

COCA COLA BOTTLING CO CONSOLIDATED /DE/  
Form DEF 14A  
March 30, 2015  
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

**COCA-COLA BOTTLING CO. CONSOLIDATED**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**COCA-COLA BOTTLING CO. CONSOLIDATED**

**Notice of Annual Meeting**

**and**

**Proxy Statement**

**2015 Annual Meeting of Stockholders**

**May 12, 2015**

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**Coca-Cola Bottling Co. Consolidated**

4100 Coca-Cola Plaza

Charlotte, North Carolina 28211

March 30, 2015

Dear Stockholder:

On behalf of the Board of Directors and the management of Coca-Cola Bottling Co. Consolidated (the Company), I invite you to the 2015 Annual Meeting of Stockholders (the Annual Meeting). The Annual Meeting will be held at 9:00 a.m., Eastern Time, on Tuesday, May 12, 2015 at the Company's Corporate Center in Charlotte, North Carolina. Details regarding admission to the meeting and the business to be conducted are described in the accompanying Notice of 2015 Annual Meeting of Stockholders and Proxy Statement.

Whether or not you plan to attend the Annual Meeting in person, I strongly encourage you to vote as soon as possible to ensure that your shares are represented at the meeting. The Proxy Statement explains more about voting. Please read it carefully.

Thank you for your continued support.

Sincerely,

J. Frank Harrison, III

*Chairman and Chief Executive Officer*

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**COCA-COLA BOTTLING CO. CONSOLIDATED**

4100 Coca-Cola Plaza

Charlotte, North Carolina 28211

(704) 557-4400

**Notice of 2015 Annual Meeting of Stockholders**

March 30, 2015

To Stockholders of Coca-Cola Bottling Co. Consolidated:

The 2015 Annual Meeting of Stockholders (the Annual Meeting ) of Coca-Cola Bottling Co. Consolidated (the Company ) will be held at 9:00 a.m., Eastern Time, on Tuesday, May 12, 2015 at the Company s Corporate Center located at 4100 Coca-Cola Plaza, Charlotte, North Carolina 28211, for the purpose of voting on the following matters:

1. To elect the 12 directors nominated by the Board of Directors;
2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for fiscal 2015; and
3. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

**The Board of Directors recommends a vote FOR items 1 and 2. The persons named as proxies will use their discretion to vote on other matters that may properly arise at the Annual Meeting.**

Your vote is important. Whether or not you plan to attend the Annual Meeting, you are encouraged to vote as soon as possible to ensure that your shares are represented at the meeting. If you received a hard copy of the proxy materials by mail, you may vote your shares by proxy using one of the following methods: (i) vote via the Internet; (ii) vote by telephone; or (iii) complete, sign, date and return your proxy card in the postage-paid envelope provided. If you received only a Notice of Internet Availability of Proxy Materials by mail, you may vote your shares at the Internet site address listed on your Notice. If you hold your shares through an account with a bank, broker or similar organization, please follow the instructions you receive from the holder of record to vote your shares.

Only stockholders of record at the close of business on March 16, 2015 will be entitled to vote at the Annual Meeting. The Proxy Statement and the 2014 Annual Report to Stockholders are available at [www.proxyvote.com](http://www.proxyvote.com) and at [www.cokeconsolidated.com](http://www.cokeconsolidated.com). On or about March 30, 2015, the Company will begin mailing to its stockholders the Proxy Statement, the accompanying proxy card or voting instruction form and the 2014 Annual Report to Stockholders, or a Notice of Internet Availability of Proxy Materials.

By Order of the Board of Directors,

Umesh M. Kasbekar

*Secretary*

**Important Notice Regarding the Availability of Proxy Materials**

**for the Annual Meeting of Stockholders to be Held on May 12, 2015.**

The Proxy Statement and the 2014 Annual Report to Stockholders

are available at [www.proxyvote.com](http://www.proxyvote.com).

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## PROXY STATEMENT

The Board of Directors (the Board) of Coca-Cola Bottling Co. Consolidated (Coke Consolidated or the Company) is providing these materials to you in connection with the 2015 Annual Meeting of Stockholders (the Annual Meeting). The Annual Meeting will be held at 9:00 a.m., Eastern Time, on Tuesday, May 12, 2015 at Coke Consolidated's Corporate Center located at 4100 Coca-Cola Plaza, Charlotte, North Carolina 28211.

### General Information

#### Why am I receiving these materials?

You have received these materials because the Board is soliciting your proxy to vote your shares at the Annual Meeting. This Proxy Statement includes information that Coke Consolidated is required to provide you under the Securities and Exchange Commission rules and regulations (the SEC rules) and is designed to assist you in voting your shares.

#### What is a proxy?

The Board is asking for your proxy. This means you authorize persons selected by the Company to vote your shares at the Annual Meeting in the way that you instruct. All shares represented by valid proxies received and not revoked before the Annual Meeting will be voted in accordance with the stockholder's specific voting instructions.

#### Why did I receive a one-page notice regarding Internet availability of proxy materials instead of a full set of proxy materials?

The SEC rules allow companies to choose the method for delivery of proxy materials to stockholders. For most stockholders, the Company has elected to mail a notice regarding the availability of proxy materials on the Internet, rather than sending a full set of these materials in the mail. The notice, or a full set of the proxy materials (including the Proxy Statement and form of proxy), as applicable, was sent to stockholders beginning March 30, 2015, and the proxy materials were posted on the investor relations portion of the Company's website, [www.cokeconsolidated.com](http://www.cokeconsolidated.com), and on the website referenced in the notice on the same day. Utilizing this method of proxy delivery expedites receipt of proxy materials by the Company's stockholders and lowers the cost of the Annual Meeting. If you would like to receive a paper or email copy of the proxy materials, you should follow the instructions in the notice for requesting copies.

#### What is included in these materials?

These materials include:

the Proxy Statement for the Annual Meeting; and

the 2014 Annual Report to Stockholders, which contains the Company's audited consolidated financial statements.

If you received printed copies of these materials by mail, these materials also include the proxy card or voting instruction form for the Annual Meeting.

#### What items will be voted on at the Annual Meeting?

There are two proposals scheduled to be voted on at the Annual Meeting:

the election of 12 directors; and

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the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal 2015.

The Board is not aware of any other matters to be brought before the Annual Meeting. If other matters are properly raised at the meeting, the proxy holders may vote any shares represented by proxy in their discretion.

### **What are the Board's voting recommendations?**

The Board unanimously recommends that you vote your shares:

**FOR** the election of each of the director nominees named in this Proxy Statement to the Board; and

**FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal 2015.

### **Who can attend the Annual Meeting?**

Admission to the Annual Meeting is limited to:

stockholders of record as of the close of business on March 16, 2015;

holders of valid proxies for the Annual Meeting; and

invited guests.

Admission to the meeting will be on a first-come, first-served basis. Each stockholder may be asked to present valid photo identification, such as a driver's license or passport, and proof of stock ownership as of the record date.

### **When is the record date and who is entitled to vote?**

The Board set March 16, 2015 as the record date. As of the record date, there were 7,141,447 shares of common stock outstanding and 2,150,782 shares of class B common stock outstanding. Each share of Coke Consolidated common stock outstanding on the record date is entitled to one vote and each share of Coke Consolidated class B common stock outstanding on the record date is entitled to 20 votes on all matters presented at the Annual Meeting.

### **What is a stockholder of record?**

A stockholder of record or registered stockholder is a stockholder whose ownership of Coke Consolidated stock is reflected directly on the books and records of the Company's transfer agent, American Stock Transfer & Trust Company, LLC. If you hold Coke Consolidated stock through an account with a bank, broker or similar organization, you are considered the beneficial owner of shares held in street name and are not a stockholder of record. For shares held in street name, the stockholder of record is your bank, broker or similar organization. Coke Consolidated only has access to ownership records for the registered shares. If you are not a stockholder of record and you wish to attend the Annual Meeting, the Company will require additional documentation to evidence your stock ownership as of the record date, such as a copy of your brokerage account statement, a letter from your bank, broker or other nominee or a copy of your notice or voting instruction form.

### **How do I vote?**

You may vote by any of the following methods:

*In person.* Stockholders of record and beneficial owners of shares held in street name may vote in person at the Annual Meeting. If you hold shares in street name, you must also obtain a legal proxy from the stockholder of record to vote in person at the meeting.

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*By phone or via the Internet.* Stockholders of record may vote by proxy, by phone or via the Internet, by following the instructions included in the proxy card provided. If you are a beneficial owner of shares held in street name, your ability to vote by phone or via the Internet depends on the voting procedures of the stockholder of record (e.g., your bank, broker or other nominee). Please follow the directions included in the voting instruction form provided to you by the stockholder of record.

*By mail.* Stockholders of record and beneficial owners of shares held in street name may vote by proxy by completing, signing, dating and returning the proxy card or voting instruction form provided.

### **How can I revoke my proxy or change my vote?**

You may revoke your proxy or change your vote as follows:

*Stockholders of record.* You may revoke your proxy or change your vote at any time prior to the taking of the vote at the Annual Meeting by (i) submitting a written notice of revocation to the Company's Secretary at Coca-Cola Bottling Co. Consolidated, 4100 Coca-Cola Plaza, Charlotte, North Carolina 28211; (ii) delivering a proxy bearing a later date using any of the voting methods described in the immediately preceding Q&A, including by phone or via the Internet, and until the applicable deadline for each method; or (iii) attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not cause your previously granted proxy to be revoked unless you specifically make that request or vote in person at the meeting. For all methods of voting, the last vote cast will supersede all previous votes.

*Beneficial owners of shares held in street name.* You may change or revoke your voting instructions by following the specific directions provided to you by your bank, broker or other nominee, or, if you have obtained a legal proxy from your bank, broker or other nominee, by attending the Annual Meeting and voting in person.

### **What happens if I do not give specific voting instructions?**

*Stockholders of record.* If you are a stockholder of record and you vote by proxy, by phone, via the Internet or by signing, dating and returning a proxy card, without giving specific voting instructions, then the proxy holders will vote your shares in the manner recommended by the Board on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion for any other matters properly presented for a vote at the Annual Meeting.

*Beneficial owners of shares held in street name.* If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, under the rules of various national and regional securities exchanges, the organization that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares will inform the inspector of election that it does not have the authority to vote on that matter with respect to your shares. This is referred to as a broker non-vote.

### **What is the voting requirement to approve each of the proposals?**

*Proposal 1, Election of Directors.* The 12 nominees for the Board receiving the highest number of affirmative votes of the shares of Coke Consolidated common stock and class B common stock present, in person or by proxy, and entitled to vote at the Annual Meeting will be elected as directors. There is no cumulative voting with respect to the election of directors.

*Proposal 2, Ratification of the Appointment of Independent Registered Public Accounting Firm.* Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal 2015 requires the affirmative vote of a majority of the total votes of all shares of Coke Consolidated common stock and class B common stock present, in person or by proxy, and entitled to vote on the proposal at the Annual Meeting.



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*Other Items.* Approval of any other matters requires the affirmative vote of a majority of the total votes of all shares of Coke Consolidated common stock and class B common stock present, in person or by proxy, and entitled to vote on the item at the Annual Meeting.

### **What is the quorum for the Annual Meeting? How are withhold votes, abstentions and broker non-votes treated?**

The presence, in person or by proxy, of the holders of a majority of the votes eligible to be cast by the holders of Coke Consolidated common stock and class B common stock voting together as a class is necessary for the transaction of business at the Annual Meeting. Your shares are counted as being present if you vote in person at the Annual Meeting, by telephone, via the Internet, or by submitting a properly executed proxy card or voting instruction form by mail. Abstentions and broker non-votes are counted as present for the purpose of determining a quorum for the Annual Meeting; however, broker non-votes are not counted as present for the purpose of determining a quorum for Proposal 1, the election of directors.

If your shares are held in street name and you do not instruct your broker on a timely basis on how to vote your shares, your brokerage firm, in its discretion, may either leave your shares unvoted or vote your shares on routine matters. The election of directors is a non-routine matter. Consequently, without your voting instructions, your brokerage firm cannot vote your shares on this proposal. These unvoted shares, called broker non-votes, refer to shares held by brokers who have not received voting instructions from their clients and who do not have discretionary authority to vote on non-routine matters. The proposal to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal 2015 should be considered a routine matter.

With respect to Proposal 1, the election of directors, withhold votes, broker non-votes and abstentions will have no effect on the outcome of the proposal.

With respect to Proposal 2, the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal 2015, an abstention will be counted as a vote present and entitled to vote on the proposal and will have the same effect as a vote against the proposal, and a broker non-vote will not be considered entitled to vote on this proposal and will therefore have no effect on its outcome.

### **Who pays for solicitation of proxies?**

The Company is paying the cost of soliciting proxies and will reimburse its transfer agent, brokerage firms, financial institutions and other custodians, nominees, fiduciaries and holders of record for their reasonable out-of-pocket expenses for sending proxy materials to stockholders and obtaining their votes. In addition to soliciting the proxies by mail and the Internet, certain of the Company's directors, officers and regular employees, without compensation, may solicit proxies personally or by telephone, facsimile and email. The Company has retained Broadridge Financial Solutions to aid in the solicitation of proxies with respect to shares of stock held by brokers, financial institutions, and other custodians, fiduciaries and holders of record for a fee of approximately \$1,000, plus expenses.

### **What are the expected voting results?**

The Company expects each of the proposals of the Board to be approved by the stockholders. The Board has been informed that J. Frank Harrison, III intends to vote an aggregate of 2,150,480 shares of Coke Consolidated's class B common stock (representing 43,009,600 votes and an aggregate of 85.8% of the total voting power of Coke Consolidated common stock and class B common stock together as of the record date)

**FOR** the election of each of the Board's nominees for director and **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal 2015.

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**Where can I find the voting results of the Annual Meeting?**

The Company will announce preliminary or final voting results at the Annual Meeting and publish final results in a Current Report on Form 8-K filed with the Securities and Exchange Commission (the SEC ) within four business days of the completion of the meeting.



**Table of Contents****Security Ownership of Directors and Executive Officers**

The following table shows the number of shares of Coke Consolidated common stock and class B common stock beneficially owned on March 16, 2015 by each director, nominee for director, named executive officer and all directors and executive officers as a group. As of March 16, 2015, a total of 7,141,447 shares of common stock and 2,150,782 shares of class B common stock were outstanding. Information about the beneficial ownership of the common stock and class B common stock owned by Mr. Harrison is shown on page 7.

Name	Class	Amount and Nature of Beneficial Ownership	Percentage of Class
H.W. McKay Belk	Common Stock	320(1)	*
Robert G. Chambless	Common Stock	0	
Alexander B. Cummings, Jr.	Common Stock	0	
Sharon A. Decker	Common Stock	0	
William B. Elmore	Common Stock	0	
Morgan H. Everett	Common Stock	0(2)	
Deborah H. Everhart	Common Stock	0(3)	
Henry W. Flint	Common Stock	0	
James E. Harris	Common Stock	0	
William H. Jones	Common Stock	100(4)	*
James H. Morgan	Common Stock	0	
John W. Murrey, III	Common Stock	1,000	*
Dennis A. Wicker	Common Stock	0	
Directors and executive officers as a group (excluding Mr. Harrison) (20 persons)	Common Stock	1,426	*

\* Less than 1% of the outstanding shares of such class.

(1) Includes 100 shares held by Mr. Belk as custodian for certain of his children.

(2) Excludes 535,178 shares of class B common stock held by the JFH Family Limited Partnership FH1 and 78,596 shares of class B common stock held by a trust of which Ms. Everett is one of the beneficiaries. Ms. Everett has a pecuniary interest in these shares, but does not have voting or investment power with respect to these shares.

(3) Excludes 535,178 shares of class B common stock held by the JFH Family Limited Partnership DH1 and 78,595 shares of class B common stock held by a trust for the benefit of Ms. Everhart. Ms. Everhart has a pecuniary interest in these shares, but does not have voting or investment power with respect to these shares.

(4) Held jointly with his spouse.

**Table of Contents****Principal Stockholders**

The following table provides information about the beneficial ownership of Coke Consolidated common stock and class B common stock as of March 16, 2015 by each person that owned more than 5% of Coke Consolidated common stock or class B common stock as of such date:

Name and Address of Beneficial Owner	Class	Number of Shares and Nature of Beneficial Ownership	Percentage of Class(1)	Total Votes	Percentage of Total Votes(1)
J. Frank Harrison, III, J. Frank Harrison Family, LLC and three Harrison Family Limited Partnerships, as a group 4100 Coca-Cola Plaza Charlotte, NC 28211	Common Stock Class B Common Stock	2,150,480(2) 2,150,480(3)(4)	23.1% 99.99%	43,009,600	85.8%
The Coca-Cola Company One Coca-Cola Plaza Atlanta, GA 30313	Common Stock	2,482,165(5)	34.8%	2,482,165	5.0%
FMR LLC 245 Summer Street Boston, MA 02210	Common Stock	662,308(6)	9.3%	662,308	1.3%
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	Common Stock	408,870(7)	5.7%	408,870	0.8%

- (1) A total of 7,141,447 shares of common stock and 2,150,782 shares of class B common stock were outstanding on March 16, 2015. The percentage of Coke Consolidated common stock owned by J. Frank Harrison, III shown in the Percentage of Class column assumes conversion of all 2,150,480 shares of class B common stock beneficially owned as described in note (3) that are convertible into shares of common stock. The percentages of Coke Consolidated common stock owned by The Coca-Cola Company and the other persons identified in the table that owned more than 5% of Coke Consolidated common stock as of March 16, 2015 do not assume such conversion has occurred.
- (2) Consists of 2,150,480 shares of class B common stock beneficially owned as described in note (3) that are convertible into shares of common stock.
- (3) Consists of (a) a total of 1,605,534 shares of class B common stock held by the JFH Family Limited Partnership FHI, the JFH Family Limited Partnership SW1 and the JFH Family Limited Partnership DH1 (collectively, the Harrison Family Limited Partnerships), as to which Mr. Harrison in his capacity as the Consolidated Stock Manager of the J. Frank Harrison Family, LLC (the general partner of each of the Harrison Family Limited Partnerships) has sole voting and investment power; (b) 235,786 shares of class B common stock held by certain trusts established for the benefit of certain relatives of the late J. Frank Harrison, Jr. as to which Mr. Harrison has sole voting and investment power; and (c) 309,160 shares of class B common stock held directly by Mr. Harrison as to which he has sole voting and investment power.
- (4)

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The trusts described in note (3)(b) have the right to acquire 292,386 shares of class B common stock from Coke Consolidated in exchange for an equal number of shares of common stock. In the event of such an exchange, Mr. Harrison would have sole voting and investment power over the shares of class B common stock. The trusts do not own any shares of common stock with which to make the exchange, and any purchase of common stock would require approval by the trustees of the trusts. Accordingly, the table does not include shares related to this exchange right.

- (5) This information is based upon a Schedule 13D/A filed jointly with the SEC by The Coca-Cola Company, The Coca-Cola Trading Company LLC, Coca-Cola Oasis LLC and Carolina Coca-Cola Bottling Investments, Inc. on February 17, 2015. The Schedule 13D/A reports that such entities have shared voting and investment power over all of such shares.

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- (6) This information is based upon a Schedule 13G/A filed jointly with the SEC by FMR LLC ( FMR ), Edward C. Johnson 3d and Abigail P. Johnson on February 13, 2015. The Schedule 13G/A reports that FMR has sole voting power over 204,155 shares, shared voting power over no shares and sole investment power over all of such shares. Members of the family of Edward C. Johnson 3d (a director and the Chairman of FMR), including Abigail P. Johnson (a director, the Vice Chairman, the Chief Executive Officer and the President of FMR), are the predominant owners, directly or through trusts, of Series B voting common shares of FMR, representing 49% of the voting power of FMR. The Johnson family group and all other Series B shareholders have entered into a shareholders voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940 (the Investment Company Act ), to form a controlling group with respect to FMR. Neither FMR nor Edward C. Johnson 3d nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act (the Fidelity Funds ) advised by Fidelity Management & Research Company ( FMR Co. ), a wholly-owned subsidiary of FMR, which power resides with the Fidelity Funds Boards of Trustees. FMR Co. carries out the voting of the shares under written guidelines established by the Fidelity Funds Boards of Trustees.
- (7) This information is based upon a Schedule 13G/A filed jointly with the SEC by T. Rowe Price Associates, Inc. ( Price Associates ) and T. Rowe Price Small-Cap Value Fund, Inc. ( Price Small-Cap ) on February 10, 2015. The Schedule 13G/A reports that (a) Price Associates has sole voting power over 34,120 shares, shared voting power over no shares and sole investment power over all of such shares; and (b) Price Small-Cap has sole voting power over 371,900 shares and shared voting power and sole and shared investment power over no shares. Price Associates is the investment adviser of various individual and institutional clients and, as such, may be deemed to beneficially own these shares but expressly disclaims beneficial ownership of such shares.

**Table of Contents****Proposal 1: Election of Directors**

The Board has nominated 12 directors for election at the Annual Meeting to hold office until the next annual meeting of stockholders and the election of their successors. All of the nominees are currently serving as directors and were elected to the Board at last year's annual meeting of stockholders. Each nominee has agreed to be named in this Proxy Statement and to serve if elected.

Although the Company knows of no reason why any of the nominees would not be able to serve, if any nominee is unavailable for election, the proxy holders intend to vote your shares for any substitute nominee proposed by the Board. At the Annual Meeting, proxies cannot be voted for a greater number of individuals than the 12 nominees named in this Proxy Statement.

The 12 nominees for the Board receiving the highest number of affirmative votes of the shares of Coke Consolidated common stock and class B common stock present, in person or by proxy, and entitled to vote at the Annual Meeting will be elected as directors.

**The Board unanimously recommends a vote FOR each of the 12 nominees listed below.**

Unless a proxy is marked to give a different direction, the persons named in the proxy will vote **FOR** each of the following nominees.

**Nominees for Director**

Listed below are the 12 persons nominated for election to the Board. The following paragraphs include information about each director nominee's business background, as furnished to the Company by the nominee, and additional experience, qualifications, attributes or skills that led the Board to conclude that the nominee should serve on the Board.

<b>Name</b>	<b>Age</b>	<b>Principal Occupation</b>	<b>Director Since</b>
J. Frank Harrison, III	60	Chairman of the Board and Chief Executive Officer of Coke Consolidated	1986
H.W. McKay Belk	58	Managing Director, HWMB Advisors, LLC	1994
Alexander B. Cummings, Jr.	58	Executive Vice President and Chief Administrative Officer, The Coca-Cola Company	2010
Sharon A. Decker	58	President, NURAY Media	2001
William B. Elmore	59	Vice Chairman of Coke Consolidated	2001
Morgan H. Everett	33	Community Relations Director of Coke Consolidated	2011
Deborah H. Everhart	54	Affiliate Broker, Real Estate Brokers LLC	2003
Henry W. Flint	60	President and Chief Operating Officer of Coke Consolidated	2007
William H. Jones	59	President, Columbia International University	2011
James H. Morgan	67	Chairman, Covenant Capital LLC	2008
John W. Murrey, III	72	Assistant Professor, Appalachian School of Law (Retired)	1993
Dennis A. Wicker	62	Partner, Nelson Mullins Riley & Scarborough LLP	2001

**J. Frank Harrison, III**

Mr. Harrison is the Chairman of the Board and Chief Executive Officer of Coke Consolidated. Mr. Harrison served as Vice Chairman of the Board from November 1987 through his election as Chairman in December 1996 and was appointed as Chief Executive Officer in May 1994. He was first employed by the Company in 1977 and has served as a Division Sales Manager and as a Vice President.

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Mr. Harrison brings extensive business, managerial and leadership experience to the Company's Board. With over 35 years of experience with Coke Consolidated, Mr. Harrison provides the Board with a vital understanding and appreciation of the Company's business. His strong leadership skills have been demonstrated through his service as Chief Executive Officer since 1994 and as the Chairman of the Board since 1996. He is also the controlling stockholder of Coke Consolidated and, as a member of the founding family of Coke Consolidated, maintains a unique position within the Coca-Cola system.

### **H.W. McKay Belk**

Mr. Belk is the Managing Director of HWMB Advisors, LLC, a business consulting firm. Previously, he served as Vice Chairman of Belk, Inc., an operator of retail department stores, from August 2010 until his retirement in January 2012. Prior to that, Mr. Belk served as President and Chief Merchandising Officer of Belk, Inc. from May 2004 until August 2010 and as President, Merchandising, Marketing and Merchandise Planning of Belk, Inc. from May 1998 until May 2004. Mr. Belk served as President and Chief Merchandise Officer of Belk Stores Services, Inc., a provider of services to retail department stores, from March 1997 to April 1998. Mr. Belk served as President, Merchandise and Sales Promotion of Belk Stores Services, Inc. from April 1995 through March 1997. Mr. Belk is also a director of Belk, Inc. and Beech Tree Labs, Inc.

Mr. Belk's significant business experience, including executive, operational and marketing roles with Belk, Inc. and Belk Stores Services, Inc., and service as a director and executive committee member of Belk, Inc. qualify him for service as a member of the Company's Board. Mr. Belk has been a valuable member and contributor to the Board since 1994.

### **Alexander B. Cummings, Jr.**

Mr. Cummings is Executive Vice President and Chief Administrative Officer of The Coca-Cola Company. Mr. Cummings joined The Coca-Cola Company in 1997 as Deputy Region Manager, Nigeria. In 2000, he was named President of the North & West Africa Division. In March 2001, he became President of the Africa Group, responsible for The Coca-Cola Company's operations in Africa, and served in this capacity until June 2008. Mr. Cummings was appointed Chief Administrative Officer of The Coca-Cola Company effective July 2008, and was elected Executive Vice President effective October 2008. Mr. Cummings currently serves on the boards of Chevron Corporation (NYSE), S.C. Johnson & Son, Inc., the African Leadership Foundation, CARE USA and Clark Atlanta University, and he has previously served on the Advisory Board of The African Presidential Archives & Research Center, The Corporate Council on Africa, The African-America Institute and The Center for Global Development's Commission on U.S. Policy toward Low-Income Poorly Performing States. Mr. Cummings also served on the board of directors of Coca-Cola Hellenic Bottling Co., a publicly traded (Athens and NYSE) bottler of The Coca-Cola Company, from September 2006 to December 2010.

Mr. Cummings' experience and position with The Coca-Cola Company, deep knowledge of the beverage industry and extensive international background in business and community affairs uniquely qualify him to serve as a member of the Company's Board.

### **Sharon A. Decker**

Ms. Decker is the President of NURAY Media, a multi-media conservation, preservation and restoration company. Ms. Decker served as Secretary of Commerce for the State of North Carolina from January 2013 until December 2014. Prior to that, she had been the Chief Executive Officer of The Tapestry Group, a faith based non-profit organization, since September 2004, and the Chief Executive Officer of North Washington Street Properties, a community redevelopment company, since October 2004. Ms. Decker served as the President of The Tanner Companies, a direct seller of women's apparel, from August 2002 to September 2004. From August 1999 to July 2002, she was President of Doncaster, a division of The Tanner Companies. Ms. Decker was President and Chief Executive Officer of the Lynnwood Foundation, which created and manages a conference

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facility and leadership institute, from 1997 until 1999. From 1980 until 1997, she served Duke Energy Corporation in a number of capacities, including as Corporate Vice President and Executive Director of the Duke Power Foundation. Ms. Decker currently serves on the board of directors of Family Dollar Stores, Inc., a discount retailer, and was a director of SCANA Corporation, a diversified utility company, until 2013.

Ms. Decker brings to the Board a unique and valuable perspective from the numerous executive and leadership positions she has held across a broad range of fields, including non-profit organizations and large public companies. Ms. Decker's diverse executive experience and extensive experience serving on multiple boards qualify her to serve as a member of the Company's Board.

### **William B. Elmore**

Mr. Elmore is the Vice Chairman of the Board of Coke Consolidated, a position he has held since August 2012. Prior to such appointment, Mr. Elmore served as President and Chief Operating Officer from January 2001 to August 2012. He was Vice President, Value Chain from July 1999 to December 2000, Vice President, Business Systems from August 1998 to June 1999, Vice President, Treasurer from June 1996 to July 1998 and Vice President, Regional Manager for the Virginia, West Virginia and Tennessee Divisions from August 1991 to May 1996.

Mr. Elmore has served Coke Consolidated in numerous capacities, including high-level leadership roles, for over 20 years, providing him with an essential understanding of the Company's business and history as well as significant knowledge of the beverage industry. Mr. Elmore's industry expertise and his years of business, financial, managerial, executive and board experience with Coke Consolidated make him a valuable member of the Company's Board.

### **Morgan H. Everett**

Ms. Everett is the Community Relations Director of Coke Consolidated, a position she has held since January 2009. She has been an employee of Coke Consolidated since October 2004. Ms. Everett graduated from Southern Methodist University with a B.A. in Communications in 2003, and she is a member of the founding family of Coke Consolidated.

Ms. Everett's past service to Coke Consolidated, including experience in the operations of Coke Consolidated, and her education qualify her to serve as a member of the Company's Board. Ms. Everett's service on the Board also adds to the diversity of the Board in both demographics and perspective.

### **Deborah H. Everhart**

Ms. Everhart has been an affiliate broker with Real Estate Brokers LLC, a real estate brokerage firm in Chattanooga, Tennessee, since January 2013. Prior to that, she was an affiliate broker with two other real estate brokerage firms located in Chattanooga, Tennessee, Assist2Sell (from September 2009 to December 2012) and Fletcher Bright Company (from February 1997 to September 2009).

Ms. Everhart has provided the Board with dedicated service for 11 years. Her business acumen and board experience make her a valuable addition to the Company's Board. Ms. Everhart is also a member of the founding family of Coke Consolidated and holds a significant pecuniary interest in the stock of Coke Consolidated.

### **Henry W. Flint**

Mr. Flint is President and Chief Operating Officer of Coke Consolidated, positions he has held since August 2012. Mr. Flint served as the Vice Chairman of the Board of Coke Consolidated from April 2007 to August 2012. Prior to that, he was Executive Vice President and Assistant to the Chairman from July 2004 to April 2007. Mr. Flint also served as Secretary of Coke Consolidated from March 2000 to August 2012. Mr. Flint was Co-Managing Partner of the law firm of Kennedy Covington Lobdell & Hickman, L.L.P. from January 2000 to July 2004, a firm with which he was associated since 1980. Mr. Flint received his J.D. degree from the University of Virginia School of Law and his M.B.A. from the University of Virginia Darden School of Business.

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Mr. Flint's long-standing service to Coke Consolidated and his managerial expertise make him a valuable member of the Company's Board and qualify him for service on the Board. Mr. Flint's graduate business degree and legal background provide the Board a valuable perspective on many of the issues that face the Company and make him a valuable addition to a well-rounded Board.

### **William H. Jones**

Dr. Jones has served as President of Columbia International University, a university with an enrollment of over 1,200 students, since 2007. Prior to accepting the role of President, Dr. Jones served in senior roles as Provost and Senior Vice President of Columbia International University, where he has also taught for 25 years. Since 2007, Dr. Jones has served as a member of the Board of Trustees and Finance Committee of the South Carolina Independent Colleges and Universities. Dr. Jones also serves as Chair of the International Leadership Team of Crossover Communications International, an organization he co-founded that operates in 23 countries.

Dr. Jones' demonstrated leadership skills, board experience, academic credentials and success in managing an academic institution qualify him for service on the Company's Board. Dr. Jones' strong character and experience in matters of ethics also qualify him for service on the Board.

### **James H. Morgan**

Mr. Morgan has served as Chairman of Covenant Capital LLC, an investment management firm, since February 2015, after previously serving in that capacity from 2001 to 2008. Mr. Morgan has also served as Chairman of Krispy Kreme Doughnuts, Inc., a leading branded specialty retailer and wholesaler of premium quality sweet treats and complementary products, since January 2005. He served as Executive Chairman of Krispy Kreme from June 2014 to January 2015, as Chief Executive Officer from January 2008 to June 2014 and as President from April 2012 to June 2014. Mr. Morgan also previously served as President of Krispy Kreme from January 2008 to November 2011. Mr. Morgan served as Vice Chairman of Krispy Kreme from March 2004 to January 2005. Previously, Mr. Morgan served as a consultant for Wachovia Securities, Inc., a securities and investment banking firm, from January 2000 to May 2001. From April 1999 to December 1999, Mr. Morgan was Chairman and Chief Executive Officer of Wachovia Securities, Inc. Mr. Morgan was employed by Interstate/Johnson Lane, an investment banking and brokerage firm, from 1990 to 1999 in various capacities, including as Chairman and Chief Executive Officer. Mr. Morgan is a director of Lowe's Companies, Inc., a home improvement retailer.

As the current Chairman of Covenant Capital LLC and Krispy Kreme Doughnuts, Inc. and a former executive at several major public and private companies, Mr. Morgan provides the Board with significant leadership and executive experience. Mr. Morgan's proven leadership capability and his extensive knowledge of the complex financial and operational issues facing large companies qualify him to serve as a member of the Company's Board.

### **John W. Murrey, III**

Mr. Murrey was an Assistant Professor at Appalachian School of Law in Grundy, Virginia from August 2003 until May 2013. Mr. Murrey was of counsel to the law firm of Shumacker Witt Gaither & Whitaker, P.C., in Chattanooga, Tennessee until December 2002, a firm with which he was associated since 1970. Mr. Murrey is a director of The Dixie Group, Inc., a carpet manufacturer, and previously was a director of U.S. Xpress Enterprises, Inc. from 2003 until 2007.

Mr. Murrey's longstanding quality service as a member of the Company's Board as well as his significant experience serving on the boards of directors of other companies give him an understanding of the role of a board of directors and qualify him to serve on the Company's Board. Mr. Murrey's legal background also adds to the diversity of the Board. Mr. Murrey has been a valuable member and contributor to the Company's Board since 1993.



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### **Dennis A. Wicker**

Mr. Wicker has been a partner in the law firm of Nelson Mullins Riley & Scarborough LLP in its Raleigh, North Carolina office since November 2009. He served as Lt. Governor of the State of North Carolina from 1993 to 2001. Mr. Wicker also previously served as Chairman of the State Board of Community Colleges and as Chairman of North Carolina's Technology Council. Mr. Wicker currently serves on the board of directors of First Bancorp, a bank holding company, and was a director of Air T, Inc., an air transportation services company, until 2013.

Mr. Wicker's leadership skills, years of high quality service on Coke Consolidated's Board, service on the boards of directors of First Bancorp and Air T, Inc. and experience in public service qualify him for service on the Company's Board.

Coke Consolidated is party to an Amended and Restated Stock Rights and Restrictions Agreement, dated February 19, 2009, with The Coca-Cola Company and J. Frank Harrison, III. Under the agreement, The Coca-Cola Company has the right to designate one person for nomination to the Company's Board, and Mr. Harrison and trustees of certain trusts established for the benefit of certain relatives of the late J. Frank Harrison, Jr. have agreed to vote shares of Coke Consolidated's stock that they control for the election of such designee. Mr. Cummings has been The Coca-Cola Company's designee on the Company's Board since March 2010.

J. Frank Harrison, III and Deborah H. Everhart are brother and sister. J. Frank Harrison, III and Morgan H. Everett are father and daughter. Deborah H. Everhart and Morgan H. Everett are aunt and niece. In accordance with the operating agreement of the J. Frank Harrison Family, LLC and certain trusts established for the benefit of certain relatives of the late J. Frank Harrison, Jr., Mr. Harrison intends to vote the shares of Coke Consolidated's stock owned or controlled by such entities for the election of Ms. Everhart to the Board. Mr. Harrison also intends to vote these shares for the election of Ms. Everett to the Board.

## **Corporate Governance**

### **The Board of Directors**

Coke Consolidated is governed by the Board and its various committees. The Board and its committees have general oversight responsibility for the affairs of the Company. In exercising its fiduciary duties, the Board represents and acts on behalf of the Company's stockholders.

### **Director Independence**

The Board determines the independence of its members based on the standards specified by The NASDAQ Stock Market (NASDAQ). The Board has reviewed the relationships between Coke Consolidated and each director to determine compliance with the NASDAQ independence standards. Based on its review, the Board has determined that the following six directors and director nominees, comprising one-half of the Board, are independent: H.W. McKay Belk, Sharon A. Decker, William H. Jones, James H. Morgan, John W. Murrey, III and Dennis A. Wicker. The Board is not required to be comprised of a majority of independent directors because Coke Consolidated qualifies as a controlled company under the NASDAQ listing standards. Coke Consolidated qualifies as a controlled company because more than 50% of its voting power is controlled by the Chairman and Chief Executive Officer (the Controlling Stockholder). NASDAQ adopted its controlled company rule in recognition of the fact that a majority stockholder may control the selection of directors and certain key decisions of a company through his or her ownership rights.

The Board has determined that each member of the Audit Committee and Compensation Committee (see membership information below under Board Committees) is independent.

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In conducting its review of director independence, the Board reviewed the following transactions, relationships or arrangements. All matters described below are within the NASDAQ independence standards.

<b>Name</b>	<b>Matter Considered</b>
Sharon A. Decker	De minimis payment by Coke Consolidated to The Tapestry Group, of which Ms. Decker was the Chief Executive Officer until January 2013.
William H. Jones	De minimis charitable contributions by Coke Consolidated to Columbia International University and an affiliate of Columbia International University. Mr. Jones is the President of Columbia International University.
James H. Morgan	Ordinary course beverage sales, the lease of excess warehouse space at Coke Consolidated's Roanoke, Virginia facility and the provision of transportation and transportation related services to Krispy Kreme Doughnuts, Inc., of which Mr. Morgan is currently the Chairman and was an executive officer until January 2015.
Dennis A. Wicker	Ordinary course beverage sales to Nelson Mullins Riley & Scarborough LLP, of which Mr. Wicker is a law partner.

The Board did not consider transactions with entities in which a director or immediate family member served only as a trustee or director because the Board believes that the nature of the separate relationships the Company and the director or an immediate family member each have with these organizations would not interfere with the exercise of independent judgment in carrying out the responsibilities of an independent director. The Board also did not consider de minimis amounts of entertainment of directors paid for by employee-directors or executive officers.

The independent members of the Board meet at least twice each year in executive session without the other directors.

**Board Leadership Structure**

The Board does not have a general policy regarding the separation of the roles of Chairman and Chief Executive Officer, or CEO. The Company's Amended and Restated Bylaws permit these positions to be held by the same person, and the Board believes that it is in the best interests of Coke Consolidated to retain flexibility in determining whether to separate or combine the roles of Chairman and CEO based on the Company's circumstances at a particular time.

Mr. Harrison currently serves as both the Chairman of the Board and the CEO of Coke Consolidated. The Board has determined that it is appropriate for Mr. Harrison to serve as both Chairman and CEO (i) in recognition of Mr. Harrison's ownership of a controlling equity interest in Coke Consolidated and unique position within the Company and the Coca-Cola system and (ii) because it provides an efficient structure that permits the Company to present a unified vision to its constituencies.

The Board has appointed Mr. Wicker to serve as its Lead Independent Director. The Lead Independent Director (i) presides over all meetings of the independent directors in executive session, (ii) serves as a liaison between the Chairman of the Board and the independent directors, (iii) has authority to call meetings of the independent directors and (iv) serves as a contact person to facilitate communications between employees, stockholders and others with the independent directors.

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The Board has a standing Audit Committee, Compensation Committee and Executive Committee. The Board may also establish other committees from time to time as it deems necessary. Committee members and committee chairs are appointed by the Board. The members of the three standing committees are identified in the following table:

	Director	Audit Committee	Compensation Committee	Executive Committee Chairman
J. Frank Harrison, III				
H.W. McKay Belk		X	X	X
Alexander B. Cummings, Jr.				
Sharon A. Decker		X		
William B. Elmore				
Morgan H. Everett				
Deborah H. Everhart				
Henry W. Flint				X
William H. Jones		X		
James H. Morgan		Chairman	X	
John W. Murrey, III				
Dennis A. Wicker		X	Chairman	X

Each committee of the Board functions pursuant to a written charter adopted by the Board. The Company does not include the committee charters on its corporate website. A copy of the Audit Committee Charter was attached to the Company's proxy statement for its 2013 Annual Meeting of Stockholders as Appendix A. Copies of the Compensation Committee Charter and the Executive Committee Charter are attached to this Proxy Statement as Appendix A and B, respectively.

The following table provides information about the operation and key functions of each of the standing Board committees:

Committee	Key Functions and Additional Information	Number of Meetings in Fiscal 2014
<b>Audit Committee</b>	Acts on behalf of the Board in its oversight of accounting and financial reporting processes, internal controls and internal audit functions.	9
	Oversees compliance with significant regulatory requirements.	
	Assists the Board in its oversight of enterprise risk management.	
	Reviews and approves or ratifies related person transactions.	
	The Board has determined that Mr. Morgan is an audit committee financial expert within the meaning of the SEC rules and that Mr. Morgan is independent as that term is defined under Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the NASDAQ independence standards.	
	Reports regularly to the Board.	
<b>Compensation Committee</b>	Administers the executive compensation plans.	2
	Reviews and establishes the compensation of the executive officers and makes recommendations to the Board concerning executive compensation.	

Reviews and approves the compensation of the members of the Board.

Reviews and approves employment offers and arrangements, change of control arrangements and other benefits for each executive officer.

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Committee Compensation	Key Functions and Additional Information	Number of Meetings in Fiscal 2014
Committee (continued)	Oversees regulatory compliance and risk regarding compensation matters.  Appoints individuals to serve as members of the Corporate Benefits Committee for the broad-based employee health and welfare and retirement benefit plans sponsored by the Company and receives periodic reports from such committee regarding its significant actions.	1
Executive Committee	Reports regularly to the Board. Assists the Board in handling matters that need to be addressed before the next scheduled Board meeting.  Identifies, evaluates and recommends director candidates to the Board.  Reports regularly to the Board.	1

**Director Meeting Attendance**

The Board held seven meetings during fiscal 2014. With the exception of Alexander B. Cummings, Jr., who did not participate in three meetings of the Board held to consider and approve transactions involving the Company's expansion by acquisition of territories formerly served by an affiliate of The Coca-Cola Company, each incumbent director attended 75% or more of the aggregate number of meetings of the Board and committees of the Board on which the director served during fiscal 2014. Absent extenuating circumstances, each director is required to attend the Company's annual meeting of stockholders in person. All of the Company's 12 directors attended the 2014 Annual Meeting of Stockholders. The independent directors held three executive sessions in fiscal 2014.

**Director Nomination Process**

The Board does not have a standing Nominating Committee comprised solely of independent directors. The Board is not required to have such a committee because Coke Consolidated qualifies as a controlled company under the NASDAQ listing standards as further described under Director Independence beginning on page 13.

The Board has delegated to the Executive Committee the responsibility for identifying, evaluating and recommending director candidates to the Board, subject to the final approval of the Controlling Stockholder who is also a member of the Executive Committee. Because Coke Consolidated is a controlled company and all director candidates must be acceptable to the Controlling Stockholder, the Board has approved the following nomination and appointment process to provide the Company's constituencies with a voice in the identification of candidates for nomination and appointment.

In identifying potential director candidates, the Executive Committee may seek input from other directors, executive officers, employees, community leaders, business contacts, third-party search firms and any other sources deemed appropriate by the Executive Committee. The Executive Committee will also consider director candidates appropriately recommended by stockholders.

In evaluating director candidates, the Executive Committee does not set specific minimum qualifications that must be met by a director candidate. Rather, the Executive Committee considers the following factors in addition to any other factors deemed appropriate by the Executive Committee:

whether the candidate is of the highest ethical character and shares the values of the Company;

whether the candidate's reputation, both personal and professional, is consistent with the Company's image and reputation;

whether the candidate possesses expertise or experience that will benefit the Company and is desirable given the current make-up of the Board;

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whether the candidate represents a diversity of viewpoints, backgrounds, experiences or other demographics;

whether the candidate is independent as defined by the applicable NASDAQ listing standards and other applicable laws, rules or regulations regarding independence;

whether the candidate is eligible to serve on the Audit Committee or other Board committees under the applicable NASDAQ listing standards and other applicable laws, rules or regulations;

whether the candidate is eligible by reason of any legal or contractual requirements affecting the Company or its stockholders;

whether the candidate is free from conflicts of interest that would interfere with the candidate's ability to perform the duties of a director or that would violate any applicable listing standard or other applicable law, rule or regulation;

whether the candidate's service as an executive officer of another company or on the boards of directors of other companies would interfere with the candidate's ability to devote sufficient time to discharge his or her duties as a director; and

if the candidate is an incumbent director, the director's overall service to the Company during the director's term, including the number of meetings attended, the level of participation and the overall quality of performance of the director.

Diversity is one of the various factors the Executive Committee may consider in identifying director nominees, but the Executive Committee does not have a formal policy regarding board diversity. All director candidates, including candidates appropriately recommended by stockholders, are evaluated in accordance with the process described above. The Executive Committee will not recommend any potential director candidate that is not acceptable to the Controlling Stockholder.

## **Stockholder Recommendations of Director Candidates**

Stockholders who wish to recommend director candidates for consideration by the Executive Committee may do so by submitting a written recommendation to the Chairman of the Executive Committee c/o Secretary at Coca-Cola Bottling Co. Consolidated, 4100 Coca-Cola Plaza, Charlotte, North Carolina 28211. Such recommendation must include sufficient biographical information concerning the director candidate, including a statement regarding the director candidate's qualifications. The Executive Committee may require further information and obtain further assurances concerning the director candidate as it deems reasonably necessary for considering the candidate.

Recommendations by stockholders for director candidates to be considered for inclusion in the proxy statement and form of proxy relating to the 2016 Annual Meeting of Stockholders must be received no later than December 1, 2015. Appropriate submission of a recommendation by a stockholder does not guarantee the selection of the stockholder's candidate or the inclusion of the candidate in the Company's proxy statement; however, the Executive Committee will consider any such candidate in accordance with the director nomination process described above.

## **Policy for Review of Related Person Transactions**

Coke Consolidated's Code of Business Conduct includes the Company's policy regarding the review and approval of certain related person transactions. In accordance with the Code of Business Conduct, all material transactions or conflicts of interest involving members of the Board or the Company's executive officers must be reported to and approved by the Audit Committee. Under the Code of Business Conduct, a material conflict of interest does not include any employment relationship involving a director, executive officer or immediate family member of a director or executive officer and any related compensation solely resulting from that employment relationship if the relationship and the related compensation have been approved by the Compensation Committee of the Board and all of such Committee's members are independent based on the standards specified by NASDAQ.





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For purposes of the Code of Business Conduct, any related person transaction that is required to be reported in the Company's proxy statements under the SEC rules is deemed to be a material transaction and must be reported to and approved by the Audit Committee. Management determines whether a transaction is a material transaction that requires approval by the Audit Committee. The Audit Committee has approved each of the related person transactions described below under Related Person Transactions.

The Board also forms special committees from time to time for the purpose of approving certain related person transactions.

## **Related Person Transactions**

### **Transactions with The Coca-Cola Company**

The Company's business consists primarily of the production, marketing and distribution of nonalcoholic beverage products of The Coca-Cola Company, which is the sole owner of the secret formulas for the concentrates or syrups used to make these products. Accordingly, the Company engages in various transactions with The Coca-Cola Company and certain of its affiliates. The Coca-Cola Company owned 34.8% of Coke Consolidated's outstanding common stock, which represented 5.0% of the total voting power of Coke Consolidated's common stock and class B common stock voting together, as of March 16, 2015. As of March 16, 2015, The Coca-Cola Company owned 26.7% of Coke Consolidated's total outstanding common stock and class B common stock on a combined basis.

### ***Concentrates and Syrups; Marketing Programs***

Coke Consolidated has entered into various agreements over the course of many years with The Coca-Cola Company that entitle the Company to produce, market and distribute exclusively in various markets located in North and South Carolina, south Georgia, central Tennessee, western Virginia and West Virginia (collectively, the Legacy Territories) nonalcoholic beverages of The Coca-Cola Company in bottles, cans and five gallon pressurized pre-mix containers. These agreements with The Coca-Cola Company generally entitle the Company to purchase concentrates and syrups at prices, on terms of payment, and on other terms and conditions of supply as determined from time to time by The Coca-Cola Company in its sole discretion. Coke Consolidated has also entered into supplemental agreements with The Coca-Cola Company generally providing that The Coca-Cola Company will sell syrups and concentrates to the Company at prices no greater than those charged to other bottlers party to agreements substantially similar to those between the Company and The Coca-Cola Company.

In April 2013, as part of The Coca-Cola Company's plans to rebrand a substantial portion of its North American bottling territories, the Company and The Coca-Cola Company signed a letter of intent (the April 2013 LOI) to expand the geographic regions served by the Company, with the Company acquiring the rights to serve certain additional markets in Tennessee as well as markets in Kentucky and Indiana previously served by Coca-Cola Refreshments USA, Inc. (Refreshments), a wholly-owned subsidiary of The Coca-Cola Company (individually an Expansion Territory and collectively, the Expansion Territories). Beginning in May 2014, the Company has entered into a series of asset purchase transactions and an asset exchange transaction with Refreshments to allow the Company to take over serving the Expansion Territories. The Company's rights to distribute and market The Coca-Cola Company's nonalcoholic beverages in the Expansion Territories where distribution rights have been acquired to date are governed exclusively by a Comprehensive Beverage Agreement (CBA) entered into at closing of each expansion transaction and are different from the rights the Company holds under the various agreements with The Coca-Cola Company to serve the Legacy Territories. See Transactions Related to Recent Expansion of the Company's Franchise Territory below for additional information. A more detailed discussion of the Company's beverage agreements with The Coca-Cola Company for both the Legacy Territories and the Expansion Territories can be found beginning on page 3 of the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2014, as filed with the SEC on March 13, 2015.

Since 2008, the Company has been purchasing concentrate from The Coca-Cola Company for all sparkling beverages for which the Company purchases concentrate from The Coca-Cola Company under an incidence-

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based pricing arrangement and has not purchased concentrates at standard concentrate prices as was the Company's practice in prior years. During the term of a new incidence-based pricing agreement that the Company entered into with The Coca-Cola Company in December 2013 for a two-year term beginning on January 1, 2014 and ending on December 31, 2015, the pricing of such concentrate will continue to be governed by the incidence-based pricing model rather than the other agreements that the Company has with The Coca-Cola Company. Under the incidence-based pricing model, the concentrate price The Coca-Cola Company charges is impacted by a number of factors, including the incidence rate in effect, the Company's pricing and sales of finished products, the channels in which the finished products are sold and package mix.

The agreements with The Coca-Cola Company for the Legacy Territories as well as the CBAs for the Expansion Territories generally require the Company to use all approved means and spend such funds on advertising and other forms of marketing as may be reasonably required to satisfy demand for The Coca-Cola Company's beverage products in the Company's territories. Coke Consolidated is required to meet annually with The Coca-Cola Company to present its marketing, management and advertising plans for the upcoming year, including financial plans showing that Coke Consolidated has the financial capacity to perform its duties and obligations to The Coca-Cola Company.

Coke Consolidated 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 have historically made substantial marketing and advertising expenditures to promote sales in the local territories served by the Company. Coke Consolidated 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.

While The Coca-Cola Company has provided Coke Consolidated with marketing funding support in the past, the Company's bottling agreements generally do not obligate The Coca-Cola Company to do so. Coke Consolidated has however entered into agreements with The Coca-Cola Company generally providing that The Coca-Cola Company will offer marketing funding to the Company in a manner consistent with its dealing with comparable bottlers.

The following table summarizes the significant transactions between Coke Consolidated and The Coca-Cola Company during fiscal 2014 pursuant to these agreements, including sub-bottling payments made pursuant to the two CBAs that were in effect during part of fiscal 2014:

<b>Transactions</b>	<b>\$ Amount (in millions)</b>
Payments by Coke Consolidated for concentrate, syrup, sweetener and other purchases	\$ 424.0
Sub-bottling payments by Coke Consolidated under CBAs for Expansion Territories	0.2
Payments by Coke Consolidated for customer marketing programs	61.1
Payments by Coke Consolidated for cold drink equipment parts	7.7
Marketing funding support payments to Coke Consolidated	46.5
Fountain delivery and equipment repair fees paid to Coke Consolidated	13.5
Presence marketing funding support provided by The Coca-Cola Company on Coke Consolidated's behalf	5.9
Payments to Coke Consolidated to facilitate the distribution of certain brands and packages to other Coca-Cola bottlers	3.9

Coke Consolidated has historically had a production arrangement with Refreshments to buy and sell finished products at cost. In connection with the recent expansion of the Company's franchise territory, the Company has not acquired any production assets or rights to produce beverages, but instead, with certain exceptions, has agreed to and is purchasing finished beverage products from Refreshments to service customers in the Expansion Territories. Purchases from Refreshments under the existing production arrangement and under the new finished goods supply agreements for the Expansion Territories were \$68.8 million in fiscal 2014. Sales to Refreshments under the existing production arrangement were \$53.5 million in fiscal 2014. In addition, Refreshments began distributing one of Coke Consolidated's own brands in the first quarter of 2010. Total sales to Refreshments for

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this brand were \$22.0 million in fiscal 2014. The Company also transports products for Refreshments to the Company's and other Coca-Cola bottlers' sales and distribution locations. Total sales to Refreshments for transporting Refreshments' products were \$2.9 million in fiscal 2014.

***Piedmont Coca-Cola Bottling Partnership***

In 1993, Piedmont Coca-Cola Bottling Partnership (the Partnership) was formed by one of Coke Consolidated's wholly-owned subsidiaries and a wholly-owned subsidiary of The Coca-Cola Company to distribute and market finished bottle, can and fountain beverage products under trademarks of The Coca-Cola Company and other third-party licensors in portions of North Carolina, South Carolina, Virginia and Georgia. Coke Consolidated owns a 77.3% interest in the Partnership and The Coca-Cola Company owns a 22.7% interest in the Partnership. The initial term of the Partnership is through 2018, but the Partnership can be terminated earlier under certain circumstances. Each partner's interest is subject to limitations on transfer, rights of first refusal and other purchase rights in the case of specified events.

Coke Consolidated manufactures and packages products for and manages the Partnership pursuant to a management agreement. Coke Consolidated receives a management fee based on total case sales, reimbursement for out-of-pocket expenses and reimbursement for sales branch, divisional and other expenses. The term of the management agreement is through 2018, but can be terminated earlier in the event of certain change of control events, a termination of the Partnership or a material default by either party. During fiscal 2014, Coke Consolidated received management fees of \$32.9 million from the Partnership. Coke Consolidated sells product at cost to the Partnership. These sales amounted to \$131.8 million in fiscal 2014. Coke Consolidated subleases various fleet and vending equipment to the Partnership at cost. These sublease rentals amounted to \$3.9 million in fiscal 2014.

Coke Consolidated has agreed to provide up to \$100.0 million in revolving credit loans to the Partnership under an agreement that expires December 31, 2015. The Partnership pays Coke Consolidated interest on the loans at a rate equal to the Company's average cost of funds plus 0.50% (6.21% at December 28, 2014). There were no amounts outstanding under this agreement at December 28, 2014.

The Partnership has agreed to provide up to \$100.0 million in revolving credit loans to Coke Consolidated under an agreement that expires in December 2017. Coke Consolidated pays the Partnership interest on the loans based on monthly average rates for A1/P1-rated commercial paper, which was 0.16% at December 28, 2014. There was \$37.0 million outstanding under this agreement at December 28, 2014.

***Amended and Restated Stock Rights and Restrictions Agreement***

On January 27, 1989, Coke Consolidated entered into a Stock Rights and Restrictions Agreement (the Rights and Restrictions Agreement) with The Coca-Cola Company, under which The Coca-Cola Company agreed (i) not to acquire additional shares of Coke Consolidated common stock or class B common stock except in certain circumstances and (ii) not to sell or otherwise dispose of shares of Coke Consolidated class B common stock without first converting them into Coke Consolidated common stock except in certain circumstances.

On February 19, 2009, Coke Consolidated entered into an Amended and Restated Stock Rights and Restrictions Agreement (the Amended Rights and Restrictions Agreement) with The Coca-Cola Company and Mr. Harrison. In connection with entering into the Amended Rights and Restrictions Agreement, The Coca-Cola Company converted all of its 497,670 shares of Coke Consolidated class B common stock into an equivalent number of shares of Coke Consolidated common stock. The material terms of the Amended Rights and Restrictions Agreement include the following:

so long as no person or group controls more of Coke Consolidated's voting power than is collectively controlled by Mr. Harrison, trustees under the will of J. Frank Harrison, Jr. and any trust that holds shares of Coke Consolidated stock for the benefit of the descendants of J. Frank Harrison, Jr. (collectively, the Harrison Family), The Coca-Cola Company will not acquire additional shares of Coke Consolidated stock without its consent;

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so long as no person or group controls more of Coke Consolidated's voting power than is controlled by the Harrison Family, the Company has a right of first refusal with respect to any proposed disposition by The Coca-Cola Company of shares of Coke Consolidated stock;

Coke Consolidated has the right through January 27, 2019 to call for redemption of the number of shares of its stock that would reduce The Coca-Cola Company's equity ownership in the Company to 20% at a price not less than \$42.50 per share, which is either mutually determined by the parties or determined by an appraisal or appraisals conducted by an investment banker or bankers appointed by the parties;

The Coca-Cola Company has certain registration rights with respect to shares of Coke Consolidated stock owned by it; and

as long as The Coca-Cola Company holds the number of shares of Coke Consolidated stock that it currently owns, it has the right to have its designee proposed by the Company for nomination to the Company's Board, and Mr. Harrison and trustees of certain trusts established for the benefit of certain relatives of J. Frank Harrison, Jr. have agreed to vote shares of Coke Consolidated stock which they control in favor of such designee.

The Amended Rights and Restrictions Agreement also provides The Coca-Cola Company the option to exchange its 497,670 shares of Coke Consolidated common stock for an equivalent number of shares of Coke Consolidated class B common stock in the event any person or group acquires control of more of Coke Consolidated's voting power than is controlled by the Harrison Family.

The Amended Rights and Restrictions Agreement eliminated certain provisions of the prior Rights and Restrictions Agreement, including The Coca-Cola Company's option and obligation to maintain equity and voting percentages in the Company and its preemptive right to acquire shares of Coke Consolidated stock.

Alexander B. Cummings, Jr. is The Coca-Cola Company's designee on the Company's Board. Mr. Cummings is Executive Vice President and Chief Administrative Officer of The Coca-Cola Company. Mr. Cummings did not participate in discussions or votes by the Company's Board relating to the asset purchase transactions or the asset exchange transaction for the Expansion Territories.

### ***Termination of Voting Agreement and Irrevocable Proxy***

The Coca-Cola Company and Mr. Harrison were also parties to a Voting Agreement dated January 27, 1989 (the "Voting Agreement"), pursuant to which Mr. Harrison agreed to vote his shares of Coke Consolidated common stock and class B common stock for a designee of The Coca-Cola Company for election as a director on Coke Consolidated's Board. In connection with the Voting Agreement, The Coca-Cola Company also granted to Mr. Harrison an irrevocable proxy with respect to all shares of Coke Consolidated common stock and class B common stock owned by The Coca-Cola Company covering all matters on which the holders of such shares were entitled to vote other than certain mergers, consolidations, asset sales and other fundamental corporate transactions. In connection with entering into the Amended Rights and Restrictions Agreement, as described above, the parties terminated the Voting Agreement and irrevocable proxy effective February 19, 2009.

### ***Transactions Related to Recent Expansion of the Company's Franchise Territory***

As part of The Coca-Cola Company's plans to rebrand a substantial portion of its North American bottling territories, the Company signed the April 2013 LOI with The Coca-Cola Company to expand the Company's franchise territory to include distribution rights in the Expansion Territories. Beginning in May 2014, the Company has entered into a series of asset purchase transactions with Refreshments to allow the Company to take over serving the Expansion Territories. At closing of each asset purchase transaction for an Expansion Territory, the Company has also entered into a CBA with Refreshments under which Refreshments has granted the Company exclusive distribution rights in the Expansion Territory for brands owned by The Coca-Cola Company in exchange for the Company's obligation to make quarterly sub-bottling payments to Refreshments on an ongoing basis. Contemporaneous with the signing of each CBA, the Company also completed its acquisition

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of (i) any of Refreshments' rights to distribute in each Expansion Territory brands that are not owned by The Coca-Cola Company (the Cross-Licensed Brands) and (ii) substantially all the assets of Refreshments related to the distribution, promotion, marketing and sale of The Coca-Cola Company brands and Cross-Licensed Brands in each Expansion Territory. In none of these asset purchase transactions has the Company acquired any production assets or rights to produce beverages, but instead, with certain exceptions, has agreed to and is purchasing finished beverage products from Refreshments to service customers in each Expansion Territory. Each CBA has a term of 10 years and is renewable for successive additional terms of 10 years each unless earlier terminated as provided in such agreement.

The Expansion Territories and their actual or expected closing dates are as follows:

Expansion Territory	Actual/Expected Closing Date
Johnson City and Morristown, Tennessee	May 2014
Knoxville, Tennessee	October 2014
Cleveland and Cookeville, Tennessee	January 2015
Louisville, Kentucky and Evansville, Indiana	February 2015
Lexington, Kentucky	Spring 2015
Paducah and Pikeville, Kentucky	Spring 2015

When the Paducah/Pikeville transaction and the Jackson-for-Lexington transaction discussed below are completed, the aggregate purchase price paid by the Company in cash to Refreshments for the transferred assets related to the distribution, promotion, marketing and sale of The Coca-Cola Company brands and Cross-Licensed Brands in the Expansion Territories, which is net of the value of certain retained assets and retained liabilities and remains subject to certain post-closing adjustments, will be approximately \$93.0 million.

During fiscal 2014, the Company made sub-bottling payments of \$0.2 million to Refreshments pursuant to the two CBAs entered into in May and October 2014. The Company is accounting for the quarterly sub-bottling payments as contingent consideration. For more information about the accounting treatment of the quarterly sub-bottling payments, see Note 3 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2014, as filed with the SEC on March 13, 2015.

The Company also entered into an asset exchange agreement in October 2014 relating to a part of the Expansion Territory (the Asset Exchange Agreement) pursuant to which the Company has agreed to exchange certain of its assets relating to the marketing, promotion, distribution and sale of Coca-Cola and other beverage products in the territory currently served by the Company's facilities and equipment located in Jackson, Tennessee, including the rights to produce such beverages in the Jackson, Tennessee territory, for certain assets of Refreshments relating to the marketing, promotion, distribution and sale of Coca-Cola and other beverage products in the Expansion Territory currently served by Refreshments' facilities and equipment located in Lexington, Kentucky, including the rights to produce such beverages in the Lexington, Kentucky territory. The Company anticipates the closing of the Asset Exchange Agreement will occur in Spring 2015. When the Paducah/Pikeville and the Jackson-for-Lexington transactions are consummated, the expansion of the Company's franchise territory contemplated by the April 2013 LOI will be complete.

The April 2013 LOI includes other conditions that the Company and The Coca-Cola Company intend to address through the execution of additional definitive agreements, the terms of which the parties are continuing to negotiate. These other conditions include the Company and The Coca-Cola Company reaching agreement as to (i) the Company's options to participate economically in the U.S. national food service and warehouse juice businesses and in future non-direct store delivery products and/or business models of The Coca-Cola Company and (ii) the terms of the purchase by The Coca-Cola Company of BYB Brands, Inc., a wholly-owned subsidiary of the Company that develops, sells and markets certain branded products of the Company.

**Table of Contents*****Monster Energy Company Agreements and Payments to The Coca-Cola Company***

In August 2014, Monster Beverage Corporation and The Coca-Cola Company announced that they had entered into definitive agreements providing for a long-term strategic partnership in the global energy drink category. As part of their agreements to form a long-term strategic partnership, Monster Beverage Corporation, through its operating subsidiary Monster Energy Company ( MEC ), and The Coca-Cola Company have announced that they plan to enter into at closing an Amended and Restated Distribution Coordination Agreement (the Coordination Agreement ) that will provide for expanded distribution of certain MEC products (the MEC Products ) by licensed bottlers of The Coca-Cola Company's products in the territories in which these bottlers distribute products of The Coca-Cola Company. The Coordination Agreement is expected to provide, among other things, that The Coca-Cola Company would facilitate the entry into these new distribution agreements by these bottlers in the territories they serve, including by consenting to the distribution of MEC Products by such bottlers to the extent necessary. The Company has historically distributed MEC Products in only certain portions of its Legacy Territories.

In December 2014, the Company entered into an agreement (the MEC Products Consent Agreement ) with The Coca-Cola Company (acting through its Coca-Cola North America Division) whereby The Coca-Cola Company consented to the Company distributing MEC Products in those portions of its Legacy Territories and Expansion Territories where the Company does not currently distribute MEC Products (the Additional MEC Products Territory ) pursuant to a distribution agreement the Company and MEC plan to have in effect for a distribution commencement date in April 2015 (the MEC Distribution Agreement ). In exchange for giving its consent to the Company's entry into the MEC Distribution Agreement, the Company agreed to make a one-time payment to The Coca-Cola Company in an amount based on the number of standard physical cases of MEC Products sold by the previous distributor of such products in the Additional MEC Products Territory during the 12-month period immediately preceding the date that the Company begins distributing MEC Products in the Additional MEC Products Territory. The Company is obligated to make this one-time payment, which is expected to be between \$25 million and \$30 million, when the Company begins distributing MEC Products pursuant to the MEC Distribution Agreement. The Company has also agreed to make ongoing, semi-annual payments to The Coca-Cola Company during the term of the MEC Distribution Agreement based on the number of standard physical cases of MEC Products sold by the Company in the Additional MEC Products Territory. The MEC Distribution Agreement would also obligate the Company to make ongoing, periodic facilitation fee payments to MEC for the benefit of The Coca-Cola Company based on the number of standard physical cases of MEC Products sold under such agreement.

**Other Related Person Transactions**

Along with all other Coca-Cola bottlers in the United States, Coke Consolidated is a member of Coca-Cola Bottlers Sales & Services Company LLC (the Sales and Services Company ), which was formed in 2003 to facilitate various procurement functions and the distribution of beverage products of The Coca-Cola Company and to enhance the efficiency and competitiveness of the Coca-Cola bottling system in the United States. The Sales and Services Company negotiated the procurement for the majority of the Company's raw materials (excluding concentrate) in fiscal 2014. Coke Consolidated paid \$0.5 million in fiscal 2014 to the Sales and Services Company for its share of the Sales and Services Company's administrative costs. Amounts due from the Sales and Services Company for rebates on raw material purchases were \$4.5 million as of December 28, 2014. Refreshments is also a member of the Sales and Services Company.

Coke Consolidated leases the Snyder Production Center and an adjacent sales facility, which are located in Charlotte, North Carolina, from Harrison Limited Partnership One ( HLP ) pursuant to a lease with a 10-year term extending through December 31, 2020. HLP is directly and indirectly owned by trusts of which Mr. Harrison and Ms. Everhart are trustees and beneficiaries. Ms. Everett is a permissible, discretionary beneficiary of the trusts that directly or indirectly own HLP. The base rent under the lease agreement will increase by 3% for each 12-month period. Total payments under the lease agreement were \$3.7 million in fiscal 2014. The principal balance outstanding under this capital lease as of December 28, 2014 was \$20.0 million. The lease agreement was negotiated under the supervision of a special committee of the Board, comprised of independent directors with no interest in the transaction.

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Coke Consolidated also leases its corporate headquarters and an adjacent office building from Beacon Investment Corporation ( Beacon ), of which Mr. Harrison is the majority stockholder and Ms. Everett is a minority stockholder. The annual base rent the Company is obligated to pay under this lease is subject to adjustment for increases in the Consumer Price Index. The lease expires on December 31, 2021. Total payments under this lease were \$4.1 million in fiscal 2014. The principal balance outstanding under this capital lease as of December 28, 2014 was \$20.6 million.

Ms. Everett, Coke Consolidated's Community Relations Director and a member of the Company's Board, is the daughter of Mr. Harrison, the Company's Chairman and Chief Executive Officer. For fiscal 2014, Ms. Everett received total compensation of approximately \$148,000. Her compensation was established by the Company in accordance with its employment and compensation practices applicable to employees with equivalent qualifications and responsibilities and holding similar positions. The Compensation Committee of the Board, which is comprised entirely of independent directors, has reviewed and approved the compensation paid to her. Ms. Everett's father, Mr. Harrison, does not have a material interest in the Company's employment relationship with her, nor does he share a home with her.

Certain trusts of which Mr. Harrison and Ms. Everhart are trustees and beneficiaries and Ms. Everett is a permissible, discretionary beneficiary have the right to acquire 292,386 shares of class B common stock from Coke Consolidated in exchange for an equal number of shares of common stock. In the event of such an exchange, Mr. Harrison would have sole voting and investment power over the shares of class B common stock acquired. The trusts do not own any shares of common stock with which to make the exchange, and any purchase of common stock would require approval by the trustees of the trusts.

## **The Board's Role in Risk Oversight**

Management is responsible for managing the risks that Coke Consolidated faces. The Board is responsible for overseeing management's approach to risk management. The involvement of the full Board in reviewing the Company's strategic objectives and plans is a key part of the Board's assessment of management's approach and tolerance to risk. While the Board has ultimate oversight responsibility for overseeing management's risk management process, various committees of the Board assist it in fulfilling that responsibility.

The Audit Committee assists the Board in its oversight of risk management in the areas of financial reporting, internal controls and compliance with legal and regulatory requirements. The Compensation Committee assists the Board in its oversight of the evaluation and management of risks related to Coke Consolidated's compensation policies and practices.

The Board believes that this division of responsibilities is the most effective risk management approach and that the Company's Board leadership structure supports this approach. With his in-depth knowledge and understanding of Coke Consolidated's business gained from his over 35 years of employment with the Company and his position as the Controlling Stockholder and a member of the founding family of Coke Consolidated, Mr. Harrison is uniquely positioned to lead the Board particularly as it focuses on identifying and managing the key strategic risks facing the Company.

## **Communications with the Board of Directors**

Stockholders and other interested parties can communicate directly with any of the Company's directors, including its non-employee directors or the Lead Independent Director, by sending a written communication to a director c/o Secretary at Coca-Cola Bottling Co. Consolidated, 4100 Coca-Cola Plaza, Charlotte, North Carolina 28211. All communications received in accordance with these procedures will be promptly reviewed by the Secretary before being forwarded to the appropriate director or directors unless such communications are considered, in the reasonable judgment of the Secretary, to be improper for submission to the intended recipient, such as communications unrelated to the Company's business, advertisements or frivolous communications.

**Table of Contents****Director Compensation**

The following table shows the compensation paid to each non-employee director who served on the Board in fiscal 2014. Directors who are also employees of the Company (currently Messrs. Harrison, Elmore and Flint and Ms. Everett) receive no compensation for their service as directors.

**2014 Director Compensation Table**

Name	Fees Earned or Paid in Cash (\$)(1)	All Other Compensation (\$)	Total (\$)
H. W. McKay Belk	\$154,200		\$ 154,200
Alexander B. Cummings, Jr.	135,000		135,000
Sharon A. Decker	147,800		147,800
Deborah H. Everhart	135,000		135,000
William H. Jones	149,400		149,400
James H. Morgan	167,600		167,600
John W. Murrey, III	135,000		135,000
Dennis A. Wicker	174,200		174,200

(1) The amounts shown in this column represent the aggregate amounts of all fees earned or paid in cash for services as a director in fiscal 2014.

The elements of compensation for the Company's non-employee directors are as follows:

**Elements of Non-Employee Director Compensation**

Basic Annual Retainer for All Non-Employee Directors	\$ 135,000
Supplemental Annual Retainer for Chairman of the Audit Committee	15,000
Supplemental Annual Retainer for Chairman of the Compensation Committee	10,000
Supplemental Annual Retainer for Lead Independent Director	10,000
Award for each Committee Meeting Attended	1,600

The Compensation Committee reviews and approves compensation of the members of the Board. In approving annual director compensation, the Compensation Committee considers recommendations of management and approves the recommendations with such modifications as the Committee deems appropriate.

Under the Company's Director Deferral Plan, non-employee directors may defer payment of all or a portion of their annual retainer and meeting fees until they no longer serve on the Board. Deferred fees are deemed to be invested in mutual funds selected by the directors from a predetermined list of funds. When a director retires or resigns, the director is entitled to receive a cash payment based upon the amount of fees deferred and the investment return on the selected investment.



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**Compensation Discussion and Analysis**

This section explains Coke Consolidated's executive compensation program as it relates to the following named executive officers of the Company:

J. Frank Harrison, III	Chairman of the Board and Chief Executive Officer
James E. Harris	Senior Vice President, Shared Services and Chief Financial Officer
Henry W. Flint	President and Chief Operating Officer
William B. Elmore	Vice Chairman of the Board
Robert G. Chambless	Senior Vice President, Sales, Field Operations and Marketing

This discussion includes statements regarding financial and operating performance targets in the limited context of the Company's executive compensation program. Investors should not evaluate these statements in any other context. These are not statements of management's expectations of future results or guidance.

**Executive Summary**

The goals for the Company's executive compensation program are to provide compensation that is:

competitive to attract and retain appropriate officer talent;

affordable and appropriately aligned with stockholder interests;

fair, equitable and consistent as to each component of compensation;

designed to motivate executive officers to achieve the Company's annual and long-term strategic goals and to reward performance based on the attainment of those goals;

designed to appropriately take into account risk and reward in the context of the Company's business environment and long-range business plans;

designed to consider individual value and contribution to the Company's success;

reasonably balanced across types and purposes of compensation, particularly with respect to fixed compensation objectives, short-term and long-term performance-based objectives and retention and retirement objectives;

sensitive to, but not exclusively reliant upon, market benchmarks; and

responsive to the Company's succession planning objectives.

The Compensation Committee of the Board (the Committee) seeks to accomplish these goals in a way that is consistent with the purpose and core values of Coke Consolidated and the long-term interests of the Company and its stockholders and employees.

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In making decisions about executive compensation, the Committee relies primarily on its general experience and subjective considerations of various factors, including individual and corporate performance, the Company's strategic business goals and compensation survey data. The Committee does not set specific benchmarks for overall compensation or for allocations between different elements and types of compensation.

The Committee oversees the compensation program for the Company's executive officers with the assistance of senior management. The Committee reviews, approves and determines all elements of compensation for each executive officer.

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The following table lists the key elements of the Company's 2014 executive compensation program:

**Key Elements of Executive Compensation**

<b>Element</b>	<b>Description</b>	<b>Purpose</b>
Base Salaries	Fixed cash compensation based on responsibility, performance assessment, experience, tenure and potential.	Provide a fixed, baseline level of cash compensation.
Annual Bonus Plan	Cash payment tied to performance during the fiscal year.	Motivate executive officers to achieve the Company's annual strategic and financial goals.
Long-Term Performance Plan	Cash payment tied to performance over a three-year period. The CEO does not participate in this plan.	Promote retention and motivate executive officers to achieve the Company's longer-term strategic and financial goals.
CEO Performance Units	Performance-based restricted stock units granted only to CEO. Awards vest in equal annual increments over a 10-year period with each annual increment tied to the Company's annual performance.	Promote long-term retention, motivate the CEO to consistently achieve the Company's annual strategic and financial goals, and maintain an appropriate balance of at-risk, performance-based compensation for the CEO.
Officer Retention Plan	Supplemental defined benefit plan providing retirement and severance benefits.	Attract officer talent and promote retention with a long-term perspective.
Long-Term Retention Plan	Supplemental defined contribution plan providing retirement and severance benefits.	Attract officer talent and promote retention with a long-term perspective.
Supplemental Savings Incentive Plan	Supplemental deferred compensation plan enabling executive officers to defer a portion of their annual salary and bonus and cash awards under the Long-Term Performance Plan.	Promote retention, encourage executive officers to save for retirement and provide retirement savings in a tax-efficient manner.
Other Benefits and Executive Compensation Policies	Premiums paid for life and disability insurance, annual flexible benefit allowance and personal use of corporate aircraft.	Attract and retain officer talent and enhance efficiency.

**Determining Executive Compensation****Discretion and Subjective Judgment of Committee**

The Committee reviews and determines all compensation for the executive officers.

In determining base salaries, annual and long-term incentive targets and all other matters related to executive compensation, the Committee relies on its general experience and subjective considerations of various factors, including the Company's strategic business goals, compensation survey data and each executive officer's position, experience, level of responsibility, individual job performance, contributions to the Company's corporate performance, job tenure and future potential.

The Committee does not set specific targets or benchmarks for overall compensation or for allocations between fixed and performance-based compensation, cash and noncash compensation or short-term and long-term compensation.

**Annual Compensation Reviews**

The Committee conducts an annual review of executive officer compensation to determine if changes are appropriate. As part of this review, management submits recommendations to the Committee for review and approval.



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Management's recommendations are determined based on an annual compensation review process conducted by senior management, including the named executive officers. This process includes reviewing self-assessments completed by each executive officer, job performance reviews completed by each executive officer's supervising manager and comparative compensation data provided by management's compensation consultant. Based on this process, the Senior Vice President, Planning and Administration and the President and Chief Operating Officer make specific recommendations to the CEO. The CEO reviews and approves compensation recommendations for all executive officers, including the named executive officers, before they are submitted to the Committee.

Following a review of management's recommendations, the Committee approves the compensation recommendations for the executive officers with any modifications the Committee deems appropriate. The Committee may also adjust compensation for specific individuals at other times during the year.

**Role of Compensation Consultants and Market Analysis**

Management retained Hay Group to assist with an overall review of the compensation program and to provide general advice and counsel regarding various executive and director compensation matters. During 2014, management retained Hay Group to complete a comparative study of the Company's executive compensation program relative to peer companies and survey data, which was considered by the Committee in connection with its decisions regarding compensation for 2014 (the 2014 Executive Compensation Review). A Hay Group representative attended the 2014 Committee meetings and also met in executive session with the Committee.

The 17 peer group companies used for the 2014 Executive Compensation Review were all publicly-traded companies similar in size and in the same industry as the Company. The peer group consisted of the following companies:

<b>Company Name</b>	<b>2013 Reported Revenues (\$ in billions)</b>
Green Mountain Coffee Roasters, Inc.	4.4
Ralcorp Holdings, Inc.	4.3
McCormick & Company, Incorporated	4.0
Molson Coors Brewing Company	3.9
Mead Johnson Nutrition Company	3.9
Flowers Foods, Inc.	3.0
Brown-Forman Corporation	2.8
Constellation Brands, Inc.	2.8
Cott Corporation	2.3
TreeHouse Foods, Inc.	2.2
Monster Beverage Corporation	2.1
The Hain Celestial Group, Inc.	1.7
Snyder's-Lance, Inc.	1.6
Seneca Foods Corporation	1.3
Lancaster Colony Corporation	1.2
Diamond Foods, Inc.	0.9
National Beverage Corp.	0.7
<b>Coke Consolidated</b>	<b>1.6</b>
Median	2.3
Average	2.5

Management and the Committee have used the studies by Hay Group and other publicly available compensation surveys and data as a point of reference to assess whether the compensation for each of the executive officers is within a reasonably competitive range. The Committee has not, however, relied exclusively on the compensation studies or set compensation components to meet specific benchmarks, such as targeting salaries or total compensation above the median or at the 75th percentile.

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**Base Salaries**

Base salaries are the foundation of the Company’s compensation program. They provide a fixed, baseline level of cash compensation based on each executive officer’s position, responsibilities, individual performance, job tenure and future potential. Base salary levels also impact amounts paid under other elements of the Company’s executive compensation program, including annual bonuses, long-term performance awards and retirement benefits.

The Committee approved the following market-based adjustment of the named executive officers’ base salaries effective April 1, 2014:

Name	2013	2014	%
	Base Salary	Base Salary	Increase (Decrease)
J. Frank Harrison, III	\$ 908,168	\$ 926,331	2.0%
James E. Harris	\$ 475,088	\$ 500,000	5.2%
Henry W. Flint	\$ 650,000	\$ 663,000	2.0%
William B. Elmore	\$ 682,000	\$ 641,000	(6.0)%
Robert G. Chambless	\$ 410,000	\$ 430,500	5.0%

The base salary adjustments in 2014 for all executive officers averaged 2.1%. Mr. Harris and Mr. Chambless received larger than average increases in recognition of their work on the franchise territory expansion transactions and the related increase in the scope and responsibilities of their positions with the Company. Mr. Elmore’s base salary was decreased in connection with the ongoing transition of Mr. Flint to the position of President and Chief Operating Officer and Mr. Elmore to the position of Vice Chairman.

The Committee believes the named executive officers’ base salaries for 2014 were within a reasonable range of base salaries for comparable executive talent.

**Annual Bonus Plan**

The Annual Bonus Plan provides each executive officer the opportunity to receive an annual cash award based on the achievement of corporate performance goals and individual performance.

The formula for computing annual bonus payouts is as follows:

$$\begin{array}{ccccccc}
 & & \text{Target Bonus} & & \text{Overall Goal} & & \text{Individual} & & \\
 & & \text{Percentage} & \times & \text{Achievement Factor} & \times & \text{Performance Factor} & = & \text{Bonus Award} \\
 \text{Base Salary} & \times & & & & & & & \\
 & & (\% \text{ of Base Salary}) & & (\%) & & (\%) & & \text{Earned}
 \end{array}$$

**Target Bonus Percentage**

In the first quarter of each year, the Committee approves a target bonus percentage for each executive officer, expressed as a percentage of base salary. Target bonus percentages are determined based on each executive officer’s position and level of responsibility.

The target bonus percentages for the named executive officers for 2014 were as follows:

Name

	<b>2014 Target Bonus Award (% of Base Salary)</b>
J. Frank Harrison, III	100%
James E. Harris	60%
Henry W. Flint	100%
William B. Elmore	75%
Robert G. Chambless	60%

The target bonus percentages for the named executive officers remained unchanged from 2013 as a percent of base salary.

**Table of Contents****Overall Goal Achievement Factor**

The overall goal achievement factor is calculated based on the Company's achievement of annual corporate performance goals determined for each performance measure under the Annual Bonus Plan. The target performance goal for each performance measure was in each case equal to or greater than the target performance in the Company's 2014 operating plan. The following table summarizes the performance measures and related corporate performance goals approved by the Committee for 2014:

Performance Measure	Weight	Threshold	Performance Goals	
			Target	Maximum
Earnings Before Interest and Taxes	75%	\$72.9 million	\$85.4 million	\$98.1 million
Net Debt Reduction	15%	\$(10) million	\$0	\$30.5 million
Revenue	10%	\$1.583 billion	\$1.683 billion	\$1.783 billion

The Committee selected Earnings Before Interest and Taxes, Net Debt Reduction and Revenue as the performance measures for 2014 because the Committee believes the achievement of these goals is consistent with the long-term interests of the Company's stockholders. There were no changes from 2013 to 2014 in the respective weights assigned to the performance measures.

The performance measures are defined as follows:

**Earnings Before Interest and Taxes** means income from operations determined on a consolidated basis in accordance with generally accepted accounting principles;

**Net Debt Reduction** means the change in **Net Debt** from the beginning of the fiscal year to the end of the fiscal year. The term **Net Debt** means the obligations of Coke Consolidated and its subsidiaries under long-term debt and capital leases (including any current maturities), less cash, short-term investments and marketable securities, all determined on a consolidated basis in accordance with generally accepted accounting principles; and

**Revenue** means net sales revenue determined on a consolidated basis in accordance with generally accepted accounting principles. The Committee also approves the threshold, target and maximum performance goals for each performance measure under the Annual Bonus Plan. If the threshold goal is not achieved for a given measure, there is no payout on that measure. Increasingly larger payouts are awarded for levels of achievement between the threshold and maximum performance goals.

The following table summarizes the payout range for each performance goal.

Performance	Payout
Goal Achievement	Percentage
Less than threshold	0%
Threshold to target	50% - 99%
Target to maximum	100% - 149%
Maximum and greater	150%

In accordance with the terms of the Annual Bonus Plan, in determining the overall goal achievement factor, the Committee makes adjustments to the actual levels of achievement under each corporate performance measure to ensure that each corporate performance measure reflects the Company's normalized operating performance in the ordinary course of business. In general, these adjustments relate to unplanned or unanticipated events. An example of such adjustments would be the mark-to-market adjustments required on the Company's hedges for certain commodities such as fuel and aluminum.





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The following table reflects the calculation of the overall goal achievement factor for 2014:

Performance Measure	Weight	Target Performance Goal	Adjusted Goal Achievement	Payout Percentage	Weighted Payout Percentage
Earnings Before Interest and Taxes	75%	\$ 85.4 million	\$ 95.2 million	135%	101.25%
Net Debt Reduction	15%	\$0	\$ 18.0 million	120%	18.00%
Revenue	10%	\$ 1.683 billion	\$ 1.705 billion	110%	11.00%

**Overall Goal Achievement Factor****130.25%****Individual Performance Factor**

The Committee sets the individual performance factor for each named executive officer during the first quarter of each fiscal year based on its subjective judgment of the executive officer's performance for the prior year, including consideration of the executive officer's annual performance evaluation, special projects the executive may be assigned during the year and management's recommendations. The target individual performance factor is 1.0; the maximum individual performance factor is 1.5.

**Annual Bonus Calculation**

Based on the Committee's determinations as described above, the bonus amounts paid to the named executive officers for 2014 were calculated as follows:

Name	Base Salary	x	Target Bonus % (% of Base Salary)	x	Overall Goal Achievement Factor	x	Individual Performance Factor(1)	=	Bonus Award Earned
Mr. Harrison	\$ 926,331	x	100%	x	130.25%	x	1.00	=	\$ 1,206,546
Mr. Harris	\$ 500,000	x	60%	x	130.25%	x	1.31	=	\$ 510,750
Mr. Flint	\$ 663,000	x	100%	x	130.25%	x	1.12	=	\$ 963,558
Mr. Elmore	\$ 641,000	x	75%	x	130.25%	x	1.00	=	\$ 636,190
Mr. Chambless	\$ 430,500	x	60%	x	130.25%	x	1.25	=	\$ 421,436

(1) For presentation purposes, the individual performance factor for (a) Mr. Harris has been rounded to 1.31, (b) Mr. Flint has been rounded to 1.12 and (c) Mr. Chambless has been rounded to 1.25.

(2) In connection with Mr. Elmore's transition to Vice Chairman, his base salary was decreased from \$682,000 to \$641,000 effective April 1, 2014. Mr. Elmore earned a prorated bonus for 2014 based on his base salary before and after the decrease as follows:  

$$[(\$682,000 \times 3/12) + (\$641,000 \times 9/12)] \times 75\% \times 130.25\%$$

**Long-Term Performance Plan**

The Long-Term Performance Plan delivers a targeted percentage of base salary to each participant based on the achievement of long-term goals of the Company. The Long-Term Performance Plan is offered to the executive officers and other key employees. A three-year performance cycle is generally established each year for determining compensation under the Long-Term Performance Plan.

The Committee approved the Long-Term Performance Plan to encourage retention of executive officers and key employees, increase the proportion of their total performance-based compensation, and provide an incentive to achieve the Company's long-term strategic goals.

The general formula for computing awards under the Long-Term Performance Plan is as follows:

$$\text{Target Award} \times \frac{\text{Long-Term Performance Factor}}{(\%)} = \text{Award Earned}$$

**Table of Contents****2014 Long-Term Plan**

In the first quarter of 2014, the Committee established the long-term performance plan for the 2014-2016 three-year period (the 2014 Long-Term Plan ).

The Committee approved target awards under the 2014 Long-Term Plan based on its consideration of each executive officer's base salary, position and level of responsibility, succession planning considerations, the Company's historical grant practices and culture and market benchmark data provided by Hay Group. Payouts with respect to the target awards will be made in early 2017 depending on the Company's achievement of specified average performance goals during the three-year performance period.

The following table reflects the target awards granted to the named executive officers under the 2014 Long-Term Plan:

Name	2014 LTTP Target Awards	
	% of Base Salary	\$ Amount
James E. Harris	60%	\$ 300,000
Henry W. Flint	100%	\$ 663,000
William B. Elmore	75%	\$ 480,750
Robert G. Chambless	60%	\$ 258,300

The target awards for the named executive officers remained unchanged from 2013 as a percent of base salary. Mr. Harrison does not participate in the 2014 Long-Term Plan due to his long-term performance stock units described below.

The long-term performance factor is calculated based on the Company's achievement of average annual corporate performance goals during the three-year performance period. The following table summarizes the corporate performance measures and weights