BOTTLER USE OF THE CONA SYSTEM AND RECEIPT OF SERVICES

1.01 Bottler Use of CONA System. Bottler is authorized to use the CONA System in the Territories in connection with its distribution, sale, marketing and promotion of Beverages, subject to the provisions of the CONA LLC Agreement. If Bottler does not use the CONA System in all of its Territories, Bottler shall remain obligated to pay the Service Fees for all cases in its Territories as set forth in Section 10.01. Use of the CONA System that is beyond the scope of this Agreement will be documented separately by the parties. Bottler's use of the CONA System will be subject to any

limitations set forth in any third-party licenses or other agreements relating to third-party components of the CONA System. Notwithstanding any provision of this Master Agreement to the contrary, Bottler's Affiliates that support, in whole or in part, any aspect of Bottler's distribution, sale, marketing and/or promotion of Beverages shall be entitled to use the CONA System in North America pursuant to this Master Agreement at no additional cost and otherwise on the same general terms and conditions applicable to Bottler, so long as the use thereof by such Affiliates of Bottler (a) does not have a material negative impact on the use of the CONA System by other bottlers; or (b) does not result in a material increase in CONA's costs that is not covered by the Service Fees and other fees and charges otherwise payable by Bottler hereunder. In all other cases, use of the CONA System by Bottler's Affiliates shall be subject to the approval of the CONA Board of Directors (which approval shall not be unreasonably withheld) to the extent contemplated by the CONA LLC Agreement.

1.02 Services. The services provided by CONA to Bottler pursuant to this Master Agreement (the "Services") reflect three primary work streams, as set forth in Exhibit A (Build), Exhibit B (Deploy) and Exhibit C (Operate) (each of Exhibits A, B and C, a "Services Exhibit").

(a) *Build*. CONA will provide certain of the Services described in Exhibit A directly, and will coordinate and manage the provision of all Services described in Exhibit A that are performed by Vendors.

Build phase Services include governance, business process management, and standards for the build process; planning, design, development and testing of the CONA System; building required infrastructure; acquiring necessary licenses; and integration and performance testing. Build phase Services do not include business support. The respective roles and responsibilities of CONA and Bottler with respect to Build phase Services are set forth in Exhibit A.

(b) *Deploy*. CONA will provide certain of the Services described in Exhibit B directly, and will coordinate and manage the provision of all Services described in Exhibit B that are performed by Vendors.

Deploy phase Services include program management, change management, deployment infrastructure, data loading and cutover. The roles and responsibilities of CONA and Bottler with respect to Deploy phase Services are set forth in detail in Exhibit B.

(c) *Operate*. CONA will provide certain of the Services described in Exhibit C directly, and will coordinate and manage the provision of all Services described in Exhibit C that are performed by Vendors.

Operate phase Services include CONA System access, operations infrastructure, network operations, job monitoring, system maintenance, basic user access, helpdesk/application support and data management. The respective roles and responsibilities of CONA and Bottler with respect to Operate phase Services are set forth in detail on Exhibit C.

(d) As condition to the provision of the Services, Bottler will reasonably (i) cooperate with CONA and the Vendors providing such Services, including by promptly providing all Bottler Data reasonably necessary for the provision of such Services; (ii) provide appropriate training on such processes and functions to its users; (iii) ensure the data quality necessary to operate the CONA System for data supplied by or on behalf of Bottler; (iv) follow the uniform application support process; (v) run the necessary business controls and reconciliation tasks; and (vi) manage system access and user roles. Bottler will use the uniform business processes and functions of the

CONA System to operate its business. In addition, Bottler will comply with its obligations under the CONA LLC Agreement.

(e) CONA (and not Bottler) has the sole authority to define and establish the specifications for the CONA System, including the list of Equipment, the Data Centers, the features and functionality of the CONA Software, and the list of Vendor Software (collectively, the "CONA System Specifications") and may revise those specifications from time to time, subject to Section 4.01. The Vendor Software that is in the scope of the CONA System Specifications as of the Effective Date is further described in Appendix 4 (and CONA may revise the list of Vendor Software from time to time). Bottler will retain responsibility to obtain and maintain at its cost and expense any equipment, software or service that is either outside the scope of the CONA System Specifications or in the scope of the CONA System Specifications but assigned to Bottler.

1.03 Vendors. Bottler acknowledges that third party Vendors will perform certain of the Services under CONA's direction. Bottler further acknowledges that certain Vendors may require Bottler to enter into a separate agreement directly with the Vendor to enable Bottler to use Vendor's services and participate in the CONA System. Bottler agrees to enter into such separate agreement, on terms that are reasonably acceptable to Bottler, if requested by CONA. Each Services Exhibit includes an overview of the relevant Services to be provided by Vendors and the Services to be provided by CONA directly. CONA may revise any such overview upon notice to Bottler. CONA is solely responsible for the management of all Vendors in connection with the provision of Services. Where this Master Agreement or an applicable Services Exhibit specifies that CONA's obligation is to "require" a Vendor to take a specified action, CONA's obligation is fulfilled if CONA has used commercially reasonable efforts to have the Vendor take the action, which may include using commercially reasonable efforts to include a provision requiring the action in its relevant agreement with such Vendor.

1.04 Additional Services. Bottler may from time to time, subject to Section 5.02, request that CONA perform localized or special services to augment or supplement the Services (collectively, the "Additional Services"). Upon receipt of such a request, CONA will evaluate the feasibility and cost of performing such Additional Services and, with respect to any Additional Services approved by the CONA Board of Directors, will provide Bottler and the other bottlers using the CONA System with (a) a written description of the work CONA anticipates performing in connection with such Additional Services, (b) a schedule for commencing and completing the Additional Services, and (c) any applicable Service Levels or KPIs. All Additional Services must be approved by the CONA Board of Directors pursuant to the CONA LLC Agreement. Bottler (and any other bottlers who desire to use or access the Additional Services) will compensate CONA for such Additional Services based on an agreed price (the " Additional Service Fees"). If CONA and Bottler agree that CONA will perform the Additional Services, the parties will execute a written amendment to the applicable Services Exhibit.

ARTICLE 2. DATA CENTERS.

2.01 Data Center. The Services that are required to be provided from a data center will be provided from (1) the data centers described in the applicable Services Exhibit, or (2) any data center operated by CONA or on behalf of CONA or an applicable Vendor (any of the foregoing, a "Data Center").

2.02 Facility Requirements. CONA will provide, or require the applicable Vendors to provide, to Bottler, at no charge to Bottler, such access to such Data Centers as may be reasonably necessary for Bottler's receipt of the Services, in accordance with CONA's security policies, including as documented in Appendix 2. Bottler acknowledges that any access to any Data Center operated by or on behalf of a Vendor may be subject to the Vendor's or its own contractor's security policies and procedures.

ARTICLE 3. OPERATE PHASE PERFORMANCE STANDARDS

3.01 Service Levels. Exhibit C sets forth the key performance indicators (the "KPIs") and service levels ("Service Levels") that will be used to measure the performance of the applicable Services during the Operate phase. The service level credits earned by CONA will be either (a) retained by CONA for working capital purposes and/or refunded pro-rata to all CONA System users (e.g., a pro-rata reduction of the Service Fees charged to bottlers) in the case of service credits that are generally applicable to the CONA Services and/or the CONA System; or (b) passed through to individual bottlers, in the case of service credits that are applicable to a specific, separately identifiable or localized bottler activity and reflected on the invoice for monthly services described in Section 10.04.

3.02 Root-Cause Analysis. After receipt of notice from Bottler in respect of any failure to provide the Services in accordance with the Service Levels or KPIs, CONA will provide and, where applicable, require the Vendors to provide a root-cause report detailing the cause of, and, if such failure was caused by CONA and/or the Vendors, a procedure for correcting, such failure, which report will address how the procedure for correcting the failure will prevent or minimize the risk of recurrences.

3.03 Adjustment of Service Levels and KPIs. The Service Levels or KPIs may be adjusted higher periodically in recognition of the anticipated improvement in service quality as identified from time to time by CONA. CONA will work in good faith with Vendors to improve the quality of the Services to meet or exceed Service Levels or KPIs.

3.04 Measurement and Monitoring. CONA will implement and, where applicable, require the Vendors to implement measurement and monitoring tools and metrics as well as standard reporting procedures within the timeframe set forth in the applicable Services Exhibit, to measure and report the performance of the Services against the applicable Service Levels and KPIs. To the extent available from Vendors, Bottler will be provided with access to on-line databases containing up-to-date information regarding the status of Service problems, Service requests and user inquiries.

ARTICLE 4. GOVERNANCE; PERSONNEL

4.01 CONA Board of Directors. CONA's Board of Directors has the right to direct and oversee CONA's business and affairs pursuant to the CONA LLC Agreement. Decisions to be made by CONA under this Master Agreement are to be made by or under the direction of CONA's Board of Directors. The day-to-day operations of CONA hereunder will be managed by the CEO and management team of CONA under the direction of the CONA Board of Directors. Participation on CONA's Board of Directors is governed by the CONA LLC Agreement, and nothing in this Master Agreement amends or supersedes any rights or obligations of any party to the CONA LLC Agreement.

4.02 Conduct of Personnel. While at Bottler's premises, CONA will require that its and Vendors' personnel (1) comply with reasonable requests, rules and regulations of Bottler made known to CONA or the applicable Vendor regarding their conduct generally applicable to such premise, and (2) otherwise conduct themselves in a businesslike manner.

ARTICLE 5. OTHER RESPONSIBILITIES

5.01 Security; Privacy. CONA will, in cooperation with the Vendors, establish and update the network security and privacy policies contained in Appendix 2 and Appendix 3 with respect to the CONA System. CONA will provide reasonable advance notice to Bottler of any changes that CONA makes to such network security policies. Bottler will comply, and will use commercially reasonable efforts to ensure that its users comply, with CONA's network security and privacy policies documented in

Appendix 2 and Appendix 3, as applicable to Bottler, and as updated by CONA from time to time with reasonable advance notice to Bottler. For the provision of the Services, CONA will comply, and will use commercially reasonable efforts to require all Vendors to comply, with all network security and privacy policies with respect to the CONA System, including the Security Practices documented in Appendix 2 and the CONA Hosting Security Guideline documented in Appendix 3.

5.02 Change Control Procedures. Any request by Bottler for features, upgrades or other changes to the CONA System Specifications including the CONA Software, Equipment or any other item in the CONA System (each, a "Change"; collectively, "Changes"), together with the desired timetable for implementing those Changes, must be presented to CONA, and their execution will be subject to the review and approval of the CONA Board of Directors. All such requests must be made in writing by Bottler to CONA. Following receipt of a request from Bottler, each proposed Change will be analyzed by CONA's management and, if appropriate, a detailed description of any changes to be made to the CONA System Specifications, this Master Agreement and/or the Services Exhibits, including rates, budget, schedule, services and any deliverables, will be prepared for consideration by the CONA Board of Directors (each, a "Change Order"). CONA is not required to make any change in the Services until a Change Order has been approved by the CONA Board of Directors. All approved Change Orders will be incorporated into the applicable Services Exhibit as a written amendment. The procedures described in this Section 5.02 are referred to herein as the "Change Control Procedures." Notwithstanding the foregoing, CONA may make temporary Changes required by an emergency if CONA, in its reasonable opinion, believes that complying with the Change Control Procedures would be detrimental to CONA, Bottler or other users of the CONA System.

5.03 Reports. CONA or the Vendors will provide to Bottler the operational reports as agreed between CONA and Bottler (the "Reports").

5.04 Records. CONA will use commercially reasonable efforts to maintain, and shall use commercially reasonable efforts to require Vendors to maintain, complete and accurate records of, and supporting documentation sufficient to document, the Services and the Service Fees paid or payable by Bottler under the applicable Services Exhibit ("Records"). With respect to the amounts chargeable to and payments made by Bottler under any Services Exhibit, Records will be kept in accordance with generally accepted accounting principles applied on a consistent basis. Bottler will be entitled to review the Records applicable to Bottler's Services on reasonable notice to CONA; provided, however, that Bottler will have no right to access or review any data relating to any other recipient of services from CONA.

5.05 Disaster Recovery Plan. Exhibit C (Operate) includes the procedures to be followed with respect to the continued provision of the Services if a Data Center is unavailable for use by any applicable party because it has been destroyed, damaged or is otherwise not available for use (the "Disaster Recovery Plan") to such an extent that CONA is unable to provide any or all of the Services. CONA may modify or change the Disaster Recovery Plan for CONA's Data Center at any time; provided, however, that CONA must provide Bottler with written notice as to any change or modification that is material, and no such change or modification will materially adversely affect CONA's ability to restore the Services. Changes to the Disaster Recovery Plan will be subject to approval of the CONA Board of Directors.

ARTICLE 6. EQUIPMENT, SOFTWARE AND INTELLECTUAL PROPERTY RIGHTS

6.01 Equipment. "Equipment" means, unless otherwise provided in this Master Agreement or any Services Exhibit, the particular computer equipment and peripherals, telecommunications products and other equipment, together with any and all associated documentation, useful or necessary for the performance of the Services at the Data Centers. Unless expressly specified otherwise in a Services Exhibit, CONA will own/lease/license, operate and maintain the Equipment (including managing the

Vendors who are to provide maintenance to the Equipment). Unless expressly specified otherwise in a Services Exhibit, all amounts due under an Equipment lease that are attributable to the period during which CONA has operational responsibility for the corresponding Equipment will be included in the costs to be shared in accordance with Article 10, although these shared costs will not in any way be considered a sublease, a transfer, or a sale of the corresponding Equipment from CONA to Bottler. For clarity, Bottler will retain the responsibility to obtain and maintain all other equipment, not considered to be Equipment, necessary for its receipt and use of the Services, at its cost and expense, including delivery, installation and connectivity for such equipment.

6.02 Bottler Software. Bottler hereby grants to CONA, at no cost to CONA, a non-exclusive, royalty-free, non-transferable right to use, copy, execute, reproduce, operate, maintain and adapt, display, perform, modify, improve, and make derivative works of any software owned or licensed by Bottler (the "Bottler Software"), solely as useful or necessary to provide the Services, subject to any and all applicable license restrictions of Bottler's third-party licensors. CONA may sublicense to Vendors the right to have access to, operate, maintain, and use the Bottler Software to the extent contemplated by this Master Agreement and any Services Exhibit, subject to any and all applicable license restrictions of Bottler's third-party licensors. Upon expiration or termination of this Master Agreement for any reason, the applicable rights granted to CONA (and/or any Vendors) in this Section 6.02 immediately will, except as necessary for CONA (and any Vendors) to carry out its obligations under the Master Agreements for Bottler (including under Section 15.04(a) and ARTICLE 16), revert to Bottler.

6.03 Developed Software. As between Bottler and CONA, ownership of any (1) software or materials developed by CONA (the "Developed Software"), other than modifications to Bottler Software, and (2) any related documentation, will be governed by Section 6.10.

6.04 CONA Software. Subject to applicable license agreements in the case of Vendor Software, CONA hereby grants to Bottler a non-transferable (except as transferability is permitted in this Master Agreement, the applicable Services Exhibit or the CONA LLC Agreement), royalty-free, non-exclusive license to use, copy, execute, reproduce, operate, display, and perform, all software and other materials (including all modifications and enhancements thereto) owned or licensed by CONA and used to provide the Services, together with any and all associated documentation (the "CONA Software"), for use by Bottler during the Master Agreement Term and any Termination Assistance Period solely in connection with the provision of the Services to Bottler and the receipt and use by Bottler of the Services, in each case for Bottler's internal operations and in compliance with the CONA LLC Agreement. Subject to Section 1.01, Bottler may sublicense its rights under this Section 6.04 to any Affiliate of Bottler for use by such Affiliate solely in connection with the provision of Services to such Affiliate and the receipt and use by such Affiliate of the Services for such Affiliate's internal operations. Notwithstanding the foregoing, the license provided for in this Section 6.04 will not apply to the extent it would contravene any license restrictions and/or limitations applicable to the Vendor Software; provided, however, that CONA shall use commercially reasonable efforts to obtain from all Vendors all rights necessary to grant the rights set forth in this Section 6.04.

6.05 Frequency of Vendor Software Releases. As part of the Services, CONA will require the applicable Vendors to make available new releases and versions of Vendor Software to be used under each Services Exhibit with commercially reasonable frequency, unless otherwise determined by CONA pursuant to Section 4.01.

6.06 Changes and Upgrades to CONA Software. Except for modifications resulting from new releases and versions of Vendor Software (e.g., as set forth in Section 6.05) and Changes and/or modifications as may be approved by the CONA Board of Directors with reasonable advance notice to Members, CONA will not make any Changes or modifications to the CONA Software that would

materially impair its functionality or materially degrade its performance. CONA will require that the applicable Vendors make available and install in connection with, and as part of, the Services any generally available modifications or enhancements to the Vendor Software on the same basis that such modifications or enhancements are made available to CONA .

6.07 Back-Up. CONA will, and/or will require the applicable Vendors to, take commercially appropriate measures to back up all Bottler Data then residing on the CONA System.

6.08 Vendor Agreements . CONA will obtain and maintain in effect with each Vendor a written agreement with terms that permit CONA to provide the Services to Bottler, it Affiliates and the other Members of CONA (and pass through the benefits of the Vendor agreement to Bottler, its Affiliates and the other Members of CONA) consistent with the provisions of this Master Agreement, including without limitation Section 1.01.

6.09 Notice of Defaults. Bottler will promptly inform CONA of any breach of, or misuse or fraud in connection with, any Third-Party Services Contract, Equipment lease or Vendor Software license of which it becomes aware, and will cooperate with CONA to prevent or stay any such breach, misuse or fraud.

6.10 Intellectual Property.

(a) "Intellectual Property" means all works, including literary works, pictorial, graphic and sculptural works, architectural works, works of visual art, and any other work that may be the subject matter of copyright protection; advertising and marketing concepts; information; data and databases; formulas; designs; models; drawings; computer programs, and software and all related source code, object code, documentation, listings, design specifications, and flowcharts; trade secrets; and any ideas, methods, processes, and inventions, including all processes, machines, manufactures and compositions of matter and any other invention that may be the subject matter of patent protection; and all statutory protection obtained or obtainable thereon.

(b) As between CONA and Bottler and subject to Section 8.02, CONA retains ownership of all Intellectual Property made or owned by CONA (or TCCC, CCR or its other licensors) (including the CONA System) and any modifications or enhancements thereto or other derivative works thereof (excluding modifications to the Bottler Software). As between CONA and Bottler and subject to Section 8.02, CONA will have and retain all worldwide right, title and interest in and to (1) the CONA Software; and (2) Intellectual Property that is created, made, conceived, reduced to practice or authored by or on behalf of CONA or the Vendors, in connection with the performance of the Services or any Additional Services (excluding modifications to the Bottler Software); and (3) any modifications, improvements or other derivative works of any of the foregoing. CONA retains all rights to its general knowledge, experience and know-how (including processes, ideas, concepts, and techniques) acquired in the course of performing the Services excluding any Bottler Confidential Information and Bottler Data (provided that this provision does not impair Bottler's rights to any of its own knowledge, experience, and know-how that Bottler may share with CONA). For clarity, as between CONA and Bottler, the CONA System and any improvements or modifications to or derivatives of the CONA System are and remain the exclusive property of CONA, subject to the rights granted to Bottler under this Master Agreement and the rights granted to TCCC and/or CONA's members under the license agreement between TCCC and CCR that has been assigned to CONA and under the CONA LLC Agreement. Bottler will execute, or use commercially reasonable efforts to cause to be executed, any documents to document or perfect CONA's ownership rights in any Intellectual Property that CONA is entitled to own pursuant to this Section 6.10(b).

(c) CONA warrants that the CONA System does not use any open source or freeware code in a manner that, if the CONA System and Services are used in accordance with this Agreement, would require Bottler to distribute or disclose any source code that was included in the CONA System and Services. Furthermore, CONA represents that it will use all open source or freeware code in accordance with the applicable licensing terms of such open source or freeware code.

ARTICLE 7. THIRD PARTIES

7.01 Cooperation with Bottler Third-Party Contractors.

(a) Bottler may hire contractors, subcontractors, consultants, and/or other third parties ("Bottler Third-Party Contractors") to perform services that complement the Services. CONA will require the Vendors to cooperate with and work in good faith with Bottler Third-Party Contractors as reasonably requested by Bottler. Such cooperation may require that Bottler execute a separate agreement with Vendors on commercially reasonable terms and conditions, which may include the Vendors: (i) providing reasonable remote access to the Equipment and Vendor Software to the extent necessary and permitted under any underlying agreements between CONA and the applicable Vendors; (ii) facilitating requests for assistance and support services to such Bottler Third-Party Contractors on the part of Vendors at rates to be agreed between them; and (iii) providing existing written requirements, standards and policies for systems operations so that the enhancements or developments of Bottler Third-Party Contractors may be operated by CONA in connection with the Services; provided, however, that if such enhancements or developments of Bottler Third-Party Contractors require excess resources or other costs or fees to be incurred by CONA, Bottler will be responsible for the payment of such extra fees or costs. CONA will notify Bottler in writing of any additional costs or fees incurred by CONA. Bottler will require its Bottler Third-Party Contractors to comply with the security and confidentiality requirements of CONA and its Vendors, including those set forth in Appendix 2, and will, to the extent performing work on CONA Software or Equipment for which CONA has operational responsibility, comply with CONA's and the applicable Vendors' standards, methodologies, and procedures, including those set forth in Appendix 2.

(b) CONA will promptly notify Bottler if it has reason to believe that an act or omission of its Bottler Third-Party Contractor will cause, or has caused, a problem or delay in providing the Services, and will work with Bottler to prevent or circumvent such problem or delay. CONA will cooperate with Bottler and Bottler Third-Party Contractors to resolve differences and conflicts arising between the Services and other activities undertaken by Bottler or any of its Bottler Third-Party Contractors. Bottler will be responsible for any failure of its Bottler Third-Party Contractors to comply with Bottler's obligations under this Master Agreement or any applicable Services Exhibit.

ARTICLE 8. BOTTLER DATA

8.01 Provision of Data. Bottler will supply to CONA and/or the applicable Vendor, in connection with Services required, data in the form and on such schedules as agreed upon by Bottler and CONA in the applicable Services Exhibit and as may otherwise be agreed upon from time to time as necessary to permit CONA to perform the Services.

8.02 Ownership of Bottler Data. All data and information submitted to CONA and/or the applicable Vendor by or on behalf of Bottler or as such data and information is processed, developed, amended, modified or enhanced by CONA and/or the applicable Vendor on Bottler's behalf in connection with the Services (the "Bottler Data") is and will remain the property of Bottler, except to the extent that

the ownership of such data is determined in a different way by other agreements between the parties or between other parties concerning that data (e.g. cross-license brands, GPI etc.). Except as permitted by this Master Agreement, an applicable Services Exhibit or an ancillary agreement executed by CONA and Bottler, CONA will not, and will require that the Vendors will not, (1) use Bottler Data other than in connection with providing the Services, (2) disclose, sell, assign, lease or otherwise provide Bottler Data to third parties, or (3) commercially exploit Bottler Data.

8.03 Correction of Errors. CONA will correct promptly and/or will require the applicable Vendor to correct promptly any known errors or inaccuracies in Bottler Data and Reports (1) caused by CONA or such Vendor, respectively, or (2) as otherwise provided in a Services Exhibit. Bottler is responsible for (a) the accuracy and completeness of its Bottler Data, and (b) any errors in or with respect to data obtained from CONA and/or the applicable Vendor caused by materially inaccurate or incomplete Bottler Data, except in either case to the extent that CONA and/or the applicable Vendor caused the Bottler Data to be inaccurate or incomplete.

8.04 Inspection and Ownership of Reports. Bottler will inspect and review the Reports and provide CONA with a notice of errors or inaccuracies. Bottler will own all Reports generated by or on behalf of CONA specifically for Bottler.

8.05 Ownership of Media. Unless furnished or paid for by Bottler or otherwise provided in a Services Exhibit, all media upon which Bottler Data is stored is and will remain the property of CONA and/or the applicable Vendor.

8.06 Data Privacy.

(a) Roles. In relation to the Bottler Data that constitute personal data under the relevant laws relating to data protection, trans-border data flow and data privacy (collectively, "Privacy Laws"), (i) Bottler will at all times act as and maintain the role of the owner and/or controller of such data; and (ii) CONA will at all times act as and maintain the role of the processor, and, subject to Section 8.06(e), will only process or transfer (both terms as defined in the relevant Privacy Laws) Bottler Data as instructed in writing by Bottler and in accordance with the terms of this Section 8.06. Nothing in this Master Agreement or any Services Exhibit will restrict or limit in any way Bottler's rights or obligations as owner and/or controller of its Bottler Data or be deemed as an assignment of such rights and obligations to CONA or any Vendor; nor will anything in this Master Agreement or any Services Exhibit restrict or limit in any way CONA's rights or obligations as processor or its obligations to comply with all of Bottler's instructions as to the processing of its Bottler Data.

(b) Written Agreement. For purposes of the relevant Privacy Laws, this Master Agreement and its applicable Services Exhibits are the written agreements relating to the processing by CONA of Bottler Data.

(c) Instructions. This Master Agreement and any Services Exhibit (including the exhibits and attachments hereto and thereto) constitute the written instructions by Bottler as of the Master Agreement Effective Date for CONA's processing of its Bottler Data. Such instructions may be modified and/or supplemented from time to time by written agreement of Bottler and CONA.

(d) Compliance. Bottler and CONA as controller and processor, respectively, of any personal data (as defined in the relevant Privacy Laws) contained in the Bottler Data will duly observe all of their respective obligations under the relevant Privacy Laws. Bottler will make or obtain and maintain throughout the Master Agreement Term all necessary registrations or filings and

notifications which Bottler is obliged to obtain and maintain pursuant to the relevant Privacy Laws in respect of the Services or other activities contemplated to be undertaken under or in connection with a Services Exhibit. CONA will during the Master Agreement Term, as part of the Services, comply with Bottler's written instructions regarding the processing of its Bottler Data and, in so processing such Bottler Data, engage in activities and operations and maintain safeguarding and confidentiality measures (collectively, the "Actions") which comply with Privacy Laws.

(e) Changes. The requirements relating to any changes of the written processing instructions or the Actions will be subject to the Change Control Procedures. If such a Change is generated by a modification in the Privacy Laws and is required for ongoing compliance with such Privacy Laws, then CONA shall promptly implement the requested Change. The allocation of costs associated with such Change will be mutually agreed by CONA and Bottler.

(f) Lawful Use. Bottler shall ensure that Bottler is entitled to transfer the relevant Personal Information to CONA so that CONA may lawfully use, process and transfer the Personal Information in accordance with this Master Agreement on Bottler's behalf.

(g) Vendors and Subcontractors. CONA may use Vendors and Subcontractors to provide Services on its behalf in accordance with the terms of this Master Agreement. Any such Vendor or Subcontractor will be permitted to process Personal Information solely pursuant to the terms of this Article 8 and only to deliver the services CONA has retained them to provide. These Vendors and Subcontractors may be located outside of the United States. CONA warrants that the agreements it has in place with any and all Vendors and Subcontractors contain similar or greater data privacy and security obligations.

(h) If CONA receives any order, demand, warrant, or any other document requesting or purporting to compel the production of Personal Information under applicable law (including, for example, by oral questions, interrogatories, requests for information or documents in legal proceedings, subpoenas, civil investigative demands or other similar processes), CONA shall immediately notify Bottler (except to the extent otherwise required by Applicable Law) and shall not disclose the Personal Information to the third party without providing Bottler at least forty-eight (48) hours, following such notice, so that Bottler may, at its own expense, exercise such rights as it may have under law to prevent or limit such disclosure. Notwithstanding the foregoing, CONA shall exercise commercially reasonable efforts to prevent and limit any such disclosure and to otherwise preserve the confidentiality of the Personal Information and shall cooperate with Bottler with respect to any action taken with respect to such request, complaint, order or other document, including to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded to the Personal Information.

(i) CONA shall, as appropriate and as directed by Bottler, regularly dispose of Personal Information that is maintained by CONA, but that is no longer necessary to provide the Services. Upon termination or expiration of the Master Agreement or any Vendor agreement for any reason or upon Bottler's request, CONA (and any Vendor, as applicable) shall immediately cease handling Personal Information and shall return in a manner and format reasonably requested by Bottler, or, if specifically directed by Bottler, shall destroy, any or all Personal Information in CONA's (or such Vendor's) possession, power or control. If CONA disposes of any paper, electronic or other record containing Personal Information, CONA shall do so by taking all reasonable steps (based on the sensitivity of the information) to destroy the Information by: (a) shredding; (b) permanently erasing and deleting; (c) degaussing; or (d) otherwise modifying the Personal Information in such records to make it unreadable, unreconstructable and

indecipherable. Upon request, CONA will provide a written certification that Personal Information has been returned or securely destroyed in accordance with this Section.

ARTICLE 9. INSURANCE AND RISK OF LOSS

9.01 Insurance Requirements. CONA shall, at its own cost and expense, acquire and maintain during the term of this Master Agreement, with insurance carriers having an AM Best Rating of A-VII or better, sufficient insurance to adequately protect the respective interests of the parties. Specifically, CONA must carry the following minimum types and amounts of insurance on an occurrence basis:

Commercial General Liability including premises-operations, broad form property damage, products /completed operations, contractual liability, independent contractors, personal injury and advertising injury and liability assumed under an insured contract with limits of at least $ 1,000,000 per occurrence and $ 2,000,000 general aggregate and $ 2,000,000 Products / Completed Operations Aggregate; and

Statutory Workers' Compensation Insurance and Employer's Liability Insurance in the minimum amount of $ 2,000,000 each employee by accident, $ 2,000,000 each employee by disease and $ 2,000,000 aggregate by disease; and

Property Insurance for tangible personal property owned by CONA in a minimum amount, to the extent commercially reasonable, equal to the full replacement cost of such property; and

Commercial Automobile Liability for any owned, non-owned, hired, or borrowed automobile is required in the minimum amount of $ 1,000,000 combined single limit; and

Cyber Liability Insurance in the minimum amount of $ 5,000,000.

In addition, CONA shall maintain umbrella coverage in the minimum amount of $ 10,000,000. CONA shall include the Bottler as an "Additional Insured" on its Commercial General Liability and Commercial Auto Liability policies listed above.

9.02 Insurance Renewals. Upon the execution of this Master Agreement and annually upon the anniversary date(s) of the insurance policy's renewal date(s), CONA will provide Bottler with a Certificate of Insurance evidencing the required coverages and terms set forth above.

9.03 Insurance Notifications. CONA shall provide Bottler with thirty (30) days written notice of any cancellation, non-renewal, termination, material change or reduction in coverage.

9.04 Waiver of Recovery. CONA will cause its insurance companies to waive their right of recovery against Bottler.

9.05 Non-Limitation. The stipulated limits of coverage above shall not be construed as a limitation of any potential liability to Bottler, and failure to request evidence of this insurance shall not be construed as a waiver of CONA's obligation to provide the insurance coverage specified.

9.06 Deductibles. CONA will be solely responsible for any deductible or self-insured retention maintained under its policies.

9.07 Primary and Excess Coverage. The above insurance limits may be achieved by a combination of primary and umbrella/excess policies.

ARTICLE 10. PAYMENTS TO CONA

10.01 Service Fees. Financial obligations in respect of the CONA System are as follows:

(a) Each party will bear its own expenses associated with the deployment (see details in Exhibit B).

(b) CONA shall charge Bottler fees (the "Service Fees"), as follows:

(1) The Service Fees for any Phase 1(a) Territories will be (A) $**[***]**, multiplied by (B) the Phase 1(a) Cases in such Phase 1(a) Territory divided by twelve, until the earlier of for Phase 1(a) Cases in each Phase 1(a) Territory **[***]**.

(2) The Service Fees for each of Bottler's Territories (other than the Phase 1(a) Territories and the Legacy Territories), or portion thereof, that either use the CONA System upon acquisition by Bottler or that subsequently convert to the CONA System will be, at the date of such acquisition and/or subsequent conversion, $**[***]**, multiplied by the number of physical cases of Beverages distributed in such Territory (or portion thereof) during the related calendar month, until the Steady State Date. From and after the Steady State Date, the Service Fees for cases of Beverages distributed in Bottler's Territories (other than the Phase 1(a) Territories and the Legacy Territories) will be the amount determined under Section 10.01(b)(4).

(3) The Service Fees for any Legacy Territories that have converted to the CONA System will be $**[***]**, multiplied by the number of physical cases of Beverages distributed in such Legacy Territory (or portion thereof) during the related calendar month, until the Steady State Date. From and after the Steady State Date, the Service Fees for cases distributed in the Legacy Territories will be the amount determined under Section 10.01(b)(4).

(4) From and after the Steady State Date **[***]**, the Service Fees will be an amount per physical case of Beverages equal to the aggregate costs incurred by CONA to maintain and operate the CONA System and provide the Services (for DSD functionality), divided by the total number of standard physical cases of Beverages distributed by all of the Members of CONA during the related calendar month **[***]**. Such amount will be determined by the Board of Directors of CONA in accordance with the provisions of the CONA LLC Agreement. CONA shall charge, and Bottler agrees to pay, the Service Fees under this Section 10.01(b)(4) even if Bottler is not using the CONA System for all or any portion of its operations in its Territories.

(5) On an annual basis, CONA will perform an analysis of the aggregate costs incurred by CONA to maintain and operate the CONA System and provide the Services and any Additional Services to determine the percentage of total costs attributable to (1) third-party software (including software licenses, subscriptions, software as a service, or by whatever name referred to) and (2) services, including, but not limited to, data processing services, software maintenance services, information services, and all other categories of services as may be necessary. CONA will provide this percentage to Bottler annually upon completion of the analysis. CONA will collect and remit tax on the taxable percentage related to the taxable items in states where CONA has a legal obligation to collect and remit sales and use tax. If CONA does not charge the applicable sales tax, Bottler is responsible to determine whether Bottler owes use taxes on such charges based on the percentage provided.

Except as provided in this Master Agreement and its Services Exhibits and Appendices, each party will bear its own expenses in connection with the provision and receipt of the Services. Unless otherwise provided in the applicable Services Exhibit, all invoices and payments for Service Fees will be made in U.S. dollars.

Any amendments or waivers to this Article 10 will require the approval of the Board of Directors of CONA.

10.02 Additional Service Fees. If CONA will provide Additional Services, Bottler will pay the agreed Additional Service Fees pursuant to Section 1.04.

10.03 Proration. All periodic Service Fees or any other fees and charges under this Master Agreement and any Services Exhibit are to be computed on a calendar month basis and will be prorated on a daily basis for any partial month.

10.04 Payment Schedule. Unless set forth otherwise in any Services Exhibit or an applicable Amendment to a Services Exhibit, the Service Fees and any other fees or charges owed by Bottler will be due and payable no later than thirty (30) days after Bottler's receipt of an applicable invoice from CONA. CONA will invoice Bottler on a quarterly basis for Service Fees (and on an annual basis for any sales and use taxes to be collected by CONA pursuant to Section 10.01(b)(5)) as calculated above within thirty (30) days following the end of each quarter (or annual period for such sales and use taxes). Each invoice will contain the information as detailed in the applicable Services Exhibit. Any amount not paid when due will bear interest until paid at a rate of interest equal to the lesser of (a) the prime rate established from time to time by Citibank of New York plus two percentage points or (b) the maximum rate of interest allowed by applicable law, provided that CONA will notify Bottler in writing prior to accruing any interest under this Section 10.04.

10.05 Taxes. Bottler is responsible for all sales and use taxes and similar taxes imposed on the Service Fees and for any other fees and charges under this Master Agreement and any Services Exhibit. CONA will collect from Bottler and remit such taxes where legally required to do so. Bottler will be responsible for remitting such taxes, if applicable, in states where CONA does not have a legal obligation to collect and remit such taxes.

ARTICLE 11. AUDITS

11.01 Audit. Subject to the approval and direction of the CONA Board, CONA shall conduct, and when necessary in the reasonable judgment of CONA management shall require its key Vendors to conduct, at least annually an SSAE-16 audit of the CONA Services and supporting systems. The audit scope for CONA audits shall include Data Centers and the CONA Systems, and, unless otherwise agreed by the CONA Board, the audits will each cover a full twelve month period ending no earlier than September 30th of each year. Final audit reports will be issued to Bottler no later than November 15th of each year.

11.02 General Procedures. Following any audit or examination, CONA will conduct (in the case of an internal audit), or request its external auditors or examiners to conduct, an exit conference with the applicable Vendors to obtain factual concurrence with issues identified in the review. Bottler and CONA will develop mutually acceptable operating procedures for the sharing of audit and regulatory findings and reports related to operating practices and procedures produced by auditors or regulators of either party.

11.03 Response. CONA will review each audit report promptly after the issuance thereof. CONA will respond (or cause the applicable Vendor to respond) to each audit report in writing within thirty (30) days from receipt of such report. CONA will develop and adopt (pursuant to Section 4.01) an action plan to promptly address and resolve any deficiencies, concerns and/or recommendations in such audit report. CONA will, and will require each applicable Vendor to, undertake remedial action in accordance with such action plan and the dates specified therein.

ARTICLE 12. CONFIDENTIALITY

12.01 Confidential Information. It is anticipated that during the performance of this Master Agreement and any Services Exhibit, CONA or Bottler may disclose to the other or the receiving party may come in contact with or observe certain confidential business, technical or financial information which is the property of the disclosing party. With respect to the terms and conditions of this Master Agreement, as well as the terms and conditions of the Services Exhibits and the Appendices attached hereto from time to time, and any other information that the disclosing party identifies in writing at the time of disclosure as confidential or within thirty (30) days from an oral disclosure, or is reasonably identifiable as confidential ("Confidential Information"), the receiving party will exercise the same degree of care and control to maintain such information in confidence and prevent disclosure thereof to third parties as the receiving party normally uses to preserve and protect its own Confidential Information of a similar nature during the Master Agreement Term and, except as required under Section 12.03, for a period of five (5) years thereafter, but in no event will such care and control be less than reasonable industry standards. No party will be obligated to maintain in confidence: (i) information which is, or subsequently becomes, within the knowledge of the public generally through no fault of the receiving party; (ii) information which the receiving party can show was previously known to it as a matter of record at the time of receipt; (iii) information which is obtained lawfully from a third party who is not under an obligation of confidentiality to the disclosing party; (iv) information which is developed as a matter of record by the receiving party without the use of the disclosing party's Confidential Information; (v) information which is disclosed to a third party by the disclosing party without a corresponding obligation of confidence; or (vi) information which is required to be disclosed pursuant to the requirement of a government or regulatory agency or national securities exchange or by operation of law subject to prior consultation with the disclosing party's legal counsel.

12.02 Bottler Confidential Information. The Bottler Data and any other information describing or evaluating any proposed Changes or Additional Services requested by Bottler will be considered Bottler's Confidential Information, and Bottler may impose reasonable access limitations on CONA's access to commercially sensitive Bottler Data in order to limit such access to those of CONA's personnel who have a need to know in order to carry out CONA's obligations pursuant to this Master Agreement or any Services Exhibit. These restrictions do not supersede any subsequent agreement that might be entered into between the parties and that governs the use and access of such Bottler Data and Bottler's Confidential Information. Nothing in this Master Agreement shall be construed to change or modify the use and access of Bottler Data, if that use and access is already subject to other agreements between the parties or third parties. Notwithstanding the foregoing, to the extent CONA implements any Changes into the CONA System and/or provides any Additional Services, then all confidential information and materials provided by Bottler that relate to such Changes and Additional Services shall automatically become CONA's Confidential Information.

12.03 Trade Secrets. No receiving party, nor their respective employees, agents, contractors or subcontractors, will disclose, or use for their own benefit any Confidential Information which is identified as a trade secret without the disclosing party's prior written consent for as long as the Confidential Information remains a trade secret.

12.04 Use During Performance of Agreement. Each party will each only be entitled to use Confidential Information and trade secrets of the other solely to the extent required to exercise its rights and meet its obligations under this Master Agreement and any Services Exhibit. CONA may provide Confidential Information of Bottler to Vendors on an as-needed basis, and will contract with such Vendors for confidentiality obligations consistent with this ARTICLE 12. Bottler is permitted to disclose Confidential Information of CONA to (i) any of its employees, agents, or contractors; (ii) any Affiliate of Bottler that utilizes any Services; and (iii) any Bottler Third-Party Contractor, but only to the extent necessary to utilize the Services (in the case of an employee, agent, contractor or Affiliate of Bottler) or to perform services as contemplated by Section 7.01 (in the case of a Bottler Third-Party Contractor), and provided that any such employee, agent, contractor, Affiliate or Bottler Third-Party Contractor agrees to maintain and use the confidentiality of such Confidential Information to the same extent required by this Article 12. Upon termination of this Agreement, CONA and Bottler shall immediately cease use of and destroy all copies of the other party's Confidential Information.

12.05 Unauthorized Acts. Bottler and CONA will: (1) notify the other party promptly of any unauthorized use, or attempt thereof, of the other party's Confidential Information by any person or entity which may become known to such party, (2) promptly furnish to the other party full details of the unauthorized use of the other party's Confidential Information, or attempt thereof, and use commercially reasonable efforts to assist the other party in investigating or preventing the reoccurrence thereof, and (3) use commercially reasonable efforts to cooperate with the other party in any litigation and investigation against third parties deemed necessary by the other party to protect its proprietary rights Each party will bear the cost it incurs as a result of compliance with this Section 12.05.

ARTICLE 13. REPRESENTATIONS, WARRANTIES AND COVENANTS

13.01 By Bottler. Bottler represents, warrants and covenants that:

(a) it is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware;

(b) it has all the requisite corporate power and authority to execute, deliver and perform its obligations under this Master Agreement;

(c) the execution, delivery and performance of this Master Agreement by Bottler has been duly authorized by Bottler;

(d) Bottler has not as of the Master Agreement Effective Date, and will not, disclose any Confidential Information of CONA in violation of the terms of this Master Agreement, unless such disclosure was permitted under another agreement between the parties at the time of disclosure;

(e) there is no claim, action, suit, investigation, or proceeding pending or, to Bottler's knowledge, contemplated or threatened against Bottler which seeks damages or penalties in connection with any of the transactions contemplated by this Master Agreement or to restrict or delay the transactions contemplated hereby or to limit in any manner CONA's rights under this Master Agreement; and

(f) Bottler has obtained, or will obtain, all consents, approvals, licenses or assignments necessary to perform the obligations for which Bottler is responsible under this Master Agreement and/or any Services Exhibit and to receive the Services.

13.02 By CONA. CONA represents, warrants and covenants that:

(a) it is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware;

(b) CONA has all requisite company power and authority to execute, deliver and perform its obligations under this Master Agreement;

(c) the execution, delivery and performance of this Master Agreement by CONA has been duly authorized by CONA;

(d) CONA has not, as of the Master Agreement Effective Date, and will not, disclose any Confidential Information of Bottler in violation of the terms of this Master Agreement, unless such disclosure was permitted under another agreement between the parties at the time of disclosure;

(e) there is no claim, action, suit, investigation, or proceeding pending or, to CONA's knowledge, contemplated or threatened against CONA which seeks damages or penalties in connection with any of the transactions contemplated by this Master Agreement or to restrict or delay the transactions contemplated hereby or to limit in any manner Bottler's rights under this Master Agreement; and

(f) CONA has obtained, or will obtain, all consents, approvals, licenses or assignments necessary to perform the Services for which CONA is responsible under this Master Agreement and/or any Services Exhibit.

13.03 Other Warranties.

(a) Warranties. CONA represents and warrants that it will diligently perform, and use commercially reasonable efforts to cause the Vendors to perform, the Services in a professional quality conforming to generally accepted industry standards and practices.

(b) Pass-Through Warranties and Indemnities. CONA agrees that it will pass through to Bottler any rights it obtains under warranties and indemnities given by the Vendors in connection with any Service, Vendor Software, Equipment or Deliverable to the extent permitted by the applicable Vendor contract or consented to by the applicable Vendor on a case-by-case basis. If pass-through warranties and indemnities are not available from a particular Vendor, CONA will enforce the applicable warranty or indemnity on behalf of Bottler as provided below. In the event of a Service, Vendor Software, Equipment or Deliverable nonconformance, CONA will coordinate with, and be the point of contact for resolution of the problem through, the applicable Vendor and, upon becoming aware of a problem, will notify such Vendor and will use commercially reasonable efforts to cause such Vendor to promptly repair or replace the nonconforming item in accordance with such Vendor's warranty.

(c) EXCEPT AS EXPRESSLY SET FORTH IN THIS MASTER AGREEMENT, BOTH CONA AND BOTTLER EXPRESSLY DISCLAIM ALL OTHER WARRANTIES EXPRESS, IMPLIED, OR STATUTORY WITH RESPECT TO THIS MASTER AGREEMENT, THE SERVICES EXHIBITS, AND ANY PRODUCTS, SERVICES, SOFTWARE OR DATA THAT THEY PROVIDE TO THE OTHER PARTY HEREUNDER, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, TITLE

OR NON-INFRINGEMENT, AND FURTHER DISCLAIMS ANY LIABILITY FOR REPRESENTATIONS OR PROMISES NOT CONTAINED IN THIS MASTER AGREEMENT.

ARTICLE 14. DISPUTE RESOLUTION

14.01 Disputes. Any dispute between any parties arising out of this Master Agreement and any Services Exhibit will first be heard by CONA's Board of Directors (or a committee of the CONA Board of Directors established for that purpose). Either party may request consultation by giving the other party-disputant detailed written notice that, in its opinion, a dispute has arisen, and stating the basis for the dispute and its position on the dispute. If a committee of the CONA Board of Directors is unable to finally resolve the matter, the disputed matter will be referred to CONA's full Board of Directors to resolve the matter. If the dispute cannot be resolved by the CONA Board of Directors, then the matter will be exclusively submitted to the American Arbitration Association ("AAA") for arbitration at a mutually agreed location. Unless otherwise expressly stated herein, the arbitration will be conducted in accordance with AAA's Commercial Arbitration Rules including the Optional Rules for Emergency Measures of Protection in effect at the time of the submission to arbitration. The arbitral tribunal will consist of three neutral arbitrators pursuant to the procedures of the AAA. The arbitral award will be non-appealable, final and binding upon both parties. Neither party shall be required to give general discovery of documents, but may be required by the arbitrators to produce specific, identified documents that are relevant to the dispute. The language of arbitration will be English. The parties will keep confidential any matters with respect to such arbitration proceedings.

No dispute under this Master Agreement or any Services Exhibit will be the subject of litigation or other formal proceeding between any parties (excluding any actions based upon the indemnity obligations under Article 17, actions seeking injunctive relief for an actual or threatened breach of Article 12, and an action to compel compliance with this Section).

14.02 Continued Performance. In the event of a good faith dispute between Bottler and CONA regarding this Master Agreement and any Services Exhibit pursuant to which Bottler in good faith believes it is entitled to withhold payment, Bottler will, upon request by CONA and on the date which any Service Fees are required to be made during the pendency of such dispute, deposit the full disputed amount of the Service Fees in an interest-bearing escrow account in a nationally-recognized bank or depository specified by CONA and furnish evidence of such deposit to CONA. For as long as Bottler makes any such required escrow deposits during the pendency of such dispute, CONA will continue to provide the Services and Bottler will pay, and continue to pay, all undisputed amounts. Upon resolution of the dispute, the money in the escrow account, plus any interest earned on such money, will be distributed to the prevailing party or will be distributed among Bottler and CONA pro rata in accordance with the claims or portions of claims resolved in each party's favor.

ARTICLE 15. EFFECTIVENESS; TERM; TERMINATION

15.01 Master Agreement Term. The term (the "Master Agreement Term") of this Master Agreement will commence on the date first written above (the "Master Agreement Effective Date") and will continue until terminated pursuant to this ARTICLE 15.

15.02 Termination for Cause.

(a) Material Breach By Bottler. If Bottler fails to perform its material obligations under Article 10 ("Payments to CONA"), Article 12 ("Confidentiality"), Article 13 ("Representations, Warranties and Covenants") or Article 17 ("Indemnities"), and such failure is not cured within ninety (90) days after written notice is given to Bottler specifying the nature of the default,

CONA may, upon further ninety (90)-day written notice to Bottler, terminate this Master Agreement and any Services Exhibit as to Bottler as of the date specified in such notice of termination.

(b) Material Breach by CONA. If CONA commits a material breach under this Master Agreement that is having a material adverse effect upon Bottler's business in the Territories, and such failure is not cured within ninety (90) days after written notice is given to CONA specifying the nature of the default, Bottler may, upon further ninety (90)-day written notice to CONA, terminate this Master Agreement as it applies to Bottler as of the date specified in such notice of termination.

(c) Termination for Insolvency. If CONA or Bottler becomes or is declared insolvent or bankrupt, is the subject of any proceedings relating to its liquidation, dissolution, its insolvency or for the appointment of a receiver or similar officer for it, makes an assignment for the benefit of all or substantially all of its creditors or enters into an agreement for the composition, extension, or readjustment of all or substantially all of its obligations, then, unless the insolvent or bankrupt party immediately gives adequate assurance of the future performance of this Master Agreement or any Services Exhibit, CONA or Bottler may, by giving written notice thereof to the other party-disputant, terminate this Master Agreement as of a date specified in such notice of termination.

15.03 Termination upon Dissolution of CONA. If CONA is dissolved in accordance with the provisions of the CONA LLC Agreement, this Master Agreement will terminate, and Bottler will have the rights to use the CONA System provided for under the CONA LLC Agreement.

15.04 Effect of Termination. Except as otherwise provided in Section 11.03 of the CONA LLC Agreement with respect to a Member withdrawing from CONA, upon the termination of this Master Agreement and/or any Services Exhibit:

(a) If requested by Bottler, CONA will, and/or will use good faith efforts to require Vendors to, continue to provide to Bottler those Services and reasonable assistance in Bottler's transitioning its business back to its legacy systems or another system provided for or by Bottler, for up to the Termination Assistance Period pursuant to ARTICLE 16, as may further be detailed in mutually agreed Services Exhibit ("Termination Assistance Services"). Bottler will pay for such Services in accordance with the provisions of Article 10 as of the date of such termination or as otherwise set forth in the applicable Services Exhibit; provided that , if CONA terminated this Master Agreement for nonpayment, CONA's obligation under this Section 15.04(a) and Article 16 will be subject to prepayment by Bottler for Termination Assistance Services and payment of all other amounts owed by Bottler that remain due and payable to CONA prior to commencement of any Termination Assistance Services.

(b) Bottler will pay CONA for all authorized Services performed, and CONA Software or Equipment purchased at Bottler's request and delivered to Bottler, through the date of such termination;

(c) each party will have the ownership rights specified in ARTICLE 6; and

(d) Bottler will not be (1) obligated to pay any termination fee to CONA in the event of a termination of this Master Agreement and/or any Services Exhibit, except as provided to the contrary in an applicable Services Exhibit or in the CONA LLC Agreement, and (2) required to make any further payments under Article 10 in respect of any terminated Services Exhibit, except

as provided for in Section 15.04(a) and Section 15.04(b), or as provided in the applicable Services Exhibit or the CONA LLC Agreement.

The provisions of this Section 15.04 are in addition to, and not in lieu of, any remedies provided for by law or equity or in the CONA LLC Agreement.

ARTICLE 16. TERMINATION ASSISTANCE SERVICES

16.01 Availability. The Termination Assistance Services will commence upon any notice of termination of the Master Agreement Term, and continue for up to six (6) consecutive months following the effective date of the termination of the Master Agreement Term (as such effective date may be extended by the parties' agreement) ("Termination Assistance Period"). At Bottler's request, CONA will, and/or will use good faith efforts to require Vendors to, provide Termination Assistance Services described in Section 15.04(a) and this Article 16 to Bottler. If provided, CONA will, and will require Vendors to, perform the Termination Assistance Services with at least the same degree of accuracy, quality, completeness, timeliness, responsiveness and cost-effectiveness as it provided and was required to provide for the same or similar Services during the Master Agreement Term. The quality of the Services provided by CONA following its receipt of a notice of termination or non-renewal will not be degraded or deficient in any material respect.

16.02 Scope of Service. As part of the Termination Assistance Services, CONA will, and will require Vendors to, transfer, in a timely manner, the control and responsibility for all information technology functions and Services previously performed by or for CONA to Bottler and/or its designees by the execution of any documents reasonably necessary to effect such transfers.

ARTICLE 17. INDEMNITIES

17.01 Bottler Indemnities. Bottler agrees to defend CONA, and its subsidiaries, divisions and affiliates, and each of their employees, officers and directors, from and against all third-party claims, suits and proceedings brought against CONA, and will pay all final judgments awarded or settlements entered into on such claims, for (A) bodily injury (including loss of life) or damage to real property or tangible personal property caused by the gross negligence or willful misconduct of Bottler, its agents, employees or contractors, or (B) a violation of any applicable Privacy Law attributable to the gross negligence or willful misconduct of Bottler, its agents, employees or contractors, in each case arising out of or in connection with this Master Agreement and Services Exhibits. These indemnities will pass through to the Vendors, as applicable.

17.02 CONA Indemnities. CONA agrees to defend Bottler, its subsidiaries, divisions, affiliates, and each of their employees, officers and directors, from and against all third-party claims, suits and proceedings brought against Bottler, and will pay all final judgments awarded or settlements entered into on such claims, for (A) bodily injury (including loss of life) or damage to real property or tangible personal property caused by the gross negligence or willful misconduct of CONA, its agents, employees or Vendors, or (B) a violation of any applicable Privacy Law attributable to the gross negligence or willful misconduct of CONA, its agents, employees or Vendors, in each case arising out of or in connection with this Master Agreement and Services Exhibits. CONA will use commercially reasonable efforts to obtain like indemnities from Vendors for the benefit of Bottler.

17.03 Infringement Claims. If any claim should be made against Bottler at any time during the Master Agreement Term, that by virtue of its use of the Services, Bottler is infringing any intellectual property rights, the parties shall reasonably cooperate and use commercially reasonable efforts to resolve the situation. If the claim is based on a Service that does include Vendor Software or services, CONA

will, promptly after receiving notice of the claim made against Bottler, coordinate with, and be the point of contact for resolution of the problem through, the applicable Vendor and will notify such Vendor and will use commercially reasonable efforts to cause such Vendor to obtain a license for Bottler to continue using the Services, promptly modify the Services (without any change in functionality), so that they become non-infringing, or replace the Services with functionally equivalent non-infringing Services in accordance with such Vendor's warranty. If any such claim proceeds to litigation, Bottler agrees that the CONA Board may direct CONA to control the defense of the claim in order to ensure that the interests of the respective members are adequately protected.

ARTICLE 18. DAMAGES; LIABILITY WAIVER

18.01 CONSEQUENTIAL DAMAGES. NEITHER CONA NOR BOTTLER WILL BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR LOST PROFITS, OR ANY OTHER DAMAGES THAT ARE NOT DIRECT AND OUT-OF-POCKET, ARISING OUT OF OR RELATING TO SUCH PARTY'S PERFORMANCE UNDER THIS MASTER AGREEMENT AND SERVICES EXHIBITS.

18.02 DAMAGES CAP. EXCEPT AS PROVIDED IN SECTION 18.03 OR THE NEXT SENTENCE, NEITHER CONA NOR BOTTLER WILL BE LIABLE FOR ANY DAMAGES, WHETHER BASED ON AN ACTION OR CLAIM IN CONTRACT, EQUITY, NEGLIGENCE, TORT OR OTHERWISE, UNDER THE MASTER AGREEMENT AND SERVICES EXHIBITS. IN RECOGNITION OF THE PASS-THROUGH NATURE OF THE SERVICES TO BE PROVIDED BY VENDORS, SUBJECT TO SECTION 1.03, CONA WILL NOT BE LIABLE TO BOTTLER FOR ANY DAMAGES, WHETHER BASED ON AN ACTION OR CLAIM IN CONTRACT, EQUITY, NEGLIGENCE, TORT OR OTHERWISE, UNDER THE MASTER AGREEMENT AND SERVICES EXHIBITS, FOR ANY ACT OR OMISSION OF ANY VENDOR, TO ANY GREATER EXTENT THAN THE APPLICABLE VENDOR IS LIABLE TO CONA FOR SUCH ACT OR OMISSION.

18.03 EXCEPTIONS TO LIMITATIONS OF LIABILITY. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE FOREGOING LIMITATIONS WILL NOT APPLY TO (I) A PARTY'S OWN WILLFUL MISCONDUCT; OR (II) THE INDEMNIFICATION OBLIGATIONS SET FORTH IN ARTICLE 17; OR (III) BREACH OF THE CONFIDENTIALITY OBLIGATIONS SET FORTH IN ARTICLE 12; OR (IV) BOTTLER'S OBLIGATION TO PAY IN ACCORDANCE WITH THIS AGREEMENT FOR SERVICES RENDERED.

18.04 TCCC AND CCR LIABILITY WAIVER. BOTTLER, ON BEHALF OF ITSELF AND ALL OF ITS PAST AND PRESENT SUBSIDIARIES, PARENTS, SUCCESSORS AND PREDECESSORS, AFFILIATES, RELATED ENTITIES AND DIVISIONS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, THE " BOTTLER PARTIES"), HEREBY RELEASES AND DISCHARGES TCCC, CCR AND ALL OF THEIR RESPECTIVE PAST AND PRESENT SUBSIDIARIES, PARENTS, SUCCESSORS AND PREDECESSORS, AFFILIATES, RELATED ENTITIES AND DIVISIONS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE " TCCC PARTIES"), FROM ANY AND ALL LIABILITIES, CLAIMS, CAUSES OF ACTION, OBLIGATIONS, DEMANDS, LOSSES, COSTS OR EXPENSES OF ANY KIND OR NATURE WHATSOEVER, PAST OR PRESENT, ASCERTAINED OR UNASCERTAINED, KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, CLAIMED OR UNCLAIMED WHICH THE BOTTLER PARTIES HAVE, OR HAVE EVER HAD, BY VIRTUE OF ANY ACT, OMISSION, REASON, CAUSE OR THING ALLEGED OR THAT COULD HAVE BEEN ALLEGED IN ANY JUDICIAL OR ARBITRATION PROCEEDINGS WITH RESPECT

TO THE PROVISION OF SERVICES BY CONA PURSUANT TO THIS AGREEMENT . CONA ITSELF WILL NOT CONSTITUTE EITHER A BOTTLER PARTY OR A TCCC PARTY FOR PURPOSES OF THIS SECTION 18.04 (I.E., CONA IS NOT WAIVING ANY CLAIMS AGAINST THE TCCC PARTIES UNDER THIS SECTION 18.04, AND BOTTLER PARTIES ARE NOT WAIVING ANY CLAIMS AGAINST CONA UNDER THIS SECTION 18.04). TCCC AND CCR ACKNOWLEDGE AND AGREE THAT CONA WILL RETAIN ALL RIGHTS UNDER ANY AGREEMENT BETWEEN CONA AND TCCC OR CCR, RESPECTIVELY, INCLUDING WIHOUT LIIMITATION THE ASSET PURCHASE AGREEMENT, FINANCIAL MATTERS AGREEMENT AND MASTER SERVICES AGREEMENT DATED AS OF APRIL 2, 2016.

ARTICLE 19. MISCELLANEOUS

19.01 Force Majeure.

(a) No party will be liable, or be deemed to be in default, to another party hereunder (except as provided in Section 5.05) by reason or on account of any delay or omission caused by epidemic, fire, order of a court of competent jurisdiction (other than preliminary or permanent injunctions issued pursuant to an indemnity obligation for intellectual property infringement set forth in Article 17), executive decree or order, act of God or public enemy, war, riot, civil commotion, earthquake, accident, explosion, casualty or embargo; provided that such force majeure event that is an accident or casualty is not caused directly or indirectly by the excused party and could not have been prevented by such party's reasonable diligence; and provided, further, that such events will not be excused to the extent they are intended to be addressed by, or can be obviated by the implementation of, the Disaster Recovery Plan.

(b) Upon the occurrence of a force majeure event, the non-performing party will be excused from any further performance of those of its obligations pursuant to the applicable Services Exhibit affected by the force majeure event for as long as (a) such force majeure event continues and (b) such party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. The party delayed by a force majeure event will immediately notify the other party or parties by telephone (to be confirmed by written notice within twenty-four (24) hours of the inception of the failure or delay) of the occurrence of a force majeure event and describe in reasonable detail the nature of the force majeure event.

(c) The occurrence of a force majeure event does not limit or otherwise affect CONA's obligation to provide either normal recovery procedures or any other disaster recovery services as described in Section 5.05 except to the extent the force majeure event prevents the performance of such obligations.

19.02 Compliance with Rules and Regulations. Each party will instruct its personnel, agents and subcontractors to comply with the safety standards, security regulations and other published policies of the other party while on the other party's premises. Each party shall ensure that when entering or within the other party's premises, all such party's personnel, agents and subcontractors must establish their identity to the satisfaction of security personnel and comply with all directions given by them, including directions to display any identification cards provided by such other party.

19.03 Severability. If any provision contained in this Master Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Master Agreement, and this Master Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Master Agreement.

19.04 Assignment.

(a) Neither CONA nor Bottler may assign this Master Agreement, without the prior written consent of the other party; provided, however, that Bottler may, upon notice to CONA, assign this Master Agreement, without CONA's consent, to any subsidiary or affiliate of Bottler. Bottler's rights under this Master Agreement may be assigned in connection with a permitted transfer of Bottler's interest in CONA in accordance with the terms of the CONA LLC Agreement.

(b) Any assignment in contravention of this Section 19.04 will be void.

19.05 Notices. Except as otherwise specified in this Master Agreement or Services Exhibit, all notices, requests, approvals, and consents and other communications required or permitted under this Master Agreement or any Services Exhibit will be in writing and will be sent by express mail, Federal Express, or other, similar overnight bonded mail delivery services to the address specified below:

In the case of Bottler:

Coca-Cola Bottling Co. Consolidated
4100 Coca-Cola Plaza
Charlotte, NC 28211
Attention: Chief Information Officer
With a copy to: General Counsel

In the case of CONA:

CONA Services LLC
1 Coca-Cola Plaza
Atlanta, GA 30313
Attention: Reinhard Meister, CEO
With a copy to: General Counsel

Each party may change its address or facsimile number for notification purposes by giving the other party notice of the new address or facsimile number and the date upon which it will become effective.

19.06 Counterparts. This Master Agreement and any Services Exhibit may be executed in any number of counterparts, all of which taken together will constitute one single agreement among the parties.

19.07 Headings; Cross References. The article and section headings and the table of contents are for reference and convenience only and will not be considered in the interpretation of this Master Agreement or any Services Exhibit. All cross-references in this Master Agreement and any Services Exhibit to Sections, Articles or Exhibits will be deemed to be references to the corresponding section or article in, or exhibit to, this Master Agreement or the applicable Services Exhibit, unless the context otherwise clearly indicates.

19.08 Relationship. The performance by CONA of its duties and obligations under this Master Agreement and any Services Exhibit will be that of an independent contractor and nothing contained in this Master Agreement or any Services Exhibit will create or imply an agency relationship between any of the parties, nor will this Master Agreement or any Services Exhibit be deemed to constitute a joint venture or partnership between any of the parties.

19.09 Consents, Approvals and Requests. All consents and approvals to be given by a party under this Master Agreement and any Services Exhibit will not be unreasonably withheld or delayed and the requesting party will make only reasonable requests under this Master Agreement and/or any Services Exhibit. No approval will be valid or acceptable unless given by an authorized representative of the appropriate party.

19.10 Waiver. No delay or omission by either party to exercise any right or power it has under this Master Agreement or any Services Exhibit will impair or be construed as a waiver of such right or power. A waiver by either party of any breach or covenant will not be construed to be a waiver of any succeeding breach or any other covenant. All waivers must be in writing and signed by the party waiving its rights.

19.11 Entire Agreement. This Master Agreement, including each Services Exhibit (and including all Schedules thereto) and each of the Appendices which are hereby incorporated by reference into this Master Agreement (including all Attachments thereto), are the entire agreement between the parties with respect to the Services, and there are no other representations, understandings or agreements between any parties relative to such subject matter.

19.12 Interpretation of Documents. The terms and conditions of the Services Exhibits will be supplemental and additional to the terms and conditions of the Master Agreement; provided, however, that if by reference to specific sections in the Master Agreement, a Services Exhibit expressly states that certain specified terms and conditions of the Master Agreement will not apply in the contractual relationship among the parties, the relevant parts of such Services Exhibit will prevail over the specified sections of the Master Agreement. Any boilerplate terms contained in any purchase order, order confirmation or invoice will be void and of no effect with respect to this Master Agreement and/or any Services Exhibit.

19.13 Amendments. No amendment to, or change, waiver or discharge of, any provision of this Master Agreement or any Services Exhibit will be valid unless in writing and signed by a respective authorized representative of each party.

19.14 Governing Law and Forum. This Master Agreement, including each Services Exhibit, will be governed by the laws of the State of Georgia, U.S.A. without reference to conflict of laws principles.

19.15 Survival. In addition to those provisions expressly surviving termination or expiration, the terms of Article 8, Section 10.05, Article 12, Article 13, Article 14, Article 15, Article 16 and all applicable provisions of this Master Agreement and each Services Exhibit with respect to any Termination Assistance Services being provided by CONA, Article 17, Article 18, and Article 19 will survive the termination of this Master Agreement for any reason.

19.16 Third-Party Beneficiaries. Except as expressly specified in this Master Agreement, this Master Agreement and each Services Exhibit will not benefit, or create any right or cause of action in or on behalf of, any person or entity other than Bottler (and its Affiliates using Services as permitted hereunder) and CONA.

19.17 Covenant of Further Assurances. The parties covenant and agree that, subsequent to the execution and delivery of this Master Agreement and without any additional consideration, they will execute and deliver any further legal instruments and perform any acts which are or may become necessary to effectuate the purposes of this Master Agreement. The parties covenant and agree that,

subsequent to the execution and delivery of a Services Exhibit and without any additional consideration, each of them will execute and deliver any further legal instruments and perform any acts which are or may become necessary to effectuate the purposes of the such Services Exhibit.

19.18 Export Regulations. This Master Agreement is expressly made subject to any United States government laws, regulations, orders or other restrictions regarding export from the United States of Equipment, computer hardware, software, technical data or derivatives of such Equipment, hardware, software or technical data. Notwithstanding anything to the contrary in this Master Agreement, no party will directly or indirectly export (or re-export) any Equipment, computer hardware, software, Deliverables technical data or derivatives of such Equipment, hardware, software, Deliverables or technical data, or permit the shipment of same: (a) into (or to a national or resident of) any country to which the United States has embargoed goods; (b) to anyone on the U.S. Treasury Department's List of Specially Designated Nationals, List of Specially Designated Terrorists or List of Specially Designated Narcotics Traffickers, or the U.S. Commerce Department's Denied Parties List; or (c) to any country or destination for which the United States government or a United States governmental agency requires an export license or other approval for export without first having obtained such license or other approval. The parties will reasonably cooperate with the other and will provide to the other promptly upon request any end-user certificates, affidavits regarding re-export or other certificates or documents as are reasonably requested to obtain approvals, consents, licenses and/or permits required for any payment or any export or import of products or services under this Master Agreement.

19.19 Disclaimers. Bottler acknowledges that, as between it and CONA, it is solely responsible for determining its requirements and specifications to address its legal or regulatory compliance, including its Sarbanes-Oxley compliance. CONA is not providing any legal advice to Bottler. Bottler will consult with and rely exclusively on its own legal counsel for legal advice regarding its legal and regulatory compliance obligations. The foregoing will not limit CONA's obligations hereunder with respect to compliance with laws, rules and regulations applicable to CONA's provision of the Services.

19.20. **[***]**. The Services hereunder are being provided by CONA to Bottler and other CONA members on a "cost pass through" basis. **[***]**.

— Signature page follows —

IN WITNESS WHEREOF, the parties have each caused this Master Agreement to be signed and delivered by its duly authorized representative.

COCA-COLA BOTTLING CO. CONSOLIDATED

By: /s/ James E. Harris
Printed Name: James E. Harris
Title: Executive Vice President, Business Transformation

CONA SERVICES LLC

By: /s/ Reinhard Meister
Printed Name: Reinhard Meister
Title: Chief Executive Officer

List of Exhibits and Appendices to
Master Services Agreement

Services Exhibits

A. Build
B. Deploy
C. Operate

Schedule 1: Key Performance Indicators, Service Level Specifications and Credits
Schedule 2: Disaster Recovery Plan

Appendices

1. Defined Terms
2. Security Practices
   [***]
   [***]
3. CONA Hosting Security Guidelines
4. Vendor Third Party Software
5. Bottler's Phase 1(a) Territories and Phase 1(a) Cases
6. Territories Projected to be on the CONA System to reach Steady State

Exhibit A
Build

Scope / Services	The Services to be provided in connection with the Build phase will be set forth in this Exhibit A and will include the following: (i)Governance, Business Process Management and Standards (ii)Planning, design, development and testing of the CONA System (iii)Build of required infrastructure (iv)Acquisition of required license rights (v)Integration and performance testing (vi)Build activities to be provided under this Exhibit A will *not* include business support.

Exhibit B
Deploy

Services	The Services to be provided in connection with the Deploy phase will be set forth in this Exhibit B and will include the following: (1)Program management (including CONA deployment methodology, quality control and readiness assessments) (2)Change Management (including BPM, solution support, knowledge transfer to the project team, and user training) (3)Deployment infrastructure (including CONA landscape, hosting and network) (4)Data loading (including loading tools, data loads (mock and production) (5)Cutover (including technical cutover, dry runs and business cutover)
Costs	The IT deployment cost for the CONA System will be included in the CONA operating costs. All other costs will be shared based upon an "activity based approach" with each party bearing its own expense associated with the deployment. For example, CONA pays for data extractions and business personnel on-site to successfully transition any of the Territories (or portion thereof) to the CONA System and Bottler pays for items such as their business personnel on-site and training their new associates on its business processes/standards.

Area	Key Deliverables	Bottler	CONA/SOF	CONA
System	CONA Release 3/4 Build Localizations for transition territories Security & Roles Unit- and Integration Test System integration to Legacy application End-to-End Test End User Acceptance Test CONA Release 3/4 Operations & Monitoring CONA Release 3/4User Support	C A A I A A A C A (Legacy)	C C C I C C C	A R R A C C C A A (CONA)
Training	Training approach / concept / baseline material Training material – Iteration 1 Project Team Training End User Training	R A C A	R R C C	A C A C
Transition & Change Mgmt	Process & Role Changes HRM - People MTO – Customer OTC – Sales & Delivery FTD - Product Planning, Warehouse and Inventory PTP – Procurement, Replenishment RTR - Accounting	A	C	C
Data	Data extraction Data cleansing / mapping / conversion Data loading - Mock data loads Data loading – Production data loads	A C A	A R C C	C R A R
Transition Playbook	Transition and Change Management Plan Deployment project plan for transition territories Resource plan	A A A	R C R	C C R
Cutover	Dry-Run and Cutover	A	R	R

Exhibit C
Operate

CONA Responsibilities	The Services to be provided in connection with the Operate phase will be set forth in this Exhibit C and will include the following: (1)CONA System access (2)Operations infrastructure (servers, data storage, hosting, backup, disaster recovery, database, security threat protection, upgrades, standard landscapes) (3)Network operations (4)Job monitoring, batch management (5)System maintenance (6)Basic user access (7)role based via idM (8)Helpdesk/Application Support (support will include Level 2 Support and Level 3 Support, but will not include Level 1 Support (which will be provided by Bottler), issue analysis, issue resolution, root cause analysis, reporting, support tools, data issues, and security issues) (9)Data management (data life cycle management, new data, changes, retirement of data objects, quality controls, elimination of duplicates, mass changes, conversion, new data objects/attributes, synchronization with other data sources, archiving, maintenance process/workflow) (10)Projects and professional services in response to Change requests (including non-common application design, development, IT consulting, training, knowledge transfer, assessments and similar services). Such projects and professional services will be provided by separate statements of work on a time and materials basis.
Key Performance Indicators ("KPIs"), Service Level Specifications and Credits	See Schedule 1 to Exhibit C

Bottler Conditions & Responsibilities	Bottler will participate in governance in accordance with Section 4.01. Bottler will provide CONA with access to Bottler Data necessary for provision of Services and will otherwise cooperate in CONA's provision of Services. Bottler will run its business according to commonly designed business processes and system functionality of CONA. Bottler will provide continuous training of CONA process and system functionality to Bottler's users. Bottler will ensure the data quality required to run CONA processes and systems for Bottler Data supplied by or on behalf of Bottler. Bottler will follow the application support process as commonly designed. Bottler will run the required business controls and reconciliation tasks as specified. Bottler is responsible for Bottler system access and user roles to ensure audit compliance.
Disaster Recovery Plan	See Schedule 2 to this Exhibit C.

SCHEDULE 1 to EXHIBIT C
Key Performance Indicators, Service Level Specifications and Credits

The following specifications define the technical and performance service level commitments that CONA will require of its Vendors.

		Incident/ Problem Priorities		
		Urgency		
		Immediate response and sustained effort required until service is restored	Standard support process are followed	Service can be scheduled
		User(s) unable to perform job	User(s) unable to perform job properly	Users can do job, but requires extra effort
Impact		No work around is available	Reasonable (acceptable) workaround not available	Workaround may be available
Operations		*High*	*Medium*	*Low*
Business critical system service or site is unavailable or degraded	High	**P1**	**P2**	**P3**
Business critical system service or site is affected, but it is still available and operating at an acceptable level Non-business critical system, service or site is unavailable or degraded	Medium	**P2**	**P3**	**P4**
Non-business critical system, service or site is affected, but it is still available and operating at an acceptable level Issue affecting a Single User.	Low	**P3**	**P4**	**P5**

1.2 Monthly Incident Service Level Specifications and Credits

CONA will require Vendors to provide the following monthly incident SLAs and credits:

At Risk Amount: [***]%

Service	**Service Level**	**Target**	**Allocation Pool**	**SL Credit**
	Availability			
roductive Availability – Systems specified as productive available for Customer use (including but not limited to servers, storage, LAN)	Availability of productive systems during scheduled hours (excluding planned maintenance outage)	[***]%	[***]%	[***]%

Service	Service Level	Target	Allocation Pool	SL Credit
Non-Productive Availability Other Instances (Sandbox, Development, QA, Training and Data Conversion)	Availability of Non-Productive systems during scheduled hours (excluding planned maintenance outage)	[***]%	[***]%	[***]%
	Incident Response Time			
Response Time – P1 Tickets	Percentage responded to within 15 minutes	[***]%	[***]%	[***]%
Response Time – P2 Tickets	Percentage responded to within 60 minutes	[***]%	[***]%	[***]%
Response Time – P3 Tickets	Respond within 4 business hours	[***]%	[***]%	[***]%
	Service Restoration Time			
Resolution Time – P1 Tickets	Percentage resolved within 4 hours	[***]%	[***]%	[***]%
Resolution Time – P2 Tickets	Percentage resolved within 8 hours	[***]%	[***]%	[***]%
Resolution Time – P3 Tickets	Percentage resolved within 2 business days	[***]%	[***]%	[***]%
	SAP Performance			
Average User Response Time	Percent of SAP dialogue response times for productive systems within 3 seconds	[***]%	[***]%	[***]%
	Change Management			
Change Management Responsiveness	Percentage of total requests for Change responded to within agreed upon service levels within a given month	[***]%	[***]%	[***]%
Change Management Timeliness	Percentage of total requests for Change completed according to scheduled timeline.	[***]%	[***]%	[***]%
Change Management Accuracy	Percentage of successful request for Changes executed within a given month	[***]%	[***]%	[***]%

1.3 Quarterly Service Level Specifications and Credits

CONA will require the following quarterly SLA and credit:

Service	Service Level	Target	SL Credit
Minimal Resource Turnover	Percentage of retained resources from the preceding calendar quarter who are still assigned to CONA's engagement to provide the Services	[***]% per quarter	$[***] per occurrence

1.4 Critical Event Service Level Specifications and Credits

CONA will require Vendors to provide the following critical events SLA and credit:

Performance Category/Critical Deliverable Effective Date	Measurement Period	Deliverable Credit
Three (3) maintenance landscape packages delivered during the 90 days following the CONA Infrastructure Readiness	Monthly	$[***]

SCHEDULE 2 to EXHIBIT C
Disaster Recovery Service Summary

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Appendix 1
Defined Terms

For all purposes of this Master Agreement, the following terms have the following meanings and such definitions are equally applicable to both the singular and plural forms of any of the terms herein defined. Terms other than those defined are to be given their plain English meaning or their normal industry standard meaning.

"AAA" is defined in Section 14.01.

"Actions" is defined in Section 8.06(d).

"Additional Services" is defined in Section 1.04.

"Additional Service Fees" is defined in Section 1.04.

"Affiliates" means, with respect to any person or entity, any other person or entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, that person or entity.

"Beverages" means non-alcoholic beverages which Bottler is authorized to distribute under Bottler's Comprehensive Beverage Agreement or any other agreement with TCCC.

"Bottler" is defined in the preamble.

"Bottler Data" is defined in Section 8.02.

"Bottler Parties" is defined in Section 18.04.

"Bottler Software" is defined in Section 6.02.

"Bottler Third-Party Contractors" is defined in Section 7.01(a).

"Change Control Procedures" is defined in Section 5.02.

"Change Order" is defined in Section 5.02.

"Change(s)" is defined in Section 5.02.

"CONA" is defined in the preamble.

"CONA Board of Directors" is defined in Section 1.04.

"CONA LLC Agreement" is defined in the recitals.

"CONA Software" is defined in Section 6.04.

"CONA System" is defined in the recitals.

"CONA System Specifications" is defined in Section 1.02(e).

"Confidential Information" is defined in Section 12.01.

"Data Center" is defined in Section 2.01.

"Deliverable" means any item, tangible or intangible, other than Equipment or CONA Software, expressly designated as a deliverable in the applicable Services Exhibit.

"Developed Software" is defined in Section 6.03.

"Disaster Recovery Plan" is defined in Section 5.05.

"Equipment" is defined in Section 6.01.

"Financial Matters Agreement" is defined in Section 10.01(b)(1)

"Intellectual Property" is defined in Section 6.10.

"KPIs" is defined in Section 3.01.

"Legacy Territories" means the Beverage distribution territories held by Bottler as of January 1, 2014.

"Master Agreement" is defined in the preamble.

"Master Agreement Effective Date" is defined in Section 15.01.

"Master Agreement Term" is defined in Section 15.01.

"Personal Information" means any information that identifies or can be used to identify an individual, including, without limitation: (a) name; (b) mailing address; (c) telephone or fax number; (d) email address; and (e) identification number.

"Phase 1(a) Cases" means the number of physical cases distributed in a Phase 1(a) Territory **[***]**, as identified on Appendix 5.

"Phase 1(a) Territories" means the Territories of Bottler identified on Appendix 5.

"Privacy Laws" is defined in Section 8.06(a).

"Records" is defined in Section 5.04.

"Recovery Period" is defined in Section 10.01(b)(1).

"Reports" is defined in Section 5.03.

"Service Levels" is defined in Section 3.01.

"Service Fees" is defined in Section 10.01.

"Services" is defined in Section 1.02.

"Services Exhibit" is defined in Section 1.02.

"Steady State Date" means the earlier of (1) the date on which all Territories identified on Appendix 6 have converted to the CONA System; or (2) December 31, 2018.

"TCCC" is defined in the recitals.

"TCCC Parties" is defined in Section 18.04.

"Termination Assistance Period" is defined in Section 16.01.

"Termination Assistance Services" is defined in Section 15.04(a).

"Territories" means the territories in which Bottler is authorized to distribute products of TCCC in accordance with Bottler's Comprehensive Beverage Agreement with TCCC.

"Third-Party Services Contracts" means contracts between Bottler and Bottler Third-Party Contractors relating to the Bottler Third-Party Contractors' performance of services that complement the Services.

"Vendor" is defined in the recitals.

"Vendor Software" means the portion of CONA Software that is licensed by CONA from Vendors.

Appendix 2
Security Practices

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Attachment 1

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Attachment 2

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Appendix 3
CONA Hosting Security Guidelines

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Appendix 4
Vendor Software

CONA will be financially responsible to obtain the right to use, operate or to have access to (third party) software as set forth below to provide the Services to Bottler, unless it is stated below that Bottler will be financially responsible. The cost of obtaining any such rights will be treated in accordance with Article 10. Bottler shall have the responsibility, including the financial responsibility, to obtain the right to use, operate or to have access to any (third party) software or equipment not included in the Vendor Software described below.

<u>CONA third party software</u>

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[***] – THIS CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

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Appendix 5

Bottler	Phase 1(a) Territory	Start Date (date of Phase 1(a) Territory closing/conversion)	Physical Case Volume (MM)
CCBCC	**Johnson City/Morristown**	**5/24/14**	**[***]**
	Knoxville	**10/27/14**	**[***]**
	Cookville/Cleveland	**2/1/15**	**[***]**
	Louisville/Evansville	**3/2/15**	**[***]**
	Pikeville/Paducah/Lexington	**5/4/15**	**[***]**
CCBCU	**[***]**	**[***]**	**[***]**
	[***]	**[***]**	**[***]**
	[***]	**[***]**	**[***]**
	[***]	**[***]**	**[***]**
Swire USA	**[***]**	**[***]**	**[***]**
CCBF	**[***]**	**[***]**	**[***]**
Great Lakes	**[***]**	**[***]**	**[***]**

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Appendix 6

Territories Projected to be on CONA to Reach Steady State
[***]

Bottler	Territory	Projected Last Closing Date
CCBCC	[***]	[***]
	[***]	[***]
	[***]	
United	[***]	[***]
	[***]	[***]
	[***]	
Swire	[***]	[***]
	[***]	[***]
	[***]	
Great Lakes	[***]	[***]
Florida	[***]	[***]
CCR	[***]	[***]

[***]

Exhibit 12

RATIO OF EARNINGS TO FIXED CHARGES

Coca-Cola Bottling Co. Consolidated
Ratio of Earnings to Fixed Charges

	Second Quarter		First Half	
(In Thousands, Except Ratios)	**2016**	**2015**	**2016**	**2015**
Computation of Earnings:				
Income before income taxes	$ 27,962	$ 46,483	$ 13,851	$ 50,949
Add:				
Interest expense	9,217	6,227	18,004	13,070
Amortization of debt premium/discount and expenses	591	492	1,166	996
Interest portion of rent expense	1,029	728	1,867	1,387
Earnings as adjusted	**$ 38,799**	**$ 53,930**	**$ 34,888**	**$ 66,402**
Computation of Fixed Charges:				
Interest expense	$ 9,217	$ 6,227	$ 18,004	$ 13,070
Capitalized interest	106	72	336	138
Amortization of debt premium/discount and expenses	591	492	1,166	996
Interest portion of rent expense	1,029	728	1,867	1,387
Fixed charges	**$ 10,943**	**$ 7,519**	**$ 21,373**	**$ 15,591**
Ratio of Earnings to Fixed Charges	**3.55**	**7.17**	**1.63**	**4.26**

Exhibit 31.1

MANAGEMENT CERTIFICATION

I, J. Frank Harrison, III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coca-Cola Bottling Co. Consolidated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2016

By: /s/ J. Frank Harrison, III

J. Frank Harrison, III
Chairman of the Board of Directors and Chief Executive Officer

Exhibit 31.2

MANAGEMENT CERTIFICATION

I, Clifford M. Deal, III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coca-Cola Bottling Co. Consolidated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2016

By: /s/ Clifford M. Deal, III

Clifford M. Deal, III

Senior Vice President, Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Coca-Cola Bottling Co. Consolidated (the "Company") on Form 10-Q for the quarter ended July 3, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer of the Company, and Clifford M Deal, III, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350 as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ J. Frank Harrison, III
J. Frank Harrison, III
Chairman of the Board of Directors and
Chief Executive Officer
August 12, 2016

/s/ Clifford M. Deal, III
Clifford M. Deal, III
Senior Vice President,
Chief Financial Officer
August 12, 2016