

COCA COLA BOTTLING CO CONSOLIDATED /DE/
Form DEF 14A
April 01, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

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
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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):

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(3) Filing Party:

(4) Date Filed:

COCA-COLA BOTTLING CO. CONSOLIDATED

4100 COCA-COLA PLAZA

CHARLOTTE, NORTH CAROLINA 28211

(704) 557-4400

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

to be held on

May 4, 2005

To THE STOCKHOLDERS OF

COCA-COLA BOTTLING Co. CONSOLIDATED:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the Annual Meeting) of Coca-Cola Bottling Co. Consolidated (the Company) will be held at the Company s Snyder Production Center, 4901 Chesapeake Drive, Charlotte, North Carolina 28216 on Wednesday, May 4, 2005, at 10:00 a.m., local time, for the purpose of considering and acting upon the following:

1. The election of eleven Directors to serve until the next Annual Meeting and until their successors have been elected and qualified.
2. Such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 15, 2005 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting and any adjournment thereof, and only holders of Common Stock and Class B Common Stock of the Company of record on such date will be entitled to notice of or to vote at the Annual Meeting. A list of stockholders will be available for inspection at least ten days prior to the Annual Meeting at the principal executive offices of the Company at 4100 Coca-Cola Plaza, Charlotte, North Carolina 28211.

The Board of Directors will appreciate your prompt vote. Registered holders of the Company s stock may vote by a toll free telephone number, the Internet or by the prompt return of the enclosed proxy card, dated and signed. Instructions regarding all three methods of voting are set forth on the enclosed proxy card. You may revoke your proxy at any time prior to the vote at the Annual Meeting. If you decide to attend the Annual Meeting and wish to change your proxy vote, you may do so automatically by voting in person at the Annual Meeting.

By Order of the Board of Directors

Henry W. Flint

Secretary

March 28, 2005

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS OF COCA-COLA BOTTLING CO. CONSOLIDATED

to be held on May 4, 2005

INTRODUCTION

This Proxy Statement is being furnished by the Board of Directors of Coca-Cola Bottling Co. Consolidated (the Company) in connection with the solicitation of proxies by the Board of Directors for use at the Annual Meeting of Stockholders (the Annual Meeting) to be held at the Company's Snyder Production Center, 4901 Chesapeake Drive, Charlotte, North Carolina on Wednesday, May 4, 2005 at 10:00 a.m., local time, and at any adjournment thereof. On or about March 28, 2005, the Company will begin mailing to its stockholders this Proxy Statement and the accompanying form of proxy, the 2004 Summary Annual Report to Stockholders and the Annual Report on Form 10-K for the year ended January 2, 2005. The principal executive offices of the Company are located at 4100 Coca-Cola Plaza, Charlotte, North Carolina 28211.

RECORD DATE, VOTE REQUIRED AND RELATED MATTERS

The Board of Directors has fixed the close of business on March 15, 2005 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting. At the close of business on March 15, 2005, the Company had issued and outstanding 6,642,577 shares of Common Stock and 2,440,752 shares of Class B Common Stock. Each share of Common Stock is entitled to one vote per share and each share of Class B Common Stock is entitled to 20 votes per share (or an aggregate of 55,457,617 votes with respect to the Common Stock and the Class B Common Stock voting together as a single class). Each stockholder may exercise his right to vote either in person or by properly executed proxy. The Common Stock and Class B Common Stock will vote together as a single class on all matters considered at the Annual Meeting.

Any person giving a proxy pursuant to this solicitation may revoke it at any time before it is voted at the Annual Meeting by (1) delivering a written notice of revocation to the Company's Secretary at the Company's principal executive offices, (2) submitting a later-dated proxy relating to the same shares by mail, telephone or the Internet or (3) by attending the Annual Meeting and voting in person. If a choice is specified in the proxy, shares represented thereby will be voted in accordance with such choice. If no choice is specified, the proxy will be voted **FOR** the eleven nominees to the Board of Directors listed herein.

The presence, in person or by proxy, of the holders of a majority of the votes eligible to be cast by the holders of Common Stock and Class B Common Stock voting together as a class is necessary to constitute a quorum at the Annual Meeting. Directors are elected by a plurality of the votes cast at a meeting at which a quorum is present. Abstaining votes and broker non-votes are counted for purposes of establishing a quorum, but are not counted in the election of

directors and therefore have no effect on the election. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular matter because the nominee does not have discretionary voting power for that particular matter and has not received instructions from the beneficial owner.

The Board of Directors has been informed that J. Frank Harrison, III intends to vote an aggregate of 1,985,298 shares of the Company's Common Stock and 2,439,250 shares of the Company's Class B Common Stock (representing 50,770,298 votes and an aggregate of 91.5% of the total voting power of the Common Stock and Class B Common Stock together as of the record date) **FOR** electing the Board of Directors' nominees for director.

The Board of Directors is not aware of any matters to be brought before the Annual Meeting or any adjournment thereof other than the election of eleven directors and routine matters incidental to the conduct of the Annual Meeting. If, however, other matters are properly presented, it is the intention of the persons named in the accompanying proxy or their substitutes to vote the shares represented by the proxy in accordance with their best judgment on such matters.

PRINCIPAL STOCKHOLDERS

As of March 15, 2005, the only persons known to the Company to be beneficial owners of more than 5% of the Common Stock or Class B Common Stock of the Company were as follows:

<u>Name and Address</u>	<u>Class</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percentage of Class</u>	<u>Total Votes(1)</u>	<u>Percentage of Total Votes(1)</u>
J. Frank Harrison, III, J. Frank Harrison Family, LLC and three Harrison Family Limited	Common Stock	4,424,548(2)(3)	48.7%		
	Class B Common	2,439,250(4)(3)	99.9%	50,770,298	91.5%
Partnerships, as a group 4100 Coca-Cola Plaza Charlotte, NC 28211	Common Stock	1,984,495(5)(3)	29.9%		
The Coca-Cola Company One Coca-Cola Plaza Atlanta, GA 30313	Class B Common	497,670(3)	20.4%	11,937,895	21.5%
Coca-Cola Enterprises Inc. 2500 Windy Ridge Parkway Atlanta, GA 30339	Common Stock	696,100(6)	10.5%	696,100	1.3%
Wachovia Corporation One Wachovia Center Atlanta, GA 30339	Common Stock	392,555(7)	5.9%	156,659(7)	0.3%

Charlotte, NC 28288

- (1) In calculating the total votes and percentage of total votes, no effect is given to conversion of Class B Common Stock into Common Stock. A total of 6,642,577 shares of Common Stock and 2,440,752 shares of Class B Common Stock was outstanding on March 15, 2005.
- (2) Consists of (a) 2,439,250 shares of Class B Common Stock beneficially owned by such persons as described in note (4) that are convertible into shares of Common Stock; (b) 1,984,495 shares of Common Stock held by The Coca-Cola Company subject to the terms of the Voting Agreement and Irrevocable Proxy (described in note (3) below) as to which Mr. Harrison, III has shared voting and no investment power; (c) 403 shares of Common Stock held by Mr. Harrison, III as custodian for certain of his children as to which Mr. Harrison, III has sole voting and investment power; and (d) 400 shares of Common Stock held in trust for the benefit of certain of Mr. Harrison, III's children as to which Mr. Harrison, III has sole voting and investment power.
- (3) J. Frank Harrison, III, J. Frank Harrison Family, LLC and the Harrison Family Limited Partnerships (described in note (4) below) are parties to a Voting Agreement with The Coca-Cola Company. The Coca-Cola Company has also granted an Irrevocable Proxy to Mr. Harrison, III, the terms of which provide Mr. Harrison, III an irrevocable proxy for life concerning the shares of Common Stock and Class B Common Stock owned by The Coca-Cola Company. See *Certain Transactions*.
- (4) Consists of (a) a total of 1,605,534 shares of Class B Common Stock held by the JFH Family Limited Partnership FH1, JFH Family Limited Partnership SW1 and JFH Family Limited Partnership DH1 (collectively, the Harrison Family Limited Partnerships), as to which Mr. Harrison, III, in his capacity as the Consolidated Stock Manager of J. Frank Harrison Family, LLC (the general partner of each of the Harrison Family Limited Partnerships), has sole voting and investment power; (b) 497,670 shares of Class B Common Stock held by The Coca-Cola Company subject to the terms of the Voting Agreement and Irrevocable Proxy (described in note (3) above) as to which Mr. Harrison, III has shared voting and no investment power; (c) 235,786 shares of Class B Common Stock held by certain trusts for the benefit of certain relatives of the late J. Frank Harrison, Jr. as to which Mr. Harrison, III has sole voting and investment power; (d) 100,000 shares of Class B Common Stock held by Mr. Harrison, III as to which he has sole voting and investment power; and (e) 260 shares of Class B Common Stock held in trust for the benefit of certain of Mr. Harrison, III's children as to which Mr. Harrison, III has sole voting and investment power.
- (5) Such information is derived from Amendment No. 26 to Schedule 13D filed by The Coca-Cola Company on April 1, 2003. With respect to the Common Stock ownership information, the amount shown excludes 497,670 shares issuable upon conversion of shares of Class B Common Stock.
- (6) Such information is derived from Amendment No. 4 to Schedule 13G filed by Coca-Cola Enterprises Inc. on February 14, 2002.
- (7) Such information is derived from a Schedule 13G filed by Wachovia Corporation on February 14, 2005. Wachovia Corporation has sole voting power with respect to 156,659 of such shares, sole investment power with respect to 100,632 of such shares and shared investment power with respect to 249,526 of such shares. A subsidiary of Wachovia Corporation serves as an investment advisor for clients, and a portion of such shares are beneficially owned by such clients. The remainder of such shares are held by a subsidiary of Wachovia Corporation in fiduciary capacity for its customers.

ELECTION OF DIRECTORS

The Company's Board of Directors consists of between nine and twelve members as fixed from time to time by the stockholders of the Company or the Board of Directors. The Board of Directors currently has eleven members. Vacancies and newly-created directorships may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Eleven directors are to be elected at the Annual Meeting to hold office until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified.

It is the intention of the persons named as proxies in the accompanying form of proxy to vote all proxies solicited for the eleven nominees listed below, unless the authority to vote is withheld. Each of the nominees is an incumbent director of the Company. Robert D. Pettus, Jr. was appointed to his current term on August 25, 2004 to fill a vacancy on the Board of Directors. If for any reason any nominee shall not become a candidate for election at the Annual Meeting, an event not now anticipated, the proxies will be voted for the eleven nominees including such substitutes as shall be designated by the Board of Directors. The proxies solicited hereby will in no event be voted for more than eleven persons.

Nominees for Election of Directors

J. FRANK HARRISON, III, age 50, is Chairman of the Board of Directors and Chief Executive Officer of the Company. Mr. Harrison, III served as Vice Chairman of the Board of Directors from November 1987 through his election as Chairman in December 1996 and was appointed as the Company's 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. Mr. Harrison, III is a director of Wachovia Bank & Trust, N.A., Southern Region Board. He is Chairman of the Executive Committee and Chairman of the Finance Committee.

H. W. MCKAY BELK, age 48, was appointed President and Chief Merchandising Officer of Belk, Inc., an operator of retail department stores, in March 2004. Prior to this appointment, Mr. Belk had served as President, Merchandising and Marketing of Belk, Inc. since May 1998. 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. He has been a director of the Company since May 1994 and is Chairman of the Audit Committee and a member of the Executive Committee and Compensation Committee.

SHARON A. DECKER, age 48, has been the Chief Executive Officer of The Tapestry Group, LLC, a communications and marketing firm, since September 2004. Prior to founding The Tapestry Group, LLC, Ms. Decker served as the President of The Tanner Companies, a direct seller of women's apparel, from July 2002 to August 2004. From July 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 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. She also serves as a director of Family Dollar Stores, Inc., a discount retailer. Ms. Decker has been a director of the Company since May 2001. Ms. Decker is a member of the Audit Committee and the Retirement Benefits Committee.

WILLIAM B. ELMORE, age 49, is President and Chief Operating Officer of the Company, positions he has held since January 2001. 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 been a director of the Company since January 2001. He is Chairman of the Retirement Benefits Committee and a member of the Executive Committee.

JAMES E. HARRIS, age 42, has been Executive Vice President and Chief Financial Officer of MedCath Corporation, an owner and operator of cardiovascular hospitals, since December 1999. From March 1998 to December 1999, Mr. Harris was Chief Financial Officer for Fresh Foods, Inc., a manufacturer of food products. From 1987 to 1998, Mr. Harris served in several different officer positions with The Shelton Companies, a private investment company. Prior to joining The Shelton Companies, Mr. Harris spent two years with Ernst & Young as a senior accountant. Mr. Harris has been a director of the Company since August 2003. Mr. Harris is a member of the Audit Committee and the Finance Committee.

DEBORAH S. HARRISON, age 44, has been an affiliate broker with Fletcher Bright Company, a real estate brokerage firm located in Chattanooga, Tennessee, since February 1997. Ms. Harrison also served as a Trustee of the Girls Preparatory School in Chattanooga, Tennessee from 1997 to 2004. Ms. Harrison has been a director of the Company since May 2003 and is a member of the Finance Committee.

NED R. McWHERTER, age 74, is retired. He served as a Governor of the United States Postal Service from 1995 to 2003 and as Governor of the State of Tennessee from January 1987 to January 1995. Mr. McWherter is also a former director of Volunteer Distributing Company, a beverage distributor, Eagle Distributors, Inc., a snack food distributor, and Piedmont Natural Gas Company, Inc., an energy and services company. He has been a director of the Company since 1995 and is a member of the Compensation Committee.

JOHN W. MURREY, III, age 62, has been an Assistant Professor at Appalachian School of Law in Grundy, Virginia since August 2003. Mr. Murrey was of counsel to the law firm of Shumacker Witt Gaither & Whitaker, P.C., in Chattanooga, Tennessee through 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 U.S. XPress Enterprises, Inc., a trucking company. He has been a director of the Company since March 1993 and is a member of the Retirement Benefits Committee.

ROBERT D. PETTUS, JR., age 60, has been the Vice Chairman of the Board of Directors of the Company since August 2004. Mr. Pettus retired from the Company in February 2005. Mr. Pettus was Executive Vice President and Assistant to the Chairman of the Company from 1996 to August 2004 and Vice President of Human Resources from 1984 to 1996. Mr. Pettus has been a director of the Company since August 2004 and is a member of the Finance Committee and the Retirement Benefits Committee.

CARL WARE, age 61, retired from The Coca-Cola Company in February 2003. Mr. Ware served as Executive Vice President, Public Affairs and Administration for The Coca-Cola Company, from January 2000 to February 2003. He served as President of the Africa Group of The Coca-Cola Company from January 1993 to January 2000. Mr. Ware has been a director of the Company since February 2000. Mr. Ware is a director of ChevronTexaco Corp., a petroleum products company, and Cummins Inc., an engine manufacturer and distributor. Mr. Ware is a member of the Finance Committee.

DENNIS A. WICKER, age 52, has been a partner in the Raleigh, North Carolina office of the law firm of Helms Mulliss & Wicker, PLLC since 2001. He served as Lt. Governor of the State of North Carolina from 1993 to 2001. Mr. Wicker served as Chairman of North Carolina Community Colleges and as Chairman of North Carolina's Technology Council. Mr. Wicker also serves as a director of First Bancorp and Air T, Inc., an air transportation services company. Mr. Wicker has been a director of the Company since May 2001. Mr. Wicker is Chairman of the Compensation Committee and a member of the Executive Committee and Audit Committee.

J. Frank Harrison, III and Deborah S. Harrison are brother and sister. In accordance with the operating agreement of J. Frank Harrison Family, LLC and certain trusts for the benefit of certain relatives of the late J. Frank Harrison, Jr., Mr. Harrison, III intends to vote the shares of the Company's stock owned or controlled by such entities for the election of Ms. Harrison to the Company's Board of Directors.

Beneficial Ownership of Management

The following table presents certain information as of March 15, 2005 regarding the beneficial ownership of the Common Stock and Class B Common Stock of the Company by its directors, by the nominees for director, by the Named Executive Officers in the Summary Compensation Table and by all directors, nominees for director and executive officers as a group. Information concerning beneficial ownership of the Common Stock and Class B Common Stock by Mr. Harrison, III is presented above under the caption *Principal Stockholders* and is not included in the following table.

<u>Name</u>	<u>Class(1)</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percentage Of Class</u>
H.W. McKay Belk	Common Stock	520(2)	*
Sharon A. Decker	Common Stock	0	
William B. Elmore	Common Stock	1,000(3)	*
James E. Harris	Common Stock	0	
Deborah S. Harrison	Common Stock	0(4)	
C. Ray Mayhall, Jr.	Common Stock	0	
Ned R. McWherter	Common Stock	1,000	*
John W. Murrey, III	Common Stock	1,000	*
Robert D. Pettus, Jr.	Common Stock	0	
David V. Singer	Common Stock	0	
Carl Ware	Common Stock	0	
Dennis A. Wicker	Common Stock	0	
Directors, nominees for director and executive officers as a group (excluding Mr. Harrison, III) (21 persons)	Common Stock	3,827	*

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

- (1) None of such persons other than Ms. Harrison beneficially owns any shares of Class B Common Stock.
- (2) Includes 300 shares held by Mr. Belk as custodian for certain of his children.
- (3) Held jointly with his wife.
- (4) 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. Harrison. Ms. Harrison has no voting or investment power with respect to such shares.

The Board of Directors and its Committees

The Board of Directors held four meetings during the fiscal year ended January 2, 2005 (fiscal year 2004). Each director attended all of the meetings of the Board of Directors and the Committees of the Board of Directors on which he or she served during fiscal year 2004. The full Board of Directors has determined that the following directors are independent directors, within the meaning of the applicable rules of the National Association of Securities Dealers, Inc. (the NASD): H.W. McKay Belk, Sharon A. Decker, James E. Harris, Ned R. McWherter, John W. Murrey, III and Dennis A. Wicker.

The Board of Directors has an Audit Committee whose current members are Messrs. Belk (Chairman), Harris and Wicker and Ms. Decker. The primary purpose of the Audit Committee is to act on behalf of the Board of Directors in its oversight of all material aspects of the Company s accounting and financial reporting processes, internal controls and audit functions, including the Company s compliance with Section 404 of the Sarbanes-Oxley Act of 2002. The Audit Committee functions pursuant to a written charter adopted by the Board of Directors. The Audit Committee reviews and reassesses the adequacy of its charter on an annual basis. The Board of Directors has determined that Mr. Harris is an audit committee financial expert, within the meaning of the regulations of the Securities and Exchange Commission (the SEC) and that all of the members of the Audit Committee are independent, within the meaning of the applicable rules of the NASD. The Audit Committee met eight times in fiscal year 2004. The formal report of the Audit Committee for fiscal year 2004 is set forth under the caption Report of the Audit Committee below.

The Board of Directors has a Compensation Committee whose current members are Messrs. Wicker (Chairman), Belk and McWherter. The Compensation Committee administers the Company s compensation plans, reviews and establishes the compensation of the Company s executive officers and makes recommendations to the Board of Directors concerning such compensation and related matters. The Compensation Committee met two times in fiscal year 2004. The formal report of the Compensation Committee for fiscal year 2004 is set forth below under Report of the Compensation Committee on Annual Compensation of Executive Officers.

The Board of Directors does not have a standing Nominating Committee comprised solely of independent directors. The Board of Directors is not required to have such a committee because the Company qualifies as a controlled company, within the meaning of Rule 4350(c)(5) of the NASD. The Company currently qualifies as a controlled company because more than 50% of the Company s voting power is controlled by the Company s Chairman and Chief Executive Officer, Mr. Harrison, III (the Controlling Stockholder). Rule 4350(c)(5) was adopted by the NASD in recognition of the fact that a majority stockholder may control the selection of directors and certain key decisions of a company by virtue of his or her ownership rights.

The Board of Directors has delegated to the Executive Committee the responsibility for identifying, evaluating and recommending director candidates to the Board of Directors, subject

to the final approval of the Controlling Stockholder who is also a member of the Executive Committee. The current members of the Executive Committee are Messrs. Harrison, III (Chairman), Belk, Elmore and Wicker. Messrs. Belk and Wicker are independent directors, within the meaning of the applicable rules of the NASD. Messrs. Harrison, III and Elmore do not qualify as independent directors. The Executive Committee met one time in fiscal year 2004.

The Executive Committee does not function pursuant to a formal written charter. However, taking into consideration the fact that the Company is a controlled company and that all director candidates must be acceptable to the Controlling Stockholder, the Board of Directors has approved the following nomination and appointment process for the purpose of providing 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 recommended by stockholders to stand for election at the next Annual Meeting, so long as such recommendations are submitted in accordance with the procedures described below under Stockholder Recommendations of Director Candidates.

In evaluating director candidates, the Executive Committee does not set specific, minimum qualifications that must be met by a director candidate. Rather, in evaluating candidates for recommendation to the Board of Directors, 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 image and reputation of the Company;

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

whether the candidate is independent as defined by the applicable rules of the NASD 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 rules of the NASD 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.

All director candidates, including candidates appropriately recommended by stockholders, are evaluated in accordance with the process described above. In all cases, however, the Executive Committee will not recommend any potential director candidate if such candidate 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 the Company's Secretary at 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's qualifications. The Executive Committee may require such further information and obtain such further assurances concerning the director candidate as it deems reasonably necessary to the consideration of the candidate. Recommendations by stockholders for director candidates to be considered for the 2006 Annual Meeting of Stockholders must be submitted by November 28, 2005. The submission of a recommendation by a stockholder in compliance with these procedures 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 procedures described above under the caption "The Board of Directors and its Committees."

Stockholder Communications with the Board of Directors

The Company's Annual Meeting provides an opportunity each year for stockholders to ask questions of or otherwise communicate directly with directors on matters relevant to the Company. Absent extenuating circumstances, each of the Company's directors is required to attend in person the Annual Meeting. All of the then current members of the Board of Directors attended the 2004 Annual Meeting. In addition, stockholders may, at any time, communicate with any of the Company's directors by sending a written communication to such director c/o the Company's Secretary at 4100 Coca-Cola Plaza, Charlotte, North Carolina 28211.

All communications received in accordance with these procedures will be reviewed by the Secretary and 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. Examples of stockholder communications that would be considered improper for submission include communications that:

do not relate to the business or affairs of the Company or the functioning or constitution of the Board of Directors or any of its committees;

relate to routine or insignificant matters that do not warrant the attention of the Board of Directors;

are advertisements or other commercial solicitations;

are frivolous or offensive; or

are otherwise not appropriate for delivery to directors.

Director Compensation

The independent directors of the Company and the designee of The Coca-Cola Company (as described below under the caption "Transactions with The Coca-Cola Company Stock Rights and Restrictions Agreement") are paid \$25,000 as an annual retainer, \$1,200 for each meeting of the Board of Directors attended and \$1,000 for each Committee meeting attended. The Chairman of the Audit Committee and the Chairman of the Compensation Committee each receive an additional retainer of \$5,000 per year.

Under the Company's Director Deferral Plan, directors of the Company who are not also employees of the Company may defer payment of their annual retainer and meeting fees until they no longer serve on the Board of Directors. Fees deferred are deemed to be invested in certain investment vehicles selected by the directors. Upon resignation or retirement, a participating director will be entitled to receive a cash payment based upon the amount of fees deferred and the investment return on the selected investment vehicle. If a director's service terminates prior to age 65, amounts accrued under his or her account are paid out in a single cash payment. If a director's service terminates at or after age 65, amounts accrued under his or her account are paid out, at the election of the director, either in a single cash payment or in ten equal annual installments (with an imputed 8% return on the deferred installments).

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's executive officers, directors and certain persons who beneficially own more than 10% of the Company's Common Stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of the Common Stock and other equity securities of the Company. Executive officers, directors and such greater than 10% stockholders are required to furnish the Company with copies of all such reports they file. Based solely on its review of the copies of such reports received by it and written representations that no other reports were required for such persons, the Company believes that, during fiscal year 2004, all filing requirements applicable to its executive officers, directors and such greater than 10% stockholders were complied with on a timely basis.

EXECUTIVE COMPENSATION

The table below shows certain compensation information for the three fiscal years ended January 2, 2005, December 28, 2003 and December 29, 2002 concerning the Company's Chief Executive Officer and its four other most highly compensated executive officers (collectively, the Named Executive Officers).

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation	All Other
		Salary	Bonus	Other Annual Compensation(1)	Payouts	Compensation(2)
J. Frank Harrison, III Chairman of the Board of Directors and Chief Executive Officer	2004	\$ 718,189	\$ 666,461	\$ 482,473(3)	\$ 1,996,850(4)	\$260,447
	2003	690,301	647,756	398,384(3)	1,845,292(4)	274,856
	2002	660,829	762,397	266,416(3)	2,330,360(4)	258,264
William B. Elmore President and Chief Operating Officer	2004	584,162	569,191	107,779		74,998
	2003	557,375	526,873	60,316		35,560
	2002	484,167	422,625	216,067(3)		42,378
Robert D. Pettus, Jr. Vice Chairman of the Board of Directors	2004	414,666	230,888	53,168		102,465
	2003	395,833	224,400	65,899		51,801
	2002	345,833	241,500	17,384		79,084
David V. Singer Executive Vice President and Chief Financial Officer	2004	428,127	238,374	97,268		90,257
	2003	411,502	231,684	94,215		49,095
	2002	393,933	272,688	49,679		81,278
C. Ray Mayhall, Jr. Senior Vice President, Sales	2004	276,111	128,112	45,240		57,386
	2003	265,389	124,516	38,107		35,516
	2002	254,059	153,881	19,838		42,583

(1) Excludes perquisites and other personal benefits that, in the aggregate, do not exceed the lesser of \$50,000 or 10% of the Named Executive Officer's salary and bonus for any year. Includes amounts reimbursed for the payment of taxes on certain compensation and benefits and the portion of interest accrued under the Supplemental Savings Incentive Plan on deferred compensation above 120% of the applicable federal long-term rate.

(2) The amounts shown in this column for fiscal year 2004 consist of (a) Company contributions to the Company Savings Plan for Messrs. Harrison, Elmore, Pettus, Singer and Mayhall of \$6,150 each; (b) Company contributions to the Supplemental Savings Incentive Plan (Mr. Harrison \$30,351, Mr. Elmore \$25,530, Mr. Pettus \$36,537, Mr. Singer \$21,864 and Mr. Mayhall \$28,136); (c) life insurance premiums paid by the Company (Mr. Harrison \$222,704, Mr. Elmore \$5,030, Mr. Pettus \$6,995, Mr. Singer \$3,983 and Mr. Mayhall \$2,091); (d) excess group life insurance premiums paid by the Company (Mr. Harrison \$1,242, Mr. Elmore \$810, Mr. Pettus \$2,322, Mr. Singer \$681 and Mr. Mayhall \$1,167); (e) accrued benefit amounts under certain deferred compensation arrangements (Mr. Elmore \$37,478, Mr. Pettus \$50,461, Mr. Singer \$39,879 and Mr. Mayhall \$19,842); and (f) payment of \$17,700 in directors fees to Mr. Singer by South Atlantic Cannery, a cooperative in which the Company is a member.

- (3) With respect to Mr. Harrison, III, includes \$181,329, \$96,332 and \$98,877 attributable to non-business use of Company aircraft for fiscal years 2004, 2003 and 2002, respectively. For fiscal year 2004, non-business use of Company aircraft was calculated based on aggregate incremental cost to the Company. For fiscal year 2003 and fiscal year 2002, such amounts were based on the Standard Industry Fare Level (SIFL) method for valuing non-business aircraft use. Under the SIFL method, Mr. Harrison, III s non-business use of Company aircraft was \$83,628 for fiscal year 2004. With respect to Mr. Elmore, includes \$85,000 for a country club initiation fee paid in 2002.
- (4) During 1999, Mr. Harrison, III received a restricted stock award of 200,000 shares of the Company s Class B Common Stock that vests in equal installments over a 10-year period subject to the achievement of certain performance goals by the Company. Because performance goals were exceeded for fiscal years 2004, 2003 and 2002, shares vested with respect to each of those years. See *Report of the Compensation Committee on Annual Compensation of Executive Officers*. The amounts with respect to fiscal years 2004, 2003 and 2002 are based on the value of the Company s Common Stock on the last day of each such fiscal year, and include an income tax reimbursement in each such fiscal year of \$855,850, \$790,892 and \$1,076,160, respectively.

Retirement Plan

The Company maintains a tax-qualified retirement plan for the majority of its non-union employees including the Named Executive Officers (the Retirement Plan) providing for payments computed on an actuarial basis. The following table sets forth the estimated annual benefits payable under the Retirement Plan in a single life annuity upon retirement at age 65 to persons born in 1953 at the compensation and years of service classifications set forth below.

Annual Benefit Under Retirement Plan

Five-Year

Average Compensation
